Public relations contact
Kevin Fu
Adobe
kfu@adobe.com

Media Alert: Adobe Digital Price Index: Online Prices Fall For Eighth Consecutive Month, Dropping 1.8% In April

- **Online prices dropped 1.8% compared with April 2022, and 0.7% from March 2023**
- **Grocery price increases have now slowed for seven consecutive months**
- **Categories including appliances, sporting goods, toys, home/garden, electronics and computers continued to see notable price drops**

SAN JOSE, Calif. — May 9, 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 April 2023 fell 1.8% year-over-year (YoY), marking the eighth 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 0.7% in April.

April's YoY price decline was driven by notable drops in categories such as appliances, which fell 7.1% YoY (down 2.1% MoM), the largest YoY drop for the category since Adobe began tracking online prices in 2014. Prices continued to fall YoY in categories including sporting goods (down 6.4% YoY, up 1.5% MoM), toys (down 5.9% YoY, down 0.2% MoM) and home/garden (down 5.6% YoY, down 0.8% MoM). Steeper YoY declines were observed in electronics, which fell 11.6% YoY (up 0.5% MoM), as well as computers, which fell 15.4% YoY (up 1.9% MoM).

Although the grocery category has experienced persistent inflation, YoY price increases have now slowed for seven consecutive months. Grocery prices were up 9.3% YoY (up 0.4% MoM), a smaller jump compared with March 2023's 10.3% YoY and February 2023's 11.4% YoY increases. The rate of growth peaked in September 2022, when prices rose 14.3% YoY. For another non-discretionary category – personal care – prices were up 3% YoY (down 1.1% MoM), compared with 4.4% YoY growth in March 2023, and an even more substantial 6.1% YoY increase in February 2023.

Notable categories in the Adobe Digital Price Index for April
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.

Media Alert: Adobe Digital Price Index: Online Prices Fall For Eighth Consecutive Month, Dropping 1.8% In April

In April, 11 of the DPI's 18 categories saw YoY price decreases, with the flowers/related gifts category falling the most at 27% 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, 10 of the 18 categories in the DPI saw prices fall. Price increases were observed in eight categories including electronics, books, pet products, grocery, non-prescription drugs, computers, sporting goods and medical equipment/supplies.

Notable categories for April 2023 include:
- **Groceries:** Prices rose 9.3% YoY (up 0.4% MoM) but have slowed in the past seven months, rising 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.
- **Personal Care:** Prices were up 3% YoY (down 1.1% MoM), a smaller increase than the month prior, when prices rose 4.4% YoY (March 2023). In February 2023, prices for the category rose substantially at 6.1% YoY. This category has seen persistent inflation on a long-term basis, with only a single month since September 2020 that saw prices fall YoY – November 2021 (down 0.9% YoY).
- **Appliances:** Prices were down 7.1% YoY (down 2.1% MoM), a record YoY drop for the category, since Adobe began tracking online prices in 2014. Appliance prices have now fallen YoY for seven consecutive months, after having risen for 29 consecutive months starting in May 2020.
- **Sporting Goods:** Prices were down 6.4% YoY (up 1.5% MoM), marking 12 consecutive months of YoY price declines for the category. Prior to this, sporting goods prices rose for 28 consecutive months, starting in January 2020. Price increases peaked in September 2020 at 15.8% YoY, as more consumers stayed home during the COVID-19 pandemic and invested in products such as fitness equipment.

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.

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)

###