NetElixir

# Navigating the Tariff War: 4 Strategic Risks eCommerce Brands Must Prepare For

As **tariff policies shift** and global uncertainty rises, **eCommerce brands are entering a new era** of cost volatility, consumer skepticism, and margin pressure.

With news headlines focused on trade policies, brands are being forced to reassess sourcing, pricing and customer experience at the speed of market change. This guide outlines the **four most pressing risks** and how forward-thinking **brands are responding** in real time.

## 1. Rising Costs & Margin Pressure

**The Risk:**
Tariff-driven import costs are expected to rise 30–35% for many DTC and retail brands, straining already-tight margins. While larger brands may renegotiate rates or absorb short-term losses, most will need to rethink profitability at the SKU level.

**How leaders are adapting:**
- Running detailed product-level margin models
- Prioritizing top performers and cutting low-margin SKUs
- Diversifying suppliers or near-shoring where possible

## 2. Shifting Consumer Behavior

**The Risk:**
Higher prices are changing shopper behavior in subtle but important ways:
- Delayed purchases
- “Trading down” to value-based alternatives
- Preference for “Made in America” positioning
- Backlash toward brands perceived as “passing the buck”

**How leaders are adapting:**
- Monitoring consumer behavior more closely through search trends, sentiment, and direct feedback
- Adjusting positioning and messaging to reinforce trust, value, and transparency
- Testing smaller bundles and lower-commitment entry points

## 3. Product & Pricing Reassessment

**The Risk:**
What worked 6 months ago may no longer convert. Product bundles, AOV strategies, and even bestsellers are now influenced by new price sensitivity.

**How leaders are adapting:**
- Using tools like LXRInsights to track SKU-level trends and shifting demand signals
- A/B testing bundles, incentives, and price point thresholds
- Re-segmenting audiences by behavior—not just demographics

## 4. Cash Flow & Credit Concerns

**The Risk:**
Higher costs without revenue lift puts pressure on cash flow and increases risk of payment delays or defaults.

**How leaders are adapting:**
- Tightening credit terms and improving client vetting
- Prioritizing cash flow forecasting and reserve planning
- Investing in finance + ops visibility to reduce financial lag

## Don’t just react, respond strategically.

The brands that will emerge stronger from this moment aren’t simply reacting, they’re building resilience into their operations, pricing, and customer strategy.

## Need a game plan?

Our team works with DTC and retail brands every day to navigate complexity and turn volatility into competitive advantage. Let’s talk about how we can help you assess your current risk areas and build a proactive path forward at: **www.netelixir.com**