

SPARK FLIES THROUGH THE RECESSION

The recent recession negatively impacted the majority of businesses in South Africa, as well as across the world. Daily we received reports of companies going into liquidation as a result of the global economic crisis, but finally economic and financial data have indicated that the recession is technically over. Economists are now predicting that the domestic economy will triumphantly rise out of the ashes and many are looking back with interest at who managed to prosper during the economic crisis.

Some South African companies have reported a surprisingly profound positive effect from the crisis. One such company, Spark ATM Systems, South Africa's leading independent ATM provider, found that there was a greater demand for their ATMs during the recession. This was as a direct result of retailers finding that in order to survive it was necessary to be more resourceful in attracting customers.

Spark ATM MD, Marc Sternberg, comments "Due to the credit crunch consumers were cutting back on their spending, so outlets were seeing fewer customers. Store owners soon realised that they needed to use all revenue generating and cost saving practices if they were to get through the tough times. They knew that installing an independent ATM would draw additional feet into the store, ultimately boosting their turnover."

"Our ATMs also enabled the store owner to save on expensive bank charges because cash is 'recycled' in the ATM," continues Sternberg. "And statistics show that a large portion of all cash withdrawn in an outlet is then spent in-store, adding further value to retailers."

Spark ATM Systems, founded in 2005, has grown from humble beginnings into a national organisation with sales and technical capabilities spread across South Africa. For the 12 months ended February 2010, the company saw a growth in total cash dispensed of 83%, compared to 36% over the previous year. Sternberg says, "We had to double our deployment and operations teams to meet the massive demand we were seeing across the country as a result of retailers becoming aware of the numerous benefits of the ATMs. We have also added various blue chip clients to our customer base over the past 18 months."

Marc Sternberg, an innovator and leader in his field, was recently asked to give a presentation on "Growing your ATM Footprint" at the AITEC conference in Nairobi. This affirms that Spark ATM Systems is rapidly becoming the authority in off-premise ATM deployment in Africa. Sternberg has also been asked to

present at the ATMIA conference in Cape Town this year on “Deploying ATMs in the Convenience ATM Market in South Africa”.

Something else that has set the company apart from its competitors is the launch of the unique Spark Cash Index which offers a real-time indicator of cash consumption in the economy. It has proved to be an extremely useful tool for economists and business leaders alike.

With the 2010 World Cup imminent, the demand for independent ATMs in South Africa is increasing. These ATMs now represent over 15% of the market, showing that we are following international trends. In many countries independent ATMs deliver over 60% of cash dispensing services, which is a significantly large proportion of the market.

Sternberg says, “I believe that we were able to flourish during the economic crisis because we partnered with market leaders, employed talented individuals and followed strict financial and operational plans. We are focused on one goal: to provide an effective solution to the increasing demand for cash in South Africa.”

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