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Prices decrease for the first time in 2 years: Adobe

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Fourteen out of the 18 categories tracked by the DPI saw month-over-month price decreases in July. Image credit: Shutterstock

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For the first time in more than two years, online prices have shown a decline.

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In new findings from Adobe, online prices saw a 1 percent year-over-year decrease in July 2022. July served as the first month during which ecommerce entered deflation after 25 consistent months of online inflation, a reflection that prices across several categories may continue to dip.

"Wavering consumer confidence and a pullback in spending, coupled with oversupply for some retailers, is driving prices down in major online categories like electronics and apparel," said Patrick Brown, vice president of growth marketing and insights at Adobe, in a statement.

"It provides a bit of relief for consumers, as the cost of food continues to rise both online and in stores."

The data presented is from the Adobe Digital Price Index (DPI), powered by Adobe Analytics, which tracks online prices across 18 categories, driven by electronics, apparel and toys. 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.

Price checks

Although arguably not a mammoth decrease in spending, consumers still spent \$73.7 billion online in July, a decrease from spending \$74.1 billion in June.

In July 2022, online prices decreased 1 percent y-o-y, after increasing 0.3 percent y-o-y in June and 2 percent y-o-y in May. Online prices also decreased by 2 percent in July 2022 on a monthly basis.



Prices for apparel fell 1 percent y-o-y and were down 6.3 percent month-over-month. Image credit: Shutterstock

Fourteen out of the 18 categories tracked by the DPI saw month-over-month price decreases in July.

Electronic prices, consisting of 18.6 percent of the ecommerce trend in 2021, saw a significant decrease of 9.3 percent y-o-y.

Prices for apparel fell 1 percent y-o-y and were down 6.3 percent month-over-month.

One category that maintained high prices was food, with grocery prices rising 13.4 percent y-o-y and 1.4 percent month-over-month, reflecting a y-o-y high and the largest increase in any category.

Although consumers spent \$400 million less in July than the prior month, ecommerce spending grew y-o-y, as July saw a 20.9 percent increase.

Ecommerce demand seems to remain strong, with consumers spending \$525.4 billion online in 2022 so far, growing 9.2 percent y-o-y.

Keeping the demand strong

Industry experts believe that events like ecommerce giant Amazon's Prime Day help fuel demand and keep consumers spending online.

Amazon's Prime Day, which was introduced in 2015, marks a sales event exclusively for Prime members. The 48-hour promotion offers savings on thousands of items across all product categories, from small businesses to well-known brands ([see story](#)).



As Prime Day reigns successful every year, Amazon's competitors pay close attention and hope to implement rival sales events. Image credit: Placer.ai

Prime Day is always anticipated by shoppers and challengers alike, as Amazon often keeps specific deals and event dates under wraps until the set plans near. Placer.ai released a new study finding that the event not only bodes well for the ecommerce giant but also lights a fire under its competitors as well ([see story](#)).

Concepts like livestreaming are also taking off.

Livestreaming has permeated the digital space on a global scale, especially within the fashion and beauty sectors, ultimately transforming ecommerce platforms along with the shift toward an influencer culture. According to 2021 insights from Fashionbi, the entertainment and commerce channel will not only survive the pandemic but is forecasted to become a leading strategy to reach younger, digitally savvy consumers ([see story](#)).

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