

# Electronic Card Transactions: January 2014

Embargoed until 10:45am – 12 February 2014

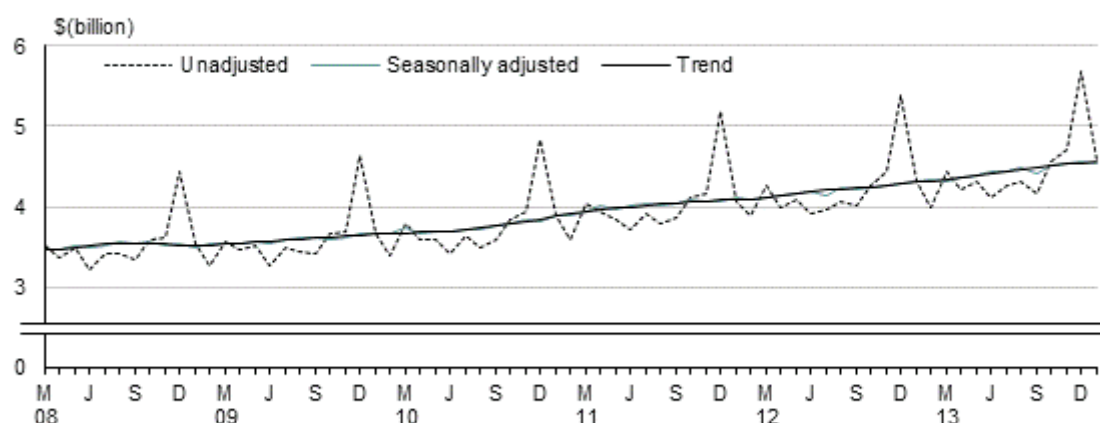
## Key facts

Changes in the seasonally adjusted value of transactions (compared with December 2013) were:

- total electronic card transactions fell 0.1 percent.
- transactions in the retail industries fell 0.5 percent.
- transactions in the core retail industries fell 0.8 percent.

The unadjusted value of transactions in the core retail series rose 5.0 percent compared with January 2013, to reach \$3.7 billion.

**Value of retail electronic card transactions**  
Monthly



Source: Statistics New Zealand

Liz MacPherson  
Government Statistician

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## Commentary

All figures are seasonally adjusted unless otherwise specified.

The value of electronic card spending in the retail industries decreased 0.5 percent in January 2014. This followed three consecutive monthly increases.

Of the six retail industries, durables had the largest decrease in card spending in January 2014, down 1.3 percent (\$14 million). Hospitality was the only retail industry where card spending increased, up 0.7 percent (\$5 million).

Core retail spending decreased 0.8 percent in January 2014.

The total value of electronic card spending decreased 0.1 percent in January 2014.

The trends for all three total series have generally been increasing since the series began in October 2002.

In unadjusted terms, 114 million transactions were made across all industries in January, with an average value of \$53. The total amount spent across all transactions was \$6.0 billion.

For more detailed data see the Excel tables in the 'Downloads' box.

## Definitions

### About Electronic Card Transactions

Electronic Card Transactions (ECT) is a monthly series that covers all debit, credit, and charge card transactions with New Zealand-based merchants. This information can be used as an indicator of the change in the level of consumption expenditure and economic activity in general.

Statistics NZ would like to acknowledge the cooperation of the private sector in providing the data for publication, which supports the delivery of statistics without significant additional burden on businesses in New Zealand.

### More definitions

**ANZSIC:** Australian and New Zealand Standard Industrial Classification.

**Average number of transactions per person:** the total number of transactions divided by the sum of the average resident population and the average number of overseas visitors to New Zealand for the reference year.

**Average transaction value:** the total value of transactions divided by the total number of transactions.

**Average value of transactions per person:** the total value of transactions divided by the sum of the average resident population and the average number of overseas visitors to New Zealand for the reference year.

**Card-not-present transactions:** purchases made using a credit card, via telephone, mail order, Internet, or credit card direct debit where the card is not present for the transaction.

**Cash out:** cash taken out at a point-of-sale terminal, with or without a purchase.

**Core retail series:** includes consumables, durables, hospitality, and apparel industry groups. See [Data quality](#) for detailed industry descriptions.

**Debit card:** card used for debiting money directly from a bank account. Also commonly referred to as eftpos, cash, or ATM card.

**Debit transactions:** where the purchaser uses the cheque or savings buttons on the point-of-sale terminal.

**Eftpos:** electronic funds transfer at point of sale.

**Retail series:** includes the core retail series plus the motor vehicles and fuel industry groups. See [Data quality](#) for detailed industry descriptions.

**Share of spending by electronic card transactions:** proportion of total spending that debit and credit card spending makes up. This figure can be approximated by dividing the value of retail electronic card transactions (excluding GST) by total retail sales, as estimated from the Retail Trade Survey.

## **Related links**

### **Upcoming release**

*Electronic Card Transactions: February 2014* will be released on 11 March 2014.

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[The release calendar](#) lists all our upcoming information releases by date of release.

### **Past releases**

[Electronic Card Transactions](#) has links to past releases.

## **Related information**

The latest movements in related series were as follows:

- the [food price index](#) fell 0.1 percent in December 2013, compared with November 2013
- the [consumers price index](#) rose 0.1 percent in the December 2013 quarter, compared with the September 2013 quarter
- [credit card billings in New Zealand](#), as issued by the Reserve Bank of New Zealand, increased 9.8 percent in December 2013, compared with December 2012.

## Data quality

This section contains information that does not change between releases.

- [Data source](#)
- [Industry group descriptions](#)
- [Interpreting the data](#)
- [Differences between the ECT series and the Retail Trade Survey](#)

### Data source

Statistics on electronic card transactions are produced from aggregated administrative data generated in the process of administering New Zealand-based electronic transactions. The data are supplied in a highly aggregated form and include goods and services tax (GST).

### Industry group descriptions

The eight aggregated industry groups commonly referred to in the Electronic Card Transactions (ECT) information release text are described in the table below.

Aggregated industry groups in ECT releases	
Industry group	Descriptor
Consumables	Includes food and liquor retailing
Durables	Includes furniture, hardware, and appliance retailing; pharmacy, cosmetic, and toiletry retailing
Hospitality	Includes accommodation, bars, cafes and restaurants, and takeaway retailing
Apparel	Includes clothing, soft-goods, and footwear retailing
Motor vehicles	Includes automotive parts and accessories; vehicle and tyre retailing
Fuel	Automotive fuel retailing
Services	Includes personal and household services, including hire and repair; automotive electrical and repair services
Non-retail (excluding services)	Includes travel and health, and wholesaling
<b>Note:</b> The core retail series comprises the consumables, durables, hospitality, and apparel industry groups. The retail series comprises the core retail series plus the motor vehicles and fuel industry groups.	

## **Interpreting the data**

### **Coverage**

The Electronic Card Transactions (ECT) series includes:

- all debit, credit, and charge card transactions with New Zealand-based merchants
- card-present transactions at the point of sale, whether authorised by PIN or signature
- card-not-present transactions (eg payments of invoices; mail order, telephone, and Internet sales via credit card; or direct debit from credit cards) where the card is not presented directly at a point-of-sale terminal
- GST.

The ECT series excludes:

- all credit card transactions with non-New Zealand-based merchants (eg via the Internet, telephone, or mail order)
- transactions by New Zealand card holders while overseas
- cash, cheque, or hire purchase transactions
- automatic payments or direct debits from bank accounts
- Internet bank account payments
- withdrawals from ATMs.

Note:

- Cash out is included in the data from one of the respondent companies, but excluded by the other.
- Manual, voucher-based credit card transactions are included by one of the respondents, but excluded by the other.

### **Published levels**

Data are published at three levels of aggregation. These are:

#### **1. Electronic card transactions – total**

- Includes data for all industry classes; a census of all electronic transactions.

#### **2. Electronic card transactions – retail industries**

- A subset of total electronic card transactions covering these ANZSIC06 industries: retail trade (ANZSIC division G) and accommodation and food services (ANZSIC division H).

#### **3. Electronic card transactions – core retail industries**

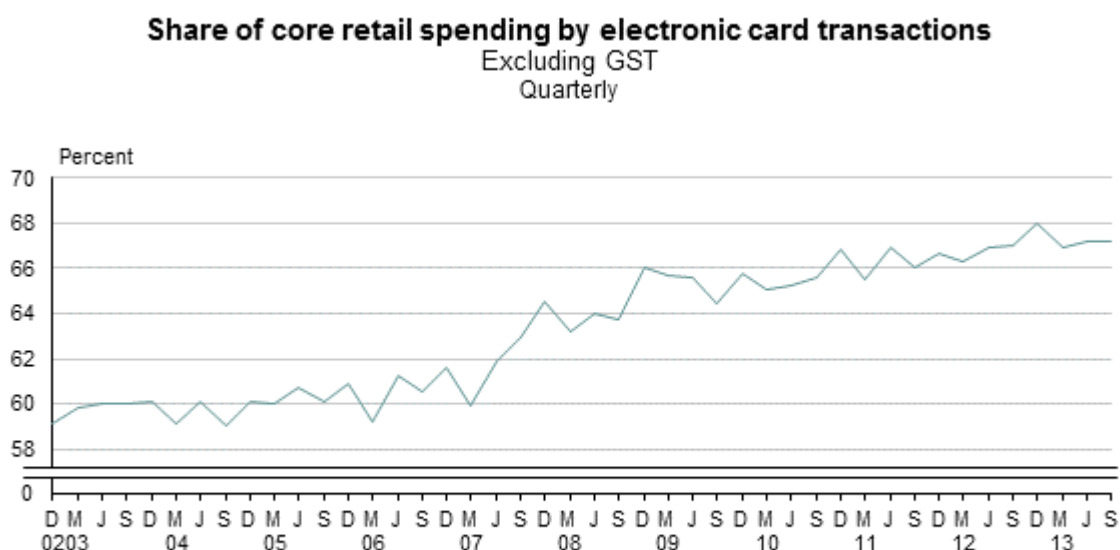
- A subset of retail electronic card transactions, excluding the motor vehicle-related industries (ANZSIC groups G1110 motor vehicles and parts retailing and G1120 fuel retailing). Motor vehicles and parts generally have low rates of electronic transactions.

The following series are published for each aggregation:

- values – actual (unadjusted), seasonally adjusted, and trend
- volumes – actual (unadjusted).

### Electronic card transactions share of spending

The share of electronic card transactions in the core retail industries has generally been increasing slowly over time. The mean share of the core retail spending (excluding GST) in the September 2013 quarter was estimated at 67.2 percent, compared with 67.0 percent in September 2012, and 66.1 percent in September 2011.



Source: Statistics New Zealand

### Seasonally adjusted series

The X-12-ARIMA package is used to produce the seasonally adjusted estimates and trend estimates for the three series: total, retail, and core retail ECT. Seasonal adjustment aims to eliminate the impact of regular seasonal events (such as annual cycles in agricultural production, winter, or annual holidays) on time series. This makes the data for adjacent months more comparable. There is no specific adjustment made for leap years in these series.

All seasonally adjusted figures are subject to revision each month. This enables the seasonal component to be better estimated and removed from the series.

### Estimated trend

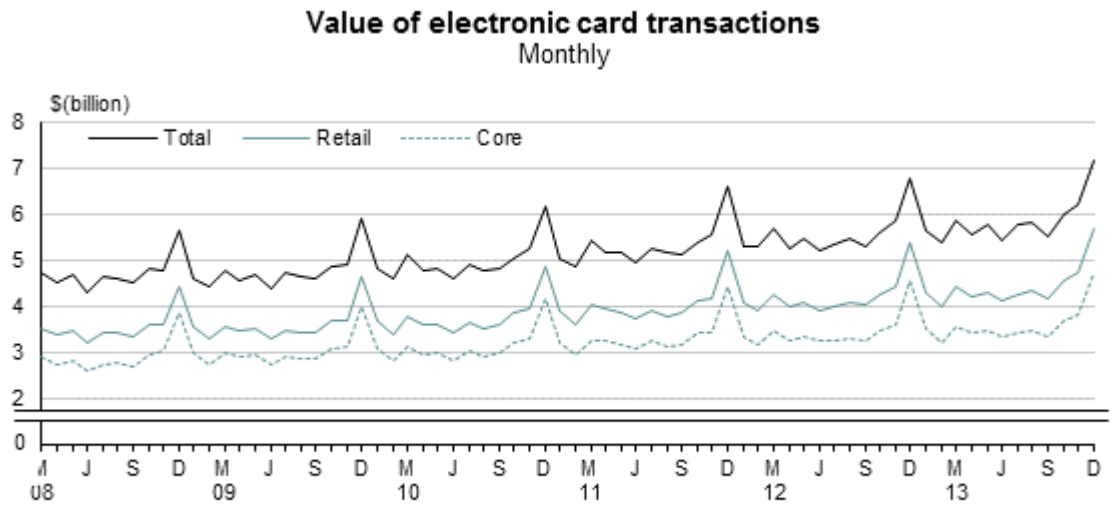
For any series, the survey estimates can be broken down into three components: trend, seasonal, and irregular. While seasonally adjusted series have had the seasonal component removed, trend series have had both the seasonal and the irregular components removed. Trend estimates reveal the underlying direction of movement in a series, and are likely to indicate turning points more accurately than seasonally adjusted estimates.

The trend series are calculated using the X-12-ARIMA seasonal adjustment package. They are based on an 11-, 13-, or 23-month moving average of the seasonally adjusted series, with an adjustment for outlying values.

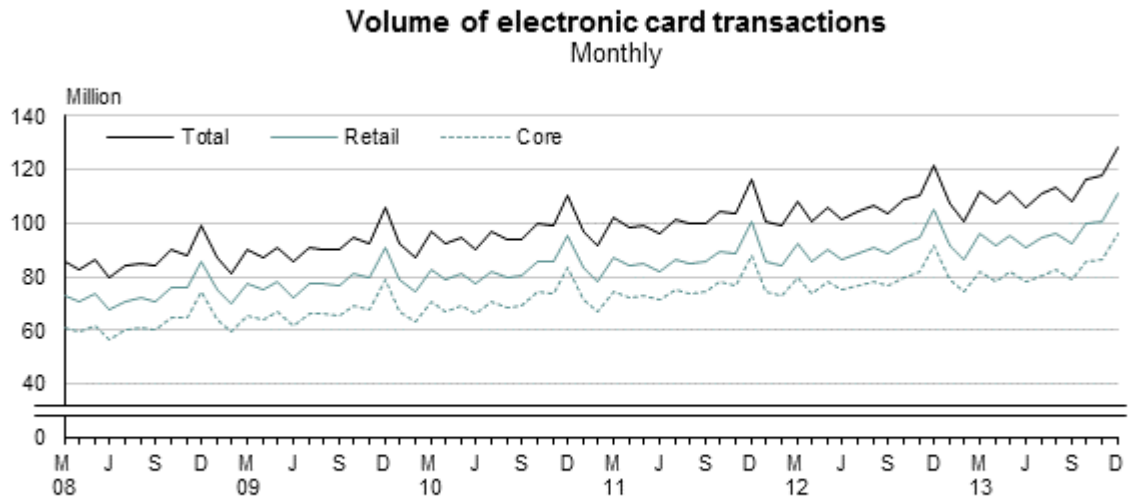
Trend estimates towards the end of the series incorporate new data as they become available and can therefore change as more observations are added to the series. Revisions can be particularly large if an observation is treated as an outlier in one month, but is found to be part of the underlying trend as further observations are added to the series. Typically, only the estimates for the most recent month are subject to substantial revisions.

**Seasonal patterns**

The three unadjusted series (for the value of total, retail, and core retail electronic card transactions) have similar seasonal patterns, peaking in December each year.



The three ECT series for the number of total, retail, and core retail electronic card transactions have similar patterns to those for the transaction values, peaking each December.





## Impact of electronic card transaction processing outages

Occasionally, processing outages prevent customers from being able to make transactions at the point of sale. Where these are significant in extent and duration, they can affect the published results for the ECT series. The last significant outage was in December 2005.

## Differences between the ECT series and the Retail Trade Survey

A significant proportion of spending using debit and credit cards takes place in the retail sector. The Retail Trade Survey (RTS) also collects sales information about the retail sector from a sample of retail establishments. Given the similarities in coverage of the two series, it is expected they may be comparable. However, users should be aware that there are a number of differences between the two series that affect comparison between them. These differences are described below.

### Coverage

The RTS includes payments made by cash, cheque, and hire purchase, in addition to electronic card.

<b>Coverage differences between the Electronic Card Transaction series and the Retail Trade Survey</b>		
	<b>Cash sale</b>	<b>Credit sale</b>
Electronic Card Transaction series	Debit card	Credit card
		Charge card
Retail Trade Survey	Debit card	Credit card
	Cash	Charge card
	Cheque	Hire purchase

### GST

Electronic card transaction data collected include GST, whereas the RTS collects sales excluding GST. As GST is not separately identified in the data, any attempts to adjust the ECT series for GST are approximations only.

### Timing issues

Several timing differences exist between the ECT series and RTS.

- Electronic transactions occur instantly at the point of sale, whereas many retailers operate on an accrual accounting basis (recording a sale before any money has changed hands).
- Instalments on lay-bys may be paid electronically but are not recorded as a sale by the retailer until the goods are picked up.
- Gift vouchers may be purchased electronically but are not recorded as a sale until they are redeemed.

## **Classification issues**

Statistics NZ has developed ECT series that relate to the industry coverage of the RTS. This was done by matching the industry codes supplied by the respondents to classifications used by Statistics NZ. There are instances where the classification allocations used by the respondents differ from those used by Statistics NZ. This results in some coverage differences at the industry and overall retail level, and potentially some overstatement of the ECT retail industry levels. The impact of this on ECT retail data levels cannot be fully assessed, as source data are only supplied in aggregate form, but retail levels are estimated to be overstated by less than 5 percent.

## **Changes in share of spending by electronic card transactions**

The uptake of electronic transaction technology among retailers and increasing card usage by consumers have led to a greater share of retail sales being by electronic transactions. This results in the ECT series having a much steeper trend than the RTS. This increase in share is slowing over time, particularly in industries where the technology is approaching full coverage. However, it is still affecting the movements in electronic card transactions. Users should be aware that movements in electronic card transactions are overstated by this increasing share when comparing the ECT series with the RTS.

## **Differences observed in data series**

Statistics NZ has compared the ECT series with the RTS. The results indicate the following.

- Movements in the actual (unadjusted) values of electronic card transactions provide a good indication of the direction of the RTS actuals, as the two series usually move in the same direction.
- Movements in ECT actuals are frequently different in magnitude compared with movements in RTS actuals.
- The differences found in the actuals data flow through to comparisons of the ECT and RTS seasonally adjusted series, which can differ in the direction and size of the movement.
- These differences have generally been outside the acceptable tolerances indicated by users for the use of the ECT series as a predictor of movements in the RTS.

Given these differences, Statistics NZ does not recommend using the ECT series as an indicator or predictor of the RTS series.

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## Contacts

### **For media enquiries contact:**

Blair Cardno

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

### **For technical information contact:**

Robin Loomes

Christchurch 03 964 8700

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

### **For general enquiries contact our Information Centre:**

Phone: 0508 525 525 (toll-free in New Zealand)

+64 4 931 4600 (outside New Zealand)

**Email:** [info@stats.govt.nz](mailto:info@stats.govt.nz)

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## Tables

The following tables are available in Excel format from the 'Downloads' box. If you have problems viewing the files, see [opening files and PDFs](#).

1. Electronic card transactions by industry – unadjusted monthly values
2. Electronic card transactions by industry – seasonally adjusted monthly values
3. Electronic card transactions by industry – trend monthly values
4. Electronic card transactions – number of transactions
5. Electronic card transactions – averages and proportions

## Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

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For this release, select the following category from the Infoshare homepage:

Subject category: **Economic indicators**

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