

# Cash withdrawals indicate spike in pre-Christmas rush

The average cash withdrawal values across South Africa reflected a 5.72% year-on-year increase for the period 1 - 11 December 2012, increasing from R434.22 to R459.04, as measured by the Spark Cash Index (SCI). There was a month-on-month increase of 2.76%, suggesting improved consumer spending and retail trading conditions nationally.



According to Marc Sternberg, MD of Spark ATM Systems, this notable spike in consumer withdrawal activity in the first few days of December is in line with SCI data recorded over this festive season build-up period since the index commenced in 2007.

"If this trend continues, the upcoming Day of Reconciliation long weekend will prove very profitable for the local retail, leisure and hospitality sectors, so business owners operating in these sectors should ensure they take advantage of the increased cash in circulation by hosting in-store promotions and special offers to promote sales," says Sternberg.

## Economists confirm trend

This increase in cash withdrawal patterns, noted by the SCI, is in line with the recent findings of the 2012 Deloitte Year-end Holiday Survey, which provides data around South African consumer spending habits during the festive period. It found that despite consumers indicating a lower disposable income this year compared to last year, they intend on spending an average of 5.70% more on food, gifts and socialising this festive season.

## Cash withdrawal trends

"Furthermore, 82% of consumers said they will be shopping around for bargains by purchasing items on sale, highlighting the importance for retailers to ensure they make the most of the 'silly season' specials," continues Sternberg.

consumer spending trends during this peak retail period. Sternberg says that should next week's SCI data reveal a continued increase in ATM withdrawal activity, the highest monthly average cash withdrawal value of R457.67 - recorded during December 2011 - will almost certainly be beaten this December.

The SCI is a useful 'real-time' gauge of consumer spending, utilising the company's ATM systems' network of over 2000 ATMs 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.

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