

Inflation wave extends to e-commerce:

Adobe

18 November 2021



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After years of reliably falling prices, e-commerce goods are becoming more costly amid the upheaval of the COVID-19 pandemic, said a report released Thursday by Adobe.

The report shows how online commerce—a venue where pricing transparency often results in discounting—is experiencing many of the same pricing pressures in the broader economy due to supply chain problems and higher shipping and labor costs.

In October 2021, online prices were up 1.9 percent year over year, the 17th straight month of inflation since June 2020 and a marked shift from the pre-pandemic era when online prices reliably fell, according to Adobe's digital price index.

In October 2019, prices were down 6.6 percent year over year heading into the [holiday season](#), the report said.

"You've had the [conventional wisdom](#) that's its always available and it's always cheaper online," Vivek Pandya, a lead analyst for the index at Adobe, said in an interview.

"And that's what's getting turned on its head in the pandemic."

Pandya said e-commerce consumers had become accustomed to a seasonal cadence in which prices typically fell especially sharply in the months heading into the holiday shopping season.

But this year, most types of goods are either seeing [price increases](#) or experiencing smaller than typical price drops.

For example, the price of electronics was down 0.6 percent in October 2021 compared with the year-earlier period. In contrast, electronics prices were typically down 9.1 percent on average between 2015 and 2019, Adobe said.

Online grocery [prices](#) roses 3.2 percent in October compared with the year-ago level, much above 0.5 percent average between 2015 and 2019.

The impact on groceries is especially important, given that more consumers have been ordering food during the pandemic.

Online grocery sales in early November are currently up 174 percent compared with January 2020, according to Adobe.

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