Tariffs spark 'made in USA' marketing surge, but brands must tread carefully

By Allison Smith

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Brands are increasingly building their marketing around "Made in USA" claims to signal quality, patriotism, and — perhaps most importantly — tariff-free pricing. But not every product that appears American can legally make that claim, and brands that run afoul of that line have gotten into trouble in the past.

Search interest for "Made in USA" goods has surged in recent weeks, since President Trump's tariff hikes on Chinese imports hit in April. Amazon searches for the phrase shot up to 126,000 from 26,000 in the past 30 days — nearly five times the previous period. As Modern Retail previously reported, brands followed suit, adding the label to over 151,000 Amazon listings and racking up an estimated \$5.1 billion in sales. Yet experts say much of this is a marketing maneuver — not a shift in supply chains.

"What we're witnessing isn't a patriotic wave so much as a keyword land-grab," Greg Zakowicz, senior e-commerce expert at Omnisend, said in an email statement. "Tariffs rewired shopper behavior overnight, and the first brands to plant 'Made in USA' in their titles are winning the algorithm, even if their factories haven't moved an inch."

The problem is that "Made in USA" is a legally protected phrase. The Federal Trade Commission maintains strict guidelines, as Modern Retail has <u>previously reported</u>, and misleading claims can lead to public enforcement or steep penalties.

"The FTC's standard is very strict," said Phyllis Marcus, vp at the National Advertising Division of BBB National Programs. "A 'Made in USA' claim is only appropriate where a manufacturer can establish that all, or virtually all, of the product was made domestically." That includes final assembly, significant processing and component sourcing.

Missteps abound. In one NAD case, oral-care brand Oral Essentials claimed its products were Made in the U.S., despite using Dead Sea salt as a key ingredient. The claim was deemed deceptive. The company later revised its marketing to say the products were "Made in USA with U.S. and globally sourced ingredients."

Even subtle wording shifts can draw scrutiny. "Some brands assume that saying something was 'built' in America is different than 'made,'" said Shana Mueller, director of communication, public policy and

advocacy at Truth in Advertising, a consumer watchdog group. "But the FTC treats words like 'built,' 'manufactured' and 'made' as synonymous."

That nuance can be lost on both consumers and marketers. Unqualified claims like "Made in USA" must meet the highest standard. Qualified claims, such as "Assembled in USA with global parts" or "Made in USA with 70% imported materials," offer a legal path forward for brands with mixed supply chains.

Brands like Naturepedic, which manufactures its organic mattresses in Ohio, say buyers have become more inquisitive about sourcing. "Every single buyer that has come up to us is saying, 'Where are you sourcing your product from? And are you raising your prices?'" said Arin Schultz, Naturepedic's chief growth officer. "Before, most people were concerned that we weren't sourcing out of China, but now, they really want to be very specific about where we're buying stuff from."

Naturepedic has leaned more heavily into its American manufacturing story amid shifting trade policies. Earlier this year, the company launched an educational campaign highlighting its partnership with regenerative farmers in Texas to source organic cotton — part of a broader effort to market the aspects of its business that are made in the U.S.

Naturepedic manufactures its products domestically outside Cleveland but uses a mix of imported and U.S.-sourced materials. "All of our manufacturing, all of our finishing, is done here in Ohio, in Cleveland," Schultz said. "But we're getting materials from probably 13 or 14 different countries, depending on latex or cotton fabric, or whatever it might be. These things are not made here in the United States."

To stay compliant with FTC guidance, the company carefully tailors its claims. "'Made in America with imported and domestic materials' is our line to make sure that we're compliant across the board," Schultz said. "We're not trying to pull the wool over anyone's eyes."

That distinction is important. Misleading claims can lead to more than just reputational risk. In 2022, the Appleton, Wisconsin-based glassware company BenShot won a \$3.15 million lawsuit against a competitor falsely advertising China-sourced goods as U.S.-made. In April 2024, the FTC fined Williams-Sonoma a record \$3.17 million for violating a prior order related to falsely labeling imported products as "Made in USA."

The FTC has tightened enforcement for "Made in USA" claims in recent years. In August 2021, the agency began imposing financial penalties against companies that falsely label their products as being "Made in the USA." Since then, the FTC has issued more than \$15 million in judgments against noncompliant companies.

Despite the risk, the trend is gaining momentum. The Home & Kitchen and Apparel categories account for nearly three-quarters of Made in USA sales on Amazon, according to Omnisend. And their survey found that 40% of Americans say they're willing to pay more for American-made products.

For brands looking to capitalize on that sentiment, experts recommend a cautious path. "I advise checking whether claims are qualified or unqualified and digging into the sources of ingredients and final processing costs," Marcus said.

Legal experts have yet to see a surge in filings related to false 'Made in USA' claims because of Trump's tariffs, "but we suspect they are going to be forthcoming," Marcus said.