

Retailer News – February 2017

Keeping Retailers up to date

Tony's Take – Economic commentary from BNZ Chief Economist Tony Alexander

In spite of a strong rise in house prices during 2016, excellent jobs growth and high levels of consumer confidence, spending by consumers in New Zealand was less than hoped for by many retailers ahead of Christmas.

Spending using debit and credit cards for instance fell in seasonally adjusted terms by 0.5% in November and 0.7% in December. Why the weakness? Possibly there was some impact from events offshore raising uncertainty about what lies ahead, such as the coming Trump Presidency. But mainly it is likely that the earthquakes affecting Kaikoura and Wellington had some impact, and worries about rising interest rates stayed the hands of many people.

Will this mild restraint continue? We still anticipate high confidence, strong jobs growth, and rising house prices this year. But interest rates are increasing and it is hard to envisage anything other than deepening uncertainty about developments offshore.

So while retailers can have reasonable expectations of New Zealand consumers (and tourists) growing their spending, any talk of boom conditions because of the overall strong economy would probably not be warranted.

Merchant Outlet Location Requirements for Merchant Websites

Visa International Operating Regulations require merchants to accurately disclose the merchant's country location on their website/s for all e-commerce transactions.

This disclosure is required before the cardholder completes the purchase, as this information may affect fees, taxes and shipping times – and gives the cardholder certainty about the location of the merchant they are transacting with.

What do you need to do?

Merchants are required to clearly and prominently display the country of their merchant outlet on their website either:

- › On the same screen view as the checkout screen that presents the final transaction amount or;
- › Within the sequence of web pages the cardholder accesses during the checkout process.

If your website doesn't currently disclose New Zealand as your location, please work with your web developer or e-commerce solution provider to amend your website as required.

Any questions?

If you have any questions about your merchant facility, or need some help, please contact our Merchant Sales and Service team on **0800 737 774**, Option 4.