



Media Alert: Adobe Digital Price Index: Online Prices Fall to 40-Month Low, Down 3.2% In August

- Online prices fell 3.2% year-over-year in August 2023, while rising 0.4% month-over-month
- Grocery prices dropped 0.2% in August from July 2023, marking first monthly decline in 27 months
- Categories including appliances, electronics, sporting goods, home/garden and toys continue to see notable price drops

SAN JOSE, Calif. — Sept. 12, 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 August 2023 fell 3.2% year-over-year (YoY), hitting a 40-month low—and marking a full year (12 consecutive months) of YoY price decreases. Online prices fell for over half of Adobe's tracked categories (11 of 18) on an annual basis. On a month-over-month (MoM) basis, online prices rose 0.4% in August following the Prime Day event in July, now an industrywide e-commerce moment with heavy discounting across different retailers.

August's YoY price decline was driven by notable drops in categories such as sporting goods (down 7% YoY, down 1.4% MoM), appliances (down 7.3% YoY, up 1.3% MoM) and home/garden (down 6.8% YoY, up 0.2% MoM). Electronics saw a steeper decline, falling 11.6% YoY (down 0.8% MoM), as well as computers which fell 14.2% YoY (down 1% MoM).

Although inflation continues to impact grocery prices, YoY increases have now slowed for 11 consecutive months; Online prices were up 5% YoY in August, a smaller jump compared with July 2023's 6.3% YoY and June 2023's 7.6% YoY increases. Grocery prices were down 0.2% MoM, the first monthly decrease in this category since May 2021, a positive sign after 27 consecutive months. Price increases have slowed for pet products as well: prices were up 5.5% YoY (up 0.1% MoM), compared with a 6.3% YoY increase in July 2023, and an even more substantial 8.1% YoY increase in June 2023.

Notable categories in the Adobe Digital Price Index for August

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 August, 11 of the DPI's 18 categories saw YoY price decreases, with the flowers/related gifts category falling the most at 31.4% 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, six of the 18 categories in the DPI saw prices fall. Price increases were observed in 12 categories including personal care products, jewelry, books, furniture/bedding, toys, home/garden, pet products, non-prescription drugs, tools/home improvement, appliances, medical equipment/supplies and apparel.

Notable categories for August 2023 include:

- **Groceries:** Prices rose 5% YoY (down 0.2% MoM) but have slowed every month for the past 11 months, having reached a peak in September 2022 when prices increased by 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 5.5% YoY (up 0.1% MoM), similarly reflecting slowing price increases since August 2022, when price growth peaked at 12.7% YoY. This category has seen persistent inflation on a long-term basis, however, with YoY price increases observed in every month since May 2020.
- **Appliances:** Prices were down 7.3% YoY (up 1.3% MoM) after hitting a record low in June 2023, where prices fell 8.3% YoY. Appliance prices online have now fallen YoY for 11 consecutive months, contrasting with 29 consecutive months of increases that started in May 2020, peaking at 7.1% YoY in December 2020.
- **Electronics:** Prices have continued to fall sharply in recent months, dropping 11.6% YoY (down 0.8% MoM), 11.7% YoY in July 2023 and 12.9% YoY in June 2023. 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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