



Adobe Digital Price Index: Grocery Prices Fall 0.1% Year-over-Year in October

- Grocery prices online fell 0.1% in October 2024 from October 2023, marking the first year-over-year price decrease since January 2020 when prices fell 0.6% YoY
- On a month-over-month basis, grocery prices also fell by 0.1% in October 2024 from September 2024
- Online prices overall have now fallen for 26 consecutive months, down 2.9% year-over-year in October, as consumers continue to see falling prices in discretionary categories such as apparel and toys

SAN JOSE, Calif. — November 12, 2024 — Today, Adobe (Nasdaq:ADBE) announced the latest online inflation data from the [Adobe Digital Price Index](#) (DPI), powered by [Adobe Analytics](#). In October 2024, online prices fell 2.9% year-over-year (YoY) while rising 0.1% month-over-month (MoM). This marks 26 consecutive months where online prices have fallen on an annual basis. October's YoY price decrease was driven by notable drops in major discretionary categories such as apparel and toys, as well as in the grocery category where prices fell in October, following a prolonged period of inflation online. Across the 18 categories tracked by Adobe, a majority (12) saw YoY price decreases in October.

In the grocery category, prices fell 0.1% YoY (down 0.1% MoM) in October 2024, marking the first YoY price drop since January 2020 when prices had fallen 0.6%. During that year, inflation in the category peaked in October 2020 (up 5.2% YoY) before slowing in the months after, rising 0.4% YoY in May 2021 and 0.5% YoY in June 2021. Grocery inflation then picked up again in July 2021 (up 1.3% YoY) and continued rising every month, hitting a record peak in September 2022 (up 14.3% YoY) before beginning to cool in the months after. More recently, grocery prices online were up 0.5% YoY in August 2024 and flat in September 2024, before dipping in the latest October 2024 data. Consumers are increasingly buying more of their groceries online, and this category has generally moved in lock step with the Consumer Price Index.

Other categories where prices fell YoY include apparel (down 9.9% YoY, down 2.5% MoM), toys (down 4.4% YoY, flat MoM), computers (down 3.8% YoY, up 2.9% MoM), furniture/bedding (down 2.9% YoY, up 0.8% MoM) and appliances (down 2.7% YoY, up 0.9% MoM). In the electronics category, however, prices were up 0.3% YoY (up 1.5% MoM). This marks the first YoY price increase for the category since Adobe began tracking online prices in 2014. In the months prior, electronic prices online had fallen 4% YoY in September and 5.3% YoY in August. Prices fell more aggressively in 2023, down 12.9% YoY in both March and June.

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.

"Consumers continue to see good bargains online and are taking advantage of them, driving \$82 billion in e-commerce spend for October 2024, which represents 6.7% growth from the year prior," said Vivek Pandya, lead analyst, Adobe Digital Insights. "Early holiday promotions including the industrywide Prime Day event contributed to the healthy demand in October, but we expect many consumers are holding out for the bigger discounts to come during Cyber Week."

In October 2024, six of the 18 categories tracked by the DPI saw YoY price increases including electronics, personal care, office supplies, jewelry, non-prescription drugs and medical equipment/supplies. Price drops were observed in 12 categories including books, furniture/bedding, toys, home/garden, pet products, grocery, tools/home improvement, appliances, flowers/related gifts, computers, sporting goods and apparel.

Ten of the 18 categories in the DPI saw price increases MoM including electronics, personal care, office supplies, furniture/bedding, home/garden, non-prescription drugs, tools/home improvement, appliances, computers and sporting goods. Price drops were observed across 8 categories including jewelry, books, toys, pet products, grocery, flowers/related gifts, medical equipment/supplies and apparel.

Other Notable Categories in the Adobe DPI for October 2024:

- **Toys:** Prices were down 4.4% YoY (flat MoM), after falling 6.2% YoY in the month prior (September). Online prices for toys have now fallen YoY for 43 consecutive months, beginning in April 2021 when prices fell 2.3% YoY. Deflation in the category has remained consistent over the years, with prices falling 5.5% YoY on average between 2015 and 2019.
- **Apparel:** Prices were down 9.9% YoY (down 2.5% MoM), falling faster than pre-pandemic levels when apparel prices fell 1.1% YoY on average between 2015 and 2019. Apparel prices online have now fallen for 14 consecutive months, one of the longest spans of YoY price decreases since Adobe began tracking online prices in 2014. Prior to this, apparel prices had risen on a YoY basis for 13 consecutive months, peaking in July 2023 (up 11.9% 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's AI and machine learning framework 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.

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