50 Percent of Americans Report They Will Change Their Shopping Habits Due To the Impending Tariffs

40 percent report already noticing price increases

REDWOOD CITY, Calif. – August 04, 2019 – <u>Shopkick</u>, the leading shopping rewards app, surveyed users to gain insight into consumer awareness and behavioral changes in light of the impending Trump Administration tariffs. In a survey of over 30,000 consumers, 60 percent say they will adjust the retailers at which they shop if the impending tariffs go into effect.

New rounds of tariffs being placed on imports from China will result in raised prices on consumer goods, increases reaching a high of ten percent.

Of the 60 percent of consumers aware of the impending tariffs, nearly 40 percent report having already seen prices increasing on shelves. Thirty-eight percent of shoppers expect a household cost increase of up to \$500, and thirty percent anticipate an increase of over \$1,000.

Additional reported behavioral changes should the tariffs hit the U.S. include:

- Sixty percent plan to adjust retailers they frequent
- Forty-four percent plan to cut down on shopping
- Twenty-nine percent are stocking up on goods now
- Twenty-five percent will make the switch to American-made goods

Additionally, Shopkick found that awareness level differs by generation:

- Only 34 percent of Gen Z respondents are aware of tariffs, compared to 74 percent of Boomers
- Fifty percent of Millennials plan to cut down on spending compared to 38 percent of Boomers; the majority 62 percent of Boomers will seek alternative options to cut costs
- Forty percent of Millenials anticipate tariffs would cost their household up to \$500 annually while 31 percent of Gen Z estimated the same monetary impact

If the tariffs announced by the current administration are implemented, annualized consumer cost is likely to double. While the arrival and scope of the tariffs remain uncertain, it's clear that consumers are thinking ahead and plan to adjust their shopping habits and destinations, ushering in a new age of consumer shopping habits that American retailers will be forced to adapt to.

Shopkick conducted a survey of 30,799 users to gain insights into consumer awareness and behavioral changes in light of the impending tariffs on imported goods into the U.S. The survey was conducted from June 28, 2019 to June 30, 2019.

About Shopkick, Inc.

Shopkick, a Trax company, is the leading shopping rewards app, bringing moments of joy to everyday shopping - both on- and off-line. For brands and retailers, Shopkick provides high consumer engagement along the entire path to purchase. The company's unique pay for performance model has been proven to deliver high ROI, driving incremental traffic, product engagement, and sales. Some of its leading brand and retail partners include Auntie Anne's, Barilla, Brighton, Coty, eBay, GE, Kellogg's, LEGO, TJ Maxx and Unilever, among others.

Shopkick is available for free on iPhone from the App Store and for Android from Google Play. For more information, please visit www.shopkick.com.

GEN Z

- 33.6% have heard of the tariffs, while 66.4% have not
- 64% have noticed a rise in prices, 36% have not
- 52% will adjust their shopping habits, 48% will not
- 43.7% will prepare to cut down on shopping, 29.3% are stocking up on products now, 22.4% are looking for American made alternatives
- 36% have no idea how much tariffs will cost them, 31.2% anticipate \$1-\$500, 16.9% anticipate \$501-\$1,000, 6.1% \$1,0001-\$1,500 anticipate, 5.1% anticipate \$0, 4.6% anticipate \$1,501+
- 61.9% anticipate adjusting where they shop, 38.1 will not
- 53.7% are concerned about the price of food increasing, 20.5% about shoes and apparel, 18.4% about electronics, 7.5% about auto
- 10.8% live in California, 10.6% in Texas, the rest hovered around 3%
- 68.6% of those surveyed are female, 23.8% are male

MILLENIALS

- 49.7% have heard of tariffs, while 50.3% have not
- 43.9% have noticed a rise in prices, 56.1% have not
- 47.6% will adjust their shopping habits, 52.4% will not
- 49.9% will prepare to cut down on shopping, 30.6% are stocking up on products now, 17.3% are looking for American made alternatives
- 30.8% have no idea how much tariffs will cost them, 39.5% anticipate \$1-\$500, 17.8% anticipate \$501-\$1,000, 5.8% \$1,0001-\$1,500 anticipate, 2.4% anticipate \$0, 3.6% anticipate \$1,501+
- 60.5% anticipate adjusting where they shop, 39.5 will not
- **59.6**% are concerned about the price of food increasing, **18.9**% about shoes and apparel, **14.8**% about electronics, **6.8**% about auto
- 9.3% live in California, 9.6% in Texas, Florida 8.7%, the rest hovered around 3-4%
- 83.7% of those surveyed are female, 13% are male

GEN X

- 63.8% have heard of the tariffs, while 36.2% have not
- 40.3% have noticed a rise in prices, 59.7% have not
- 48.1% will adjust their shopping habits, 51.9% will not
- 45.6% will prepare to cut down on shopping, 28.4% are stocking up on products now, 24.1% are looking for American made alternatives
- 29.4% have no idea how much tariffs will cost them, 37.7% anticipate \$1-\$500, 19.3% anticipate \$501-\$1,000, 6.1% \$1,0001-\$1,500 anticipate, 5.1% anticipate \$0, 4.6% anticipate \$1,501+
- 61.9% anticipate adjusting where they shop, **38.1** will not
- 53.7% are concerned about the price of food increasing, 20.5% about shoes and apparel, 18.4% about electronics, 7.5% about auto
- 10.8% live in California, 10.6% in Texas, the rest hovered around 3%
- 68.6% of those surveyed are female, 23.8% are male

BOOMERS

- 73.9% have heard of the tariffs, while 26.1% have not
- 40.2% have noticed a rise in prices, 59.8% have not
- 50.4% will adjust their shopping habits, 49.6% will not
- 38% will prepare to cut down on shopping, 27.5% are stocking up on products now, 32.5% are looking for American made alternatives
- 29.6% have no idea how much tariffs will cost them, 39% anticipate \$1-\$500, 19.3% anticipate \$501-\$1,000, 5.7% \$1,0001-\$1,500 anticipate, 3.3% anticipate \$0, 3.1% anticipate \$1,501+
- 5.95% anticipate adjusting where they shop, **40.5** will not
- **58.3**% are concerned about the price of food increasing, **14.8**% about shoes and apparel, **17.2**% about electronics, **9.7**% about auto
- 7.3% live in California, 8.1% in Texas, the rest hovered around 3%
- 86.5% of those surveyed are female, 10% are male