



Media Alert: Adobe Digital Price Index: Online Prices Fall For Eleventh Consecutive Month, Dropping 1.6% In July

- Online prices dropped 1.6% compared with July 2022, and 0.9% from June 2023
- Grocery price increases have now slowed for 10 consecutive months
- Categories including appliances, furniture/bedding and electronics continue to see notable price drops

SAN JOSE, Calif. — Aug. 8, 2023 — Today, Adobe (Nasdaq:ADBE) announced the latest online inflation data from the [Adobe Digital Price Index \(DPI\)](#), powered by [Adobe Analytics](#). Online prices in July 2023 fell 1.6% year-over-year (YoY), marking the eleventh consecutive month of YoY price decreases, with the majority of categories (11 of 18) tracked by Adobe seeing falling prices on an annual basis. On a month-over-month (MoM) basis, online prices fell 0.9% in July.

July's YoY price decline was driven by notable drops in categories such as appliances, which fell 8% YoY (down 0.3% MoM), as well as furniture/bedding which fell 3.5% YoY (down 0.7% MoM). Steeper YoY declines were observed in electronics, which fell 11.7% YoY (down 0.7% MoM) as well as computers, which fell 15.4% YoY (down 1.5% MoM).

Although the grocery category has experienced persistent inflation, YoY price increases have now slowed for 10 consecutive months. Grocery prices were up 6.3% YoY (up 0.3% MoM), a smaller jump compared with June 2023's 7.6% YoY and May 2023's 8.2% YoY increases. Price increases have slowed for pet products as well; Prices were up 6.3% YoY (down 0.1% MoM), compared with an 8.1% YoY increase in June 2023, and an even more substantial 10.2% YoY increase in May 2023.

Notable categories in the Adobe Digital Price Index for July

Adobe's Digital Price Index 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 July, 11 of the DPI's 18 categories saw YoY price decreases, with the flowers/related gifts category falling the most at 31.6% YoY. Seven categories experienced YoY price increases, including personal care, pet products, grocery, non-prescription drugs, tools/home improvement, medical equipment/supplies and apparel.

On a MoM basis, 16 of the 18 categories in the DPI saw prices fall. Price increases were observed in only two categories including groceries and non-prescription drugs.

Notable categories for July 2023 include:

- **Groceries:** Prices rose 6.3% YoY (up 0.3% MoM) but have slowed in the past 10 months, rising 7.6% YoY in June, 8.2% YoY in May, 9.3% YoY in April, 10.3% YoY in March, 11.4% YoY in February, 12.6% YoY in January, 13.5% YoY in December, 13.7% YoY in November and 14% YoY in October. In September, the rate of price growth peaked, rising 14.3% YoY. Consumers are increasingly buying more of their groceries online, and this category has generally moved in lock step with the Consumer Price Index.
- **Pet Products:** Prices were up 6.3% YoY (down 0.1% MoM), a smaller increase than the month prior, when prices rose 8.1% YoY (June 2023). In August 2022, prices for the category rose substantially and peaked at 12.7% YoY. This category has seen persistent inflation on a long-term basis, with YoY price increases observed in every month since May 2020.
- **Appliances:** Prices were down 8% YoY (down 0.3% MoM) after hitting a record low in June 2023, where prices fell 8.3% YoY. Appliance prices online have now fallen YoY for 10 consecutive months, after having risen for 29 consecutive months starting in May 2020, peaking at 7.1% YoY in December 2020.
- **Electronics:** Prices have continued to fall sharply in recent months, dropping 11.7% YoY (down 0.7% MoM) and 12.9% YoY in June 2023. Contrast this with a year ago, in July 2022, when prices were down 9.3% YoY. As a major discretionary category, electronics price movements have a significant impact on overall inflation online.

Methodology

Adobe's 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's AI and machine learning framework Adobe Sensei and manual effort to segment 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.

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

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