

## Economy

# Add to cart: Online shopping surges

24 July 2025

### Key takeaways

- Online retail spending growth has outpaced total services spending for the last several months, according to Bank of America aggregated credit and debit card spending. Seasonal promotions and discounts appear to continue to draw consumers in, with spending during online promotions stronger than previous years.
- Though brick-and-mortar retail spending is generally boosted by these promotional periods as well, online shopping seems to be the preferred form of retail therapy. Why? One contributing factor could be an increased use of buy now, pay later (BNPL). According to Bank of America internal data, though there was a small rise in the number of BNPL users, the rate of adoption appears to be driven by more expensive transactions like furniture or travel, and not necessarily every day items.
- Alongside consumer financial behavior, another factor supporting eCommerce expansion is the adoption of agentic AI, according to BofA Global Research. AI agents can find products that match specific criteria, find the most attractive deals and shipping times, and complete purchases automatically, leading to a more efficient and personalized shopping journey.

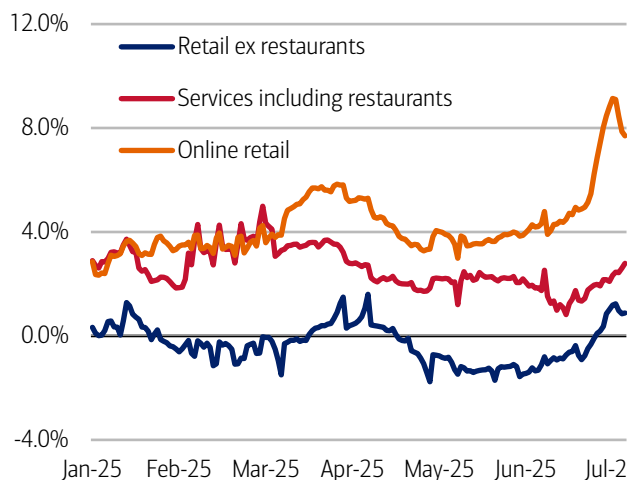
### Is online shopping the best form of retail therapy?

One thing is for sure: online retail spending growth has been strong for the past few months (Exhibit 1). In the second half of March, it steadily surpassed services spending growth, remaining up more than 3.5% year-over-year (YoY) on a 28-day moving average and has trended up even stronger since the end of May.

Additionally, the online penetration of retail spending increased in June and has been steadily trending upwards since April 2023 (Exhibit 2). This underscores that online shopping is becoming increasingly important to overall retail spending.

#### Exhibit 1: Online retail spending growth has generally outpaced services and overall retail spending growth throughout 2025 so far

Bank of America aggregated credit and debit card spending growth by category (28-day moving average, YoY%, daily)

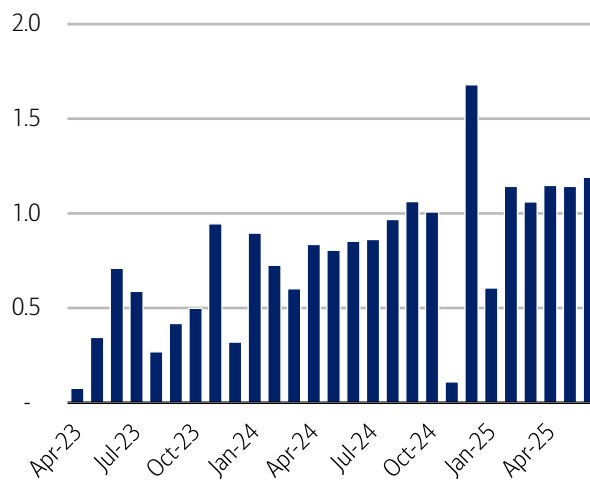


Source: Bank of America internal data

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#### Exhibit 2: Online penetration of retail spending expanded 1.2pts YoY in June

Online\* retail penetration (Y/Y), per Bank of America aggregated credit and debit card data (monthly)



Source: Bank of America internal data

Note: \*Card not present is largely online but could include purchases made over the phone  
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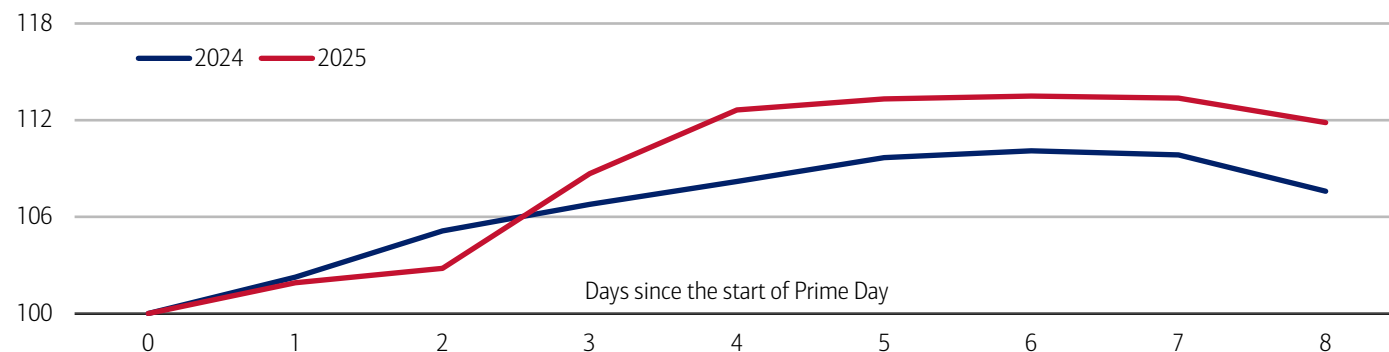
## Prime Day and other retail promotions push eCommerce forward

The recent strength in online retail spending was driven in part by Amazon's expanded Prime Day shopping event which ran four days this year, from July 8-11, and other retail promotions. These factors appear to have driven online retail spending up compared to 2024 (Exhibit 3).

And according to BofA Global Research, the increase in Bank of America aggregated credit and debit card spending per household in the week ending July 12<sup>th</sup> was mainly due to the expansion of and timing shift in Prime Day and other retail promotions (Jul 8-11 '25 vs Jul 16-17 '24).

### Exhibit 3: Total online retail spending around Prime Day was stronger than last year

Total online retail card spending per household (Index, 7-day ma of spending levels, 7-day ma as of July 16, 2024 = 100 and July 8, 2025 = 100)



Source: Bank of America internal data

Note: Total online retail corresponds to purchases in which the card was not present. Prime Day was on July 16-17 in 2024 and July 8-11 in 2025. Prime Day period may also include promotional sales by other retailers.

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## Buy now, pay later adoption could be fueling eCommerce gains

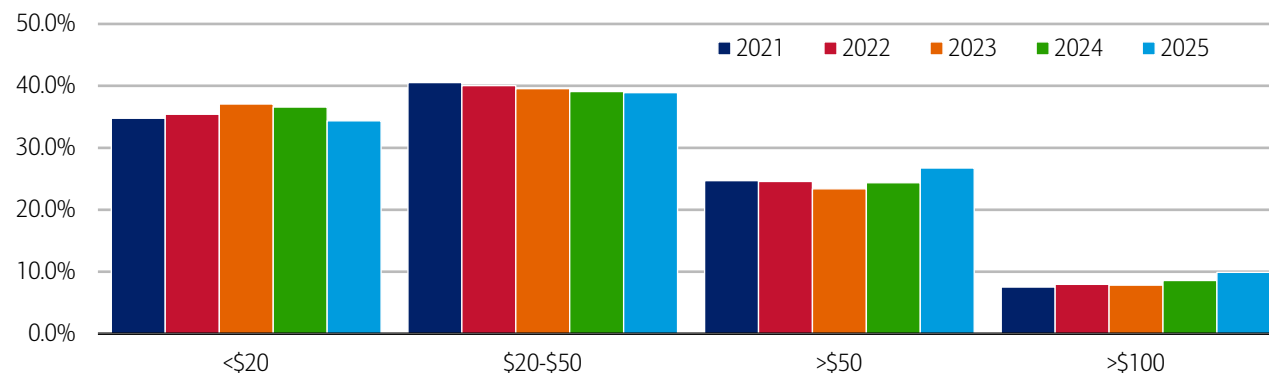
Online spending may also be getting a boost as consumers turn to buy now, pay later (BNPL), a financing option that lets shoppers pay for products in small installments spread over a set period. Among the most common purchasing plans is "pay-in-four," in which the consumer pays 25% of the transaction value upfront and makes three subsequent 25% payments every two weeks. Others include installment plans, often used for larger purchases, as well as some with potential interest and fixed finance charges.

The share of Bank of America customers with a BNPL payment, mostly via a debit or credit card or automated clearing house (ACH) payment, in June 2025 rose by eight-tenths a percentage point (pp) from last year compared with a six-tenths pp increase in June 2024, suggesting continued, albeit gradual, adoption. A payment could be an initial payment, subsequent payment, or loan repayment to buy now, pay later firms.

Examining purchases by transaction size, the share of transactions >\$50 as well as >\$100 has increased (Exhibit 4) in 2025 compared to prior years. By contrast, it appears the share of the number of transactions <\$50 has declined, especially for those <\$20 since the 2023 peak. This suggests consumers are more frequently using BNPL to make more expensive purchases, such as furniture or travel, and not necessarily for everyday items like groceries. However, the bulk of transactions are <\$50.

### Exhibit 4: The share of BNPL transactions for more expensive purchases has increased compared to lower-priced items in the past two years

Share of BNPL transaction count by spending amount (annual, %)



Source: Bank of America internal data

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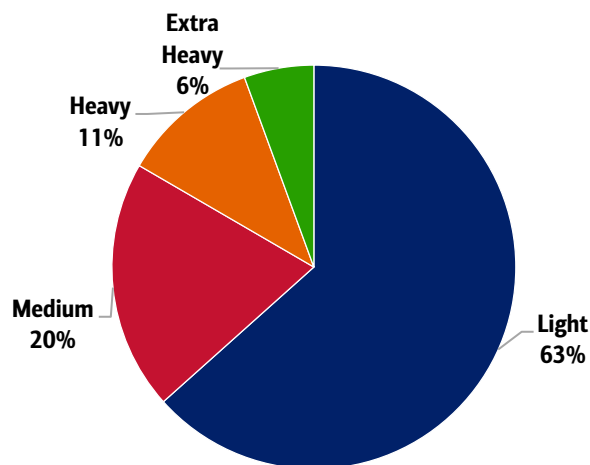
## Share of “light” and “extra heavy” use BNPL households has increased

Using internal Bank of America data, we examined the number of BNPL payments per month and analyzed household data by frequency of use. Among our findings: the proportion of users who make the most and the least payments is accelerating. In June, a majority of BNPL users were light, meaning they made 1-4 payments per month (Exhibit 5).

Bank of America debit and credit card retail spending by households with 20 or more BNPL payments per month, our proxy for extra heavy usage, has risen 23% YoY in June (Exhibit 6), albeit it has declined in the last several months. At the same time, over the last year, the number of light users has continued to accelerate.

Interestingly, we see a deceleration in the other categories with heavy users falling below medium users. Note, we define heavy BNPL usage as 10-19 payments per month and medium as 5-9 payments.

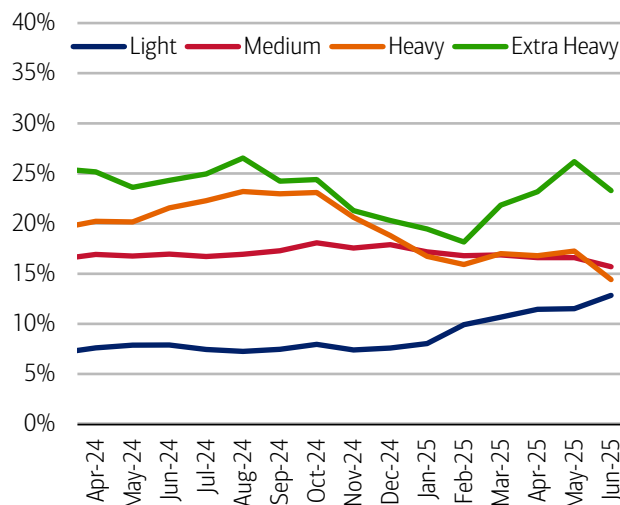
**Exhibit 5: A majority of BNPL users were “light” in June**  
BNPL households by user type in June 2025 (%)



Source: Bank of America internal data

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**Exhibit 6: Light users have accelerated compared to other user types, though extra heavy continues to have the strongest growth**  
YoY% growth of BNPL households by user type (monthly, YoY%)



Source: Bank of America internal data

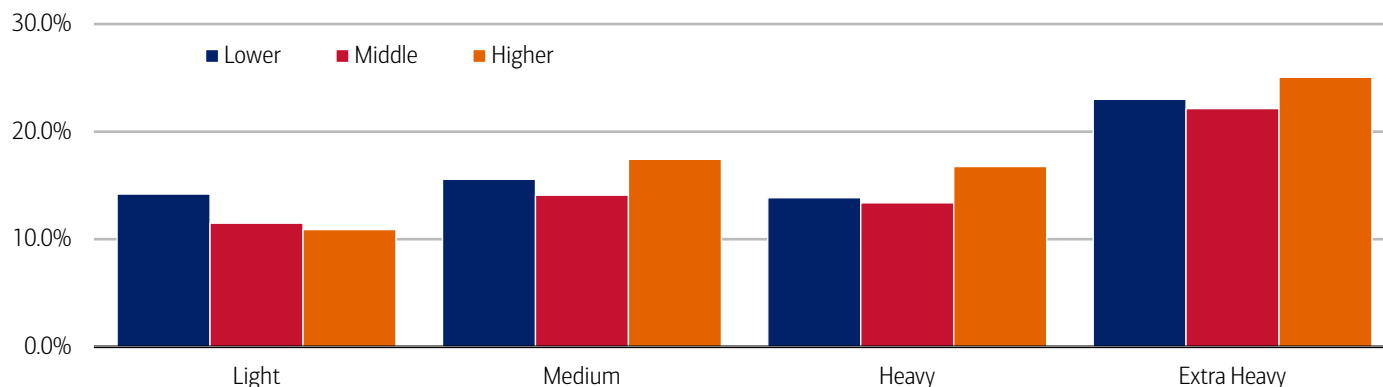
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## Higher-income households turning toward BNPL make up the greatest share in heavy users

Looking across income cohorts, higher-income households had the strongest YoY% growth for extra heavy users, up 25.1% YoY. By contrast, lower-income households were up 14.2% YoY, the strongest growth among light users (Exhibit 7).

More broadly, we see one consistent trend no matter what households earn: extra heavy users grew the most across all income groups in June, suggesting BNPL adoption has likely become more mainstream as consumers, especially younger people, face rising cost pressures, (read more on this in our [June Consumer Checklist](#)).

**Exhibit 7: Higher-income households grew the most across all BNPL user classifications except light**  
Number of BNPL households by user type by income in June (YoY%, 3-month moving average)



Source: Bank of America internal data

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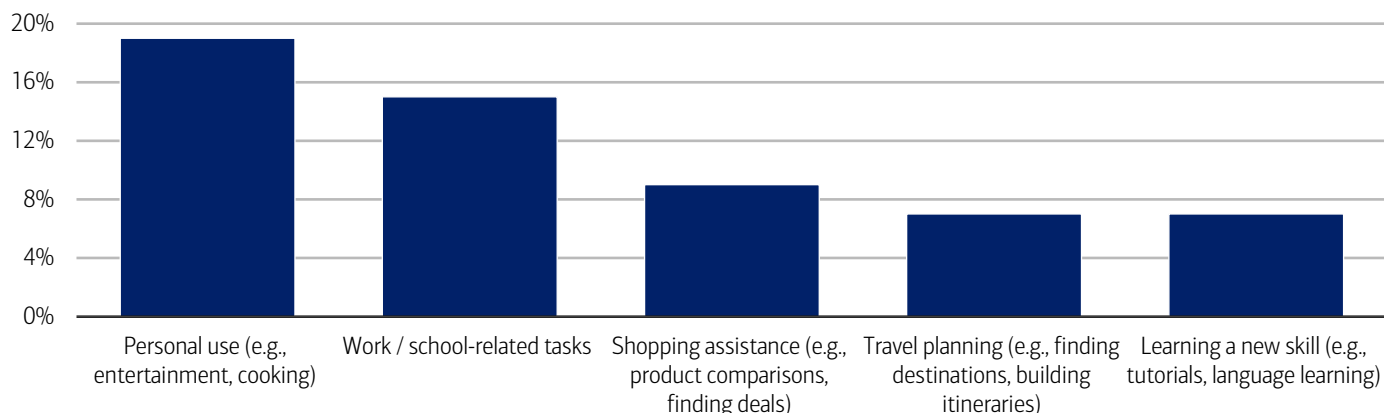
## Agents aren't just for stars anymore: Agentic AI emerges in eCommerce

Another important factor in eCommerce is Agentic AI, which refers to artificial intelligence systems that act autonomously to perform tasks and make decisions on behalf of users (see our July publication [AI dictionary, part 2](#)).

According to BofA Global Research, Agentic AI would favor consumers in purchasing decisions, and will enhance the shopping experience by automating personalized product recommendations and managing purchases. For instance, AI agents can find products that match specific criteria, reorder favorite items, find the most attractive deals and shipping times, and complete purchases automatically, which leads to a more efficient and personalized shopping journey.

### Exhibit 8: Shopping assistance and travel planning were two use cases of those respondents who have recently used AI

Over the past 30 days, which of the following have you used generative AI tools for? (% of responses)



Source: CivicScience Note: 2,960 responses from April 2025.

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### Personalized shopping and one-click ordering

Agentic AI has the potential to help consumers save time and money. Instead of navigating websites and filling out forms that include personal and payment information, users can give AI agents a single command and the agent will locate desired items, apply available promotion codes, type in personal information, and confirm the purchase. According to BofA Global Research, these features will be even more useful when users shop for multiple items, such as living room furniture that matches or groceries needed for special dinner for six.

### AI to add transparency to shopping

Ultimately, Agentic AI would enhance transparency in online shopping by surfacing hard-to-find information, according to BofA Global Research. AI can expose hidden fees and show total costs, assess the credibility of online reviews, evaluate real-time price comparisons and historical pricing trends across platforms, and even factor in the relevance of expected shipping speeds. By aggregating complex eCommerce data, Agentic AI can empower consumers to make more informed purchasing decisions.

## Methodology

Selected Bank of America transaction data are used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used are not comprehensive; they are based on aggregated and anonymized selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

If mentioned, total payments include total credit card, debit card, ACH, wires, bill pay, person-to-person, cash and checks. The payments data represents aggregated spend from Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. All exhibits with internal Bank of America data are based on households that have a deposit account.

BNPL payments are analyzed across credit card, debit card, ACH, wires, bill pay, person-to-person, cash and check channels, where applicable.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards are excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

Generations, if discussed, are defined as follows:

1. Gen Z, born after 1996
2. Younger Millennials: born between 1989-1995
3. Older Millennials: born between 1978-1988
4. Gen Xers: born between 1965-1977
5. Baby Boomer: 1946-1964
6. Traditionalists: pre-1946

Additional information about the methodology used to aggregate the data is available upon request.

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