

Wunderkind

U.S. Tariffs: Consumer Impact Survey Series

May 2025

A special report following consumer purchase intent and behaviors



Market Alert:

Tariffs Are Reshaping Consumer Sentiment

As U.S. tariffs drive up costs across key product categories, consumer behavior is shifting—fast. From increased price sensitivity to weakened brand loyalty, Americans are adjusting how, when, and where they shop.

This mini-report equips brand marketers with the insights they need to align messaging and promotional strategies to evolving consumer expectations.

It is based on survey data collected between April 28 & 29, 2025, from 326 U.S. consumers, evenly split across genders and adult age groups.

Inside, we outline the new rules of engagement for brands navigating economic turbulence and planning for revenue resilience in the months ahead.

We plan to continue to poll U.S. consumer sentiment and behavior as long as the tariff persist in 2025.

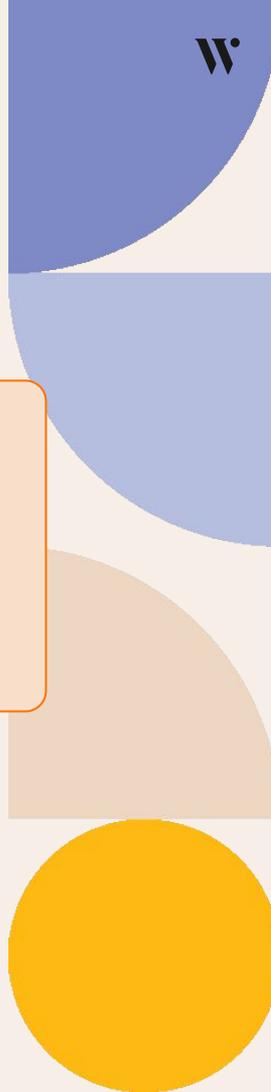
Consumer Awareness:

A Key Driver of Behavior

High awareness of current tariff details that are in play right now—reported by 81% of surveyed consumers (52% very aware, 29% somewhat aware)—signals that many consumers are actively following the tariffs placed on product categories and countries of origin.

This widespread consciousness means brands can't afford to ignore tariff-related concerns in their messaging. The gender gap, with 62% of men versus 43% of women reporting high awareness, also presents an opportunity for more nuanced, gender-specific targeting.

Tailoring content by demographic and gender can help marketers more effectively address the different ways consumers perceive and respond to price volatility.



4%

Only 4% of consumers are unfamiliar with the current details of U.S. tariffs

Likelihood of Trying New Brands:

Value Rewrites Loyalty

Rising prices driven by inflation and tariff-related costs are shaking up consumer loyalty, with price sensitivity emerging as a powerful motivator. A striking 76% of consumers say they are either “very likely” (36%) or “somewhat likely” (40%) to consider brands they've never purchased from before if they offer better price or value.

This price-first mindset is particularly pronounced among younger consumers: Millennials (42%) and Gen Z (37%) report being “very likely” to make the switch, showing a clear openness to experimentation when value is front and center. Gen Z’s collective response reveals the importance of competitive pricing as a brand discovery tool, not just a purchase incentive.

Meanwhile, brand resistance softens across genders: 37% of women and 34% of men say they are “very likely” to explore new options based on value, underscoring an opportunity for brands to compete not only on cost, but also on compelling first-time offers and frictionless onboarding experiences.

For marketers, the message is clear: attract attention with transparent, competitive pricing, build trust quickly, and convert curiosity into loyalty by emphasizing both savings and substance. In a shifting landscape, affordability is not just an entry point—it’s a pathway to sustained customer conversion.

Price Sensitivity Thresholds:

Loyalty Is Flexible—For the Right Discount

When prices rise, brand loyalty becomes negotiable. According to new data, **66% of shoppers say they would consider switching brands if the price difference is 20% or less**—a clear signal that even modest savings can trigger behavior change. **The most common tipping point? Savings of 11–20%** selected by 29% of respondents.

Millennials and Gen Z are especially motivated by deals, with **a third (33%) of males Gen Z (32%) and Boomers (32%) saying a discount in the 11–20% range would persuade them to switch**. On the higher end, **12% of consumers say a 30% or greater discount would prompt a brand switch**, indicating a smaller but highly price-sensitive cohort.

Interestingly, **only 10% of consumers say they wouldn't switch brands based on price**—underscoring just how rare unconditional brand loyalty has become in today's cost-conscious climate. Females and Boomers showed slightly greater resistance to switching, but the overwhelming majority across demographics still prioritize value when making purchase decisions.

For marketers, this insight presents a powerful opportunity: **even modest, well-targeted discounts—particularly in the 10–20% range—can effectively drive brand trial**. By leveraging precision pricing, strategic positioning, and meaningful loyalty incentives, brands can win share without needing to race to the bottom.

Coping With Cost Increases:

How Shoppers Are Adapting to Rising Prices

As inflation and tariffs continue to affect household budgets, consumers are proactively adjusting their behaviors. The most common change? *Waiting longer before buying non-essential items, cited by 42% of respondents.* This delay-first mindset reflects a growing discipline in discretionary spending, *particularly among Boomers (54%) and Millennials (46%)*

Comparison shopping is also on the rise. *38% of consumers say they are now spending more time comparing prices, while 30% are browsing more websites before making a purchase* Gen Z stands out here, with *38% browsing more and 17% subscribing to brand emails or texts for deals*—signaling their high comfort level with digital tools for savings.

Loyalty behavior is shifting as well. *25% of respondents are joining more loyalty or rewards programs, and 14% are setting deal alerts.* These actions show consumers are not only more cautious but also more strategic—actively using technology and rewards ecosystems to extend their purchasing power.

Only 18% say they're taking no additional actions at all, suggesting that a strong majority of shoppers have made concrete behavioral changes in just the past six months. *For brands, this highlights the urgency of maintaining competitive pricing, investing in smart digital engagement strategies, and leveraging loyalty incentives to stay relevant in a frugal-first economy.*

First Reactions to Rising Prices:

Brand Affinity Meets a Breaking Point

When confronted with significant price hikes from their preferred brands, most consumers don't hesitate to reconsider their loyalty. In fact, **nearly 90% of consumers would change their purchase behavior with their favorite brands**—a clear signal that even well-loved labels aren't immune from price-driven fallout.

Rather than defaulting to loyalty, many shoppers actively seek out alternatives that preserve value: **25% say they would search for similar products from competing brands, while 23% would wait for a sale from the brand they usually buy.** These initial responses show that price sensitivity prompts reflection or redirection rather than blind allegiance.

Interestingly, **14% say they would stop buying from the brand entirely, and another 17% would reduce their purchasing frequency**—evidence that steep price hikes can erode not only loyalty but overall engagement. Meanwhile, **only 11% say their behavior wouldn't change at all**, reinforcing that true brand devotion is the exception, rather than the rule.

For marketers, this behavior highlights the need for proactive, transparent communication. **Explaining pricing decisions, offering added value through loyalty programs, and providing timely retention incentives can help soften the impact of cost increases.** In a price-aware economy, early intervention is key to preserving customer relationships before they reach a tipping point.

Retention Under Pressure:

What Keeps Customers Coming Back After Tariff-Driven Price Hikes

When brands are forced to raise prices due to tariffs, consumers look for justification—and value—in return. The most compelling motivator? **Exclusive discounts or loyalty rewards, selected by 20% of respondents as the top incentive that would keep them purchasing despite higher costs.**

Gen X leads this response, with a notable 34% selecting tangible rewards when evaluating continued loyalty. In contrast, **Gen Z (22%) places greater importance on improved product quality or guarantees,** signaling that younger consumers are more responsive to enhanced value or elevated brand standards when prices go up.

Beyond discounts, consumers want clarity. **8% say they'd be encouraged by a brand that clearly explains why prices are going up—an often-overlooked tactic that builds trust in moments of friction.** Other value-preserving tactics also hold appeal: **15% of consumers favor free or discounted shipping, while 10% are motivated by bundled offers that deliver more value for money.**

Notably, only 20% of respondents say they would likely switch brands anyway, regardless of the rationale or perks—indicating a sizeable opportunity to retain customers through smart, targeted messaging and thoughtful, well-timed incentives.

For marketers, the roadmap is straightforward: **pair transparency with value.** Whether it's loyalty perks, enhanced quality, or convenience-driven upgrades, the brands that cushion tariff-related price increases with customer-first strategies will retain more buyers—and preserve long-term brand equity.

Grocery & Essentials Strategy:

Consumers Shift to Save on Everyday Items

Tariff-driven price increases are prompting consumers to reassess how they shop for everyday essentials. The most common response? **Switching to less expensive, or store/private-label brands leads with 40% of respondents** as the primary strategy for managing rising costs on grocery and consumable items like packaged foods, paper towels, and toothpaste

Another major shift is a move toward lower-cost alternatives. **33% would stock up when prices are lower**—behaviors that point to a growing appetite for control and predictability in spending. These trends were **especially pronounced among Millennials (48% opting for cheaper brands) and Boomers (43% focused on stockpiling)**

Other savings tactics are gaining traction as well. **27% of respondents say they would shop less frequently or purchase fewer items, while 21% would delay purchases until absolutely necessary.** These behaviors reflect a growing willingness to adjust lifestyles and sacrifice convenience in order to stay within budget.

Only 12% of consumers say they'd accept the higher prices without changing behavior—a small group that underscores how price sensitivity has become the norm in household purchasing. For brands, this means doubling down on promotional calendars, value-pack offerings, and loyalty programs that reward smart bulk buying. The grocery aisle is no longer just about convenience—it's about calculation.

Apparel Spending Adjustments:

Fashion Meets Frugality in a Tariff Era

As tariffs push clothing and fashion prices higher, consumers are signaling clear shifts in how they approach apparel purchases. The top strategy? *Waiting for sales or promotions*, chosen by 43% of respondents, reinforcing that price timing is now a major factor in fashion-related decision-making—especially among Millennials (51%) and Boomers (47%).

Shoppers are also willing to downgrade or defer. 33% say they would switch to less expensive or alternative brands, while 34% would generally cut back on these types of purchases altogether. This change reflects a shift from aspirational to practical buying, where necessity trumps seasonal style trends.

Additionally, second-hand is going mainstream. 29% of respondents say they would shop thrift or second-hand, with Gen Z (37%) and Gen X (31%) leading this behavioral change. Consumers are actively seeking value even in non-traditional channels, opening up new opportunities for resale and circular fashion platforms.

Only 10% of respondents said they would pay the higher price without changing behavior. For brands, the implications are clear: *lean into seasonal promotions, explore value-driven product tiers, and consider partnerships with resale or pre-loved commerce platforms.* In 2025, fashion may still be personal—but affordability is the driving force behind the purchase.

High-Ticket Purchase Plans:

Value-Driven Decisions Dominate Big-Ticket Spending

What is the top strategy when it comes to major purchases **over \$200**—such as electronics, appliances, and furniture—**Delay the purchase until necessary at 47%**, or **waiting for sales or promotions selected by 44% of respondents**—clear signs that timing, not brand loyalty, is becoming the key factor in when and where these purchases happen.

Switching to less expensive or alternative brands, selected by 30% of respondents, highlight that consumers are increasingly motivated by value over prestige or familiarity. **This behavior is especially pronounced among Gen Z (37%) and Gen X (27%)**, who show greater openness to pivoting toward budget-friendly options when prices rise.

Only 9% say they would make no changes, reinforcing how reactive shoppers have become when large expenses are involved. For brands in high-cost categories, this means **emphasizing price transparency, promoting lower-cost options, and designing strategic sales events to align with customer hesitation**. Now more than ever, trust and timing are key to closing a major purchase.

Summer Shopping Outlook:

Tariffs Reshape Seasonal Priorities

As the summer season approaches, consumers are recalibrating their spending habits in response to tariff-related price increases. The most common shift? **Prioritizing essentials over discretionary summer spending, selected by 41% of respondents.** This signals a clear move toward needs-based purchasing, with **Boomers (52%) leading the shift toward more responsible seasonal budgeting**

Discretionary categories are taking a back seat. **23% of consumers say they plan to buy fewer non-essential or “fun” summer items,** such as travel gear, seasonal fashion, or outdoor décor. **This sentiment is strongest among Gen Z (26%),** revealing how even younger, typically more spontaneous shoppers are tightening their summer budgets.

Smart timing is also part of the plan. **26% say they will wait for major holiday sales—like Memorial Day or Fourth of July—before making purchases.** **Gen Z (37%) again leads here,** reflecting their digitally native, deal-driven shopping habits. Meanwhile, 19% plan to delay or cancel larger summer purchases altogether, pointing to a broader sense of caution in high-ticket seasonal spending.

Only 15% of respondents expect no change in their summer shopping due to tariffs, showing that even the traditionally high-spending warm months are not immune to economic pressures. For brands, this means leaning into necessity messaging, timing promotions with high-impact holidays, and positioning seasonal products as “smart buys” to maintain relevance in a more value-conscious summer market.

Duration of Disruption:

Tariffs Are Reshaping the Full-Year Outlook

Consumers aren't anticipating a quick recovery from the effects of tariffs and rising prices. When asked how long these economic factors would impact their shopping behavior, the most common response was "through the end of 2025 or longer," cited by 36% of respondents. That stat is also more than double any other answer. This signals that consumers are preparing for a prolonged period of price sensitivity, far beyond typical shopping cycles.

Older shoppers appear to be bracing for the longest disruption. Nearly half of Boomers (49%) expect their shopping habits to remain affected for the rest of the year or longer, compared to 41% of Millennials and 31% of Gen X. While younger generations like Gen Z show somewhat less concern (23%), the overall data still points to a broad-based expectation of sustained economic strain.

That said, short- and medium-term concern remains. 24% of shoppers believe their purchasing will be impacted through August, and 23% through December—key retail moments where deal-seeking behavior will likely intensify. Brands can expect consumer hesitancy to persist well into the fourth quarter.

Only 17% of respondents believe tariffs won't significantly disrupt their shopping behavior at all. For marketers, this is a clear call to action: promotional strategies, value messaging, and pricing models must be built for endurance. Consumers are adjusting for the long haul, and brands that align with that mindset will earn greater trust—and share of wallet.

Closing Insight:

Tariffs are reshaping more than just price tags—they're redefining consumer priorities. For marketers, this moment demands a strategic pivot:

Value Is the New Loyalty

Across categories—from groceries to fashion to big-ticket items—consumers overwhelmingly prioritize value over brand allegiance. With more than 75% willing to switch brands for better pricing, even modest savings can now drive significant shifts in buying behavior.

Promotional Timing Has Never Mattered More

Shoppers are delaying purchases and strategically timing their spending around major sales events, especially during peak seasons like summer and the holidays. This behavior presents a clear opportunity for brands to win consumers through well-timed, high-value promotions.

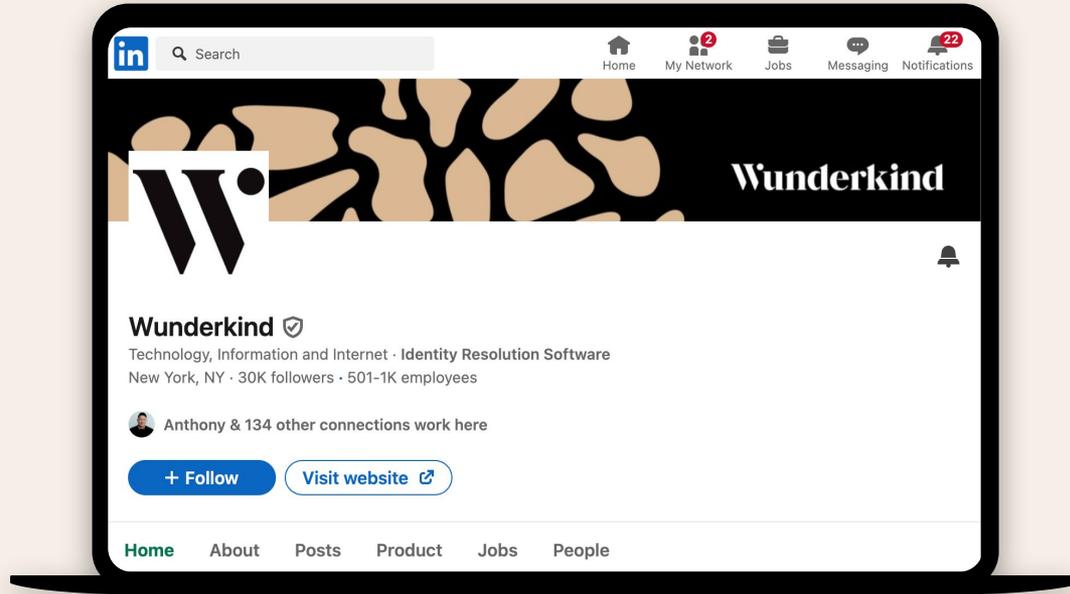
Consumers Are Adapting—and Expect Brands to Do the Same

Shoppers are changing how they buy—subscribing to deals, comparing prices, and joining loyalty programs. Brands that respond with transparency and smart savings strategies will be better positioned to retain budget-conscious customers and build long-term loyalty.

This isn't just a challenge—it's a chance to lead. Brands that adapt with speed, empathy, and strategy will emerge stronger, earning loyalty not through legacy, but through relevance.

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Wunderkind is the leading AI-driven performance marketing solution that collects consent-based, first-party data and identifies anonymous traffic for brands in order to scale hyper-personalized one-to-one messages. Brands lean on the Wunderkind Identity Network, a proprietary database recognizing 9 billion devices and 1 billion consumers, and observes 2 trillion digital transactions every year, to trigger the most impactful offers to their target audience at the right moment and in the right channel. This proprietary data is accessed by Wunderkind's Autonomous Marketing Platform, an AI engine that integrates seamlessly into a brands' existing ESP to boost performance across email, text and advertising channels.

Wunderkind is the only performance solution that guarantees a lift in revenue for its clients and delivers over \$5 billion in directly attributable revenue annually for brands across a number of industries, often ranking as a top 3 revenue channel in clients' own analytics platforms. Brands such as Harley-Davidson, Perry Ellis International and Wolverine Worldwide partner with Wunderkind to drive top-line revenue through its guaranteed results.



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