WHEN EVERYONE RAISES PRICES, HOW DO YOU WIN?

THE ZELOCIN™ GROWTH CLINIC

The Tariff Playbook 2.0

ZELOCIN

86%

Predicted growth going into 2025 - GABO 2026

64%

Achieved it - a 22-point gap that tariff rates alone do not explain

54%

Passed costs to customers with no narrative, no context, no explanation

EXECUTIVE SUMMARY

The Strategic Window Is Still Open

The rules of the trade game were rewritten in February 2026. They will keep shifting. The companies that win through this period won't be the ones that found the most elegant tariff workaround, they'll be the ones whose customers already know why they're worth it.

The Supreme Court invalidated the 2025 emergency tariff authority on February 20. The Administration pivoted to Section 122 of the Trade Act within four days, a 150-day window expiring July 24, 2026. The legal basis of the uncertainty has changed. The pressure on margins has not.

The 2026 German American Business Outlook put numbers to the damage: 86% of companies predicted growth going into 2025. Sixty-four percent achieved it. Twenty-three percent declined. Deloitte and Thomson Reuters data point to the same underlying cause globally, the companies that held their ground had the strongest customer relationships and the clearest sense of their own value. The ones that struggled were competing on price. In a market where everyone's costs are rising simultaneously, that's a race nobody wins.

This playbook builds on The ZELOCIN™ Tariff Playbook, A 3-Part Guide to Winning in Turbulent Times. Where that guide gave practical tools for pricing, cost management, and customer communication, this one addresses the harder question underneath all three: when every competitor is raising prices at the same time, competitive advantage no longer comes from the number you set. It comes from why your customers believe you are worth it.

That belief is built through five growth levers: Market Clarity, Brand Differentiation, Customer Understanding, Value Proposition Sharpness, and Go-to-Market Precision. Each one builds a layer of competitive advantage that doesn't depend on trade policy resolving in your favor. Together, they separate the companies gaining share during this period from the ones watching it erode.

At the end of Part Two you'll find the ZELOCIN™ Growth Clinic Diagnostic ten questions, two per lever, designed to be worked through with your leadership team. The questions are direct. Getting to honest answers is where the real work begins.

EXECUTIVE SUMMARY

ZELOCIN™ INSIGHT

The ZELOCIN™ & Partners Clinic is a structured two-day Kaizen event with your leadership team. We map your current position across all five growth levers, identify exactly where revenue is being left on the table, and build a sequenced action plan together with the people who will deliver it. You leave with a growth roadmap: priorities, owners, timelines. Not a framework to interpret later.

PART ONE
THE PRICE TRAP

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PART ONE

The Price Trap

In a market where every competitor's costs are rising simultaneously, competing on price is a race that nobody wins.

One policy change. Margins squeezed, supply chains disrupted, pricing decisions forced across every sector touching imports or exports. The instinct is to react - absorb the cost, pass it on, or find the most efficient tariff workaround. We understand the instinct. It's also how you give up the only competitive advantage that actually lasts.

Hermann Simon, whose foundational work on pricing shapes how we think about value at ZELOCIN™ & Partners, stated it plainly: price is not a mere figure. It is a reflection of perceived value. The businesses with genuine competitive advantage in a tariff environment are the ones whose customers understand and believe in the value they receive - clearly enough that a price adjustment feels proportionate rather than punitive. That belief is built long before the invoice arrives.

WHAT THE DATA SHOWS

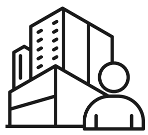
86%

of companies:

- Sent a price increase
- No explanation
- No context
- Same message to every customer

RESULTS

- **Average churn**
- **Commoditisation**
- **Eroded trust**



What the best companies did:

- Led with a value narrative
- Communicated proactively
- Segmented by customer type

RESULTS

- **22% lower churn**
- **Deeper loyalty**
- **Sustained competitive position**

54% of companies passed the full tariff cost to customers - no explanation, no context, no narrative. Harvard Business School research confirms this is the default response. It's also the costliest one. Reframing a price increase around value rather than cost recovery reduces customer churn by up to 22%.

That is not inevitable churn. That is what happens when value is real but never made visible.

72%

Revenue growth over 18 months

3X

Increase in e-commerce sales

39:1

Return on marketing investment

IN THE MARKET

A German manufacturer competing in the US premium appliance market chose a different path. While the majority of comparable companies were reacting to cost pressure, passing it on or absorbing it without a strategy, this business invested systematically across five growth levers.

Revenue grew by 72% over 18 months. E-commerce sales increased more than threefold. The marketing investment generated a 39:1 return.

The gap between that outcome and the market average is not explained by tariff exposure. Both faced identical conditions. The difference was the decision to build rather than react.

ZELOCIN™ INSIGHT

Stop reacting to tariff pressure and start building toward your competitive advantage. At ZELOCIN™ & Partners we see this consistently: the companies that treat disruption as a diagnostic, asking where the gaps are, which levers to pull, in what sequence, come out of the volatility ahead. The ones that simply pass on costs and wait for stability fall behind. The five levers in Part Two are how you build the advantage that outlasts the policy environment.

PART TWO
THE FIVE LEVERS

The Tariff Playbook 2.0

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PART TWO

The Five Levers

What separates the companies building competitive advantage from the ones competing on price alone

Every business leaving competitive advantage on the table is doing so through one or more levers that aren't working as well as they should. The levers aren't complicated. The discipline to look at them honestly, and act on what you find, is where most companies stall.

Work through each one with your leadership team. The gaps are where your competitors will find you if you don't find them first.

Lever 1 Market Clarity

Do you know where your growth is actually coming from, or just what category you compete in?

Most businesses think they know their market. What they actually have is a general sense of the category they compete in, which brands are winning, roughly what share looks like, a feel for where the growth has been. That is category awareness. It is not market intelligence. The gap between the two is where growth gets left on the table.

In a market being reshaped by tariffs, competitor consolidation, and shifting buyer behavior, that gap becomes expensive fast. The instinct when conditions shift is to protect what you already have, the existing channels, the existing customer base, the existing go-to-market. The smarter question is the opposite: what has opened up that was not available before? Disruption does not only create problems. It creates white space, unmet demand that moves with the market while competitors are looking the other way. The window to move into it is usually shorter than it appears.

Market Clarity is the diagnostic that answers that question with data rather than instinct. A precise map of where demand is unmet, which segments are growing, and which forces are reshaping the competitive landscape right now, built before any pricing, brand, or go-to-market decision is made. Because everything downstream depends on it being right.

Every competitor can claim this

"LOCAL. TRUSTED. EXPERT."

The gap between these two is the gap in your acquisition funnel

"BUILT TO UNCOVER GROWTH THAT OTHERS MISSED."

What only you can say

IN THE MARKET

A white space analysis of the US premium appliance market, built from distribution data mapped against household density, revealed that a significant percentage of target households had no access to the product within a practical distance.

That single analysis changed the entire investment thesis. Priority shifted from dealer support to direct-to-consumer digital channels. E-commerce revenue grew more than threefold within twelve months.

Lever 2 Brand Differentiation

Can your customer explain why you are worth more, without you in the room?

In a tariff market where every competitor is raising prices, every customer is quietly asking the same question: why should I keep paying more for you instead of switching? If your brand can't answer that before a sales conversation starts, you're asking your best people to carry the full weight of what a brand strategy should be doing in the market every day, without them.

The most common brand gap the ZELOCIN™ & Partners Clinic surfaces isn't a bad brand, it's an invisible one. The differentiation is real and often genuinely excellent. It lives entirely inside the customer relationship and nowhere in the market. Clients believe it and express it clearly when asked. But it has never been translated into language that works before the first conversation happens. That's not a brand. It's a retention risk.

Brand Differentiation means building the answer to that quiet customer question into every market-facing element, before the price conversation starts. An anchor idea that is genuinely ownable, built from what your best clients already believe about you rather than what you wish they believed. That idea then does work in the market every day without a relationship manager in the room.

THE NUMBER THAT MATTERS

Brands with a strong, visible unique selling proposition command up to 35% higher prices without losing the customers who matter most. That is not a tariff advantage. No policy gives you that. It is a brand advantage, available to any business willing to build it before the market forces the conversation.

IN THE MARKET

A financial services business whose clients consistently described the experience as ‘not like other banks’ had a powerful differentiator that existed nowhere in its external brand narrative.

The Clinic translated what clients already believed into a brand framework built around the concept of 'financial home', two words that made the integrated, relationship-first model visible to prospects who had never experienced it. Two campaigns launched directly from that framework.

The brand that lives only in relationships is not a brand. It is a dependency on the people who hold those relationships.

Lever 3 Customer Understanding

Do you know your highest-value customers well enough to find more of them?

Most businesses know their customers in general terms. Demographics, purchase history, maybe a rough sense of which accounts are most profitable. What they rarely have is a precise understanding of why different customers buy, what motivates them to stay, what would make them leave, and critically, how different segments respond to the same price change in entirely different ways.

Convenience Seekers
Prioritise ease, speed, and simplicity

Growth-Minded
Long-term upside and strategic value

Value-Led
Focused on return, practicality, and proof

Relationship-Driven
Stay for trust, service, and consistency

Segmentation is not complexity. It is precision.

The GABO data captured what happens when that understanding is absent. 54% of companies sent the same price increase to every customer in 2025, no segmentation, no context, no differentiation by relationship depth or price sensitivity. In a market where every competitor was doing the same thing, that approach handed customers across every segment a reason to evaluate alternatives simultaneously. Price-sensitive customers got no options. Loyal customers got no recognition. Long-term relationships got no advance notice. The same message in every inbox, at exactly the wrong moment.

5%

Retention increase

25-95%

Profit uplift

5-7X

Acquisition vs retention cost

Customer Understanding means going beyond demographics to journey, motivation, and trigger moments, the specific life situations and buying decisions that bring different customers to you, and the different things each segment needs to hear when conditions change. That understanding is what makes every downstream decision sharper: pricing, channel, message, product priority. And it is what makes the difference between a price increase that deepens loyalty and one that accelerates churn.

IN THE MARKET

Four customer segments built around life situation and motivation rather than demographics alone, each received its own journey, message, and channel strategy.

A promotional campaign targeted precisely by segment generated the highest single-period revenue in the company's history, against a baseline of near-zero digital revenue eighteen months earlier.

The segmentation work made that result possible. Without it, the campaign would have reached the right people with the wrong message.

THE RETENTION ECONOMICS

A 5% increase in customer retention produces profit increases of 25% to 95% (Bain & Company). Acquiring a new customer costs 5 to 7 times more than retaining an existing one.

In a tariff-pressured market, the customers you already have are not the consolation prize. They are the highest-return investment available.

Lever 4 Value Proposition Sharpness

Is your value proposition organised around what your customer is trying to accomplish, or what you have to sell?

Most businesses organise their value proposition around their internal product or service architecture. The descriptions are technically accurate. They describe what you offer with precision and completeness. What they do not do is connect that offer to what the customer is actually trying to accomplish, at their specific stage, with their specific goals, facing their specific challenges. The customer is left to make that connection themselves. Many don't.

Organised around what we sell...

- organised by products, services, departments, or technical features
- focused on what the company sells
- example: a list or diagram showing product categories

The Clinic Gap Analysis

Organised around what clients need...

- organised around customer goals, needs, stages, or problems
- focused on what the client is trying to achieve
- example: a journey, needs-based framework, or outcomes map

That gap is where price sensitivity lives. When a customer cannot clearly see how your offering maps to what they need right now, price becomes the primary decision variable. Lower the price and they might buy. Hold the price and they hesitate. Raise the price and they leave, not because they don't value what you do, but because the value was never made visible enough to justify the number. In a tariff market where costs are rising and every competitor is asking customers to pay more, that gap becomes a competitive liability.

Value Proposition Sharpness means reorganising from product out to client in. Not 'here are our services' but 'here is what we do for people at your stage, with your goals, facing your challenges.' When customers can see themselves in the value proposition, when it describes their situation before it describes your solution, price becomes secondary to fit. And that clarity is what gives your team the confidence to hold a price when a competitor offers less.

9-figure

Portfolio value

74%

Profit uplift

5 client personas

Loyalty linked to value communication

IN THE MARKET

A financial services business with a nine-figure revenue portfolio organised entirely around an integrated suite of financial products, with no clear articulation of value by client type or life stage.

Clients entering through transactional products stayed transactional. Clients entering through integrated advisory relationships deepened and expanded. The Clinic diagnostic made that pattern visible and quantifiable.

Reframing the value proposition around five client journey personas, specific narratives the team could use in any conversation, gave the sales team something they could carry into any discussions without reverting to a product sheet.

THE LOYALTY SIGNAL

74% of consumers are more loyal to brands that connect price changes to value received (Edelman Trust Barometer 2025–2026). They are not responding to communication style. They are responding to whether they already understood the value before the price conversation started.

Lever 5 Go-To-Market Precision

Are you findable, compelling, and closing, in that order?

A business can have a clear market opportunity, a differentiated brand, sharp customer segmentation, and a strong value proposition, and still underperform because the channels, messages, and sequences that connect the brand to the buyer are underfunded, misaligned, or simply absent. Go-to-market is where strategy meets execution. It is also where most of the visible failures happen, and where most of the budget is wasted.

The failure modes run in two directions. Some businesses have no top-of-funnel activity, they are excellent at closing the clients who find them, but they are not being found by nearly enough of the right people. Others have significant top-of-funnel activity with no coherent message, no clear next step, and no attribution connecting spend to revenue. Both are expensive problems. Neither gets better without a diagnostic that identifies which one you have — and in which specific channel.

Go-to-Market Precision means channel strategy built from customer journey data rather than habit or competitor observation. The right message, in the right place, at the right stage of the buying decision, with the data infrastructure to know which combination is working before budget decisions are made, not after. AI implementation among US-based international companies doubled in one year, from 28% to 57% (GABO 2026). The companies building customer intelligence capability now are creating a compounding advantage. The window to build it is open. It moves faster than it appears.

IN THE MARKET

A go-to-market built from effectively zero, no digital presence, no demand generation, a dealer network under structural pressure, and a website converting at below category average.

Within twelve months of the Clinic: 72% revenue growth, e-commerce up more than threefold, and a marketing investment generating 39 times its cost in return.

The engine that produced those results did not exist before the diagnostic showed where to build it.

ZELOCIN™ INSIGHT

The tariff window is still open. So is the strategic window, but it moves faster. At ZELOCIN™ & Partners we work with companies entering the US market and companies already here who know they are leaving growth on the table. The diagnostic shows you exactly where. The companies moving on that now will set the pace for the next cycle. The ones waiting will be catching up to them.

THE ZELOCIN™ GROWTH CLINIC DIAGNOSTIC

Ten questions. Two per lever. Run this with your leadership team before your next major pricing or growth decision.

Market Clarity

Q1

□ Do we have a data-driven map of where our growth opportunity actually is, not just the category, but where the white space is and what forces are reshaping it right now?

Q2

□ Is there a specific disruption in our market, consolidation, technology, tariff pressure, demographic change, creating opportunity we're not currently positioned to capture?

Brand Differentiation

Q3

□ Can our ideal customer find us, understand why we're different, and believe it, without ever speaking to one of our people?

Q4

□ If our best client tried to describe our brand to a prospect in two sentences, would they say what we want them to say?

Customer Understanding

Q5

□ Do we know our highest-value customers well enough to find more of them, their journey, their motivations, their trigger moments, and what would make them leave?

Q6

□ Are we communicating differently to different customer segments, or sending the same message to everyone and managing the consequences?

Value Proposition Sharpness

Q7

Q8

□ Is our value proposition organised around what our customers are trying to accomplish, or around the products and services we have to sell?

□ Do our customers understand our value clearly enough to defend our price when a competitor offers something cheaper?

Go-to-Market Precision

Q9

Q10

□ Can we trace a direct line from every significant marketing investment to a revenue outcome, and do we know which investments are working before budget decisions are made?

□ Are we building the data and technology capability to know our customers better than our competitors do, or are we planning to start that work later?

IF YOU'RE ANSWERING 'I'M NOT SURE' TO MORE THAN TWO OR THREE OF THESE

That's not a gap in your knowledge. That's where the growth is. And that's exactly where the ZELOCIN™ Growth Clinic starts.

IN A TARIFF MARKET, HOW YOU TALK TO YOUR CUSTOMERS MATTERS AS MUCH AS WHAT YOU CHARGE THEM

PART THREE
THE COMMUNICATION IMPERATIVE

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PART THREE

The Communication Imperative

Customers don't hate price increases. They hate unexpected ones.

Tariffs and rising costs are outside your control. How you respond to them is not. The businesses that came out of the 2025 tariff cycle with stronger customer relationships than when they went in did not do so by absorbing all costs or avoiding the conversation. They led it, proactively, specifically, with their customers' position in mind rather than their own immediate margin recovery.

Three principles distinguish the companies that deepened loyalty during this period from those that watched it erode.

PRINCIPLE 1 NARRATIVE OVER NOTIFICATION

A notification tells a customer that prices are going up. A narrative tells them why. It connects the increase to the value being maintained or enhanced, and positions the business as a partner managing a shared challenge rather than passing a cost. The distinction matters enormously to the customer receiving it.

74%

of consumers are more loyal to brands that communicate price changes transparently

Edelman Trust Barometer 2025–2026

Companies that give customers a genuine explanation for price adjustments, not a form letter, a real and specific account of what is happening and what the business is doing about it, see up to 22% lower churn than those that don't. The 74% of consumers who report greater loyalty to brands that communicate price changes transparently are not responding to communication style. They are responding to evidence that the brand understands their position and respects the relationship enough to explain itself.

PRINCIPLE 2 SEGMENT YOUR MESSAGE, NOT JUST YOUR PRICE

Not every customer needs the same communication. The businesses that navigate pricing transitions most effectively are those that have done the customer segmentation work before the communication challenge arrives, they know which customers are most sensitive to price, most loyal, and which need options rather than reassurance.

STRONGER BRAND CLARITY

More Price Tolerance

35%

Command Higher Prices

CLEARER VALUE COMMS

Lower Switching Risk

THREE SEGMENTS.
THREE CONVERSATIONS.

Price-Sensitive:
Options, flexibility, and evidence of care for their position.

Value-Seeking:
Confidence, proof points, and clear outcome articulation.

Loyal / Premium:
Early notice, recognition, and acknowledgement of the partnership

Sending the same message to all three isn't neutral. It's a missed opportunity in every direction.

PRINCIPLE 3 YOUR COMPETITIVE ADVANTAGE IS YOUR PRICING DEFENSE

When customers connect with what your brand stands for, not just what it sells, they are more forgiving of price adjustments and less likely to switch. Brands with a strong, visible unique selling proposition can command up to 35% higher prices without losing the customers who matter most.

That advantage isn't handed to you by a favourable trade policy. It's built through consistent investment in brand clarity, customer understanding, and the communication that connects the two. The businesses we've seen use tariff pressure as a catalyst, to get sharper on brand, clearer on customer, more deliberate in how they communicate value, come out of the disruption with stronger competitive positions than when they went in.

The disruption is the forcing function. The response determines whether it sets you back or sets you apart.

STEP 1 NARRATIVE OVER NOTIFICATION

22% CHURN REDUCTION

Don’t just announce a price increase - explain the value and context behind it.

STEP 2 SEGMENT YOUR MESSAGE

SEGMENTATION DRIVES RETENTION

Don’t send the same message to everyone — tailor it by customer type.

STEP 3 COMPETITIVE ADVANTAGE AS DEFENSE

35% PRICE PREMIUM FROM A STRONG UNIQUE SELLING PROPOSITION

Use communication to reinforce why your business is worth staying with, even when prices rise.

ZELOCIN™ INSIGHT

Raising prices won't break your brand. Raising them without a story will. Every time we sit down with a leadership team after a pricing communication has gone out with no narrative, the conversation is the same, good intentions, wrong sequence. Build the story before the invoice lands. When customers trust your brand, a price adjustment is a conversation. When they don't, it's a reason to leave.

TAKE THE NEXT STEP

SHARE THIS PLAYBOOK

WHAT IS NEXT

The Window Is Still Open, But It Won't Stay That Way

82% of companies surveyed plan to increase their US investment in 2026 anyway, because the market is large and the customers are here. The question is not whether to invest. It is whether your business is positioned to capture the return.

The ZELOCIN™ & Partners Growth Clinic is how we help companies answer that question with precision. We work with two types of businesses:

Companies entering or expanding in the US market: businesses that need market clarity, brand foundation, and go-to-market execution to build traction without burning through runway.

US companies ready to compete on value: businesses that know there is more growth available than they are currently capturing and want to understand exactly where the gap is.

In both cases the work starts the same way: an honest conversation about where the business stands across the five levers and where the friction is. That conversation takes about an hour. At the end of it you'll know whether the Clinic is the right next step, and we'll know whether we're the right firm for the work.

SHARE THIS PLAYBOOK

If any of the five levers raised questions about your own business, competitive positioning, brand clarity, customer communication, or go-to-market precision, it is likely raising the same questions for peers in your network. Forward it. Use the diagnostic as the starting point for a leadership conversation you may have been deferring.

Take the Next Step

Mention this playbook when you reach out and we will arrange a complimentary session to work through the diagnostic together. No pitch. A real strategic conversation about where your growth is and what is holding it back.

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