



**Bank Notes
Survey 2010
Retailers**

June 2010



RBNZ Bank Notes Survey 2010 Retailers

Report Prepared For:

Reserve Bank of New Zealand

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Opinion Statement

Nielsen certifies that the information contained in this report has been compiled in accordance with sound market research methods and principles, as well as proprietary methodologies developed by, or for, Nielsen. Nielsen believes that this report represents a fair, accurate and comprehensive analysis of the information collected, with all sampled information subject to normal statistical variance.

Executive Insights

Research design

This research amongst New Zealand *retailers* was carried out via a self completion postal survey between 26 April and 19 May. Respondents were recruited from a sample purchased from DataMarket.

At the end of fieldwork 288 people had completed the survey.

Bank note estimates

Based on this research we estimate that:

- The number of notes held by retailers is estimated to be 6.2 million. This works out to be 141.4 notes per retailer.
- This is made up of approximately 3.6 million kept for floats and 2.6 million kept in storage.
- The most common note held by retailers is the five dollar note which accounts for 43% of notes held by retailers. Almost all notes (96%) held by retailers are of twenty dollars value or less.
- The number of notes held by retailers' accounts for approximately \$80.5 million worth of currency in New Zealand.

Seven in ten (71%) retailers keep cash stored in a secure storage facility (on or off-site) with the majority (93%) of retailers banking their stored money at least weekly.

Retailers estimate that cash transactions only make up a small proportion of transactions (by both number of transactions and the percent of gross retail sales in dollars). Over a quarter (27%) estimate that cash transactions account for only 10% or less of total gross retail sales and almost a third (30%) of the total number of transactions. The majority of retailers feel that the proportion of non-cash transactions has increased over the last 12 months (64% increased rapidly or increased slowly).

Satisfaction with currency

Overall retailers have a positive impression of the current New Zealand bank notes with three in ten (30%) spontaneously stating that they are *good/ fine/ happy with them*. A further three in ten (28%) also stated that they like the fact that it is easy to distinguish between denominations. However, there were some negative comments from retailers. Two in ten (19%) did not like the notes because they are plastic and two in ten did not like the colour and quality of the five and ten dollar notes (12%), and felt they tear easily or get worn looking (11%).

When asked about specific attributes the bank notes rated very highly for the attributes *Current range of denominations*, *Looks like a New Zealand note*, and *Security features* with at least four in ten respondents giving a very positive (9 to 10) rating for these attributes. However, it is clear that there is a real problem with the *Condition of \$5 notes* with three quarters (76%) giving a negative rating for this attribute.

When asked to circle parts of the twenty dollar bank note that retailers like, the most liked part was the text of the denomination on the note i.e. 20 (which corresponds with the liking of the notes because it is easy to distinguish between the denominations). The image of the Karearea was also well liked. The most disliked part of the bank note was clearly the Queen (23%). The main reason why retailers

dislike the use of the Queen on the note is that they do not like the Queen being used as a symbol. Some retailers also dislike the Queen because of the way she is being depicted. A quarter (27%) specifically said there is nothing they dislike about the notes and a further third (35%) did not circle anything – also suggesting there is nothing they dislike.

Retailers' satisfaction with the range of denominations was also measured. Almost nine in ten (86%) want the same range of notes and three quarters (76%) want the same range of coins. Of the notes and coins to be added or removed, the most common suggestions were to remove the ten cent coin (29%) and to add a \$500 note (21%).

Awareness and use of security features

Four in ten (40%) retailers do not have any specific guidelines or processes for checking security features of bank notes to ensure they are genuine. Only some retailers indicated that they did have some processes with the most common being to check the watermark image of the Queen (17%) and a general visual check (15%).

When measuring the spontaneous awareness of security features the most common security features that retailers are aware of are the transparent windows (72%) and the fern shaped window (40%), along with the serial numbers (36%).

In terms of use of the security features the most common security feature checked first is the transparent window and the watermark image of the Queen (both 33%). The most common security feature checked in total is the transparent window (80%).

Two in ten retailers (21%) use the security features at least once a week however use on the whole is generally quite low. Almost four in ten (37%) use them less than once a month and a further quarter (25%) never use them. Food retailers use security features most frequently with almost a quarter (22%) of these retailers checking for counterfeit notes daily.

Business Needs Assessment

Background

Over the past decade, the New Zealand currency has been through some major changes. In 1999, the Reserve Bank of New Zealand switched to polymer bank notes. This allowed the Reserve Bank to provide longer lasting bank notes and to introduce a range of new and sophisticated security features.

With the new notes and coins now well established in New Zealand, the Reserve Bank has asked The Nielsen Company to measure the amount of cash holdings amongst consumers and retailers, find out what security features consumers and retailers are aware of (and are using) and gauge the level of satisfaction with the current notes (condition, appearance, denominations) and coins (denominations). In addition the Reserve Bank would like to understand more about how consumers use cash.

Research Objectives

The specific objectives of this research are to:

- Establish the amount of cash holdings for day to day use (consumers and retailers) and stockpiled in storage containers e.g. piggy banks, security boxes.
 - Measure awareness and use of the security features of banknotes (consumers and retailers).
 - Measure satisfaction with banknotes and coins, including satisfaction with denominations available, quality and appearance (consumers and retailers).
 - Understand whether people are interested in other design themes.
 - Understand how people use cash – where do they get it, how much, how frequently and what they use it for.
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Retailers vs consumers

This report contains the results for the retailers' part of this research. For the research results for consumers please refer to the report 'RBNZ Bank Notes Survey 2010 Consumer'.

Research Design

Survey Methodology

Separate surveys amongst retailers and consumers were deemed necessary as each audience required different methods to reach them and had slightly different information requirements. Following the success of the 2006 survey re the amount of coins held by households, a similar online approach was used amongst the consumer audience. The retail audience required a more complex approach due to the diverse nature of this sector of the economy.

As this report only focuses on the retailer side of the study, only the methodology for retailers will be explained here.

Research amongst retailers used the following process:

- A sample of retailers was purchased from DataMarket with the sample reflecting the proportion each retail category contributes to the Statistics New Zealand monthly sales for the 2009 calendar year. In addition, we ensured within each retail category that we had a good range in size of businesses, in terms of number of employees and turnover.
- A cover letter, hard copy questionnaire and reply paid envelope was sent out to the sample (2000 retailers) on 21 April. Ideally to a specific person if available in the database i.e. the person in charge of the actual shop, so for smaller retailers this would be the owner, but for larger retailers it would be at a branch level as opposed to head office. To help increase response rates, letters were sent out in RBNZ envelopes with a RBNZ pen included as an incentive to complete the survey.
- A telephone follow up call was used to target non-responses to ensure that the final sample was representative by retail category. Follow up phone calls were conducted on 10 May. Contact details were checked to ensure the survey had been sent to the right person, to check to see if they were planning to fill it in, and whether they required a second survey to be sent out. As a result of this a further 27 surveys were sent to retailers. The fieldwork was extended until 15 May for those who agreed to complete the survey after receiving a second copy of the survey.

In total, 288 respondents completed the survey between 26 April and 19 May, with a response rate of 14%.

Questionnaires The retailer questionnaire covered three main sections:

- Satisfaction with currency (including design, denomination and quality)
 - Awareness and use of security features
 - Number of bank notes held by the retailer
-

Margin of error Unless noted otherwise, statistical differences are significant at the 95% confidence level.

All sample surveys are subject to sampling error. Based on a total sample size of 288 respondents, the results shown in this survey are subject to a maximum error of $\pm 5.8\%$ at the 95% confidence level. That is, there is a 95% chance that the true population value of a recorded figure of 50% actually lays between 55.8% and 44.2%. As the sample figure moves further away from 50%, so the error margin decreases.

**Bank note
extrapolation**

The data collected for the notes estimates was processed by Nielsen's in-house measurement science unit (our advanced statistical analytics team). Results for the sample of retailers were then projected up to the population of retailers to make an assessment of the total number of notes documented in this report (projections are based on Statistics New Zealand 2009 data indicating there are 44,230 retail businesses).

The main stages for this process were as follows:

- Where multiple industries were provided the most likely single code for the industry based on other responses was used. All non-retailers were removed.
- During the weighting all unknown employee size and industry responses were imputed into the most likely group. Note although zero employees was not an option provided, it was felt that zero employee businesses (predominantly sole traders) would have been included in the sample as 1-5 employee businesses so the zero employee population data was included in the weighting.
- Hairdressers etc. were not included as retail businesses as they were not in the Statistics New Zealand Retail sales figures which were used to form the sample frame of the study.
- Note Counts were weighted up to the total retail business population.
- Maximum values and trends were checked to ensure they made logical sense.
- Confidence intervals were established to provide a level of precision.

Bank Note Estimates

Introduction

This section covers:

- Bank note estimates for retailers
- Retailer cash holdings
- Cash transactions.

Notes estimates

One of the tasks retailers were asked to do in this survey was to count up all the bank notes that their store/business keeps so that estimates can be made for the total amount of bank notes held by retailers.

This was split into two parts:

- Notes kept for floats
- Notes kept in storage.

The table below shows the total number of notes held by retailers (refer to technical notes for how the extrapolation was done). These were estimated by combining the number of notes kept as floats and the number of notes kept in storage.

TOTAL COUNT	Total
AVERAGE Business No. of notes	141.4
TOTAL Count 2009 Retail Business (44,230)	6,254,067
MIN TOTAL Count 2009 Retail Business (44,230)	4,464,730
MAX TOTAL Count 2009 Retail Business (44,230)	8,043,404
PERCENTAGE of TOTAL notes	100%

TOTAL COUNT	AVERAGE Business No. of notes	TOTAL Count 2009 Retail Business (44,230)	MIN TOTAL Count 2009 Retail Business (44,230)	MAX TOTAL Count 2009 Retail Business (44,230)	PERCENTAGE of TOTAL notes
\$100	1.6	70,208	26,910	113,507	1%
\$50	3.9	172,309	95,949	248,669	3%
\$20	40.9	1,810,903	873,307	2,748,499	29%
\$10	34.8	1,537,747	1,059,727	2,015,766	25%
\$5	60.2	2,662,900	1,946,689	3,379,111	43%

Therefore we can be 95% confident that the true number of notes held by all New Zealand retailers is between 4.5 million and 8.0 million (or 141.4 notes per retailer). It is important to note that this estimation has provided results with very large confidence intervals (in some cases over half the size of the estimation itself). This is largely due to:

- The variation between responses (greater variation should be expected for businesses than consumers)
- The smaller sample size (compared with consumers)
- The nature of business to business surveys (much more difficult to get a representative population)

Due to these factors, these results need to be treated with caution and really are indicative only. There is a fairly even split of notes held by retailers that are kept for floats (58%) versus kept in storage (42%).

Other points to note are:

- Any retailer who does have large cash amounts (particularly on-site) may be reluctant to disclose the full amount in a survey – this could lead to an underestimation of the total.
- In subsequent sections you will see the majority regularly bank stored money meaning less is on-site.
- Retailers believe they are receiving/ dealing less in cash therefore the amount they think they need on-site could be less.

Total value of notes held by retailers

The average retailer holds around \$1820 worth of bank notes in total with the twenty dollar note accounting for almost half (45%) of this. In total it is estimated that \$80.5 million worth of bank notes are held by retailers.

TOTAL VALUE	AVERAGE Business value of notes	TOTAL Value 2009 Retail Business (44,230)	MIN TOTAL Value 2009 Retail Business (44,230)	MAX TOTAL Value 2009 Retail Business (44,230)	PERCENTAGE of TOTAL VALUE of notes
\$100	\$158.7	\$7,020,814	\$2,690,969	\$11,350,660	9%
\$50	\$194.8	\$8,615,455	\$4,797,462	\$12,433,447	11%
\$20	\$818.9	\$36,218,063	\$17,466,144	\$54,969,982	45%
\$10	\$347.7	\$15,377,467	\$10,597,274	\$20,157,659	19%
\$5	\$301.0	\$13,314,501	\$9,733,445	\$16,895,556	17%
TOTAL	\$1821.1	\$80,546,299	\$45,285,294	\$115,807,304	100%

Split by retailer type

Due to small base sizes when breaking this down to the various retailer categories it is hard to give accurate estimates for the value of notes held by each. However we can conclude that there is great variance in the value of notes held by different categories on average. Our estimates show that fuel and food retailers hold the most per retailer followed by accommodation and other personal services, food and beverage services, other store based retailers and lastly motor vehicle and motor vehicle parts retailing.

Cash in floats

The table below gives the estimates for the number of notes kept for floats by retailers. Retailers clearly hold more five dollar notes than any other denomination for floats. Almost all (97%) of notes kept for floats are of twenty dollars value or less.

TOTAL FLOAT COUNT	Total
AVERAGE Business No. of notes	81.6
TOTAL Count 2009 Retail Business (44,230)	3,607,153
MIN TOTAL Count 2009 Retail Business (44,230)	2,166,070
MAX TOTAL Count 2009 Retail Business (44,230)	5,048,236
PERCENTAGE of TOTAL notes	58%

TOTAL FLOAT COUNT	AVERAGE Business No. of notes	TOTAL Count 2009 Retail Business (44,230)	MIN TOTAL Count 2009 Retail Business (44,230)	MAX TOTAL Count 2009 Retail Business (44,230)	PERCENTAGE of notes in FLOATS
\$100	0.6	26,011	8,574	43,447	1%
\$50	1.6	69,889	15,771	124,008	2%
\$20	21.7	959,318	278,784	1,639,852	27%
\$10	21.4	947,535	659,040	1,236,030	26%
\$5	36.3	1,604,400	1,203,902	2,004,899	44%

Note: In earlier research re silver coins, it was noted there was a wider range in the amount of floats that retailers carry.

Total value of notes held by retailers in floats

The average retailer keeps around \$970 worth of bank notes for floats with the twenty dollar note accounting for almost half (45%) of this. In total it is estimated that almost \$43 million worth of bank notes are held in floats by retailers.

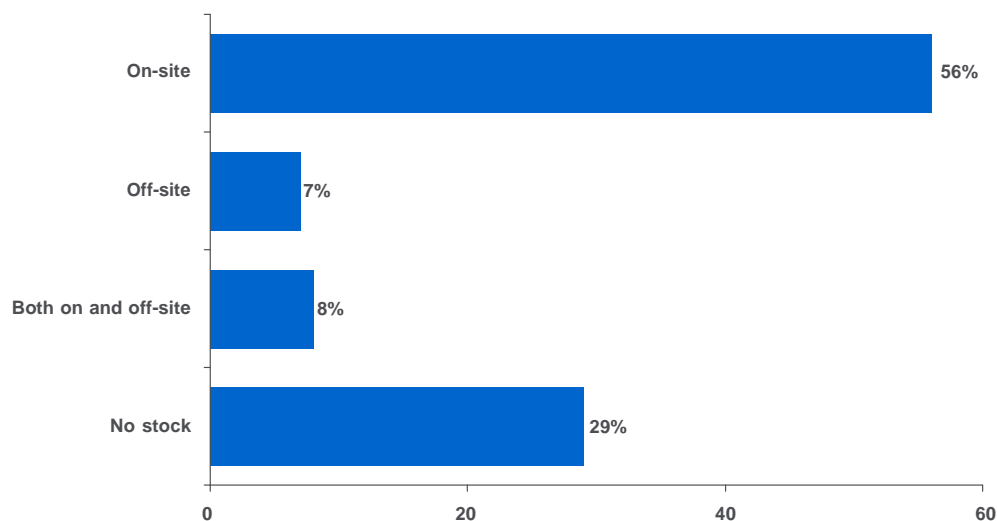
TOTAL VALUE	AVERAGE Business value of notes	TOTAL Value 2009 Retail Business (44,230)	MIN TOTAL Value 2009 Retail Business (44,230)	MAX TOTAL Value 2009 Retail Business (44,230)	PERCENTAGE of TOTAL VALUE of notes
\$100	\$58.8	\$2,601,062	\$857,429	\$4,344,696	6%
\$50	\$79.0	\$3,494,472	\$788,563	\$6,200,381	8%
\$20	\$433.8	\$19,186,361	\$5,575,673	\$32,797,048	45%
\$10	\$214.2	\$9,475,347	\$6,590,397	\$12,360,297	22%
\$5	\$181.4	\$8,022,002	\$6,019,508	\$10,024,496	19%
TOTAL	\$967.2	\$42,779,243	\$19,831,570	\$65,726,917	100%

Cash holdings

Retailers were also asked "As well as storing cash in tills, many retailers have a safe or some other secure storage facility for money on site, in their store/business, while others store their stock of cash off-site. Do you have on-site storage facilities for cash at your store/business? Do you use off-site storage or do you not maintain a stock of money at all? (We are referring to any money that has not been banked but excluding money to be used in tills). Results, summarised in the chart below, suggest that over half (56%) keep cash stored on-site, seven percent keep cash stored off-site and a further eight percent keep cash stored both on and off-site. Retailers that are branches are more likely to keep cash stored on-site (84% cf. 52% of stand alone businesses). Retailers with a turnover of five million dollars or more are also more likely to keep cash stored on-site (71%).

Three in ten (29%) retailers do not maintain a stock of money at all. Stand alone businesses are more likely than branches to keep no stock of cash (31% cf. 10%). Motor vehicle and motor vehicle parts retailers are also more likely to take their cash directly to the bank (68%).

Secure storage facilities for cash



Base: All respondents excluding those who did not provide an answer (n=273)

The table below gives the estimates for the number of notes kept in storage. Again the majority (94%) of these notes are of twenty dollars value or less.

TOTAL STORED COUNT	Total
AVERAGE Business No. of note	59.8
TOTAL Count 2009 Retail Business (44,230)	2,646,914
MIN TOTAL Count 2009 Retail Business (44,230)	1,439,733
MAX TOTAL Count 2009 Retail Business (44,230)	3,854,095
PERCENTAGE of TOTAL notes	42%

TOTAL STORED COUNT	AVERAGE Business No. of notes	TOTAL Count 2009 Retail Business (44,230)	MIN TOTAL Count 2009 Retail Business (44,230)	MAX TOTAL Count 2009 Retail Business (44,230)	PERCENTAGE of STORED notes
\$100	1.0	44,198	6,498	81,897	2%
\$50	2.3	102,420	55,850	148,990	4%
\$20	19.3	851,585	444,364	1,258,806	32%
\$10	13.3	590,212	369,519	810,905	22%
\$5	23.9	1,058,500	563,502	1,553,497	40%

Total value of notes kept in storage by retailers

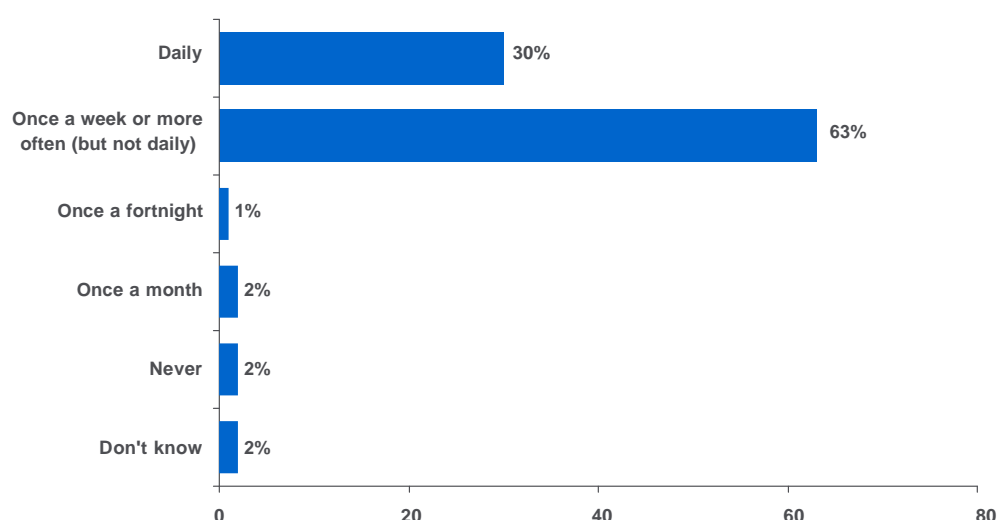
The average retailer keeps around \$850 worth of bank notes in storage, again with the twenty dollar note accounting for almost half (45%) of this. In total it is estimated that almost \$38 million worth of bank notes are kept in storage by retailers.

TOTAL VALUE	AVERAGE Business value of notes	TOTAL Value 2009 Retail Business (44,230)	MIN TOTAL Value 2009 Retail Business (44,230)	MAX TOTAL Value 2009 Retail Business (44,230)	PERCENTAGE of TOTAL VALUE of notes
\$100	\$99.9	\$4,419,752	\$649,816	\$8,189,689	12%
\$50	\$115.8	\$5,120,982	\$2,792,482	\$7,449,483	14%
\$20	\$385.1	\$17,031,702	\$8,887,282	\$25,176,122	45%
\$10	\$133.4	\$5,902,120	\$3,695,187	\$8,109,053	16%
\$5	\$119.7	\$5,292,499	\$2,817,512	\$7,767,486	14%
TOTAL	\$853.9	\$37,767,056	\$18,842,279	\$56,691,832	100%

Frequency of banking stored money

Those who keep cash in storage were also asked how often they bank their stored money. The majority (93%) of retailers bank their stored cash at least weekly.

Frequency of banking stored money



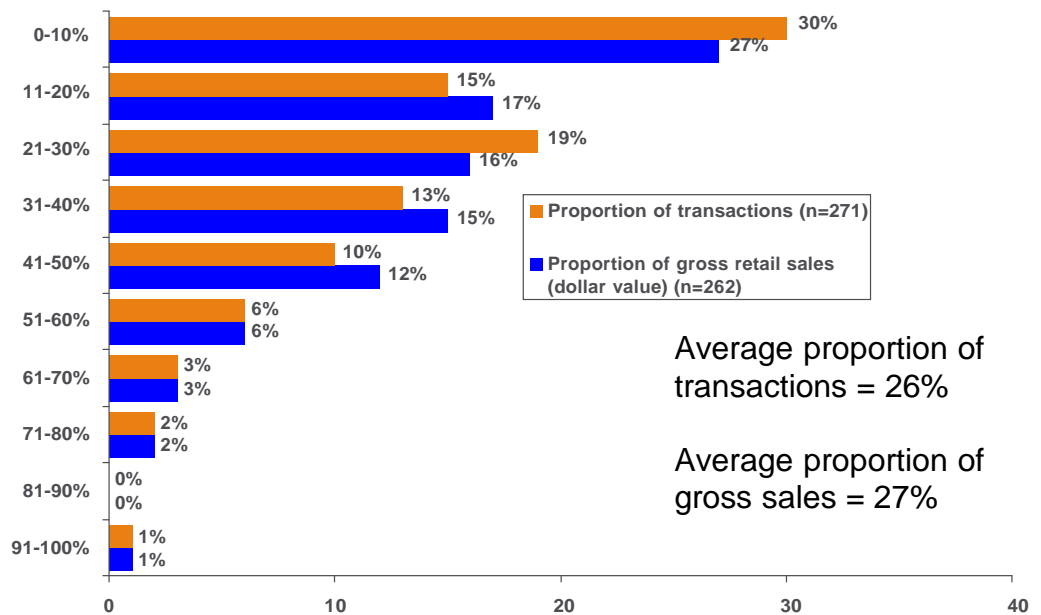
Base: All retailers who keep cash in storage excluding those who did not provide an answer (n=168)

Cash transactions

To get the retailers' perspective on consumers' spending habits, respondents to the retailers' survey were asked to estimate the percentage of the dollar value of their gross retail sales from goods or services purchased at their store/ business made using cash and the percentage of the transactions made using cash. The chart on the following page summarises the results.

Results are very similar for the proportion of cash transactions out of total gross sales (dollar value) and total number of transactions. Over a quarter (27%) of retailers estimate that cash transactions account for only 10% or less of gross retail sales. Motor vehicle and motor vehicle parts retailers are significantly more likely to estimate this (67% cf. 27% all retailers). Three in ten (30%) retailers estimate that only 10% or less of the total number of transactions are made with cash. Again, motor vehicle and motor vehicle parts retailers are significantly more likely to estimate this (69% cf. 30%).

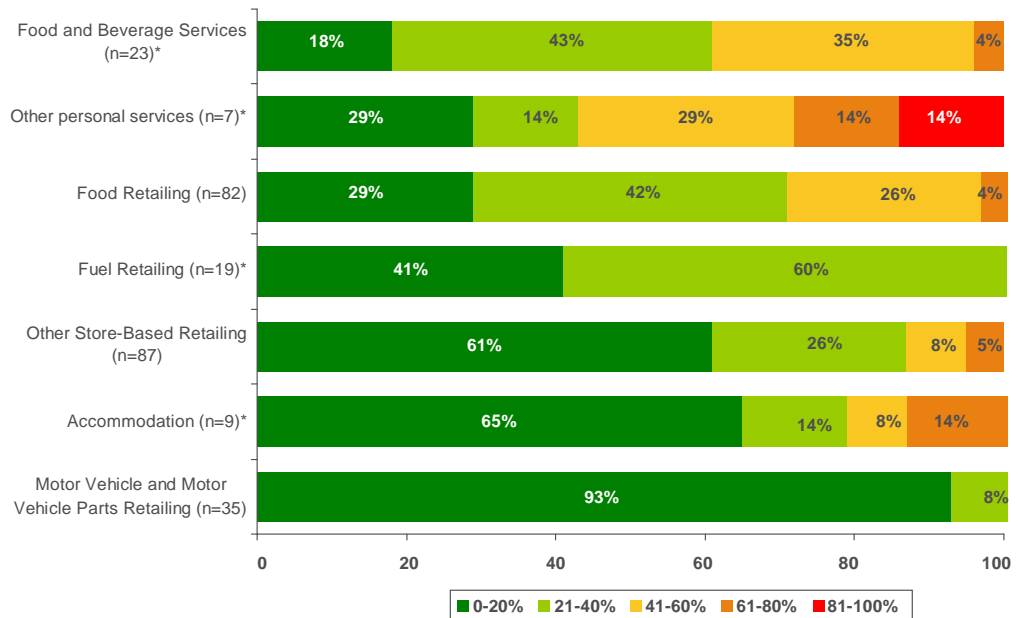
Transactions made with cash



Base: All respondents excluding those who did not provide an answer

The estimated number of transactions made with cash differs greatly when looking at the results across various industries. Food and beverage, and other personal services; and food and fuel retailers give higher estimates in the proportion of transactions made with cash than other industries. Almost all (93%) of motor vehicle and motor vehicle parts retailers estimate that only 20% or less of transactions at their outlet are made with cash. Results for the different industries are shown in the chart below.

Transactions made with cash – by industry



Base: All respondents excluding those who did not provide an answer

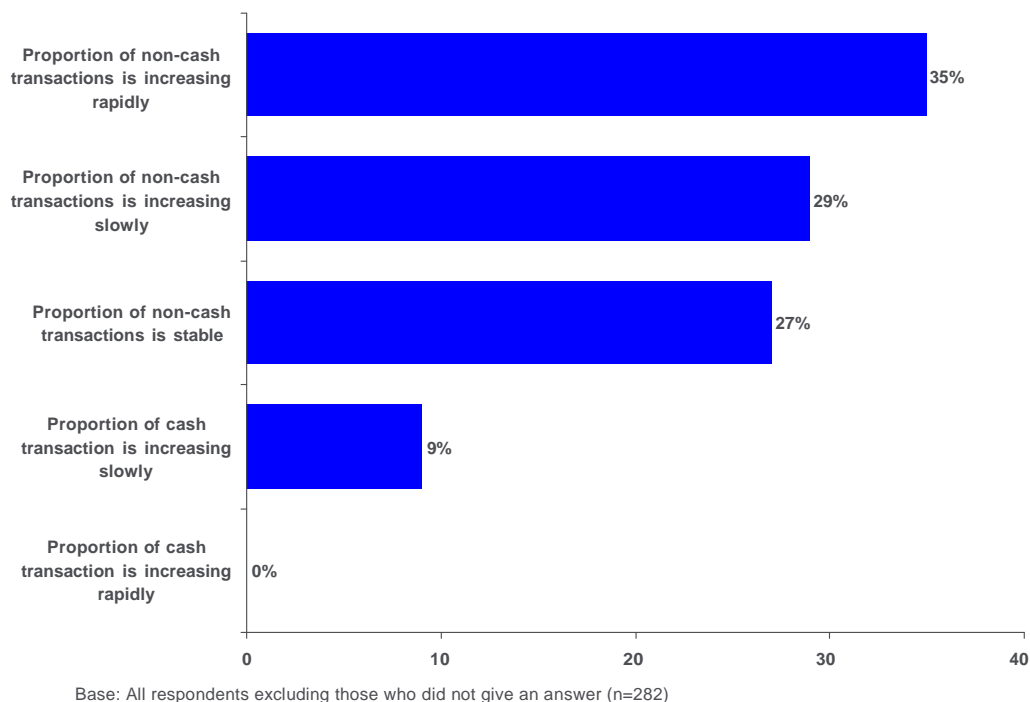
* Caution small base sizes

How the use of cash is changing

Lastly, retailers were asked how they thought the method of payment i.e. cash versus non-cash, for goods or services purchased at their store/ business had changed over the last 12 months. Results, summarised in the chart below, clearly show that the majority of retailers feel the proportion of non-cash transactions is increasing (64% say that non-cash transactions have increased rapidly or slowly over the last 12 months). No retailers stated that the number of cash transactions has increased rapidly.

Perceptions of how the use of cash is changing is similar across the different types of industries although fuel and food retailers are more likely to say the proportion of non-cash transactions is increasing *slowly* rather than *rapidly* (43% slowly cf. 25% rapidly for fuel retailers and 50% slowly cf. 26% rapidly for food retailers).

Change in payment method over the past 12 months



Research done in 2004 with *large* retailers (so a slightly different target group), suggested a third (34%) of gross retail sales were from cash and a similar proportion (40%) of all transactions were cash transactions. Using the figures from this research of 27% and 26% respectively, this suggests there has been a slight decrease in cash transactions, but perhaps not as large a decrease as retailers perceive.

The earlier research also found that 32% of the sample felt the proportion of non-cash transactions was increasing rapidly and 56% felt non-cash transactions were increasing slowly.

Satisfaction with Currency

Introduction

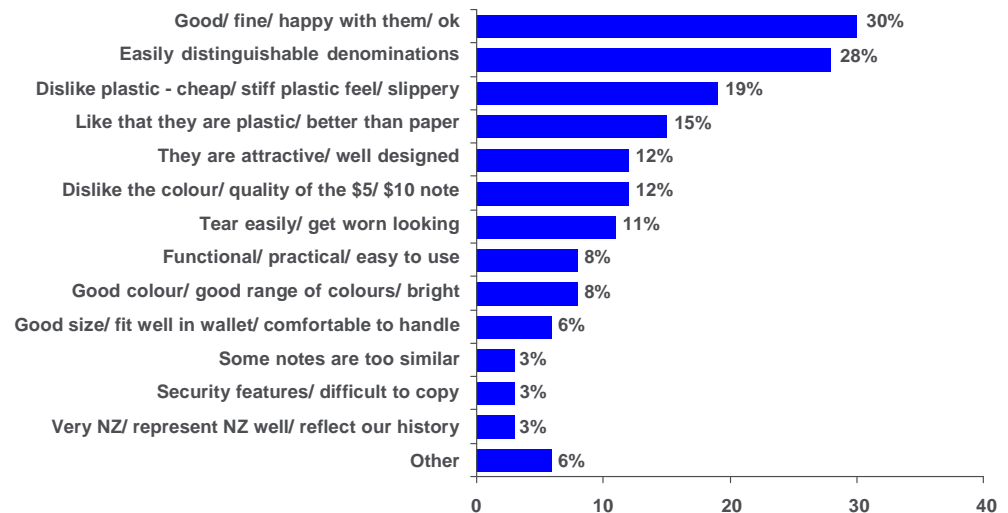
This section covers retailers' views about:

- The overall impressions of New Zealand bank notes
- Parts of bank notes that are liked/ disliked
- Current range of bank note denominations

Overall impressions

Retailers were first asked "Thinking about the bank notes we have in New Zealand, what is your overall impression of them?" where they were given the opportunity to write down any comments they have about New Zealand bank notes in general. Three in ten (30%) retailers stated they are happy with the current bank notes. Following this, over a quarter (28%) stated it is easy to distinguish between the denominations. Unlike in the consumer research where there were no negative comments, some retailers feel there are a few negative aspects of our current bank notes. Two in ten (19%) dislike the plastic feel of the notes (although 15% did state that they prefer the plastic notes), one in eight (12%) dislike the colour/ quality of the five and ten dollar notes and a further one in ten (11%) say that the notes tear easily or get worn looking. Results are summarised in the chart below.

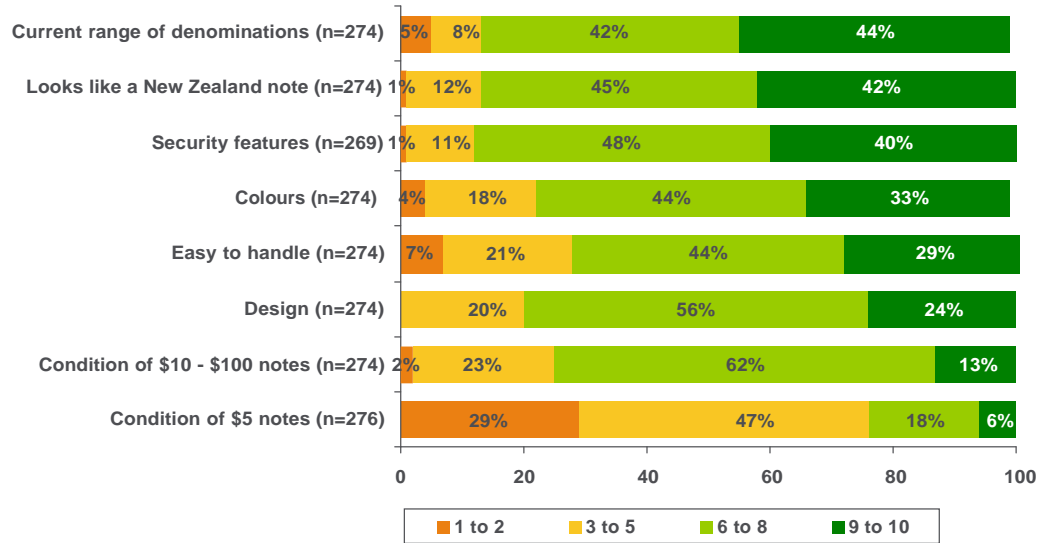
Overall impression of bank notes



Base: All respondents excluding those who did not provide an answer (n=274)
 Note that responses given by 2% or less are not shown in the above chart.

Retailers were then asked to rate how they feel about specific bank note attributes on a scale of 1 to 10 where 1 means very poor and 10 means excellent. Results are summarised in the chart on the following page.

Bank note attributes



Base: All respondents excluding those who did not provide an answer

Current range of denominations, *Looks like a New Zealand note* and *Security features* rated very highly with at least four in ten respondents giving a score of 9 or 10 for these attributes. As in the consumers research, the *condition of \$5 notes* was rated very poorly when compared to the other attributes with around three quarters (76%) giving a negative rating.

Minimum acceptable condition

The condition of \$5 bank notes has been a concern, particularly around the ink wear that occurs to the notes. Therefore, a specific question around this problem was included to establish the minimum acceptable quality of \$5 notes for circulation. The following \$5 notes were shown to respondents and they were asked to select the bank note that if in any worse condition they would be unhappy about receiving it (note that in the survey both the front and back were shown).



6%

Note 4



11%

Note 5



29%

Note 6



30%

Note 7



24%

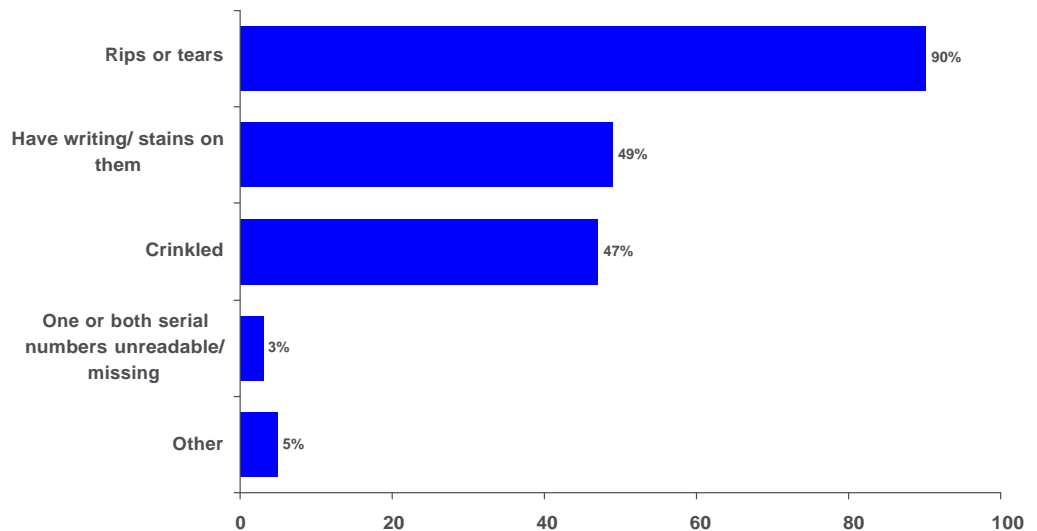
Note 8

As shown, the majority of retailers feel that note 6 is of an acceptable quality with only one in six (17%) selecting note 4 or note 5 as the minimum acceptable quality. There was no clear cut off point note after 6 with around three in ten selecting each subsequent note. Surprisingly even a quarter (24%) feel that note 8 is of a minimum acceptable quality, despite the ink wear being so bad that the portrait of Sir Edmund Hillary can barely be made out.

Other qualities concerned about

When asked what other qualities retailers would be concerned about when receiving or passing on bank notes, nine in ten were concerned when bank notes have *rips or tears* (90%). When asked spontaneously what retailers' overall impressions were of the current bank notes (shown above), one in ten (11%) stated they tear easily so this is obviously a concern for retailers.

Other note qualities concerned about

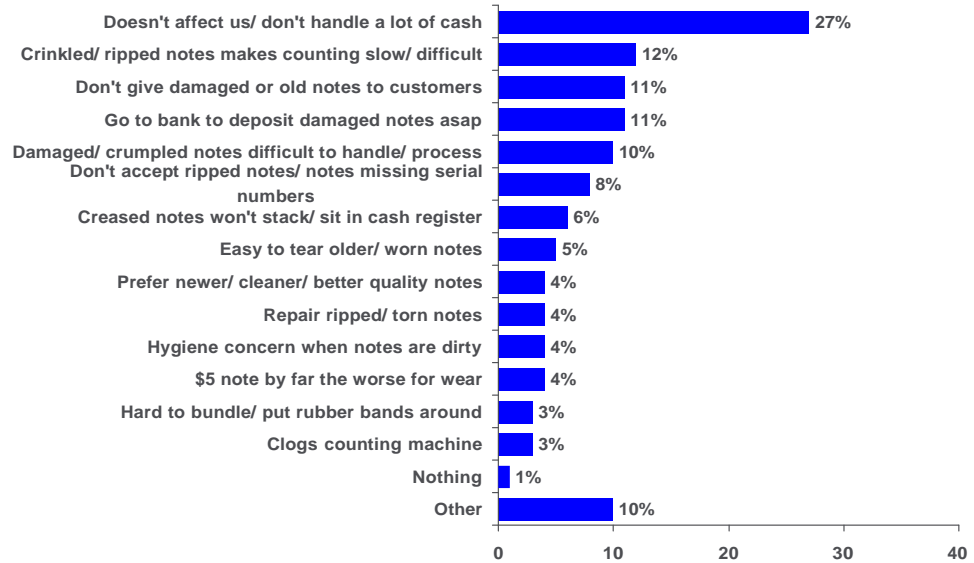


Base: All respondents excluding those who did not provide an answer (n=266)

To get an understanding of how different aspects of note quality can affect businesses, retailers were asked, “*how does note condition affect you in regards to the handling and processing of notes in your business?*” Comments are summarised and shown on the following page. Around a quarter (27%) state that note quality does not affect their business. Motor vehicle and motor vehicle parts retailers are more likely to say this (40%) most likely due to their lower proportion of cash transactions. On the other hand fuel and food retailers are much less likely to say note quality does not affect them (2% and 14% respectively).

The most common issues that retailers point out as being a problem from poor note quality are slowing down note counting (12%) and making the processing of notes difficult (10%). A further one in ten said they do not pass on damaged notes to customers (11%) and they have to make additional trips to the bank as soon as possible to deposit damaged notes (11%).

Note quality affect on handling and processing notes

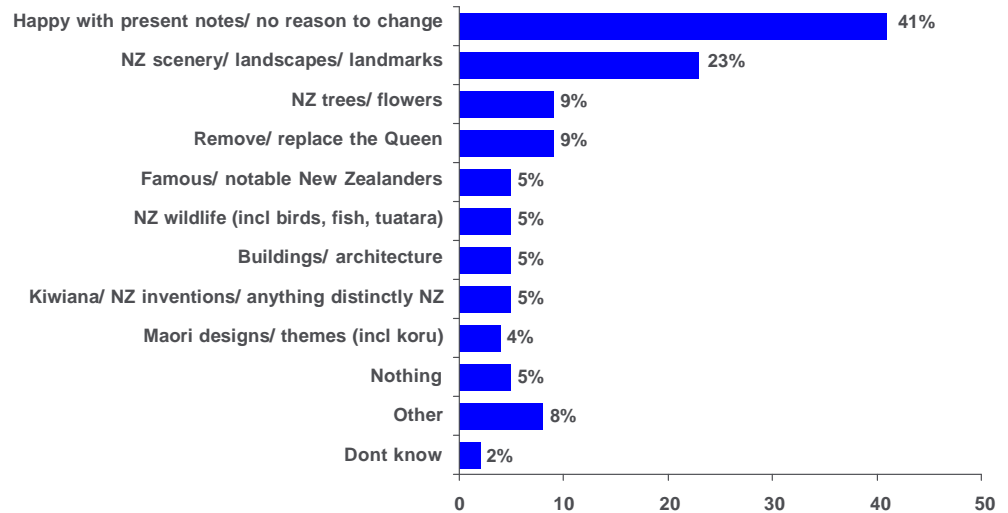


Base: All respondents excluding those who did not provide an answer (n=246)

Other design themes

Retailers were also asked "Most New Zealand bank notes have a portrait of either a famous New Zealander or the Queen on one side, and a picture of an iconic native New Zealand bird on the other side. What other design themes would you like to see on our notes?" The comments from this question are summarised and shown in the chart on the following page. Four in ten (41%) retailers stated that they were happy with the present notes and did not see a reason to change them. This is higher than in the consumer survey (21%) perhaps because any change will have a greater effect on retailers than consumers. Amongst the actual suggestions, including *New Zealand scenery/ landscapes/ landmarks* was clearly the most common with almost a quarter (23%) of retailers suggesting this. Around one in ten said to include *NZ trees/ flowers* (9%), and *remove/ replace the Queen* (9%).

Other design themes for notes

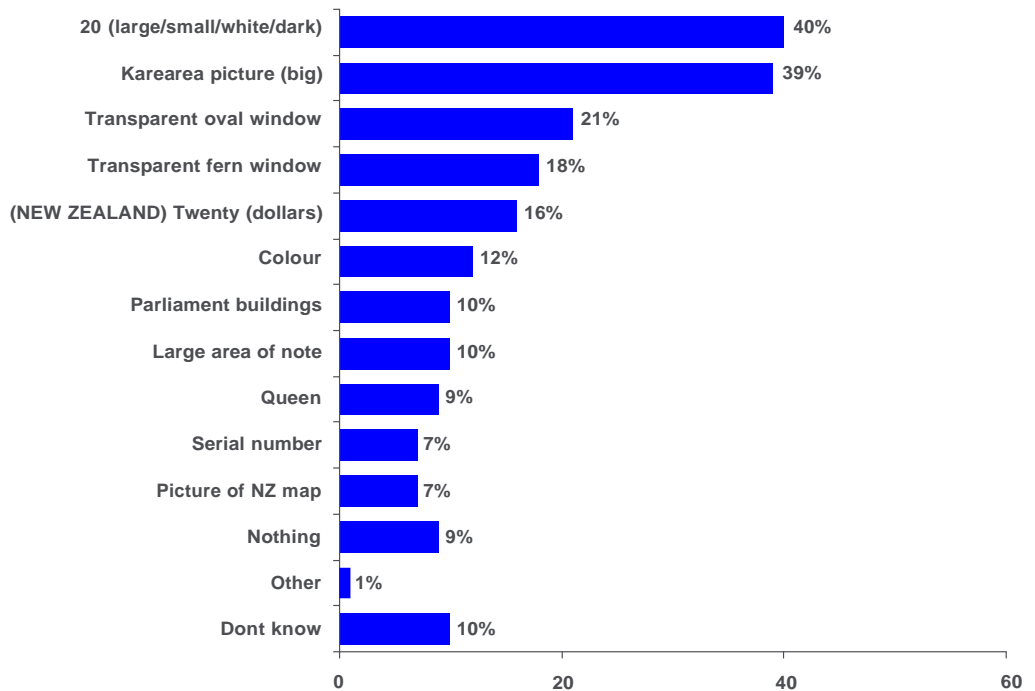


Base: All respondents (n=288)
 Note that responses given by 2% or less are not shown in the above chart.

Parts of bank notes liked

Retailers were shown the front and back of a twenty dollar note and asked to circle the parts that they like and dislike. The chart below summarises the areas of the note that retailers like.

Likes - parts circled



Base: All respondents (n=288)
 Note that responses given by 3% or less are not shown in the above chart.

As shown in the above chart the two most common parts of the note that retailers like are the text of the '20' (40%) and the image of the Karearea (39%). The text of the '20' did not come up at all when asking the same question of consumers. When looking at the reasons why retailers like the particular part(s) of the bank note they circled, six in ten (58%) mentioned the font is clear and it is easy to read the denominations. A further two in ten circled the transparent oval window (21%) and the transparent fern window (18%). Over a quarter (28%) stated that they like the security features as they are unique/ easy to check if counterfeit/ hard to replicate, which would indicate why there is a significant group of retailers who like the transparent windows.

One in ten stated they did not like anything on the bank note (9%) and a further three percent skipped over the question suggesting that they also do not like anything on the bank note. The table on the following page summarizes the reasons for liking the particular parts of the bank note that respondents circled.

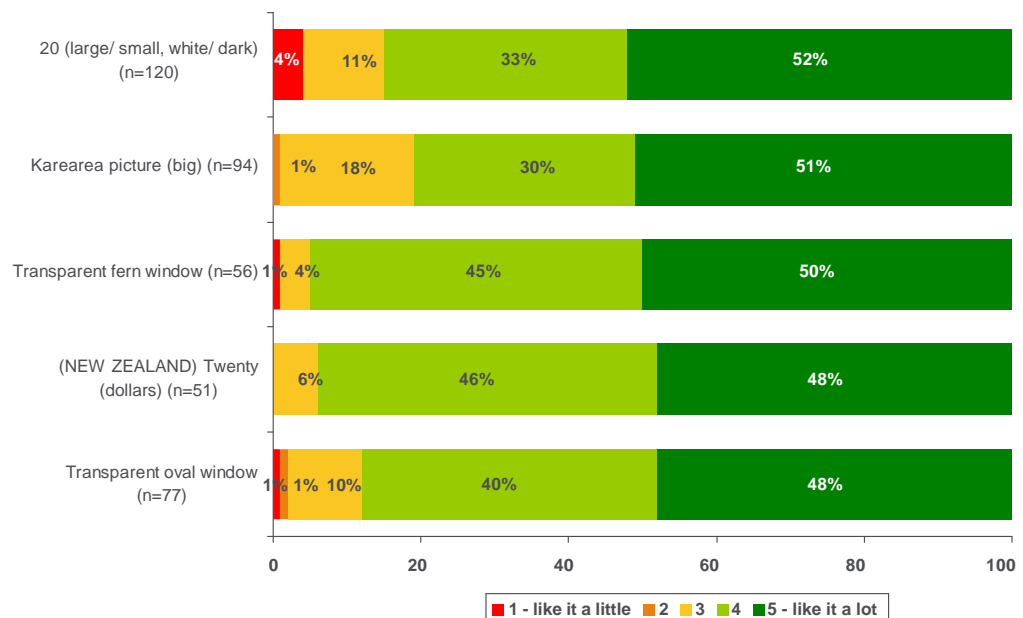
Reasons for liking part(s) of the bank note	
Base: All respondents who gave an answer (n=140)	%
Clear text/ easy to see denomination	58
Security features - up with the play/ unique/ easy to check if counterfeit	28
Very Kiwi/ iconic New Zealand image/ gives the note a real New Zealand feel	27
Native bird (fauna)/ Karearea (incl unique to NZ/ beautiful bird)	27
Colours/ good colour combinations/ different colours for different denominations	23
Native flora/ (silver) fern/ transparent fern design/ rock daisy/ flax (incl distinctive/ part of NZ identity/ modern/ decorative)	16
The Queen (incl identifies the Head of State/ represents NZ as part of the Commonwealth/ patriotic/ easy to recognise/ sort as \$20)	14
The Beehive and Parliament Buildings (incl iconic NZ/ patriotic/ the architecture (old & new)/ depicts NZ capital city/ seat of government/ NZ independence/ familiar to me)	13
Good pictures/ patterns (incl well drawn/ detailed/ distinctive/ attractive)	12
Easily distinguishable/ identifiable/ recognisable/ distinctive/ stands out	8
Historical/ traditional/ shows NZ heritage	8
Map of New Zealand (incl surrounding pattern)	7
Like that they are plastic/ better than paper/ good texture/ robust/ hard wearing/ waterproof/ wash well	6
Serial numbers (important/ shows authenticity/ good if note ripped)	6
Functional/ practical/ easy to use/ handle/ fit for their purpose/ do the job	5
Conveys power/ authority (authorised by Reserve Bank/ legal tender/ adds authenticity)	5
Good size/ fit well in wallet/ comfortable to handle/ different sizes for different notes	5

Note that responses given by 4% or less are not shown in the above table

After respondents had circled parts of the note they liked they were then asked to indicate how much they like the part of the bank note on the scale of 1 to 5, where 1 means like it a little and 5 means like it a lot.

Results for the various components of the twenty dollar bank note that were liked by retailers are fairly similar with around half saying they like the area a lot (i.e. gave it a rating of 5). The chart below page summarizes the main areas that were rated.

Degree of liking



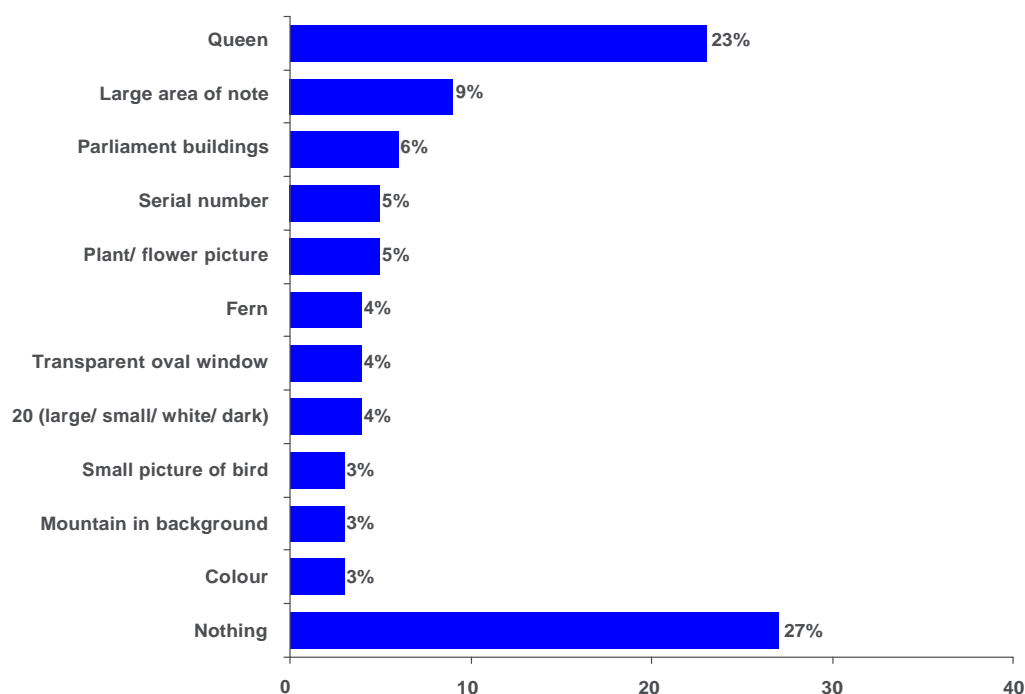
Base: All respondents who like part(s) of the bank note excluding those who did not provide an answer
 Note that only results for areas where there were at least 50 people who circled it are shown above.

Parts of bank notes disliked

When looking at the parts of the bank note that retailers circled that they dislike, the most common aspect is clearly the Queen (23%). There was a mixture of reasons of why people do not like the image of the Queen. Two in ten (22%) do not like the Queen being used as a symbol and a further six percent do not like how the Queen is being depicted.

A large proportion of retailers do not dislike any part of the note with over a quarter (27%) stating nothing and a further third (35%) not circling anything, which also suggests that there is nothing on the bank note they do not dislike. The results for this question are summarised in the chart on the following page.

Dislikes- parts circled



Base: All respondents (n=288)

Note that responses given by 2% or less are not shown in the above chart.

Of those that were able to give a reason for disliking the parts of the bank note they had circled, retailers most commonly mentioned that they do not like the Queen being used as a symbol (22%). Almost two in ten did not like the colours being used (18%), and some (17%) found parts of the bank note meaningless (this was for a number of aspects of the note such as the background area on the back of the note, and the image of the thistles). There was also a substantial group (17%) whose reason was based on the fact that they do not like the use of plastic for the notes. Again, this comes back to the way it affects the handling and processing of cash in their business, such as being difficult to control, hard to fold (or flatten once folded), sticks together, rips easily etc. The table below summarises the reasons for disliking the particular parts of the bank note that respondents circled.

Reasons for disliking part(s) of the bank note	
Base: All respondents who gave an answer (n=56)	%
Queen as a symbol (incl not representative of NZ/ rather have a famous New Zealander)	22
Colours/ too light/ unappealing/ too similar	18
Meaningless/ unnecessary/ do not understand the significance/ not relevant	17
Dislike plastic - looks cheap/ like play money/ rips easily/ slippery/ difficult to control/ hard to fold/ difficult to flatten once folded/ gets crumpled/ sticks together	17

Image is confusing/ not clear what it is	14
Font - dated/ unappealing/ weak/ too small/ hard to read	12
Messy looking/ cluttered/ too much detail/ too busy	9
Flowers - irrelevant/ not representative of NZ	8
The Beehive and Parliament Buildings (incl unattractive building/ uninspiring/ poorly depicted/ don't like government being represented)	7
Structure/ design - poorly balanced/ graphically muddled/ has no border/ unattractive/ looks stuck on	6
Queen's image - how Queen is depicted (incl funny mouth/ poor likeness/ too big/ old fashioned)	6
Images/ patterns - (incl lack of detail/ indistinct/ unattractive/ ferns too stylised/ bird's head too large/ ring around NZ map)	5
Looks dated/ lacks modern relevance/ time for a change	4
The falcon - dislike birds/ could have a stronger NZ icon e.g. the kiwi	4
Boring/ plain	2
The Reserve Bank Governor's signature (incl unnecessary/ not a good Governor/ what if Governor changes)	1
Other	4
None/nothing	48

After respondents had circled parts of the note they disliked, they were then asked to indicate how much they dislike the part of the bank note on the scale of 1 to 5, where 1 means dislike it a little and 5 means dislike it a lot.

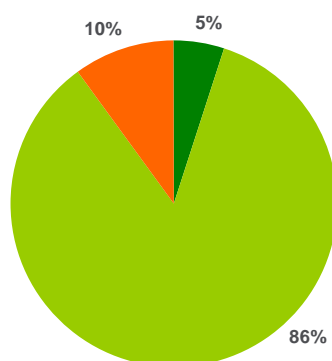
Due to small base sizes for this question we can only look at those who clicked on the image of the Queen. Of the 57 retailers who circled the Queen, 54 gave a rating of how much they dislike this part of the bank note. The results are summarized in the table below.

Degree of disliking the Queen on the twenty dollar note	%
Base: All respondents who gave an answer (n=54)	
1 – Dislike it a little	10
2	9
3	25
4	14
5 – Dislike it a lot	43

Range of denominations

An area that was also covered was getting retailers' feedback on the current range of denominations. Retailers were first asked if they would prefer a smaller, the same or a greater range of note and coin denominations. Results for this question are very similar to the results obtained in the consumer research. As in the consumer research, almost one in five (19%) indicated they want a smaller range of coins even though the five cent coin has recently been removed. This is significantly higher than the number of people who would prefer a smaller range of notes (5%). However, it appears that on the whole, retailers are happy with the number of notes (86%) and number of coins (76%) currently available.

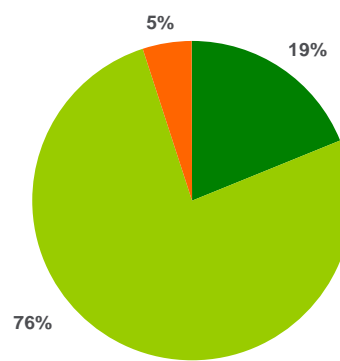
Range of notes



- Would prefer a smaller range of notes available
- Would prefer the same notes as currently available
- Would prefer a greater range of notes available

Base: All respondents excluding those who did not give an answer (n=281)

Range of coins



- Would prefer a smaller range of coins available
- Would prefer the same coins as currently available
- Would prefer a greater range of coins available

Base: All respondents excluding those who did not give an answer (n=276)

When retailers were asked what note denominations they would change, add or remove, the most common suggestion was to remove the 10 cent coin (29%), followed by adding a \$500 note (21%). One in ten (11%) suggested the 20 cent and 50 cent coins are too similar in size. The main suggestions are summarised in the table below.

Notes changed (n=72)	Coins changed (n=72)
\$500 (added) – 21%	10 cents (removed) – 29%
\$5 (remove) – 9%	20 cents and 50 cents too similar in size – 11%
\$1000 (add) – 8%	\$5 (add) – 9%
\$2 (add) – 7%	20 cents (remove) – 8%
\$1 (add) – 7%	5 cents (bring back) – 8%
	\$2 (remove) – 6%
	1 cent (add) – 6%
	\$1 (remove) – 5%

Note that responses given by 3% or less are not shown in the above table.

Note in 2004 research 6 out of the 20 retailers interviewed were opposed to the removal of the 5 cent coin.

Awareness and Use of Security Features

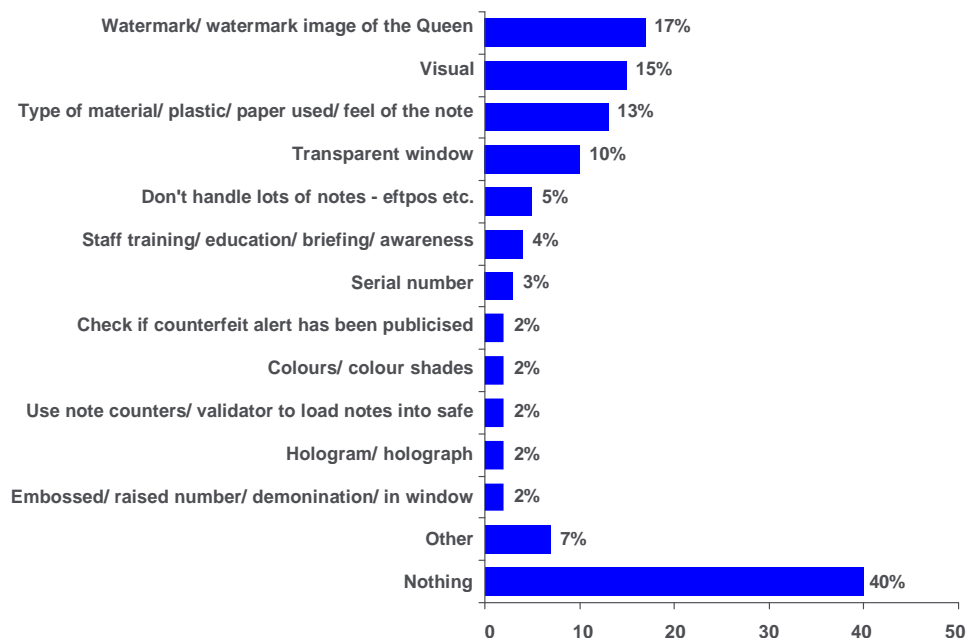
Introduction This section covers retailers’:

- Procedures for checking security features
- Unprompted awareness of bank note security features
- Use of bank note security features.

Procedures for checking security features

Retailers were first asked “*what guidelines/ processes, if any, does your organisation have in place for checking the security features on notes/ checking for counterfeit notes?*” On the whole, most retailers did not have any thorough guidelines in place with four in ten (40%) saying nothing, and one in eight just saying a visual check (15%). There were some retailers who did have practices to check the actual security features such as checking the watermark image of the Queen (17%), checking the polymer feel of the note (13%) and checking the transparent window (10%).

Procedures for checking security features



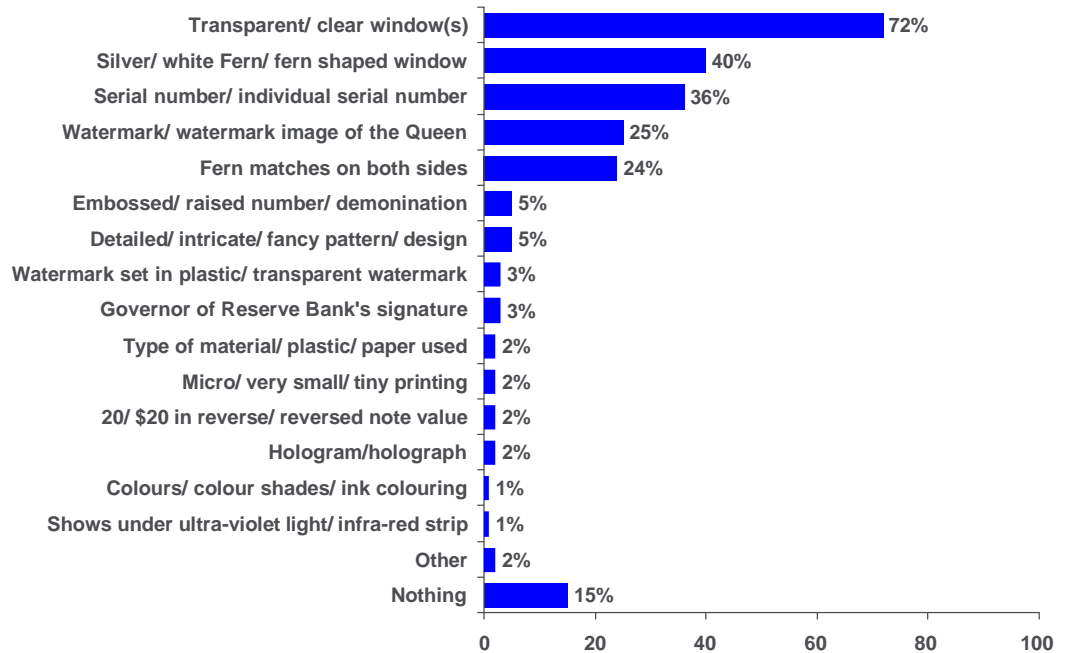
Base: All respondents excluding those who did not provide an answer (n=249)

Note that responses of 1% or less are not shown above.

Unprompted awareness of bank note security features

Similar to the likes and dislikes question, retailers were asked to circle parts of the twenty dollar note that they thought were security features. This was to test their spontaneous awareness of the security features. The results are summarised below.

Unprompted awareness of security features



Base: All respondents excluding those who did not provide an answer (n=272)

The most common security feature that retailers highlighted was the transparent window(s) with around seven in ten (72%) circling this area and a further four in ten (40%) circling the fern shaped windows. Only a third (36%) circled the serial number, and a quarter selected the watermark image of the Queen (25%) and that the fern matches on both sides (24%). A minority (15%) did not know of any of the security features.

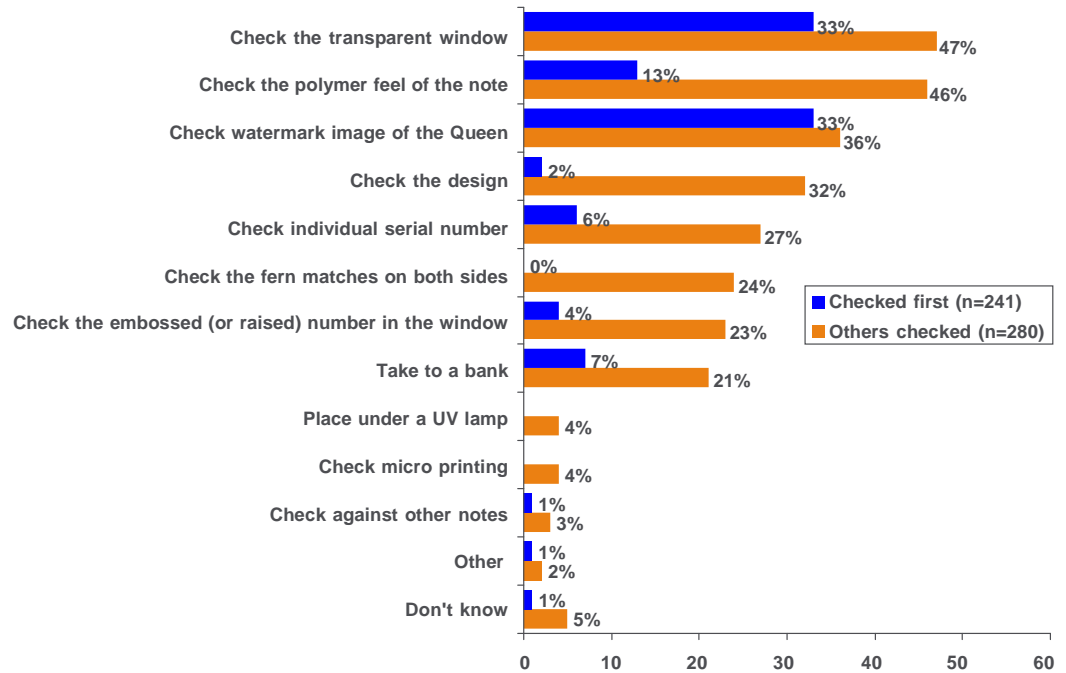
Use of bank note security features

Retailers were also asked what security features they would check to verify that a note given to them was genuine. By indicating that they would check a particular feature implies that they know enough about the security feature to use it.

Results for what retailers would check are shown in the chart on the following page. The security feature checked most by retailers is the transparent window with a third (33%) checking this first and almost half (47%) also using this security feature to make sure that a note is genuine after a first security feature has been checked. The feature equally checked *first* is the watermark image of the Queen (33%).

In research conducted in 2000 the most common response was to check the watermark, which was done by 45% of retailers surveyed.

Security features checked



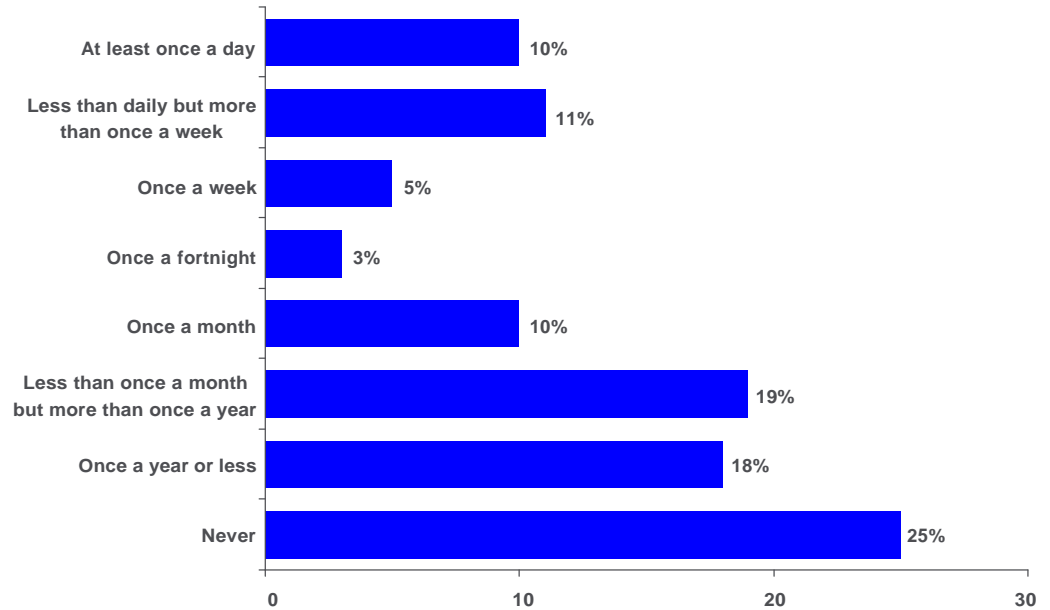
Base: All respondents excluding those who did not provide an answer

Frequency of use of security features

When asked how often security features are used, one in ten (10%) use them once a day and another one in ten (11%) use them at least once a week (but not daily). Food retailers are significantly more likely to frequently use the security features with two in ten (22%) using them at least once a day. There is still a substantial group that rarely uses the security features. Almost four in ten (37%) use them less than once a month and a further quarter (25%) never use them.

Note these results are similar to research conducted in 2000 with retailers.

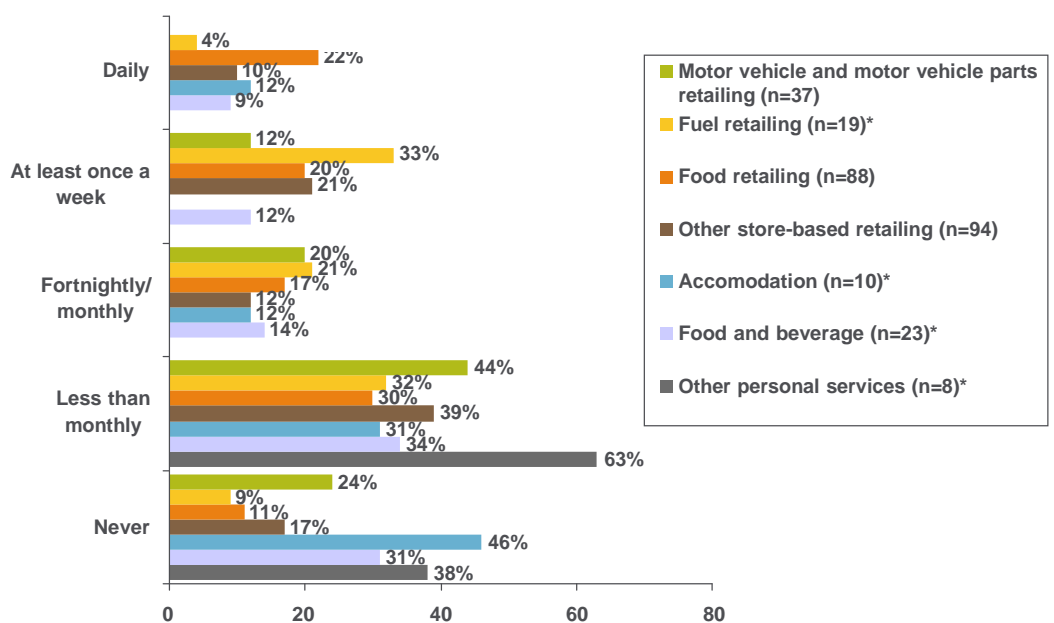
How often security features are used



Base: All respondents excluding those who did not provide an answer (n=279)

The frequency in which security features are checked does not differ too much across the various industries. Food retailers appear to be the most proactive in checking for fraudulent notes with almost a quarter (22%) checking security features daily. This is significantly higher than the result for all retailers (10%). Food retailers are also less likely to never use the security features (11% cf. 25% total sample). Results are summarised in the chart below.

How often security features are used - by industry



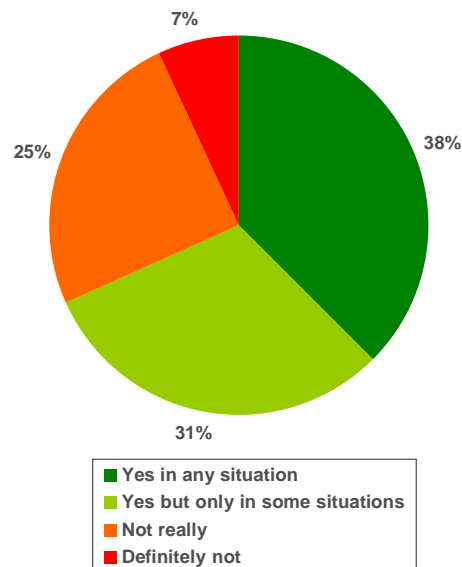
Base: All respondents excluding those who did not provide an answer

* Caution small base sizes

Comfort with holding up note to light

Finally retailers were asked “One of the ways of checking the security features on a note is to hold the note up to the background light. Are you comfortable using this method of note validation especially in the presence of other people/ customers and clients?” As shown in the chart on the following page, on the whole respondents indicated that they are comfortable at using the method. Four in ten (38%) are comfortable doing this in any situation and a further three in ten (31%) are comfortable but only in some situations.

Comfort at holding bank note to light



Base: All respondents excluding those who did not provide an answer (n=286)

Appendix I – Sample

	Unweighted n	Unweighted %	Weighted %
TOTAL n=288			
Main business area			
Motor vehicle and motor vehicle parts retailing	39	14	6
Fuel retailing	20	7	2
Food retailing	90	32	13
Other store-based retailing	92	32	35
Accommodation	11	4	11
Food and beverage services	24	8	31
Other personal services	8	3	3
2009 turnover			
Under \$100,000	18	7	7
\$100,000 - \$249,999	20	7	11
\$250,000 - \$499,999	51	19	29
\$500,000 - \$999,999	52	19	24
\$1,000,000 - \$2,499,999	48	18	17
\$2,500,000 - \$4,999,999	19	7	4
\$5,000,000 or more	40	15	3
Don't know	23	8	4
Number employed			
1 to 5	158	56	65
6 to 9	46	16	19
10 to 19	33	12	10
20 to 49	21	7	3
50 or more	24	8	3
Branch or stand alone business			
Branch	50	18	11
Stand alone	234	82	89
Region			
Auckland	49	17	20
Waikato	22	8	9
Wellington	28	10	12
Canterbury	47	16	14
Otago	19	7	5
Other North Island	89	31	29
Other South Island	40	14	12

Appendix II – Questionnaires

RESERVE BANK RETAILERS SURVEY

We are conducting an important piece of research for the Reserve Bank of New Zealand to understand retailers’ perceptions of our current bank notes. Part of this research is to estimate how much currency in circulation is held by households, by retailers and other groups of the community. We will be asking you to count the number of notes that your business has. This includes the number of notes used for floats on a daily basis and notes kept in storage. For all questions we ask that you answer on behalf of your business.

We thank you in advance for participating in this survey. Please remember, your views are important to us and your answers will be kept in the strictest confidence. None of the responses you give are directly linked to you as an individual. They are used purely for statistical purposes.

Note: Throughout this survey we use the word “denomination” - by this we are referring to the range of values of notes in New Zealand i.e. \$5, \$10, \$20, \$50 and \$100.

Section 1: Feedback on design, condition and security

1. Thinking about the bank notes we have in New Zealand, what is your overall impression of them?
Please write down your thoughts about them (from a business point of view).

2. Below is the front and back of a \$20 bank note.

- a) Please circle what you **like the most** from a business’s point of view about this note and label it (1).
- b) Please circle what you next like the most and label it (2).
Please note if there is nothing else you like, then leave blank and move to the next question.
- c) Finally, please circle what you next like the most and label it (3).





For the part you labelled (1), please indicate why you like this part of the bank note.

Using the following scale, we would like you to indicate how much you like this part of the bank note.

- 1 - Like it a little
- 2
- 3
- 4
- 5 - Like it a lot

For the part you labelled (2), please indicate why you like this part of the bank note.

Using the following scale, we would like you to indicate how much you like this part of the bank note.

- 1 - Like it a little
- 2
- 3
- 4
- 5 - Like it a lot

For the part you labelled (3), please indicate why you like this part of the bank note.

Using the following scale, we would like you to indicate how much you like this part of the bank note.

- 1 - Like it a little
- 2
- 3
- 4
- 5 - Like it a lot

3. Below you will see the same \$20 bank note again. This time we would like you to circle parts of the note that you dislike i.e.
- a) Please circle what you **dislike the most** from a business's point of view about this note and label it (1).
 - b) Please circle what you next dislike the most and label it (2).
Please note if there is nothing else you dislike, then leave blank and move to the next question.
 - c) Finally, please circle what you next dislike the most and label it (3).





For the part you labelled (1), please indicate why you dislike this part of the bank note.

Using the following scale, we would like you to indicate how much you dislike this part of the bank note.

- 1 - Dislike it a little
- 2
- 3
- 4
- 5 - Dislike it a lot

For the part you labelled (2), please indicate why you dislike this part of the bank note.

Using the following scale, we would like you to indicate how much you dislike this part of the bank note.

- 1 - Dislike it a little
- 2
- 3
- 4
- 5 - Dislike it a lot

For the part you labelled (3), please indicate why you dislike this part of the bank note.

Using the following scale, we would like you to indicate how much you dislike this part of the bank note.

- 1 - Dislike it a little
- 2
- 3
- 4
- 5 - Dislike it a lot

4. Now we would like you to please rate New Zealand's current range of bank notes for each of the following aspects on a scale of 1 to 10. 1 means very poor and 10 means excellent. You can use any number in between (please tick the appropriate box).

	Excellent	Very poor								
(a) Design	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(b) Condition of \$5 notes.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(c) Condition of \$10 - \$100 notes .	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(d) Colours	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(e) Looks like a NZ note.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(f) Security features.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(g) Easy to handle.....	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10
(h) Current range of denominations	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8	<input type="checkbox"/> 9	<input type="checkbox"/> 10

5. In terms of the range of notes available, from a business perspective, would you like to see a smaller, the same, or a greater range of note denominations?

- Would prefer a smaller range of notes available
- Would prefer the same notes as currently available
- Would prefer a greater range of notes available

6. In terms of the range of coins available, from a business perspective, would you like to see a smaller, the same, or a greater range of coin denominations?

- Would prefer a smaller range of coins available
- Would prefer the same coins as currently available
- Would prefer a greater range of coins available

7. If you would like changes made, which note or coin denominations would you change, add or remove?

8. Most New Zealand bank notes have a portrait of either a famous New Zealander or the Queen on one side, and a picture of an iconic native New Zealand bird on the other side. What other design themes would you like to see on our notes?

Now we would like to ask you some questions about the security features incorporated in New Zealand bank notes. These features make it easier to recognise forged bank notes. New Zealand bank notes include several features that are designed to be difficult to copy accurately, so that people using or handling cash can be confident that the notes they are handling, are genuine bank notes.

9. What guidelines/processes, if any, does your organisation have in place for checking the security features on notes/checking for counterfeit notes?

10. Think about the bank notes that are currently in circulation and that you use day to day. What features of the ordinary bank notes in circulation are you aware of that are deliberately incorporated into the design of the notes to make them difficult to forge?

Please indicate these by circling the parts of the bank note below that you think are security features. Please then describe in one or two words briefly, what you are circling.

We are after your spontaneous response – what comes to mind when you see a normal note – it is not a test.



11. Now we are going to show you five \$5 bank notes with different degrees of ink wear. We would like you to select the bank note that in your opinion is of a minimum acceptable quality standard for circulation. This should be the bank note that if it were in any worse condition you would be unhappy about receiving it.



A



B



C



D



E

12. What other qualities would you be concerned about when receiving/passing on bank notes?

- Rips or tears
- Crinkled
- Have writing/stains on them
- Other – please specify _____

13. How does note condition affect you in regards to the handling and processing of notes in your business?

14. We would like you to imagine that you have just been given a \$50 note and you are suspicious that the note may not be genuine.

- a) What would be the first thing you would do to verify that the note was genuine or a forgery?
- b) What other things would you do to verify that the note was genuine or a forgery?

	Do first (please tick one only)	Do next (tick as many as you like)
Take to a bank.....	<input type="checkbox"/>	<input type="checkbox"/>
Check watermark image of the Queen.....	<input type="checkbox"/>	<input type="checkbox"/>
Check the design.....	<input type="checkbox"/>	<input type="checkbox"/>
Check the polymer feel of the note	<input type="checkbox"/>	<input type="checkbox"/>
Check the transparent window	<input type="checkbox"/>	<input type="checkbox"/>
Check the embossed (or raised) number in the window.....	<input type="checkbox"/>	<input type="checkbox"/>

- | | | |
|--|--------------------------|--------------------------|
| Check individual serial number | <input type="checkbox"/> | <input type="checkbox"/> |
| Check the fern matches on both sides | <input type="checkbox"/> | <input type="checkbox"/> |
| Check micro printing..... | <input type="checkbox"/> | <input type="checkbox"/> |
| Place under a UV lamp | <input type="checkbox"/> | <input type="checkbox"/> |
| Other – please specify _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| Don't know..... | <input type="checkbox"/> | <input type="checkbox"/> |

15. On average, approximately how often would you use one or more of the security features on a bank note, to verify that a bank note is genuine?

- At least once a day
- Less than daily but more than once a week
- Once a week
- Once a fortnight
- Once a month
- Less than once a month but more than once a year
- Once a year or less
- Never

16. One of the ways of checking the security features on a note is to hold the note up to the background light. Are you comfortable using this method of notes validation especially in the presence of other people/customers and clients?

- Yes in any situation
- Yes but only in some situations
- Not really
- Definitely not

Section 2: Cash and denomination

We would like to get an understanding of how you use and handle notes in your store/business. Please remember your responses will be kept in the strictest confidence and there is nothing to directly link you to your responses.

17. How many notes of each denomination does your store/business keep **as a float** on average each day?

If you do not have any of a particular denomination please enter 0 (zero) in the space next to that denomination.

For example: 100 \$5 notes, therefore value is \$500

_____ \$5 notes, therefore value is _____

_____ \$10 notes, therefore value is _____

_____ \$20 notes, therefore value is _____

_____ \$50 notes, therefore value is _____

_____ \$100 notes, therefore value is _____

18. As well as storing cash in tills, many retailers have a safe or some other secure storage facility for money on site, in their store/business, while others store their stock of cash off-site. Do you have on-site storage facilities for cash at your store/business? Do you use off-site storage or do you not maintain a stock of money at all? (We are referring to any money that has not been banked but excluding money to be used in tills).

Please tick the appropriate box below for your store/business.

- On-site
- Off-site
- Both on-site & off-site storage/stock
- No stock (it goes directly to the bank)

Please skip Question 19 and 20 and go to Question 21 if you do not have any stock of money.

19. How many notes of each denomination does your store/business keep in storage (on-site/off-site excluding floats for tills) on average each day?

If you do not have any of these denominations please enter 0 (zero) next to that denomination.

_____ \$5 notes, therefore value is _____

_____ \$10 notes, therefore value is _____

_____ \$20 notes, therefore value is _____

_____ \$50 notes, therefore value is _____

_____ \$100 notes, therefore value is _____

20. How often do you bank your stored money (on-site/off-site excluding floats for tills)?

- Daily
- Once a week or more frequently (but not daily)
- Once a fortnight
- Once a month
- Once every 3 months
- Once every 6 months
- Once every year
- Less often
- Never
- Don't know

21. Approximately, what proportion of the dollar value of your gross retail sales from goods or services purchased at your store/business would be made using cash (by cash we mean notes, gold coins and silver coins), and what proportion would use non-cash methods such as credit cards or EFTPOS?

Cash _____ %

Non cash e.g. EFTPOS/credit cards/cheques _____ %

(Note, the two percentages should add up to 100%)

22. And thinking about the number of transactions for goods or services purchased at your store/business, approximately what proportion would be made using cash, and what proportion would use non-cash methods such as credit cards or EFTPOS?

Cash _____ %

Non cash e.g. EFTPOS/credit cards/cheques _____ %

(Note, the two percentages should add up to 100%)

23. Which of the following statements best describes your view of the trends over the last 12 months in cash versus non-cash methods of paying for goods or services purchased at your store/business? Would you say...? (Please tick the box beside the statement that best describes your view.)

- The proportion of non-cash transactions is increasing rapidly.
- The proportion of non-cash transactions is increasing slowly.
- The proportion of non-cash transactions is stable relative to the proportion of cash transactions.
- The proportion of cash transactions is increasing slowly.
- The proportion of cash transactions is increasing rapidly.

Section 3: About your business

Finally, we have a few classification questions about your business.

24. In which of the following regions is the business located?

- Auckland
- Waikato
- Wellington
- Canterbury
- Otago
- Other North Island
- Other South Island

25. Is this business a branch of a larger parent company, or is this a stand-alone business?

- Branch
- Stand alone business

26. How many full time equivalent staff are employed at this location, including yourself and any business partners?

- 1 to 5
- 6 to 9
- 10 to 19
- 20 to 49
- 50 or more
- Don't know

27. For the 2009 financial year what was the total turnover of your business from goods and services sold?

- Under \$100,000
- \$100,000 - \$249,999
- \$250,000 - \$499,999
- \$500,000 - \$999,999
- \$1,000,000 - \$2,499,999
- \$2,500,000 - \$4,999,999
- \$5,000,000 or more
- Don't know

28. Which of these BEST represents your business's main area of business?

- Supermarket and grocery stores
- Fresh produce retailing
- Liquor retailing
- Other food retailing
- Takeaway food retailing
- Department store
- Furniture and floor coverings

- Hardware retailing
- Appliance retailing
- Recreational goods retailing
- Clothing and softgoods retailing
- Footwear retailing
- Chemist retailing
- Household equipment repair services
- Other retailing
- Accommodation
- Bars and clubs
- Cafes and restaurants
- Personal and household goods hiring
- Other personal services
- Motor vehicle retailing
- Automotive fuel retailing
- Auto electrical, smash repair, tyres
- Automotive repair and services nec
- Don't know

29. Are there any other thoughts or information you would like to provide about either this topic or this survey?

Appendix III – Cover Letter

Address

16 April 2010

Dear

Nielsen have been commissioned by the Reserve Bank to conduct a survey to understand retailers' perceptions of our current bank notes. Part of this research is to estimate how much currency in circulation is held by households, by retailers and other groups of the community.

As a retailer, your opinions will be an important input in helping the Reserve Bank to understand this sector of the economy. Please be assured that your answers will be kept in the strictest confidence. None of the responses you give are directly linked to you as an individual. They are used purely for statistical purposes.

It will only take about 10 minutes of your time to complete the survey.

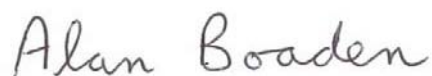
Please answer all questions honestly from your own or your company's experience. In some instances you may like to consult with colleagues before responding to the questions.

The Nielsen Company is the Reserve Bank of New Zealand's agent in respect of this research. The Nielsen Company adheres strictly to defined market research practices to preserve anonymity and confidentiality of information.

The closing date for responses is the 9th May 2010, so please complete at your earliest convenience. Please post your completed questionnaire back to Nielsen in the enclosed prepaid envelope.

We thank you in advance for participating in this survey.

Yours sincerely,



Head of Currency



(R2) (Insert address)

(closing statement for those who have not received the survey yet)

Thanks for taking the time to talk to me. We will send out a survey to you straight away. We'd like to stress that it is really important that we get your views on the topic so we can give you an extension until the 15th May to complete the survey. It would be greatly appreciated.

In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company.

Thank you for your time.

Q3 Ask those code 2 at Q1
Is there anything in particular preventing you from completing this survey?

Yes.....
No

Code	Route
1	
2	CLOSE

(closing statement for those code 2 at Q3)

In that case I do not need to ask you any further questions. We'd like to stress that it is really important that we get your views on the topic so we can give you an extension until the 15th May to complete the survey. It would be greatly appreciated.

In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company.

Thank you for your time.

Q4 What is preventing you from completing the survey?

Not the right person to fill it in
Do not have the survey any more
Complexity of questionnaire/too hard

Code	Route
1	
2	
3	CLOSE

Too time consuming/ don't have time	4	CLOSE
Never fill in surveys	5	CLOSE
Other (specify)	8	

Only read out to those coded 3 at **Q4**
 (Closing Statement for those finding it too hard)

We appreciate this survey is fairly complicated. If you can get the chance to fill in even some of the questions, that would be very valuable. We can give you an extension until the 15th May to complete it. It would be greatly appreciated. In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company. Thank you for your time.

Only read out to those code 4 at **Q4**
 (Closing Statement for those with not enough time)

We appreciate you are very busy. If you can get the chance to fill in even some of the questions, that would be very valuable. We can give you an extension until the 15th May to complete it. It would be greatly appreciated. In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company. Thank you for your time.

Only read out to those code 5 at **Q4**
 (Closing Statement for those who never fill in surveys)

Thank you for taking the time to talk to me today. In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company. Thank you for your time.

Q5	If code 1 at Q4	Code	Route
	Have you passed the survey on to the appropriate person to fill it in?		
	Yes.....	1	
No	2	CLOSE	

only read out for those code 2 at **Q5**
 (closing statement)

Thank you for taking the time to talk to me today. I'd like to stress that it is really important that we get your business' views on the topic so we would really appreciate it if you could pass the survey on to the appropriate person to fill it in.

In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company.

Thank you for your time.

Q6	If code 1 at Q5	Code	Route
	Are you able to give us this persons contact details?		

Yes.....	1	
No	2	

Only read out to those code 2 at **Q6**
 (Closing Statement for those who can't give us the appropriate persons contact details)

Thank you for taking the time to talk to me today. In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company. Thank you for your time

Q7 If code 1 at **Q6**
 Thank you. What is this person's name and phone number?

(R1) Name

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(R2) Phone number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If answered **Q7**

Thanks for taking the time to talk to me, those are all the questions that I have for you today. We would really appreciate it if you could let the person know that it is really important that we get their views on the topic as this is a very important piece of research and as such we have extended the survey period until the 15th of May.

In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company.

Thank you for your time.

Q8 If code 2 at **Q4**
 Would you like us to send you another copy?

	Code	Route
Yes.....	1	
No	2	

Only read out to those code 2 at **Q8**
(Closing Statement for those who don't want another survey sent out)

Thank you for taking the time to talk to me today. In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company. Thank you for your time

Q9 If code 1 at **Q8**
Can I please have your contact details again?

(R1) Name

(R2) Address

Thanks for taking the time to talk to me, those are all the questions that I have for you today. I'd like to stress that it is really important that we get your views on the topic so if you could please return your completed survey by the 15th of May it would be greatly appreciated. If there is anything we can do that we can identify from your answers to make this task easier for you we will do so.

In case you missed it my name is <insert name of interviewer> and I am calling from OCIS on behalf of The Nielsen Company.

Thank you for your time.

Appendix V – Nielsen Quality Assurance

Quality Assurance

Nielsen is committed to the principles of Total Quality Management, and in 1995 achieved certification under the International Standards Organisation ISO 9001 code.

The company maintains rigorous standards of quality control in all areas of operation. We believe no other commercial research organisation in New Zealand can provide clients with the level of confidence in survey data that we are able to. Furthermore, Nielsen is routinely and regularly subjected to **independent external auditing** of all aspects of its survey operations.

ISO 9001

In terms of this project, all processes involved are covered by our ISO 9001 procedures. As part of these procedures, all stages of this research project (including all inputs/ outputs) are to be approved by the Project Leader.

Code of Ethics

All research conducted by Nielsen conforms with the Code of Professional Behaviour of the Market Research Society of New Zealand.

Appendix VI – Company Information

Company Profile Nielsen Corporation is the world's leading provider of market research, information and analysis to the consumer products and service industries. More than 9,000 clients in over 90 countries rely on Nielsen's dedicated professionals to measure competitive marketplace dynamics, to understand consumer attitudes and behaviour, and to develop advanced analytical insights that generate increased sales and profits.

The company provides four principal market research services:

Retail measurement

Includes continuous tracking of consumer purchases at the point of sale through scanning technology and in-store audits. Nielsen delivers detailed information on actual purchases, market shares, distribution, pricing and merchandising and promotional activities.

Consumer panel research

Includes detailed information on purchases made by household members, as well as their retail shopping patterns and demographic profiles.

Customised research

Includes quantitative and qualitative studies that generate information and insights into consumers' attitudes and purchasing behaviour, customer satisfaction, brand awareness and advertising effectiveness.

Media measurement

Includes information on international television and radio audience ratings, advertising expenditure measurement and print readership measurement that serves as the essential currency for negotiating advertising placement and rates. In addition, Nielsen markets a broad range of advanced software and modeling & analytical services. These products help clients integrate large volumes of information, evaluate it, make judgements about their growth opportunities and plan future marketing and sales campaigns.

As the industry leader, we constantly work to set the highest standards in the quality and value of our services, and the passion and integrity of our people bring to helping clients succeed.

Our professionals worldwide are committed to giving each of our clients the exact blend of information and service they need to create competitive advantage: The right information, covering the right markets, with the most valuable information management tools, all supported by the expertise and professionalism of the best market research teams in the industry.
