

The high street is dead – long live the high street

Key findings:

- Convenience drives Brits to local high streets more than once a week, spending £26 per trip
- Half of turnover (46%) at SME high street retailers is generated through cash payments
- High street ATMs directly account for £36bn of high street economy
- 11.7m Brits will abandon their high street if they can't withdraw money and shop at the same time

Hatfield, 21 October - Although pressures on the UK high street are manifold, retailers are taking up the mantle to keep the UK high street in pole position as Britain's favourite shopping environment.

According to "The Value of Cash on the UK High Street" survey, published today by independent ATM operator Cardtronics UK and conducted by market research firm Populus, the vast majority of Brits still prefer the high street over any other shopping environment. On average, UK consumers visit more than once a week (77 times per year) and spend £26 per trip. The main drivers for their frequent visits reach from the convenient shopping experience through to the fact that high streets are often a focal point for local community life.

Although the high street remains the heartland of British shopping culture, its face is continuously changing and evolving. The payments landscape is one of the most influential variables in this equation. The data shows that today card payment options are available virtually at all shopping tills of SME high street retailers. However, these payment options come at a cost: stores spend 2% of their annual turnover on offering non-cash payments. On the consumer side, Brits prefer cash over cards for purchases below £17, which explains why half of the turnover at high street retailers is generated through cash payments. These payments are enabled by local ATMs, which directly account for £36bn of the annual high street economy.

With an increasing rate of new technology being introduced, investments in new forms of payments are no guaranteed success for retailers: only 30% state that their investments in the last two years have had a positive effect on their business performance. However, the pressure to invest in new technology is high. Further headwinds stem from closing bank branches, which cause a quarter of affected retailers to observe a decline in footfall in their stores, and 24% suffer from dwindling profits because of decreasing cash access on their high streets. This is mirrored in the consumer data, which shows that up to 11.7m Brits will abandon their high street if they are not offered the convenience of withdrawing money and shopping at the same time.

However, in light of these pressures many stores extend their in-store offering through partnerships with independent providers of financial services in order to fill the void left behind by closing bank branches. Almost half (42%) of retailers already observe that businesses on their high street have started offering ATM services in the wake of bank closures, and 16% have even witnessed the arrival of additional financial advice and mortgage services.

Tim Halford, Commercial Director of Cardtronics UK, said: "The report showcases the rising importance of the partnerships between high street retailers and alternative providers of financial services. Retailers fight to stay afloat, but a range of pressures still stifle their efforts: they range from ever changing trends in new payment technologies, to the retreat of local banks through to separate business rates on many retail ATMs. As such, it is now more important than ever that we rally to support the high street as the UK's prime local retail hub."

The findings of the report have been published in the Cardtronics UK whitepaper “The Value of Cash on the UK High Street”, with a summary of the top-ten key findings of the research on page 3.

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About Cardtronics UK

Cardtronics UK is the largest independent cash machine provider in the United Kingdom. Best known as “Cashzone” and “Bank Machine” to UK consumers, Cardtronics UK places ATMs in a variety of retailer locations including petrol forecourts, motorway service stations, train stations, convenience stores, food and drink outlets, shopping centres, and cinemas. The business has over 15,000 machines in the UK.

Cardtronics UK is owned by parent company, Cardtronics Inc., the largest retail ATM owner / operator in the world, with 113,500 retail ATMs deployed and operating in North America and Europe.

About the “Value of Cash on the UK High Street” project

The report draws on research into SME high street retailers paired with insights into the behaviours and views of UK consumers.

The fieldwork consisted of both consumer and retailer research:

- 4,049 online surveys with British adults over the age of 18 from 10 June to 14 June 2015 (Data was weighted to be representative of British adults in terms of age, gender, region and social grade)
- 250 ten-minute telephone interviews from 8 June to 23 June 2015 with a random sample of respondents who met the following criteria: owner/proprietor, in the retail sector and located on a high street

About Populus

Populus is one of the UK’s leading research & strategy consultancies specialising in political, reputation, stakeholder and customer research. Populus offers the full-range of market research solutions, and has in-house experts in qualitative, quantitative and omnibus research, as well as senior strategists from the worlds of business, politics, marketing and communications. Populus is a founding member of the British Polling Council and abides by the Code of Conduct of the Market Research Society of Great Britain.