



Public relations contacts

Kevin Fu
Adobe
kfu@adobe.com

Bassil Elkadi
Adobe
belkadi@adobe.com

FOR IMMEDIATE RELEASE

Media Alert: Adobe Digital Price Index: Online Inflation Remains Elevated in January at 2.7%

- January marked 20th consecutive month of online inflation
- Prices for groceries and medical supplies hit record highs
- Prices for electronics continued to drop 3.4% year-over-year

SAN JOSE, Calif. — Feb. 10, 2022 — Adobe (Nasdaq:ADBE) today announced the latest online inflation data from the Adobe Digital Price Index (DPI). In January 2022, online prices increased 2.7% year-over-year (YoY) and 1.1% month-over-month (MoM). This marks the 20th consecutive month of YoY online inflation. December 2021 price increases (up 3.1% YoY) contributed to a record high holiday season, during which online prices in November 2021 increased 3.5% YoY. In January, groceries were a standout category, with prices seeing their highest annual increase at 5.8% YoY (up 1.2% MoM), marking two years of online inflation for the category. Medical equipment/supplies continue to see strong YoY increases with 8.2% (-0.1% MoM), a record high YoY that coincides with a COVID-19 Omicron variant surge. Prices for electronics continue to drop (-3.4% YoY).

The DPI provides the most comprehensive view into how much consumers pay for goods online. Powered by Adobe Analytics, it analyzes one trillion visits to retail sites and over 100 million SKUs across 18 product categories: electronics, apparel, appliances, books, toys, computers, groceries, furniture/bedding, tools/home improvement, home/garden, pet products, jewelry, medical equipment/supplies, sporting goods, personal care products, flowers/related gifts, non-prescription drugs and office supplies.

"While price drops in categories like electronics and apparel have brought online inflation down slightly from the record high last November, consumers are still contending with elevated prices in the digital economy," said Patrick Brown, vice president of growth marketing and insights, Adobe. "This is particularly notable in a category like groceries, where online prices continue to hit new records, while consumer demand for online grocery shopping remains heightened."

In January 2022, 13 of the 18 categories tracked by the Adobe Digital Price Index saw YoY price increases, with apparel rising faster than any other category. Price drops were observed in five categories: electronics, jewelry, books, toys and computers.

On a MoM basis, 15 of the 18 categories saw January price increases, with price drops observed in three categories, including apparel, medical equipment/supplies and flowers/related gifts.

Media Alert: Adobe Digital Price Index: Online Inflation Remains Elevated in January at 2.7%

Notable Categories in the Adobe Digital Price Index (January 2022)

- **Groceries:** Prices were up 5.8% YoY (up 1.2% MoM), the highest increase for the category on an annual basis. It exceeded the high point in October 2020, during the first year of the COVID-19 pandemic, when prices jumped 5.2% YoY. January marks the 24th consecutive month where online prices have risen for groceries, making it the only category that has moved in lockstep with the Consumer Price Index, which captures prices consumers pay in physical stores.
- **Medical Equipment and Supplies:** Prices were up 8.2% YoY (down 0.1% MoM), the highest increase for the category on an annual basis. It coincided with a January surge in the COVID-19 Omicron variant, which drove greater demand for testing kits at a time when overall supply was constrained.
- **Office Supplies:** After eight consecutive months where online prices fell or were flat on an annual basis, office supplies increased 1.5% YoY (up 2.2% MoM) in January. COVID-19 variants have kept many consumers working from home, driving up demand and prices for products in home offices.
- **Electronics:** Prices were down 3.4% YoY, a greater price drop compared to December when online prices were down 2.6% YoY. As one of the major categories in e-commerce, electronics' price fluctuations have had a greater impact on topline inflation. On monthly basis, prices are up 2.0% after holiday discounts seen in the prior month.
- **Apparel:** Prices were up 15.8% YoY (down 1.7% MoM), down from the holiday season where prices increased 17.3% YoY in November 2021 and 16.6% in December 2021. The drop contributed to lower topline inflation for January, given the volume of e-commerce spending that occurs in this category.

Methodology

The DPI is modeled after the Consumer Price Index (CPI), published by the U.S. Bureau of Labor Statistics, and uses the Fisher Price Index to track online prices. The Fisher Price Index uses quantities of matched products purchased in the current period (month) and a previous period (previous month) to calculate the price changes by category. Adobe's analysis is weighted by the real quantities of the products purchased in the two adjacent months.

Adobe uses a combination of Adobe Sensei, Adobe's AI and machine learning framework, and manual effort to segment the products into the categories defined by the CPI manual. The methodology was first developed alongside renowned economists Austan Goolsbee and Pete Klenow.

About Adobe

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

###