

Customers continue ATM withdrawals despite economic conditions

According to the Spark Cash Index (SCI), which monitors activity across more than 2000 Spark ATMs throughout the country, an average withdrawal value of R484.43 for the period 11-18 December 2012 was recorded, compared to R454.55 for the same period in 2011.

This 6.57% year-on-year increase indicates that consumers have not cut back this festive season, despite tough economic conditions.

Marc Sternberg, MD of Spark ATM Systems says the increase in ATM cash withdrawal values ahead of the Christmas period is no surprise, as consumers hurry to the shops to buy gifts and stock up on food supplies ahead of holiday trips and home entertaining.

"The festive period is known as the 'silly season' for a reason - consumers tend to forget financial difficulties and spend cash motivated by their need to enjoy their well-deserved break after a long year. During this time, consumers are often also more receptive to retailers' in-store promotions and specials."

He also points to recent findings of the 2012 Deloitte Year-End Holiday Survey, which revealed that cash tops the gift wish list this year for South Africans with 41% indicating they would prefer to receive cash gifts for Christmas this year.

"This coming weekend before Christmas should prove to be incredibly busy period for the retail sector, as consumers flock to the shops to purchase last minute items.

"Because we have already seen a year-on-year increase for the period 1-18 December 2012, it is most likely that the highest average cash withdrawal value ever recorded by the SCI of R457.00 for the month of December 2011 will be overtaken this year," he concludes.

The SCI is a useful 'real-time' gauge of consumer spending, utilising the company's ATM systems network located countrywide, to reflect accurate, broad and timely cash demand and utilisation data. These ATMs are typically located in convenience stores, petroleum stations, specialist retail nodes and leisure & hospitality venues.