

Press Contacts

Melissa Chanslor
Adobe
415-832-5489
chanslor@adobe.com

Stefan Offermann
Adobe
408-536-4023
sofferma@adobe.com

FOR IMMEDIATE RELEASE

Media Alert: Adobe Data Shows Prices for Consumer Goods Increase Post Holiday Season

Inflation on the Rise in the U.S. Following a Year of Deflation

SAN JOSE, Calif. — Feb. 13, 2017 — Adobe (Nasdaq:ADBE) today announced the release of its Digital Price Index (DPI) for January. Adobe's analysis of U.S. consumer spending unveiled higher than expected inflation for two consecutive months. Prices typically drop in November due to holiday discounts before rebounding. However, prices in December 2016 saw a bigger jump compared to 2015 (0.6 percent versus zero percent) and surpassed pre-holiday levels. This trend continued into January 2017, with prices increasing .05 percent, which resulted in 1.2 percent cumulative inflation for the last three months. This is greater than the 0.9 percent observed during the same period a year ago.

Inflation in December 2016 was especially notable for televisions (7.8 percent), appliances (6.0 percent) and tablets (5.4 percent). Despite the month-over-month (MoM) increases, almost all categories in the DPI showed cumulative deflation throughout 2016, especially for televisions (-19.8 percent) and tablets (-16.1 percent).

"Data indicates that inflation may be on the rise following the Fed's rate hike in December," said Mickey Mericle, vice president, Marketing and Customer Insights at Adobe. "We'll continue to keep a close eye on price fluctuations as an indicator for the state of the U.S. economy. We're already collaborating with the UK's Office for National Statistics (ONS), recently presented our findings to the Federal Reserve and are meeting with several governments in Latin America to discuss the DPI."

In December and January, the DPI began tracking five new categories, including alcoholic beverages, auto parts, tools and home improvement products, personal care products, and pet products. Alcohol beverages saw inflation driven by prices for beer. Interestingly, there's a difference between online and offline alcohol sales. The offline findings of the government's Consumer Price Index (CPI) show alcohol sales are comprised of 40 percent beer, 40 percent wine and 20 percent spirits. The DPI reports wine as the strongest category suggesting wine retailers have maximized alcohol sales online more than sellers of beer and other spirits.

About the DPI

Adobe leverages machine learning in Adobe Marketing Cloud to surface economic insights from billions of data points. By tracking seven dollars and fifty cents out of every ten dollars spent online with the top 500 U.S. retailers* and over six dollars out of every ten dollars spent online with the top 100 European retailers,** the DPI is able to analyze billions of digital transactions. Adobe is the first company to conduct a digital-centric analysis based on real-time access to price-paid data and actual quantities sold. Unlike other models, Adobe Digital Insights leverages the Fisher Ideal Price method, which uses actual quantities purchased to measure inflation and is recognized by leading economists as the gold standard for the calculation of inflation. To produce the January DPI, Adobe analyzed 15 billion U.S. website visits, one billion U.K. website visits and online transactions for over 2.2 million products sold online.

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By year's end, Adobe plans to fill out the DPI with enough categories to get a full picture into the state of the U.S. economy. The full Adobe Digital Economy Project report can be found at <http://www.slideshare.net/adobe/adobe-digital-economy-project-january-2017>.

About Adobe

Adobe is changing the world through digital experiences. For more information, visit www.adobe.com.

*Source: [Internet Retailer's 2016 Top 500 eGuide](#)

** Source: [Internet Retailer's 2016 Europe 500](#)

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