

Retailer News – November 2016

Keeping Retailers up to date

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

One of the key drivers of retail spending is the level of confidence which consumers have about the economy. If people are pessimistic about the economy, they will worry about their jobs and likely cut back on spending. If they are confident, then expectations of good job opportunities and wages growth will tend to boost spending. One monthly gauge of consumer confidence recently rose to its highest level in two years to sit 9% above its ten-year average.

This tells us that going into Christmas the tills are likely to be ringing strongly. The spending consumers do will be boosted by rising house prices in most parts of the country, making many people feel wealthier, and booming tourism boosting spending in the hospitality sector. On top of that, interest rates remain at their lowest levels since the 1960s, so people see little incentive to save and little opportunity-cost to spending. International dairy prices have recovered 67% since their lows in March, and the country's population growth rate remains aggressively boosted by record (and still rising) net migration inflows. This summer is likely to be a boom period for retail spending.



BNZ launches Android Pay™ in New Zealand

In a New Zealand first, BNZ has partnered with Google™ to launch Android Pay - a fast and convenient mobile wallet. Customers with a BNZ Flexi Debit Visa card can now use Android Pay wherever contactless payments are accepted.

What you need to do

If you currently accept contactless payments, there is nothing you need to do – you're already setup to accept Android Pay. Android Pay is a mobile wallet app that allows BNZ customers to make contactless payments using their Android device. Android Pay transactions work just like a normal contactless card. When the EFTPOS terminal is ready, the customer wakes their phone up and holds it over the terminal. The terminal will process the payment and return an accepted or declined message, also visible on the customer's phone. For purchases over \$80 a PIN number is required just like a normal contactless card.

If you don't currently accept contactless payments but would like to, please get in touch with the BNZ Merchant Sales and Service team on **0800 737 774**, option **4**.

Why Android Pay?

Contactless payments are rapidly growing in New Zealand. In the last year alone contactless transactions have increased by 77%¹ with most growth coming from scheme debit cards.

Android Pay is a fast and convenient way for customers to pay - they simply tap their phone on the terminal to complete a purchase. By removing the time spent looking for a card in their wallet, customers spend less time waiting in queues. Android Pay is also easy to set-up. Customers simply download the Android Pay app from the Google Play™ Store and load their BNZ Flexi Debit Visa card by scanning the card or entering the card details manually.

The Android Pay service is highly secure. BNZ has built leading-edge technology to ensure card numbers aren't stored on mobile devices. The card number is replaced and digitally masked with a secure 'token' which means customers and merchants can feel safe using and accepting Android Pay.

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**.