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Media Alert: Adobe Digital Price Index: Online Prices Fall 1.9% in November, Largest Drop in 31 Months

- **Online prices fell 1.9% on an annual basis in November, while dropping 3.2% month-over-month**
- **Record Cyber Week discounts drove down prices of electronics, computers, toys and sporting goods**
- **Price increases slowed in non-promotional categories including groceries, pet products and personal care**

SAN JOSE, Calif. — Dec. 8, 2022 — Today, Adobe (Nasdaq:ADBE) announced the latest online inflation data from the [Adobe Digital Price Index](#) (DPI), powered by [Adobe Analytics](#). In November 2022, online prices fell 1.9% year-over-year (YoY) and 3.2% month-over-month (MoM). This marks the third consecutive month when online prices have decreased on a YoY basis, and the largest YoY drop in the past 31 months, since May 2020. Additionally, a majority of the categories in the DPI (15 of 18) saw price decreases on a MoM basis.

The decline in online prices for November was driven by heavy discounting during Cyber Week, the five-day period between Thanksgiving (November 24) and Cyber Monday (November 28). Online prices fell sharply for computers, where prices dropped 18% YoY (down 5.1% MoM), and electronics, which fell 13.4% YoY (down 4.5% MoM). Both categories saw the largest YoY drops on record, since Adobe began tracking online prices in 2014. Holiday deals also drove down prices for toys (down 7.7% YoY and 4.2% MoM) and sporting goods (down 5.7% YoY and 4.3% MoM).

Falling prices in categories such as toys and electronics accelerated demand in November. The month generated \$116.5 billion for e-commerce, growing 1.7% YoY and a significant 62.5% MoM. Adobe's figures are not adjusted for inflation, but with the November DPI down 1.9%, it is clear that strong consumer spending has been driven by net-new demand—and not simply higher prices.

Inflation cools for non-promotional categories

In categories that don't see heavy discounting, price increases have slowed in November. In groceries, prices were up 13.7% YoY, while modestly increasing 0.3% MoM. This is the second consecutive month where YoY price increases have come down from record highs: October prices were up 14% YoY, down from September (up 14.3% YoY) and August (up 14.1% YoY).

In pet products, after online prices hit a record high in August (up 12.7% YoY), inflation has also slowed: Prices were up 11% YoY in November (down 0.2% MoM). Personal care, another "non-promotional category," saw prices rise 1.8% YoY in November (down 3.4% MoM), a smaller increase than October when prices rose 3% YoY.

"While the November drop in online prices was driven by major discounting on days including Cyber Monday and Black Friday, we also see signs of overall e-commerce inflation cooling," said Patrick Brown, vice president of growth marketing

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and insights at Adobe. “In categories such as groceries and personal care, which are not promotional in nature, we are seeing price increases come down from their heights in late summer and early fall.”

Notable categories in the Adobe Digital Price Index for November

Adobe’s DPI provides the most comprehensive view into how much consumers pay for goods online, complementing the Bureau of Labor Statistics’ Consumer Price Index, which captures offline prices. Powered by Adobe Analytics, the DPI 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.

In November, nine of the 18 categories tracked by the DPI saw YoY price decreases, with computers falling the most. Year-over-year price increases were observed in nine categories including personal care, office supplies, furniture/bedding, pet products, groceries, non-prescription drugs, tools/home improvement, medical equipment/supplies and apparel.

On a MoM basis, 15 of the 18 categories in the DPI saw prices fall. Price increases were observed in only three categories including groceries, non-prescription drugs and medical equipment/supplies.

Notable categories for November include:

- **Electronics:** Prices were down 13.4% YoY (down 4.5% MoM), the largest YoY drop on-record since 2014. The second largest was in December 2019, when prices fell 12.8% YoY. As the top e-commerce category by share of spend (18.6% share in 2021), price movements in electronics have a significant impact on overall inflation online.
- **Computers:** Prices were down 18% YoY (down 5.1% MoM), the largest YoY drop on record since 2014. The second largest was in December 2019, when prices fell 16.9% YoY. Computer prices online have fallen for 23 consecutive months, after rising 2.9% YoY in December 2020 when the stay-at-home trend drove up demand.
- **Groceries:** Prices rose 13.7% YoY (up 0.3% MoM) but have begun to slow in the past two months. From January (prices up 5.8% YoY) through September (prices up 14.3% YoY), every month in 2022 had marked a record YoY high for grocery prices. In October 2022 however, prices rose 14% YoY, less than the month prior.
- **Pet Products:** Prices rose 11% YoY (down 0.2% MoM), after hitting a record YoY high in August 2022 (up 12.7% YoY). Price increases in November have also slowed compared to the two months prior, including October (up 11.9% YoY) and September (up 11.8% YoY).

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.

Powered by Adobe Analytics, 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.

Adobe Analytics is part of Adobe Experience Cloud, which over 85% of the top 100 internet retailers in the U.S.* rely upon to deliver, measure and personalize shopping experiences online.

About Adobe

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

*Per the Digital Commerce 360 Top 500 report (2021)

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