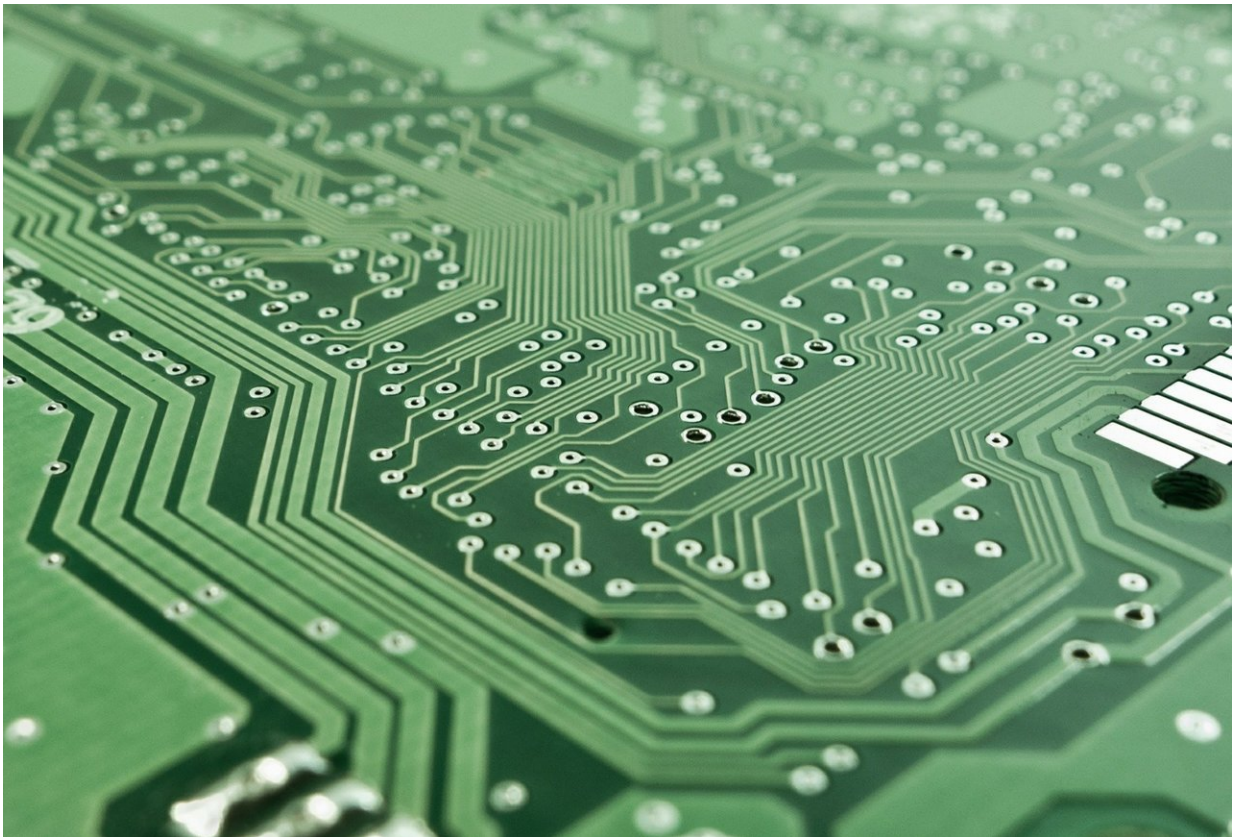


Avoiding inflation: These high-tech must-have products have actually gotten cheaper

May 13 2022, by Chris Woodyard,



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The government's monthly inflation report is generally a terrible place to go looking for bargains—until you delve into the details.

The Consumer Price Index released this week uncovered a few, but not many, deals. If you were in the market for a new television set, [software program](#) or smartphone, you may have been in luck.

The report's finer print underscores that some parts of the economy perform better on price than others against an overall 8.3% rise in inflation. The list of faster-gaining items in April's report—energy costs up 30.3% and food having risen 9.4% over last year—far outnumbered those that had become cheaper.

But there, buried in the CPI, was some good news for those in the market for electronics or other things digital.

Smartphones tumbled 16.1% in price overall from a year ago. It was part of a drop in "telephone hardware" prices of 11.4%.

TVs were 5.6% cheaper. Other video devices were off 4.8%.

Aha! So you buy the hardware and fear you'll get nicked on the software? Not the case.

Software prices eased 4.2% and recorded music and subscriptions were flat from a year ago. For those still wedded to BluRay, "video disks" were 0.5% cheaper.

Of course, these numbers are based on average prices, not those for individual brands or items. The specific 65-inch TV on your must-have list may not be the one coming down in price, while others have. But experts sense we may be at a period in the market for electronics where demand has slackened.

While the [nation](#) may have moved into recovery mode from the pandemic, many families may have purchased home theater installations,

[new smartphones](#) or other gear during COVID-19's earlier shelter-in-place days. The [market](#) is taking a break before the next wave of demand, which could include higher prices.

"You don't see it yet but you will see as we go into fall and [holiday season](#)," said Dan Ives, a managing director and senior equity research analyst for Wedbush Securities.

For instance, he said, Apple is expected to boost the price of its iPhone 14 by about \$100 over the outgoing model when it goes on sale towards the end of the year.

It's yet to be seen whether shoppers are willing to accept higher prices on electronics. They are starting to eschew splurges and focus on basics like groceries, housing, gasoline and travel, said Kevin Fu, spokesman for software maker Adobe.

"At the same time, there has not been a new wave of stimulus cash that consumers could leverage to more freely spend on goods outside of vital necessities," Fu said.

Adobe found a 5.2% decline in electronics prices, the largest drop since November 2020, in its own cost survey. That's in keeping with price declines generally in the category going back to 2015.

"Generally speaking, consumers have become accustomed to deals online for electronics. The persistent drop in prices was expected, and we think the contraction in demand gave this a boost," he said.

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