# Brands adapt to changing tariff landscape amid global trade tensions



As discussions surrounding international tariffs intensify, brands operating both within and outside the United States are confronted with a rapidly changing landscape characterised by significant financial implications. The current US tariff regime, particularly the recently applied rates, particularly affects goods imported from China, subject to a substantial 125% tariff, while the UK faces a lower rate of 10%. This situation has unsettled stock markets, which experienced a dramatic downturn of approximately £7.39 trillion following President Trump’s initiation of these tariffs, termed “Liberation Day”. However, recent developments have provided a 90-day reprieve to several countries that have not reciprocated in imposing tariffs, with China remaining the primary exception.

The fallout from these tariffs is prompting a re-evaluation of brand strategies, as companies seek to gain competitive advantages in an increasingly disruptive environment. Advertising executives and marketing professionals are beginning to weigh in on potential creative solutions, aiming to navigate the challenges associated with these financial changes. Sam Shepherd, chief creative officer of the ad agency Uncommon, noted the unique moment brands are experiencing amid this upheaval, suggesting that businesses must position themselves as essential elements in consumers’ lives. "Volatility can be met with precaution, or it can be seen as an opportunity," he stated, emphasising the need for brands to truly resonate with their customers.

Shepherd predicts that brands might need to adopt a more “subversive” approach to their communications to stand out in a landscape where traditional advertising may become overshadowed. He refers to the concept of using ‘narrative objects’ and innovative marketing stunts that don’t overtly resemble conventional advertising to engage consumers effectively.

On the other hand, brands are also considering design as a critical factor in navigating increasing costs due to tariffs. Matt Boffey, chief strategy officer at Design Bridge, outlined two primary strategies: to “premiumize” or “optimize.” By refreshing branding elements, companies can justify increased pricing or target demographic groups willing to pay more, with Boffey suggesting that storytelling through design can support this approach. Conversely, in instances where increased tariffs threaten profit margins, some brands may choose to lean into their heritage. For example, Scotch whisky brands may emphasise their Scottish roots and values as a method of counteracting negative consumer perceptions about higher prices.

Boffey further remarked that design could serve as a crucial countermeasure to tariff impacts, advocating for elevated materials and more thoughtful packaging to convey value. The aim is to ensure that even sub-brands or entry-level products maintain the overarching brand values, thus reassuring consumers about their quality, even if priced competitively.

Amid these market dynamics, there is growing speculation that global brands might adopt more regional tactics as tariffs potentially restrict market access. Boffey noted that this could necessitate “de-Americanifying” branding strategies, adapting them to resonate regionally while preserving a global identity.

Adding further context, marketing strategist Rob Sellers advised that brands should maintain a steady focus during this turbulent period. He suggested that many brands may not see dramatic changes in their operations, as local production capabilities and regional adaptations in branding are already commonplace among many companies. Sellers observed that despite concerns surrounding tariffs, the long-term projection indicates a likelihood of resolution within a few years.

The advertising landscape and strategic direction of brands appears poised for a careful evolution, contingent upon ongoing developments in tariff policies and consumer perceptions. As brands prepare to respond to these shifts, the interplay of creativity and strategy will be pivotal in navigating forthcoming challenges efficiently.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.china-briefing.com/news/trump-raises-tariffs-on-china-to-54-overview-and-trade-implications/> - This article provides information on recent U.S. tariffs applied to Chinese goods, highlighting the financial implications for international trade and the ongoing trade tensions between the U.S. and China.
* <https://www.cbsnews.com/news/china-imports-from-the-us-oilseeds-grains-oil-gas/> - This article discusses the effects of tariffs on U.S. exports to China, focusing on goods like oilseeds, grains, oil, and gas, which are impacted by the escalating trade war.
* <https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance> - Although not directly related to tariffs, this document from the Federal Register provides insights into U.S. regulatory changes, which can indirectly influence business strategies during times of economic volatility.
* <https://www.noahwire.com> - The original source of the article discusses the strategic adjustments brands are making in response to tariff changes and the evolving advertising landscape.
* <https://www.economist.com/news/finance-and-economics/21608551-trade-wars-can-have-lasting-consequences> - This article from The Economist would provide context on how trade wars, like the one between the U.S. and China, can have deep economic impacts and influence market strategies.