

The Hidden Cost of Tariffs



What Every Product Team Needs to Know About Tariff Risk

While recent signals point toward improving U.S.–China trade relations, tariffs remain a potent operational risk. Strategic alignment and contingency planning continue to be critical in a volatile global market for product managers (PMs) and marketers (PMMs).

1 Increased Cost Pressures on Product Decisions

Fact: Tariffs could cost U.S. consumers up to \$78 billion annually in spending power due to higher import costs being passed on.

[Source: [Institute for Supply Management](#)]

Impact:

- PMs must balance pricing and features to maintain margins and stay competitive. Pricing decisions should rely on recent willingness to pay data, as traditional tools like conjoint analysis fall short in volatile markets. Real-time analytics and rapid A/B testing offer more responsive insights into shifting customer sensitivity.
- PMMs need to reposition value propositions to justify potential shifting costs and reinforce differentiation in messaging. Marketers should be prepared to communicate how their offerings deliver superior value. Emphasizing domestic sourcing, supply chain resilience, or long-term cost-efficiency are tactics that can help customers rationalize the pricing.



WHY TRADITIONAL PRICING STUDIES FALL SHORT IN TARIFF-DRIVEN MARKETS

- Volatile costs > Stale data
- Fragmented inventory > Inconsistent options for consumers
- Regional variation > Broken comparability assumptions

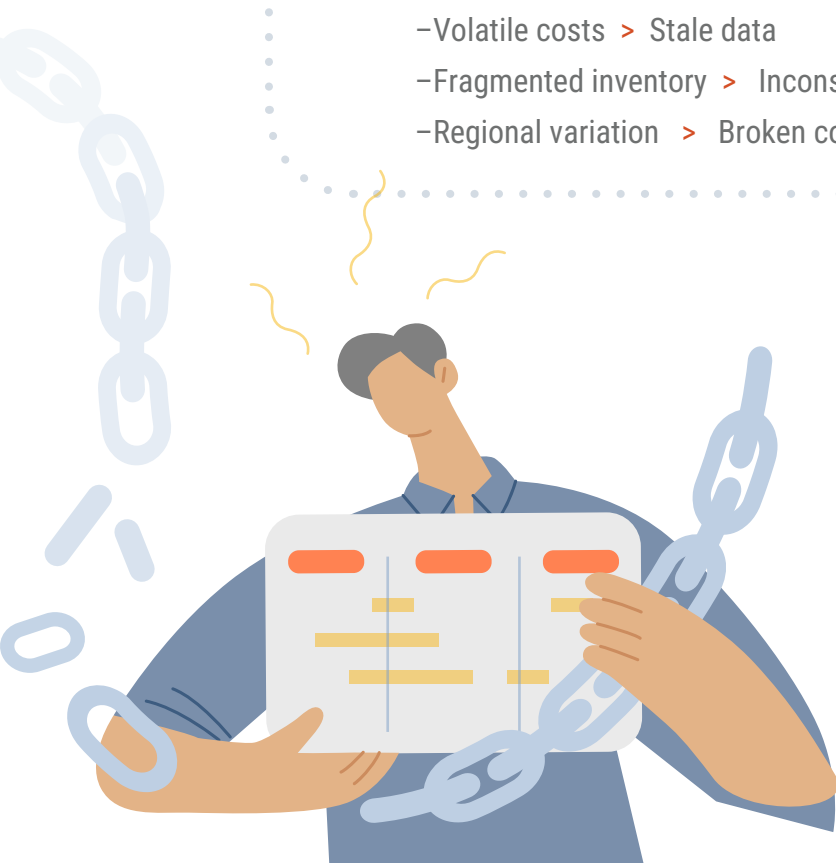


2 Supply Chain Disruptions Delay Roadmaps

Fact: U.S.-China container volumes dropped 30–40% in April 2025 due to a 145% tariff on Chinese goods. [Source: [Business Insider](#)]

Impact:

- PMs must navigate production delays by adjusting release timelines, re-prioritizing features, or pausing SKUs—while staying agile to rapidly shifting volumes driven by evolving trade negotiations.
- PMMs have to communicate delays or changes to internal teams, customers, and partners—impacting launch planning and marketing calendars.





3 Inventory Management Complications

Fact: Major retailers like Home Depot and Amazon are reassessing inventory due to tariffs, risking stock-outs and margin erosion. [\[Source: Yahoo! Finance\]](#)

Impact:

- PMs should closely align with operations and logistics to ensure availability and cost-effective sourcing, while staying ready to shift inventory strategies as tariff conditions drive expansion or contraction.
- PMMs need to handle customer messaging for availability, often updating campaigns or pivoting promotional focus based on stock changes.

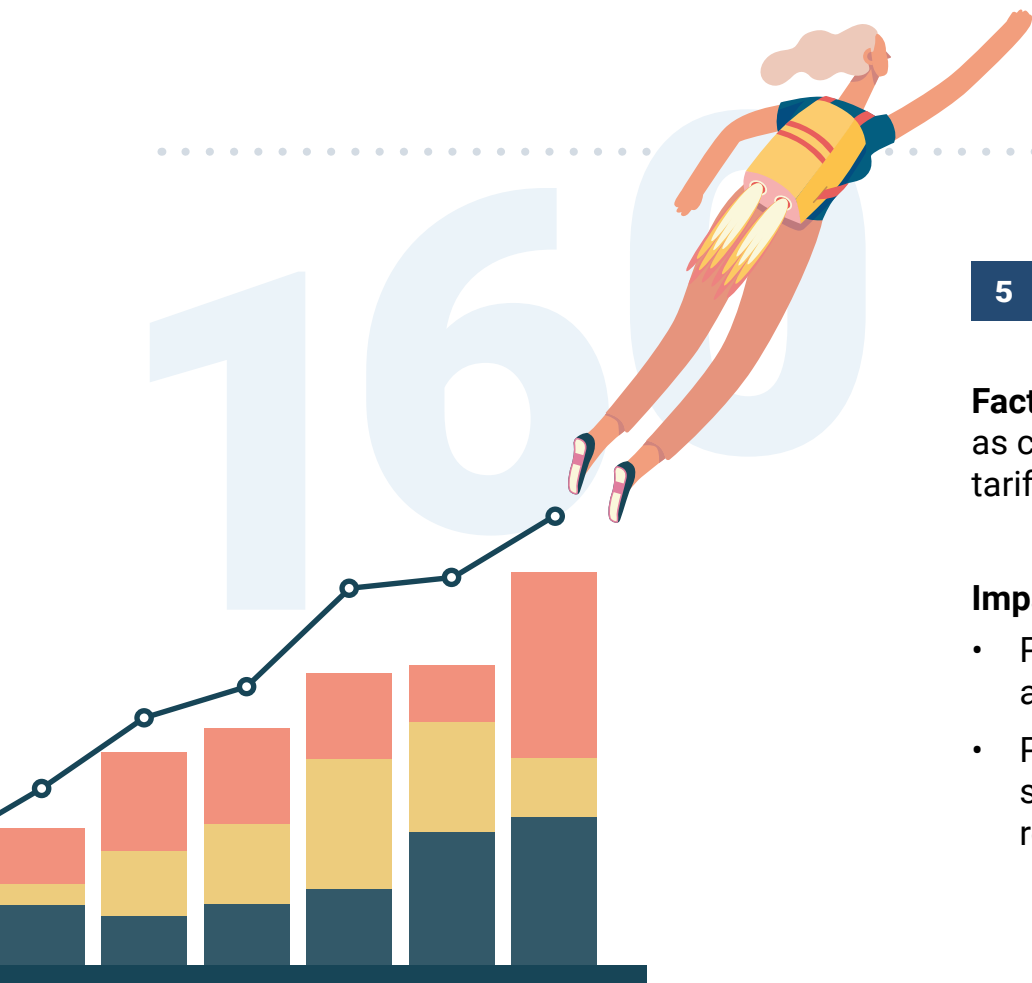
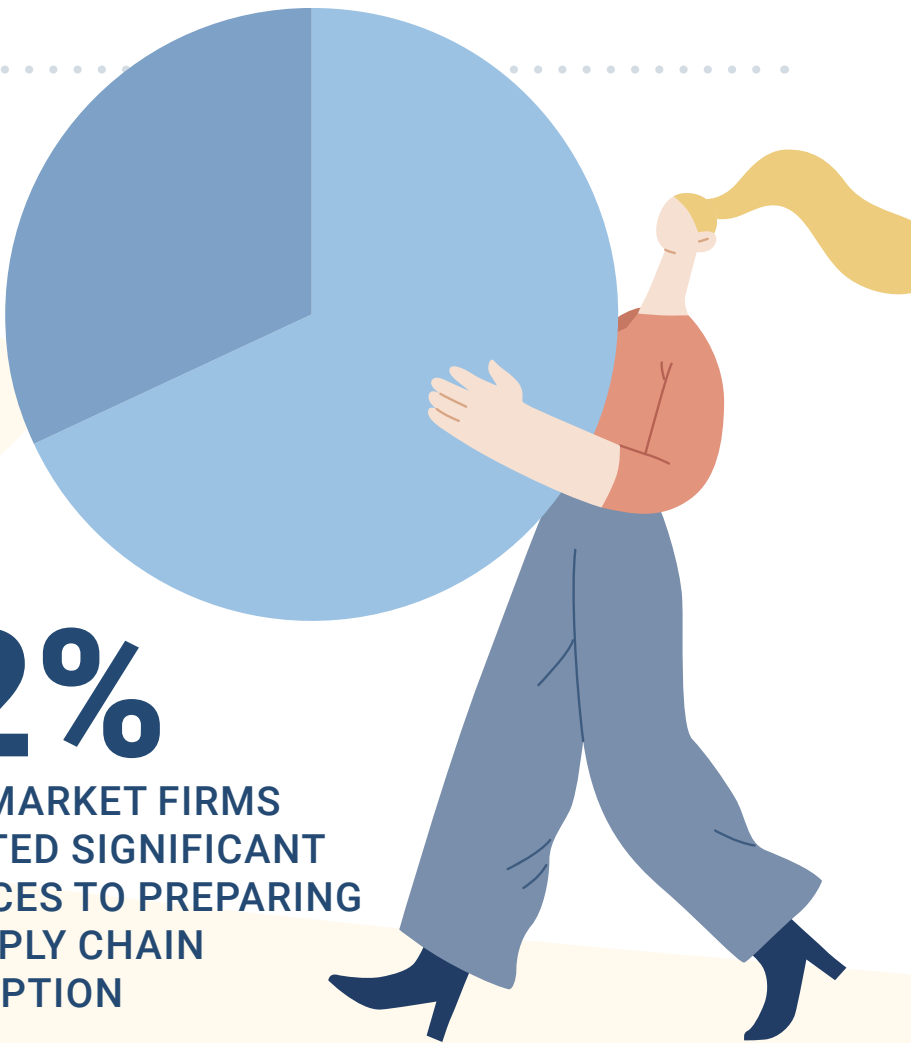
4 Urgency in Strategic Planning

Fact: By late 2024, 32% of mid-market firms allocated significant resources to preparing for supply chain interruptions. [\[Source: Grant Thornton\]](#)

Impact:

- PMs should employ agile roadmapping or quarterly portfolio balancing to quickly react to real-time market signals.
- PMMs work more closely with sales to adjust go-to-market strategies depending on product availability in different regions or segments.

32%
OF MID-MARKET FIRMS
ALLOCATED SIGNIFICANT
RESOURCES TO PREPARING
FOR SUPPLY CHAIN
INTERRUPTION



5 Tariff Stockpiling Shifts Launch Timing

Fact: U.S. pharma imports surged 160% in March 2025, as companies rushed to stockpile products ahead of tariffs. [\[Source: Financial Times\]](#)

Impact:

- PMs may be forced to advance or delay launches to align with stockpile cycles.
- PMMs have to adjust launch plans, potentially shifting from integrated campaigns to soft or phased rollouts based on available inventory.

6 Product Portfolio Re-Evaluation

Fact: Delivery delays due to supply chain issues caused a 7.3% output loss in U.S. manufacturing from 2018–2024.

[Source: arXiv]

Impact:

- PMs may need to rationalize portfolios, deprioritizing low-margin or delay-prone SKUs.
- PMMs might sunset certain products or consolidate offerings, adjusting segmentation and marketing narratives accordingly.



7 Shifts in Buyer Behavior and Messaging

Fact: Consumers are more price-sensitive due to tariff-related inflation and reduced spending power. [Source: Institute Supply Management]

Impact:

- PMs must prioritize cost-effective features and reduce unnecessary complexity.
- PMMs shift messaging from premium features to value-based narratives, emphasizing ROI or cost-savings.

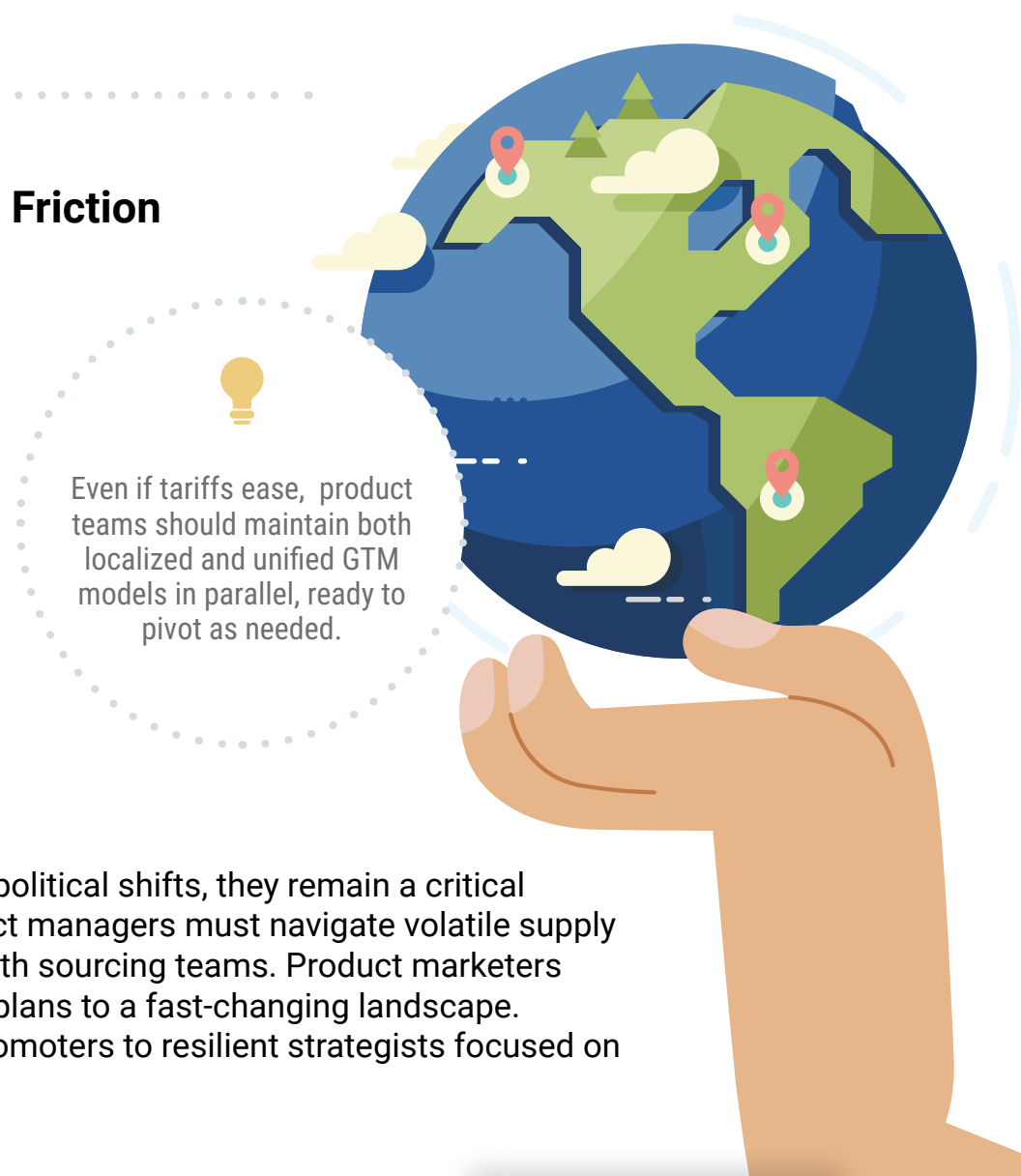


8 Global Tariff Complexity Adds Strategic Friction

Fact: A 10% global tariff and 110% tariff on China could cut global GDP by 1%. [Source: JPMorgan]

Impact:

- PMs face challenges with global product harmonization, needing to localize hardware, software, or packaging.
- PMMs must now tailor go-to-market strategies per market with different pricing, messaging, and even product configurations.



While tariff impacts may vary by sector and evolve with geopolitical shifts, they remain a critical variable that product professionals must prepare for. Product managers must navigate volatile supply chains, adjust development plans, and coordinate closely with sourcing teams. Product marketers must continually adapt positioning, messaging, and launch plans to a fast-changing landscape. Together, PMs and PMMs are evolving from builders and promoters to resilient strategists focused on agility and operational alignment.