



# Electronic Card Transactions

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# Electronic Card Transactions

## Abstract

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.

## Purpose

The Electronic Card Transactions (ECT) provides timely card spending statistics without significant additional burden on businesses in New Zealand.

## Population

### everything

Electronic Card Transaction Study Series Universe

#### Significant events impacting this study series

The potential uses of electronic card transactions, more commonly known as eftpos, were first investigated by Statistics New Zealand in 1999 and this analysis was later updated in 2001. These investigations demonstrated that electronic card transactions may have potential to be a very timely leading indicator of retail spending. During the 1990s the uptake of the technology by merchants and consumers grew at a rapid rate and has continued to increase since then, albeit at a slower rate more recently.

Since 2003, Statistics New Zealand has been working with the respondents, to arrange the regular supply of data. The respondents have been supplying aggregated data on a monthly basis since 2004. The regular supply of the data has opened the way to more fully investigate its potential uses and to consider new statistics that could be developed using this data source.

In July 2005 Statistics NZ funded a project to investigate potential statistical uses of the data. The output of monthly series based on the aggregate data concludes stage one of this project.

A further stage of the project was to investigate the potential uses of the data for measuring activity in service industries outside of the retail industry. A key finding of this stage of the project is that the usage of eftpos in industries outside of retail is not significant enough, at this stage, to develop useful statistics.

Statistics NZ is continuing to work with the respondents to obtain more detailed data to be able to investigate other potential uses such as producing statistics on spending by region and origin of cardholder, including spending in New Zealand by overseas cardholders.

#### Frequency

2 Monthly

#### Usage and limitations of the data

Electronic Card Transactions provide timely census information on debit and credit card spending with New Zealand based merchants, which may provide information on consumer spending and economic activity in general. It should be remembered, however, that the trend for ECT is increasing at a faster rate than the economy as a whole due to the increasing usage of the technology both by merchants and cardholders.

Limitations of the data:

Differences between the Electronic Card Transactions (ECT) series and the Retail Trade Survey (RTS):

- 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.

Differences observed in data series

We have 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, we do not recommend using the ECT series as an indicator or predictor of the RTS series.

#### **Main users of the data**

EXTERNAL: Electronic Card Transactions (ECT) provides information to Reserve Bank, The Treasury, Retail Merchants Association, Businesses, The Media, Economic Agencies (NZIER, Berl, Trading Banks), other government departments and industry associations.

INTERNAL: Business Indicators, National Accounts Division.

## Related Materials

### Other

- [Electronic Card Transactions – information releases](#)

## Variables