



Media Alert: Adobe Digital Price Index: Online Prices Fall to 36-Month Low, Down 2.3% In May

- Online prices fell 2.3% compared with May 2022 and 1.2% from April 2023, the largest decline since the pandemic's start
- Grocery price increases continued slowing for the eighth consecutive month, bringing inflation to a near-standstill, a positive sign for consumers
- Categories including computers, electronics, furniture/bedding, appliances and sporting goods saw further significant price drops

SAN JOSE, Calif. — June 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 May 2023 fell 2.3% year-over-year (YoY), the most significant decrease since the COVID-19 pandemic started. This marks the ninth consecutive month of YoY price decreases, with over half of Adobe's tracked categories (11 of 18) falling in prices on an annual basis. On a month-over-month (MoM) basis, online prices fell 1.2% in May.

May's YoY price decline was driven by steep drops in discretionary categories including computers (down 16.5% YoY and 2.4% MoM), electronics (down 12% YoY and 1.8% MoM) and appliances (down 7.9% YoY and 2.4% MoM).

YoY price increases have slowed in recent months for consumer staples. Although grocery prices were up 8.2% YoY (and 0.3% MoM), inflation slowed compared with April 2023's 9.3% YoY increase. This marks the eighth consecutive month where YoY price increases for groceries have decelerated from September 2022's record high, when prices rose 14.3% YoY. In the personal care category, prices were up 2.7% YoY (down 0.3% MoM), similarly slowing compared with 3% YoY growth in April 2023 and 4.4% YoY growth in March 2023.

Notable categories in the Adobe Digital Price Index for May

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 May, 11 of the DPI's 18 categories saw YoY price decreases, with the largest drop in the flowers/related gifts category, down 27.8% YoY (and 0.3% MoM). By contrast, seven categories experienced YoY price increases in May, including personal care, pet products, groceries, non-prescription drugs, tools/home improvement, medical equipment/supplies and apparel.

Notable categories for May 2023 include:

- **Groceries:** Prices rose 8.2% YoY (and 0.3% MoM) but have continuously slowed for the past eight consecutive months, rising 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.

- **Personal Care Products:** Prices were up 2.7% YoY (down 0.3% MoM), the latest sequential decrease since February 2023, when price growth hit 6.1% YoY. This category continues to see persistent, long-term inflation; since September 2020, only a single month saw prices fall YoY: November 2021 (down 0.9% YoY).
- **Appliances:** Prices were down 7.9% YoY (and 2.4% MoM), the highest drop for this category since Adobe began tracking online prices in 2014. May marked the eighth consecutive month of falling appliance prices.
- **Home and Garden:** Prices were down 6.3% YoY (down 0.9% MoM), continuing reductions in costs of home and garden products. This is substantially lower than a year ago, when May 2022 prices for the category rose 2.5% YoY.

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

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

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