Electronic Card Transactions: February 2012
Embargoed until 10:45am – 09 March 2012

Key facts
Changes in the seasonally adjusted value of transactions (compared with January 2012) were as follows:

- Total electronic card transactions were down (0.3 percent).
- Transactions in the retail industries were down (0.7 percent).
- Transactions in the core retail industries were down (0.5 percent).
- The largest decrease was in the hospitality industry.
- Non-retail and consumables had the largest increases.

The actual (unadjusted) value of transactions in the core retail series was up 8.0 percent from February 2011. The extra day in February 2012, due to the leap year, contributed to this increase in the value of unadjusted transactions.

Geoff Bascand
Government Statistician

9 March 2012
ISSN 1178-0258
Commentary

The total value of electronic card transactions was down 0.3 percent in February 2012, when adjusted for seasonal effects. This follows an increase of 0.9 percent in January.

The value of transactions was down in four of the eight industry groups. This follows rises in all the industries in January 2012. Hospitality had the largest fall, down 2.5 percent ($15 million), while consumables was the only core retail industry to rise in February, up 0.5 percent ($8 million).

Across all retail industries, spending fell 0.7 percent in February 2012, while core retailing (which excludes the motor vehicle-related industries) was down 0.5 percent.

The two industries outside retail also rose:

- services was up 0.1 percent
- non-retail was up 0.9 percent.

Trends for the total and retail series continue to increase, although the rate of growth has eased in recent months. The core retail trend has generally been increasing since the series began in October 2002, but has been flat since mid-2011.

The actual (unadjusted) value of transactions in the core retail series was up 8.0 percent from February 2011. The extra day in February 2012, due to the leap year, contributed to this increase in the value of unadjusted transactions.

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 New Zealand 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 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.

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.

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 releases

*Electronic Card Transactions: March 2012* will be released on 12 April 2012.

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

Past releases

See [Electronic Card Transactions – information releases](#) for links to past releases.

Related information

The latest movements in related series were as follows:

- the *food price index* was unchanged in January 2012, compared with December 2011

- the *consumers price index* fell 0.3 percent in the December 2011 quarter, compared with the September 2011 quarter

- *credit card billings in New Zealand*, as issued by the Reserve Bank of New Zealand, increased 7.9 percent in January 2012, compared with January 2011.
Data quality

This section contains information that does not change between releases.

- Data source
- Industry group descriptions
- Interpreting the data

  - Coverage
  - Published levels
  - Electronic card transactions share of spending
  - Seasonally adjusted series
  - Estimated trend
  - Seasonal patterns
  - Impact of electronic card transaction processing outages
- Differences between the ECT series and the Retail Trade Survey
- More information

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 are inclusive of 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.

<table>
<thead>
<tr>
<th>Aggregated industry groups in ECT releases</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry group</strong></td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Consumables</td>
</tr>
<tr>
<td>Durables</td>
</tr>
<tr>
<td>Hospitality</td>
</tr>
<tr>
<td>Apparel</td>
</tr>
<tr>
<td>Motor vehicles</td>
</tr>
<tr>
<td>Fuel</td>
</tr>
<tr>
<td>Services</td>
</tr>
<tr>
<td>Non-retail (excluding services)</td>
</tr>
</tbody>
</table>

*Note: 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 (for example 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, for example 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.

Notes:

- 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 the following 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 of the aggregations:
- 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 been slowly increasing over time. The mean share of the core retail spending (excluding GST) in the December 2011 quarter was estimated at 65.1 percent, compared with 66.2 percent in December 2010, and 65.1 percent in December 2009.

![Share of core retail spending by electronic card transactions](chart.png)

Source: Statistics New Zealand

**Seasonally adjusted series**

The X-12-ARIMA package has been 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 will be 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.

**Value of Electronic Card Transactions**

```
<table>
<thead>
<tr>
<th>Month</th>
<th>Total</th>
<th>Retail</th>
<th>Core retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>08</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>09</td>
<td>7</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>
```

Source: Statistics New Zealand

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.

**Electronic Card Transactions**

```
<table>
<thead>
<tr>
<th>Month</th>
<th>Total</th>
<th>Retail</th>
<th>Core retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>07</td>
<td>50</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>08</td>
<td>60</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>09</td>
<td>70</td>
<td>50</td>
<td>40</td>
</tr>
</tbody>
</table>
```

Source: Statistics New Zealand

**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 that they may be compared with each other. 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.

<table>
<thead>
<tr>
<th>Coverage differences between the Electronic Card Transaction series and the Retail Trade Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Cash sale</td>
</tr>
<tr>
<td>Debit card</td>
</tr>
<tr>
<td>Electronic Card Transaction series</td>
</tr>
<tr>
<td>Debit card</td>
</tr>
<tr>
<td>Credit card</td>
</tr>
<tr>
<td>Retail Trade Survey</td>
</tr>
<tr>
<td>Debit card</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Cheque</td>
</tr>
</tbody>
</table>

**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**

- 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 has been 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 differences.

- 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.

**More information**

More information about [Electronic Card Transactions](#) is available on our website.

**Liability**

While all care and diligence has been used in processing, analysing, and extracting data and information in this publication, Statistics NZ gives no warranty it is error-free and will not be liable for any loss or damage suffered by the use directly, or indirectly, of the information in this publication.
Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

Crown copyright©

This work is licensed under the Creative Commons Attribution 3.0 New Zealand licence. You are free to copy, distribute, and adapt the work, as long as you attribute the work to Statistics NZ and abide by the other licence terms. Please note you may not use any departmental or governmental emblem, logo, or coat of arms in any way that infringes any provision of the Flags, Emblems, and Names Protection Act 1981. Use the wording 'Statistics New Zealand' in your attribution, not the Statistics NZ logo.
Contacts

For media enquiries contact:
Blair Cardno
Christchurch 03 964 8700
Email: info@stats.govt.nz

For technical information contact:
Robin Loomes
Christchurch 03 964 8700
Email: 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
Tables

The following tables are included with this release. They are available in Excel format from the ‘Downloads’ box of Electronic Card Transactions: February 2012 on the Statistics NZ website.

If you do not have access to Excel, you may use the Excel file viewer to view, print, and export the contents of the file.

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

Access more data on Infoshare

Use Infoshare, a free, online database to access time-series data specific to your needs. To access the release time series on Infoshare, select the following categories from the homepage:

Subject category: Economic indicators
Group: Electronic Card Transactions (ANZSIC06) – ECT