Tariff Strategy Guide

Actionable Steps to Manage Your Business Through a Shifting Market

The global shift in tariffs is currently impacting many private-label and wholesale business models. Sellers now face tough decisions on sourcing strategies, logistics, pricing adjustments, and operational efficiency.

01. Negotiating Terms | 02. Profitability | 03. Reducing Impact

FOREWORD

This guide highlights three key tariff challenges within the e-commerce industry. While not every seller will be affected by all of them, understanding and addressing high-cost tariffs with a strategic approach can help you plan smarter and reduce impact.

SECTION 01

Negotiating with Suppliers

If you're locked into existing production in China or have shipments en-route, here are actionable steps to mitigate the impact:

Negotiate Pricing, Minimum Order Quantities (MOQ's) and Terms

Supplier terms can often be improved with a strategic approach. Smart negotiation on payment timelines and shipping duties can lower costs and provide flexibility in your supply chain.

- **Supplier Pricing:** If you have an established relationship with your supplier, now is a great time to revisit pricing. Even a small discount can make a meaningful difference in offsetting the steep tariffs many sellers are dealing with today.
- **MOQ's:** Negotiating lower MOQs can improve cash flow, reduce upfront tariff costs, and give you flexibility to delay larger orders in case tarrifs drop.
- **Negotiating Terms:** If you have a solid order history and relationship with your factory, now is the time to use it to ease cash flow. Many factories may offer net 30, 60, or 90 day terms after delivery. These terms can often be negotiated even if production has already started, just be sure to get any agreements in writing to avoid last minute changes.

What tariffs are, how they're applied, and why they matter for Amazon sellers in 2025

Read the Tariffs 101 Blog

Ensure Quality Remains Consistent with New Pricing

Rising costs can lead factories to change parts or processes unexpectedly. You might get thinner fabric, weaker seams, or finishes that differ from your approved sample. This is why monitoring quality and keeping records is crucial.

- **Quality Control:** When factories face margin pressure—especially from rising tariffs—they may cut corners by using cheaper materials or rushing production, leading to "quality fade." This happens when a supplier agrees to a lower price without disclosing that it comes at the cost of quality. To protect your product, make sure any price reduction includes a written commitment to maintain the same materials, workmanship, and standards. Reinforce this with clear specs, quality guarantees, and inspection requirements.
- **Reconfirm Specs in Writing:** A simple, signed spec sheet or detailed PO can go a long way in holding your supplier accountable if things go sideways. Here are some of the details you should confirm:
  - Raw materials and fabric composition
  - Product dimensions and tolerances
  - Packaging specifications and inserts
  - Labeling and branding details
- **Inspections:** A factory might say everything looks great, but unless you're there in person, you can't be sure. Third-party inspections help confirm your product meets all specs and quality standards before it ships—because once it leaves the factory, fixing issues becomes costly or impossible.

Know your HTS Code

Every product has a unique code under the **Harmonized Tariff Schedule (HTS).** That code determines your base tariff rate and any extra duties depending on the country of origin.

Find your HTS Code →

Other Low Cost Options

Determine if your supplier can store finished goods at their facility in the short-term at no extra cost. This buys you time to wait for tariff reductions.

SECTION 02

Managing for Profitability

With a shifting market, it's more important than ever to ensure that your business remains profitable, even when sales might take a hit. Profitability isn't about how much you sell, but about how much money you can keep.

Before you launch a promotion or slash your prices, ask yourself: Do I have the cash flow to support this?

Profit Margin: If your cost of goods has gone up due to tariffs or increased freight costs, offering aggressive discounts could do more harm than good

Short-Lived Victory: A discount might boost visibility and rank temporarily, but it could leave you with no capital for your next production run

Shift Your Focus: Use slower-moving or underperforming SKUs and use promotions like discounts, coupons, strike-through pricing, or limited-time deals to drive sales and to help recoup cash tied up in stagnant inventory

Bundles & Multi-Packs: Bundling best-sellers and slow movers or offering multi-pack savings can increase AOV and can raise order value without hurting per-unit margin.

Break Down Current Costs

Going through your current costs with a fine-tooth comb will help you highlight areas of opportunity to get cash back into your pocket.

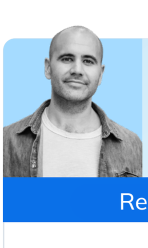
- **Analyze Loss:** Use a landed cost analysis to find where you're bleeding. Include production, freight, tariffs, FBA, returns, and packaging.
- **Pricing & Cash Flow:** Renegotiate with suppliers for better terms, MOQ's or pricing.
- **Rethink Freight:** Use sea over air. Consolidate loads. Talk to a freight forwarder who understands Amazon.
- **Reduce Packaging:** Shaving even just 1 inch off of your packaging could reduce your FBA fees substantially. Try poly mailers, vacuum sealers, or box redesigns.
- **Hunt Down Hidden Amazon Fees:** Common culprits are long term storage fees, labeling errors, excessive returns, etc. Address issues before they scale.
- **Get Your Reimbursements:** Make sure that you get reimbursed when Amazon loses or damages your inventory. If you need help getting your money back, you can sign up for Helium 10's Managed Refund Services, available to current Platinum and Diamond subscribers.
- **Reduce Spending in Other Ways:** Find areas where you are spending extra from manufacturing costs, to packaging, and fulfillment costs.

Calculate your new cost with tariffs, **Helium 10 has an easy-to-use Tariff Analyzer within the Profits dashboard.**

Communicate Value

If you plan to raise prices, it's a good time to improve your listing and perceived value. New images, upgraded packaging, stronger reviews, and clearer value propositions help justify a price increase and increase conversion once you go live. Here are some simple ways to do this:

- **Understand Areas of Improvement:** Audit your product reviews and your competitor reviews, understand the positive and negative sentiments and where you can improve upon or emphasize in your product listing. Make those changes to your product if necessary or address them in your listing
- **Showcase Product Benefits:** Optimize listings to emphasize durability, versatility, and features that shoppers care about.
- **Evaluate Packaging:** Review your packaging experience. Poor packaging can lower your customers' perceived value of your product. Make it a premium experience if you are asking for a premium price.



Common Seller Response to Pricing

From Chad Rubin at Profasee

Response	What Happens Next	Long-Term Result
Freeze Do nothing & hope tariffs fade	Margin erodes Cash flow tightens	Gradual loss of competitiveness
Panic Raise Price Increase price without justification	Conversion collapses Velocity drops BSR spirals	Rank, ad efficiency, and market share deteriorate
Reprice Smart Make data-driven, dynamic adjustments	Margin protected BSR sustained	Profitable growth through volatility

Why "Just Raise Price" Fails

If you raise your prices too quickly without justifying the hike to your customers, conversions will drop, leading to loss in velocity, and ultimately your Best Seller Rank tanking. The collateral damage extends further: ad campaigns lose efficiency, forecasting models skew, and inventory planning goes off course. Sellers end up paying more while earning less.

Adjust Prices Strategically

You will likely need to raise prices at some point. However, it's important to take a step-by-step approach to ensure you avoid negative impact (more on that later).

1. Raise prices slowly (3–5%).
2. Test increases on low-volume SKUs first.
3. Monitor BSR + conversion.
4. Justify a price hike with better listing assets

Either reprice your products manually or use dynamic pricing tools, such as Profasee, to help automate your pricing strategy and find a price that does not reduce click through rate and/or conversion.

All the tariff updates and what they mean for sellers in one central location.

Stay up-to-date with our Tariff Strategy Center

Leverage Brand Loyalty

When tariffs force you to raise prices or cut margin, loyal customers are your buffer. A strong customer base is less likely to abandon your product over a small price increase. Especially if they trust your brand, enjoy your content, or feel part of your community. That's why building direct relationships off-Amazon (via email or SMS) is an important evergreen strategy.

Set up a post-purchase email flow and start capturing opt-ins through inserts, product packaging, or your brand store. Consistently offer value and community-building through loyalty campaigns. Helium 10 can help you create inserts in Portals to help build your customer list.

Advertise with Inventory Levels Top-of-Mind

Start by using Helium 10 Ads to streamline your ad management. With powerful automation features like bid rules, performance-based optimizations, and intuitive campaign controls, you can manage your entire advertising strategy efficiently without spending hours buried in spreadsheets.

- **Slow Down Ad Spend on Fast-Moving Products (If Reordering Is Delayed):** If tariffs or supply chain delays are impacting your ability to restock quickly, reduce PPC bids or temporarily pause aggressive campaigns on best sellers. The goal is to stretch your remaining inventory while staying profitable—because running out of stock can hurt your organic rank.
- **Shift Ad Spend Toward Slow-Moving SKUs:** Redirect budget to slower-moving or overstocked SKUs. Promote these with Sponsored Product ads, coupons, or limited-time deals. Not only can this help clear stagnant inventory, but it also frees up cash you can reinvest into restocking or tariff-covered items.
- **Limit Discovery Campaigns Temporarily:** If you're at risk of going out of stock, scale back on auto and broad-match campaigns that typically drive high-volume traffic. Focus instead on converting, high-performing keywords to reduce wasted ad spend and preserve inventory.
- **Use Budget Rules to Protect Inventory:** Set up budget caps or dayparting (ad scheduling) to control how quickly inventory sells. This ensures you don't accidentally overspend and run out of stock too soon—especially on items you can't restock easily under current tariff rates.
- **Increase Efficiency With Negative Keyword Optimization:** Tariffs make every dollar count. Regularly audit your campaigns for underperforming search terms and add them as negative keywords to reduce spend on traffic that doesn't convert.
- **Lean Into Retargeting:** Use Sponsored Display retargeting to re-engage shoppers who have already shown interest in your products. This reduces your cost per acquisition while helping you manage inventory more predictably.
- **Prioritize High-Margin Products:** If you must keep spending, allocate more of your ad budget to products with better margins—giving you more breathing room to absorb increased landed costs due to tariffs.

SECTION 03

Reducing Tariffs' Impact

While tariffs may be unavoidable, their impact does not have to happen all at once. Incremental changes to supply chain, storing, or sourcing methods can meaningfully reduce your total landed cost.

Hear from a product sourcing expert on sourcing strategies amidst tariff challenges.

Listen to episode #654 of the Serious Seller Podcast

Diversify Your Sourcing

Even if your China-based supplier is still cost-effective today, start researching and contacting manufacturers in alternative regions now. Request sample pricing, understand lead times, and develop a shortlist of backup options. That way, if tariffs rise again or supply chains tighten, you have contacts ready.

- **Popular Alternatives to China:** Consider sourcing from other countries such as Vietnam, Mexico, India, and Eastern Europe
- **Keep Track:** Build a shortlist of 2–3 alternate suppliers in non-tariff-heavy regions

Create Cash Flow Buffers

Tariffs increase your per-unit cost and will tie up more cash with every restock. Delays in your supply chain or rising fees can lock up your cash. This can lead to losses and it's important to create buffers to handle this uncertainty.

- **Prioritize Negotiations:** Extended terms with your supplier will help save your cashflow (discussed above).
- **Utilize Alternative Warehousing:** Consult with a shipping and logistics expert to explore advanced warehousing options like Bonded Warehouses or Foreign Trade Zones (FTZs). These facilities can serve as temporary storage solutions that may help you defer duties, reduce import costs, or even redirect goods to other countries without triggering U.S. import taxes. For example, FTZ warehouses often allow you to pull inventory out in smaller increments, potentially avoiding large, upfront tariff payments. However, every situation is unique, so it's essential to speak with a specialist who can guide you through the specific benefits, requirements, and compliance considerations.
- **Inventory Management:** Maintain the right amount of inventory that is healthy but lean.

Tariffs increase your per-unit cost and will tie up more cash with every restock. If your supply chain gets delayed or fees rise mid-shipment, that cash can become locked up or lost. The solution is to maintain a lean but healthy inventory buffer. Enough to withstand delays or short-term spikes, but not so much that you're left with overstock and tight cash.

Use Helium 10 to model different scenarios (tariff increases, shipping delays, Q4 surges, competitor inventory levels). Set a buffer target based on what's realistic and build toward it gradually.

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