



Public relations contact

Kevin Fu
Adobe
kfu@adobe.com

Media Alert: Adobe Digital Price Index: Online Prices Fall 1.7% In March

- Online prices fell 1.7% compared with March 2022 and remained flat from February 2023
- Price increases for groceries continued to slow, easing food costs for consumers
- Categories including home/garden, appliances and electronics continued to see price drops

SAN JOSE, Calif. — April 10, 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 March 2023 fell 1.7% year-over-year (YoY), marking the seventh consecutive month of YoY price decreases with over half of the categories (10 of 18) tracked by Adobe seeing falling prices on an annual basis. On a monthly basis, online prices in March remained flat (up 0.03%).

March's YoY price decline was driven by steep drops in discretionary categories including electronics (down 12.9% YoY, down 1.3% MoM) and toys (down 6.6% YoY, down 1.2% MoM). Prices also fell YoY for home goods: Appliances were down 4.9% YoY (up 0.8% MoM), while home/garden products fell 4.9% YoY (down 0.3% MoM) and the furniture/bedding category fell 0.9% YoY (down 0.3% MoM).

In certain categories with persistent inflation, YoY price increases have slowed in recent months. Grocery prices were up 10.3% YoY (up 0.4% MoM), down from February 2023's 11.4% YoY increase. This marks the sixth consecutive month where YoY price increases for groceries have decelerated from September's record high, when prices rose 14.3% YoY. In the personal care category, prices were up 4.4% YoY (down 1.5% MoM); Contrast this with February 2023, when personal care prices were up 6.1% YoY. In another category such as apparel, prices rose 6.6% YoY (up 1.8% MoM)—an uptick from February 2023's 5.1% YoY increase—but down from February 2022, when apparel prices were up 16.7% YoY.

Notable categories in the Adobe Digital Price Index for March

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 March, 10 of the DPI's 18 categories saw YoY price decreases, with the flowers/related gifts category falling the most at 24.3% YoY. Eight categories experienced YoY price increases, including personal care, office supplies, pet products, groceries, non-prescription drugs, tools/home improvement, medical equipment/supplies and apparel.

Media Alert: Adobe Digital Price Index: Online Prices Fall 1.7% in March

On a MoM basis, 10 of the 18 categories in the DPI saw prices fall. Price increases were observed in eight categories including office supplies, jewelry, pet products, groceries, non-prescription drugs, appliances, medical equipment/supplies and apparel.

Notable categories for March 2023 include:

- **Groceries:** Prices rose 10.3% YoY (up 0.4% MoM) but have slowed in the past six months, rising 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, prices 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 4.4% YoY (down 1.5% MoM), a smaller increase than the month prior when prices rose 6.1% YoY (February 2023). The category has seen persistent inflation online, with prices rising for 16 consecutive months after dropping 0.9% YoY in November 2021.
- **Furniture and Bedding:** Prices were down 0.9% YoY (down 0.3% MoM), marking the second consecutive month where prices have fallen on an annual basis (down 0.1% YoY in February 2023). Prior to this, prices for the category had risen for 33 consecutive months, peaking in March 2021 (up 5.7% YoY). Consumers have become increasingly comfortable buying furniture online, after a pandemic where many wanted to spruce up their living spaces and had no choice but to tap e-commerce.
- **Electronics:** Prices have fallen sharply in recently months, dropping 12.9% YoY in March (down 1.3% MoM) and 12.6% YoY in February. Contrast this with a year ago, in February 2022, when prices were down 3.2% YoY. As a major discretionary category, electronics prices continue to see sharp drops even after the holiday shopping season, where prices fell 12% YoY in December and 13.4% YoY in November due to heavy promotions.
- **Apparel:** Prices were up 6.6% YoY (up 1.8% MoM). Although this is an uptick from the month prior—when prices rose 5.1% YoY in February 2023—price increases for the category have cooled in recent months, rising 5.1% YoY in January and 0.9% YoY in December. Compare this to a year ago, when prices rose 15.8% YoY in January 2022 and 16.6% YoY in December 2021.

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)

###