

PADDYPOWER.

**BETTING SHOP EXIT SURVEY AND
FOOTFALL ANALYSIS**

October 2014

INTRODUCTION ●

The research commissioned by Paddy Power sought to establish whether customers visited a Paddy Power shop as part of a pre-existing visit to the shopping parade, or as a stand-alone trip. In particular the questionnaire for customers sought to establish the main purpose of their shopping trip.

SURVEY METHODOLOGY - EXIT SURVEYS ●

Surveys were commissioned for each of the locations below. These centres were chosen as they represent inner city locations (Handsworth, Birmingham and Liverpool), and both central and outer London. Paddy Power also wanted to ensure that they surveyed a mix of town, district and local centres.

Exit survey: An exit survey of c. 100 respondents was undertaken with Paddy Power customers at each site.

The survey work was undertaken by ESA Retail, during September 2014.

Example 1: HANDSWORTH, BIRMINGHAM (District)

Example 2: LIVERPOOL (Town)

Example 3: ILFORD, GREATER LONDON (Local)

Example 4: KILBURN, LONDON (Town)

Example 5: STOKE NEWINGTON, LONDON (District)

SURVEY METHODOLOGY - FOOTFALL COUNTS ●

Customer counts were also carried out in the shopping frontage to provide comparable customer numbers and footfall.

In addition to the Paddy Power unit, five other units were selected (four A1 retail units and one non-A1 unit in each location). Each unit was monitored for a ten minute period within each hour between 9am and 7pm. So results do not show the actual daily count, rather the count for a 10 minute period per hour.

RESULTS ●

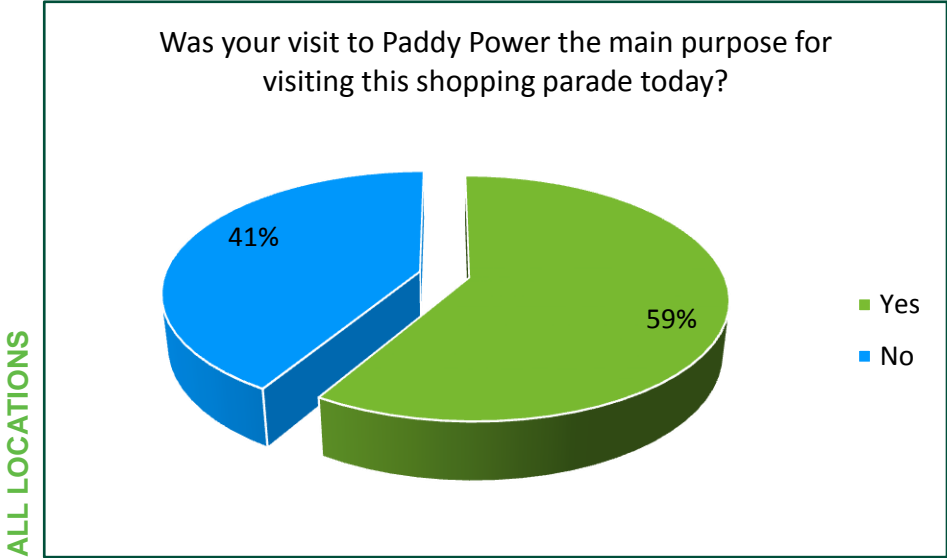
The results of the surveys are set out in this report, with the combined average, and individual site results provided.

MAIN PURPOSE OF VISIT ●

In three locations, Handsworth (65%), Ilford (67%) and Stoke Newington (86%), visiting Paddy Power was the main purpose for visiting the shopping parade, making this the principal reason for undertaking a shopping trip.

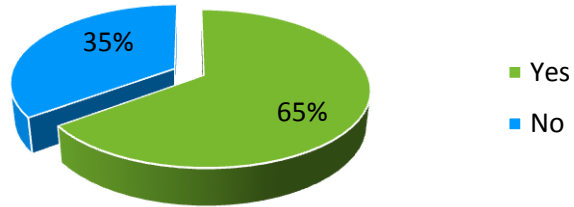
Looking at all locations together, nearly two thirds of customers would not have visited the shopping parade at this time if Paddy Power (or another betting shop) were not located there.

Without the presence of Paddy Power, respondents may have chosen another location for their purchases.



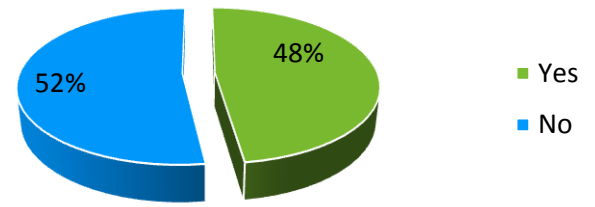
HANDSWORTH

Was your visit to Paddy Power the main purpose for visiting this shopping parade today?



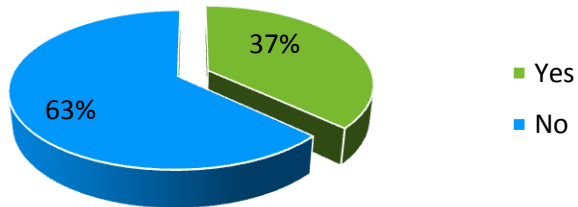
KILBURN

Was your visit to Paddy Power the main purpose for visiting this shopping parade today?



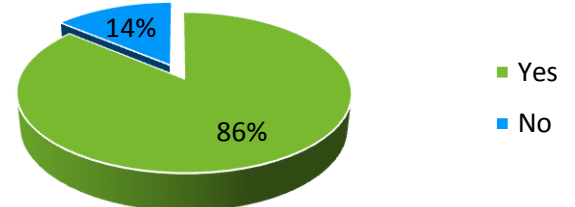
LIVERPOOL

Was your visit to Paddy Power the main purpose for visiting this shopping parade today?



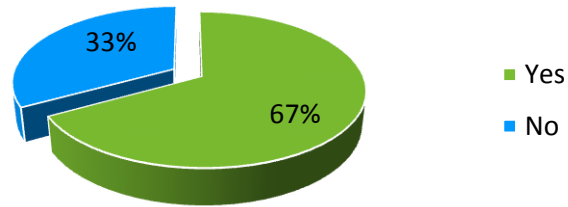
STOKE NEWINGTON

Was your visit to Paddy Power the main purpose for visiting this shopping parade today?



ILFORD

Was your visit to Paddy Power the main purpose for visiting this shopping parade today?

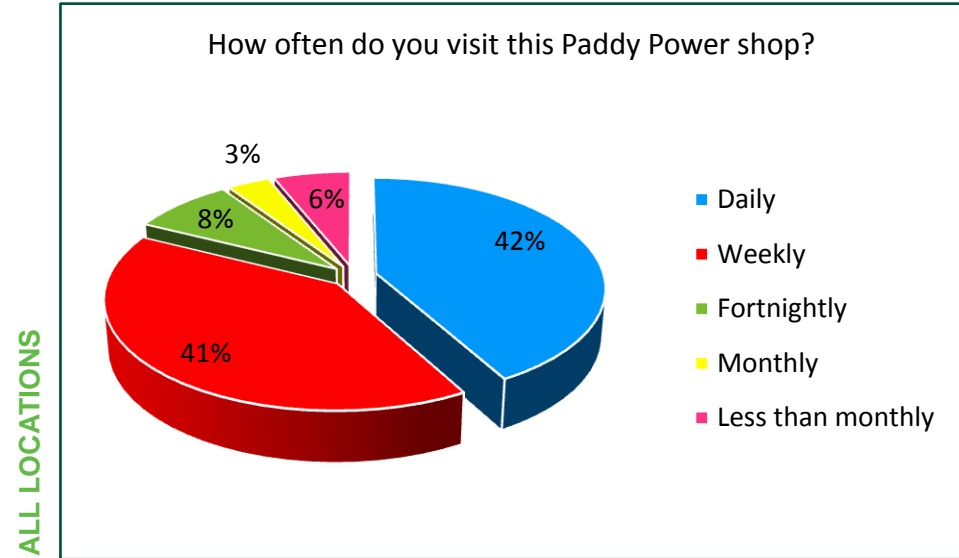


FREQUENCY ●

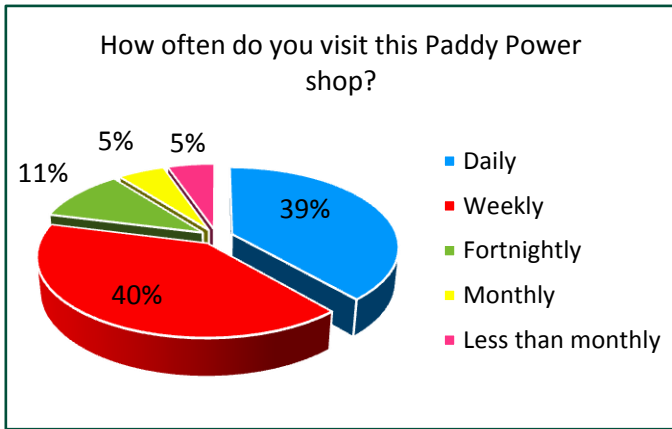
In terms of the frequency of trips to Paddy Power, 44% of the customers in Kilburn and 49% of the customers in Stoke Newington said they visited that particular Paddy Power shop daily. The percentage of daily visits to Handsworth (39%), Liverpool (30%) and Ilford (46%) was also high, but the majority of their customers tended to visit weekly (Handsworth 40%, Liverpool 39% and Ilford 49%).

An overwhelming 95% of customers visited the Ilford store either daily or weekly. The daily/weekly combined results for other Paddy Power store locations was similarly high, Kilburn (87%), Handsworth (79%) and Stoke Newington (75%). All but Liverpool recorded over three quarters of respondents visiting their stores either daily or weekly.

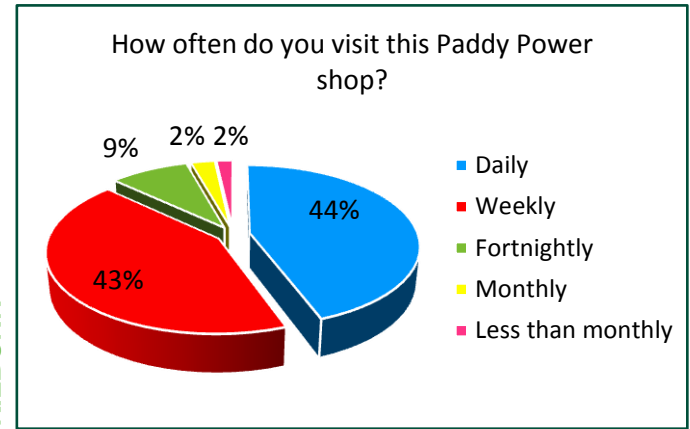
This clearly demonstrates Paddy Power customers' undertake regular and frequent visits that increase footfall within shopping parades.



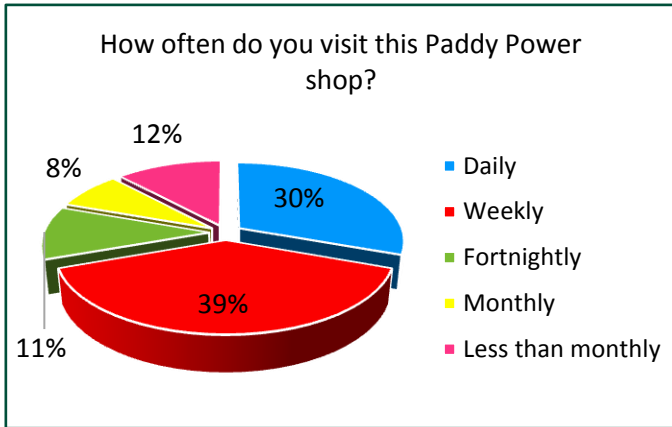
HANDSWORTH



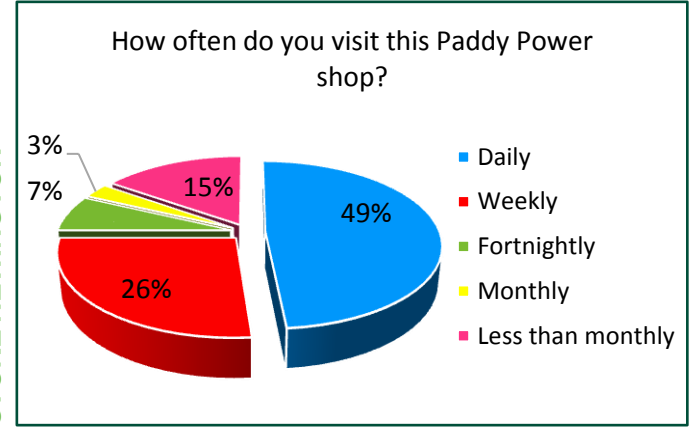
KILBURN



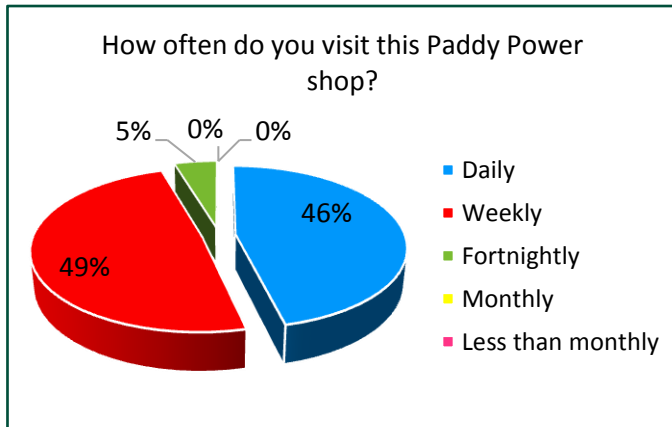
LIVERPOOL



STOKE NEWINGTON



ILFORD

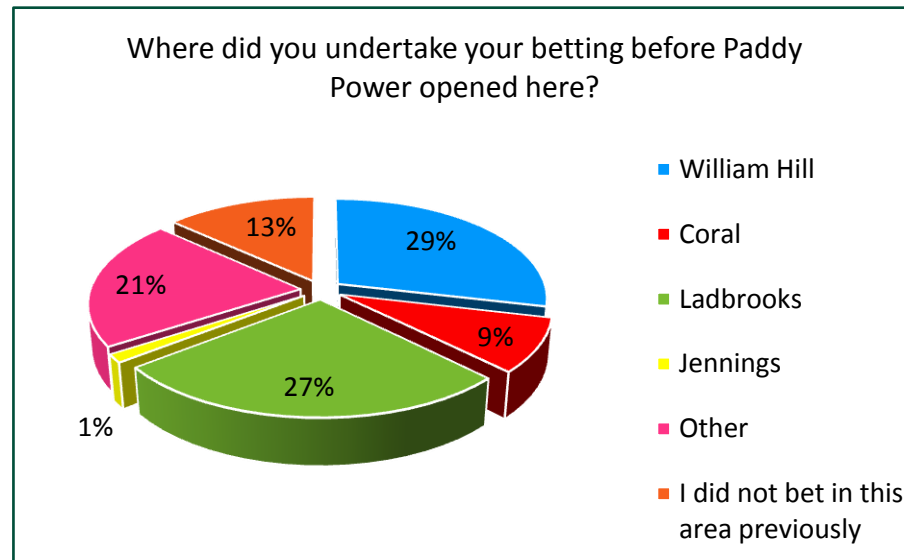


PREVIOUS SPENDING ●

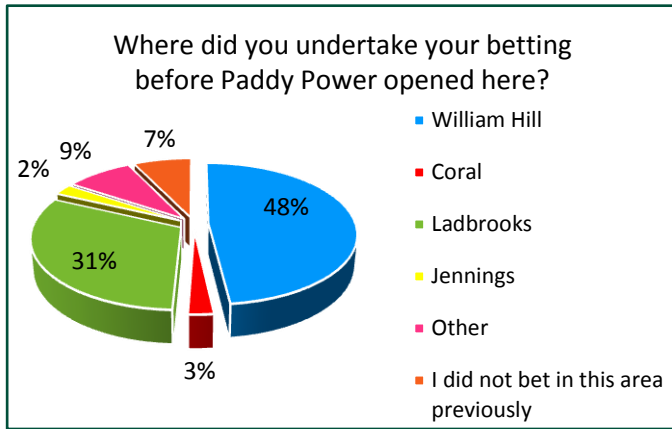
Customers at the Paddy Power stores were asked where they undertook their betting before Paddy Power opened in that location. Across all the sites surveyed, most customers previously visited William Hill and Ladbrokes at shops in nearby locations prior to the Paddy Power shop opening.

In Kilburn and Stoke Newington, prior to the Paddy Power shop opening, 23% and 39% respectively did not bet in another betting shop in the area previously. This shows that Paddy Power opening stores in these locations has helped to bring additional footfall to these shopping parades.

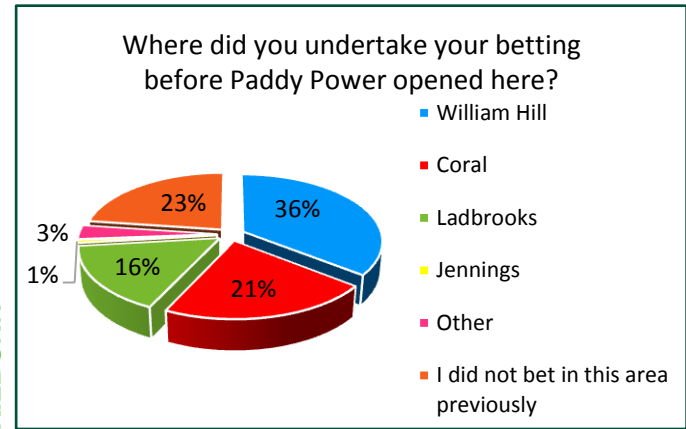
ALL LOCATIONS



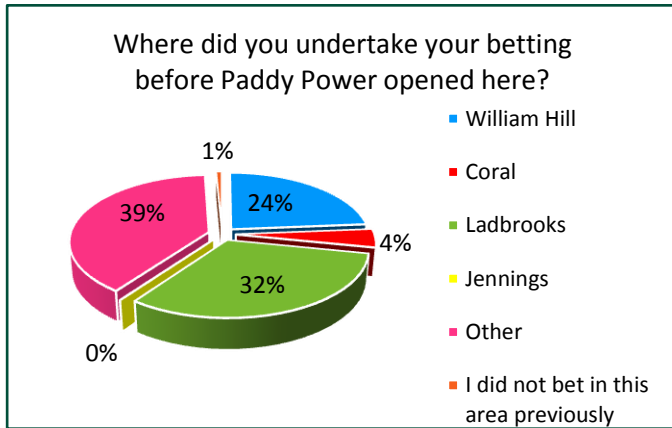
HANDSWORTH



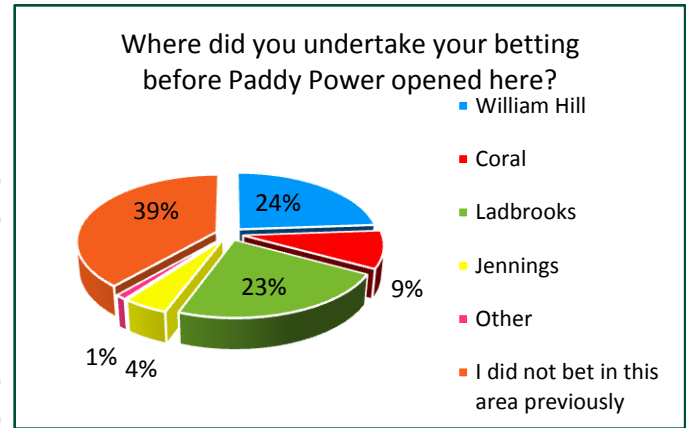
KILBURN



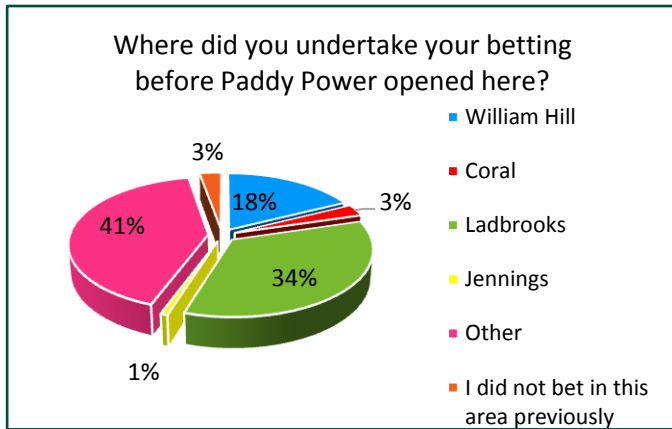
LIVERPOOL



STOKE NEWINGTON



ILFORD



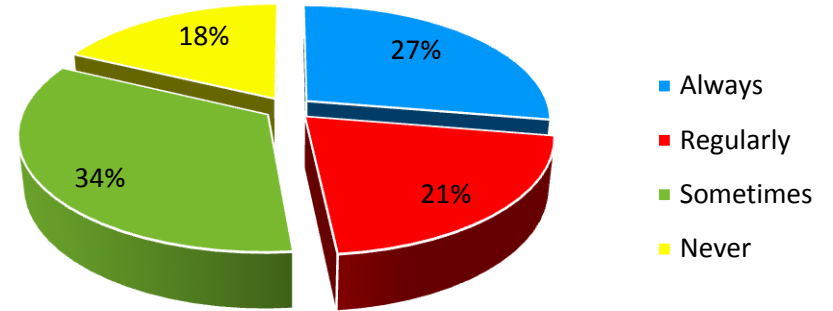
LINKED TRIPS ●

Out of those surveyed whose main purpose was to visit Paddy Power, the vast majority of customers in all five locations (Handsworth 68%, Liverpool 85%, Ilford 91%, Kilburn 86% and Stoke Newington 70%) also visited other shops and services nearby.

In fact, nearly half (43%) of visitors to the Liverpool Paddy Power store indicated they always visited other shops in the town centre when undertaking betting at Paddy Power.

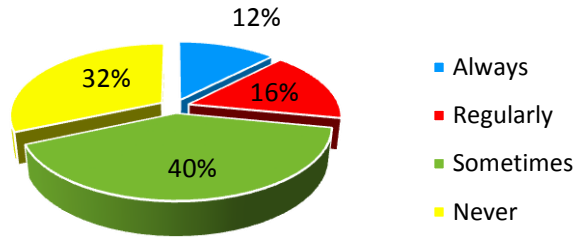
ALL LOCATIONS

When undertaking your betting at this Paddy Power shop, do you visit other shops in the town centre?



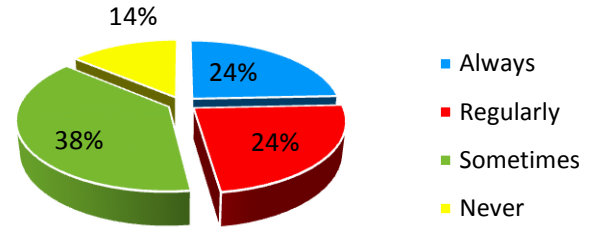
HANDSWORTH

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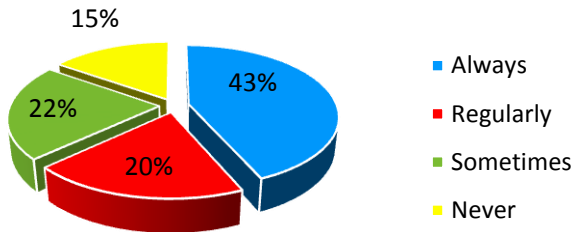
KILBURN

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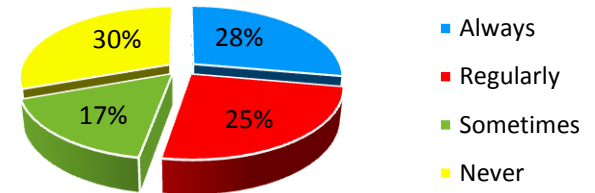
LIVERPOOL

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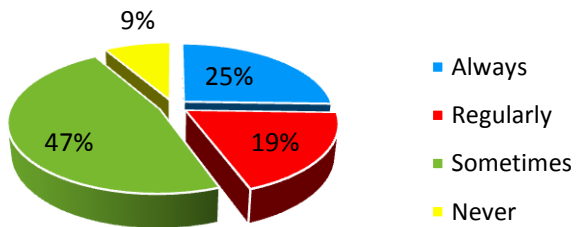
STOKE NEWINGTON

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ILFORD

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LINKED TRIPS ●

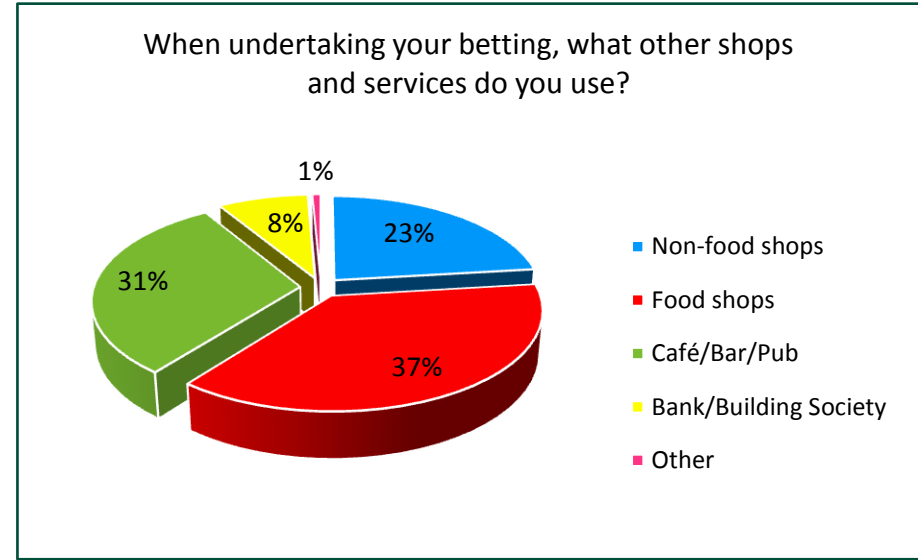
When asked what type of shop/services the Paddy Power customers visited, the majority of respondents at most locations indicated the most popular was food shops, indeed, over 55 percent of respondents at each location either visited food shops or a café/bar/pub (Handsworth 55%, Liverpool 79%, Ilford 69%, Kilburn 68% and Stoke Newington 61%).

In addition, trips to newsagents, clothing/footwear stores and Post Offices also recorded high numbers of visits in connection to a trip to a Paddy Power store.

This clearly shows customers who visit Paddy Power shops generally go on to spend elsewhere, spreading their spending to more than one shop within the shopping parade or centre.

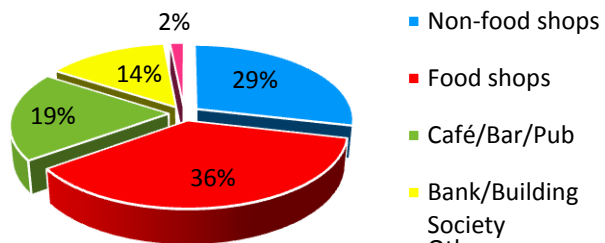
The level of linkage between Paddy Power and other units will of course depend on the range and attraction of other shops and services in the locality.

ALL LOCATIONS



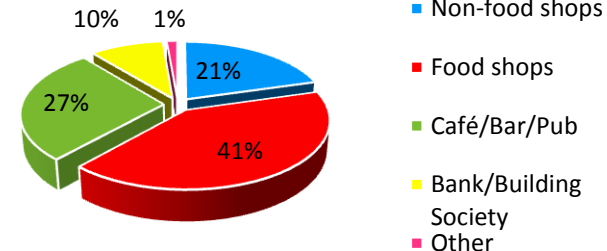
HANDSWORTH

When undertaking your betting, what other shops and services do you use?



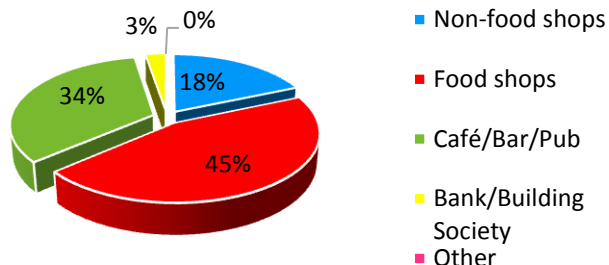
KILBURN

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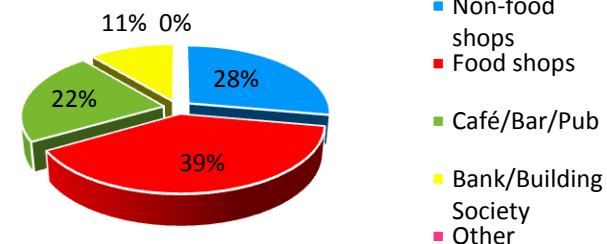
LIVERPOOL

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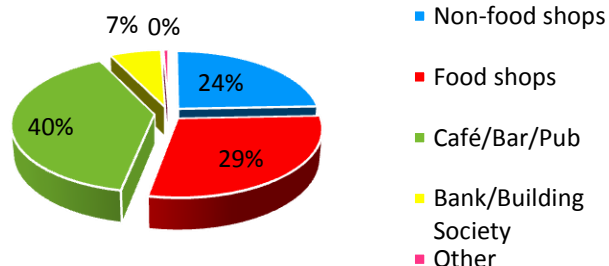
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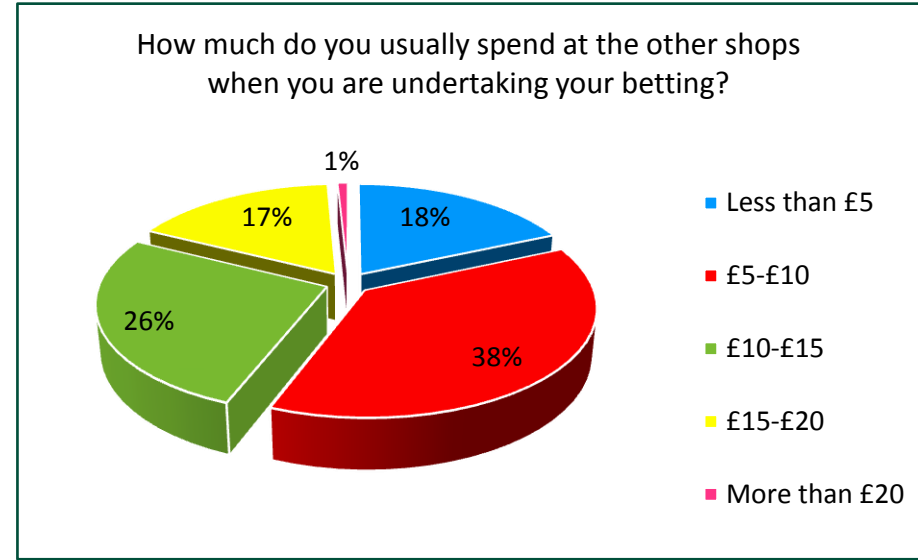


ADDITIONAL SPEND ●

In all locations, of those who visited other shops and stores whilst undertaking betting at a Paddy Power store over 56% of respondents spent £5-£15 in the other stores (Handsworth 56%, Liverpool 68%, Ilford 65%, Kilburn 58% and Stoke Newington 74%).

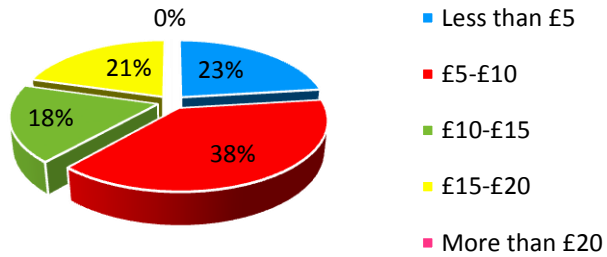
Given the majority of respondents visit a Paddy Power store either weekly or daily this amounts to a significant level of spending in other shops and stores in the shopping parade or town centre on a weekly basis, showing having a Paddy Power in the local area is actually boosting the local economy rather than having a negative impact.

ALL LOCATIONS



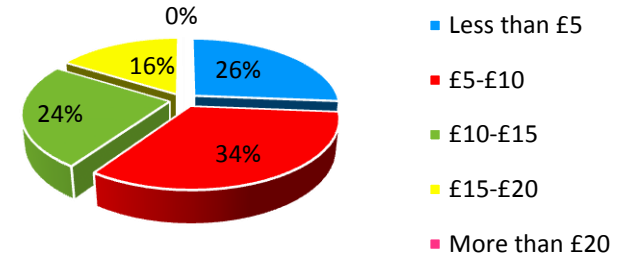
HANDSWORTH

How much do you usually spend at the other shops when you are undertaking your betting?



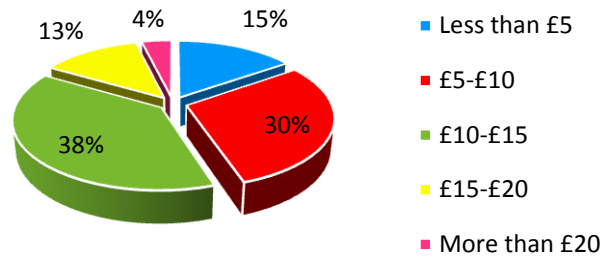
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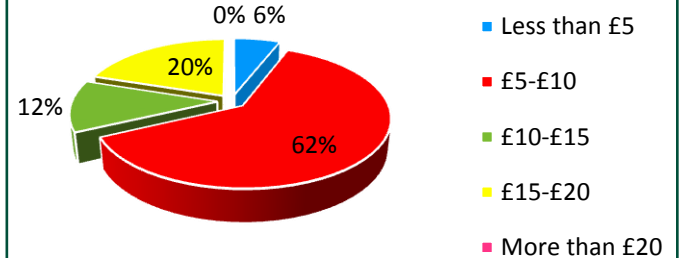
LIVERPOOL

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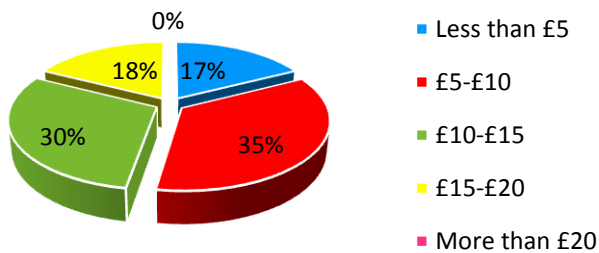
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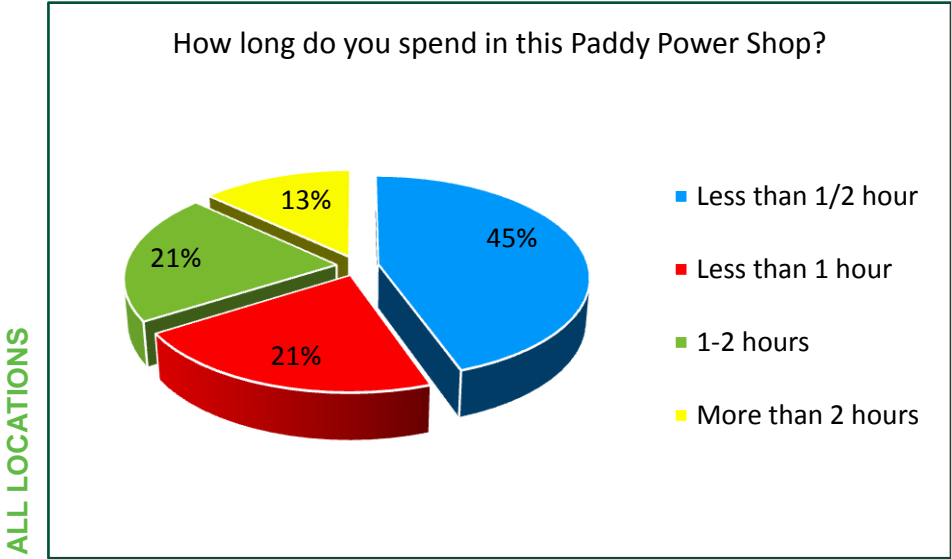
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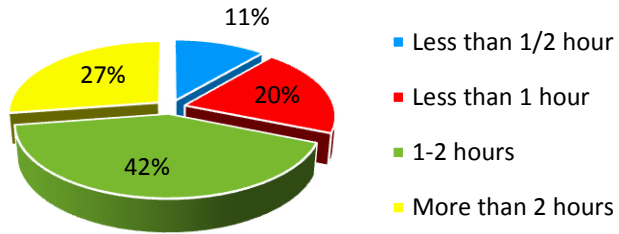
LENGTH OF STAY ●

The majority of respondents stayed in Paddy Power for under one hour, with the greatest proportion (45%) for under half an hour. This is comparable to a café and often visits to other stores. It shows a length of stay that is wholly appropriate for a high street use.



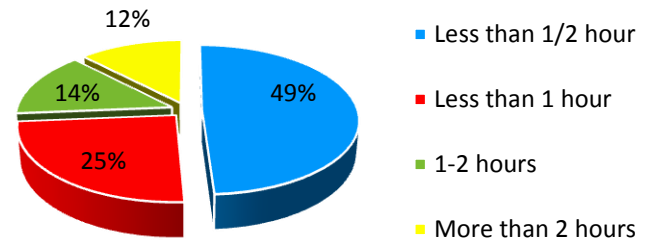
HANDSWORTH

How long do you spend in this Paddy Power Shop?



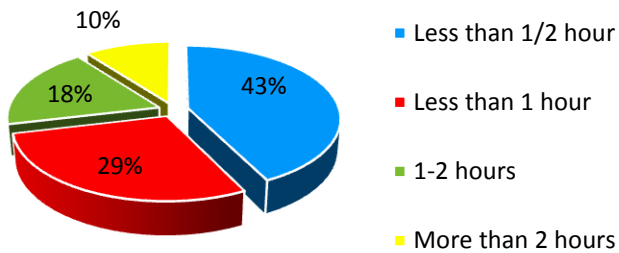
KILBURN

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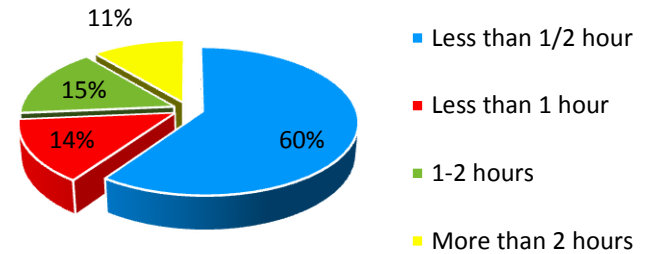
LIVERPOOL

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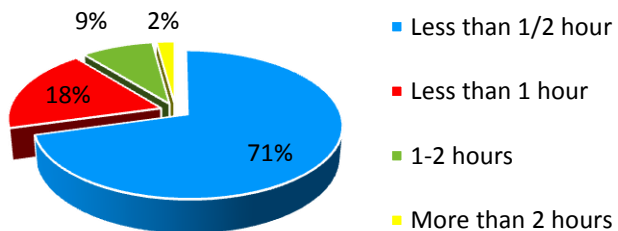
STOKE NEWINGTON

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ILFORD

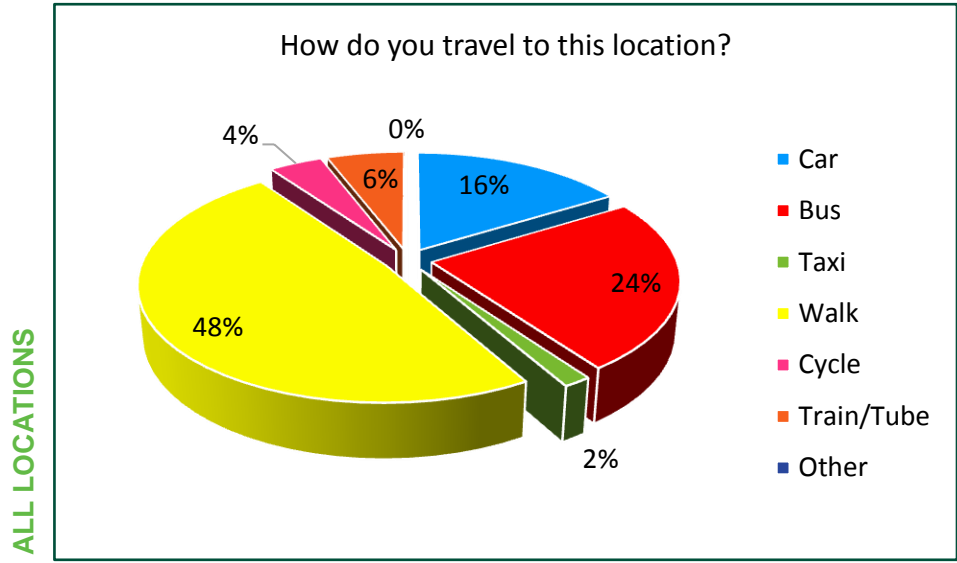
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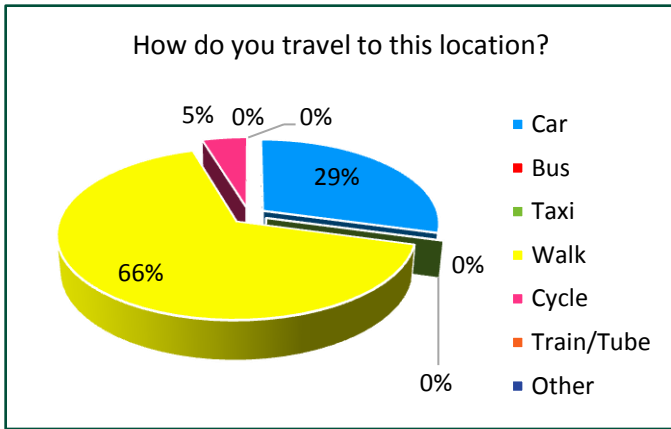
MODE OF TRAVEL ●

Generally, the most popular mode of transport to travel to a Paddy Power store is walking (Handsworth 66%, Liverpool 50%, Kilburn 74% and Stoke Newington 49%). This shows that Paddy Power customers are shopping locally, and not contributing to any local parking or traffic congestion issues.

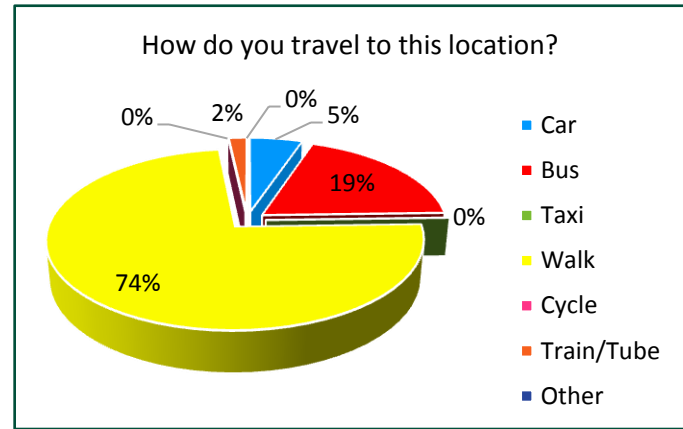
In Ilford, the most popular mode of transport for visits to the Paddy Power store in this location was via bus (56%), again demonstrating the majority of visits to this Paddy Power store were not having an adverse affect on local transport issues.



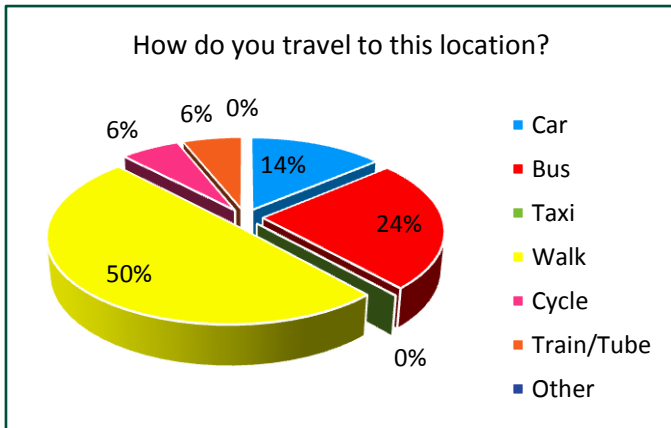
HANDSWORTH



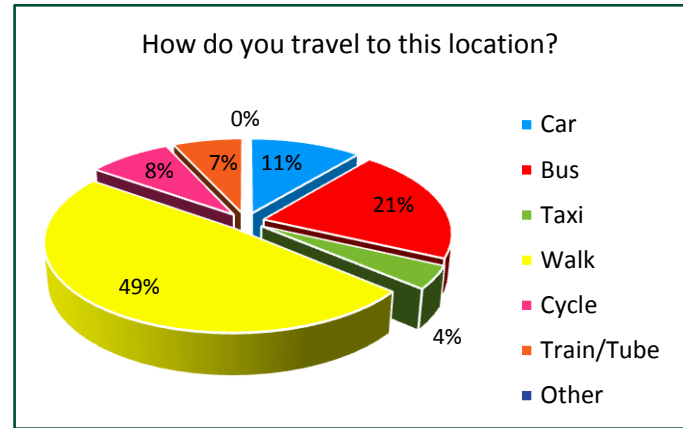
KILBURN



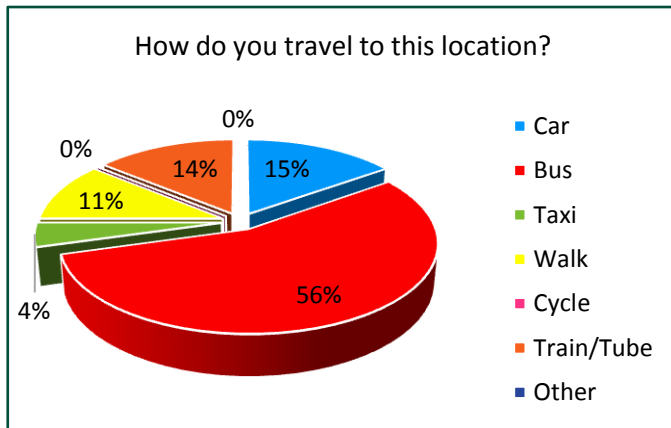
LIVERPOOL



STOKE NEWINGTON



ILFORD



In addition to the Paddy Power unit, five other units were selected (four A1 retail units and one non-A1 unit in each location). Each unit was monitored for a ten minute period within each hour between 9am and 7pm. So results do not show the actual daily count, rather the count for a 10 minute period per hour.

Given that a number of the A1 retail units closed after 5pm and 6pm, the graphs on the following page show the footfall count results for the period 9am to 5pm to ensure a fair comparison can be made.

In Liverpool, Kilburn and Ilford, Paddy Power was the busiest unit of all those monitored and by a significant margin. 302 customers were recorded entering the Paddy Power unit in Liverpool, compared to 174 at Camping Goods, 104 at Photoshop, 61 at Quicksilver (amusement centre), 49 at the hairdressers and 47 at the gift shop.

In Kilburn, 379 customers were recorded entering the Paddy Power unit compared to 276 at Kilburn Business Centre, 224 at Travel Goods, 186 at Sounds II Shoes, 165 at the Kilburn Furniture Shop and 162 at the Hairdressers.

In Ilford, 100 Paddy Power customers were counted, compared to 42 at the printing shop, 30 at Ashas Jewellers, 18 at the furniture shop, 11 at the hairdressers and 0 at the estate agents.

In Stoke Newington, the Paddy Power unit was the second busiest unit with 143 counts, only 3 less than TSB Bank. Paddy Power was significantly busier than the shoe shop (81), craft shop (57) and opticians (38). Unfortunately the chemist that had been selected for surveying was closed during the survey period.

In Handsworth, the Paddy Power unit had the fourth highest count with 73, behind Nationwide (149), Lloyds Pharmacy (96) and Shoe Zone (87). Razz Household Textiles and Cohans Jeweller had the lowest footfall counts with 69 and 47 respectively.

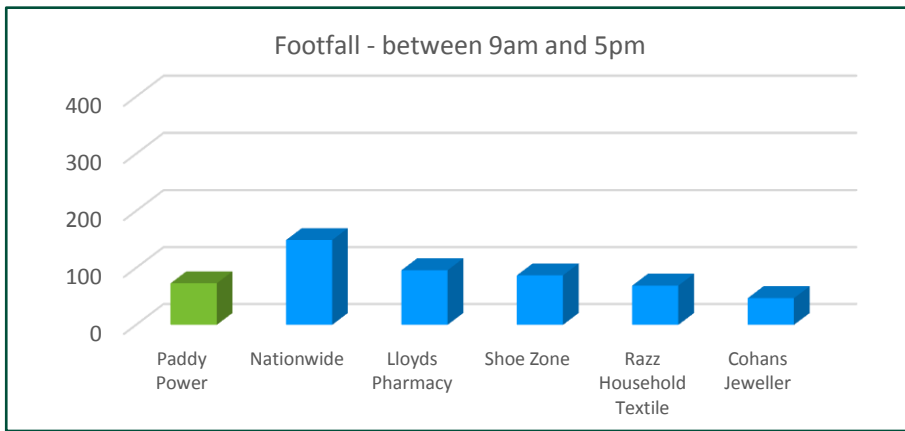
The results clearly demonstrate that a Paddy Power betting shop generates similar levels and often significantly higher levels of footfall than A1 shops and other A2 and non-A1 operators. It dispels the myth that betting shops are not appropriate uses within centres, and particularly Primary Shopping Frontages, because they generate low levels of footfall. Indeed it shows that many A1 units which are vehemently protected by Local Planning Authorities in such locations often generate very low levels of footfall.

In terms of footfall between 5pm and 7pm, the following customer numbers were counted at the Paddy Power Units:

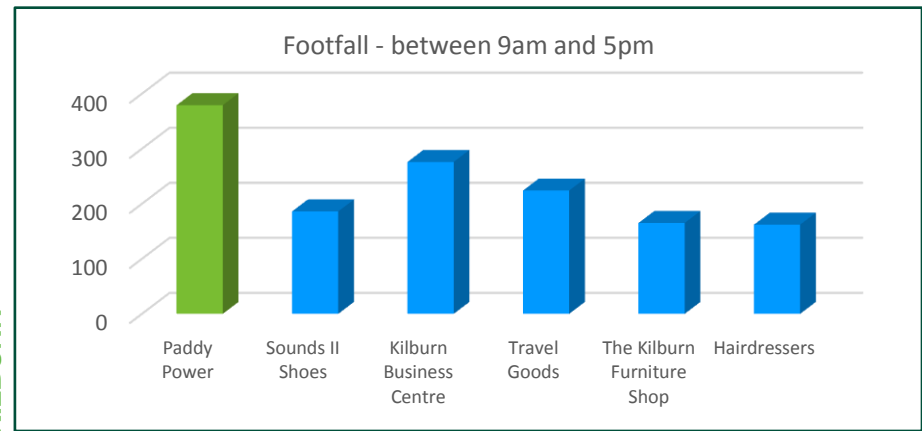
Handsworth – 28
Liverpool - 96
Ilford – 38
Kilburn – 61
Stoke Newington – 37

As each unit was surveyed for 10 minutes within every hour, these counts covered a total surveying time of just 20 minutes. This demonstrates that Paddy Power units, which typically operate in the evenings, generate significant footfall and activity in centres and parades after the shops close. Paddy Power shops therefore contribute to the evening economy and create natural surveillance for others using the centre once the shops have closed.

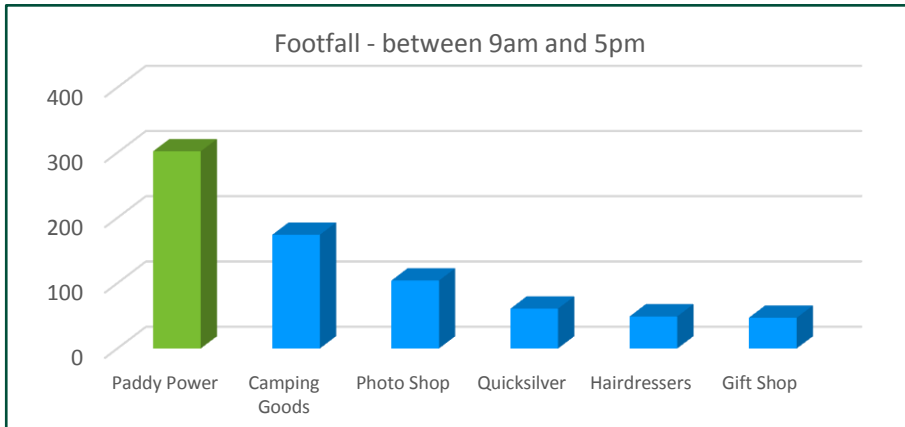
HANDSWORTH



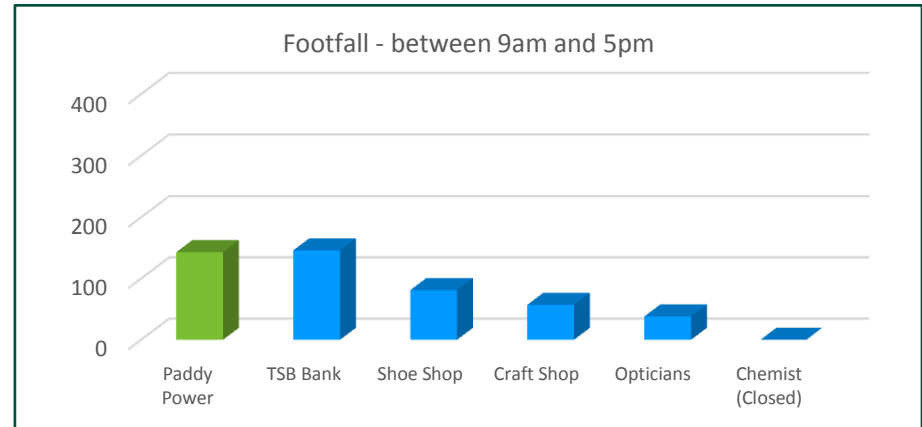
KILBURN



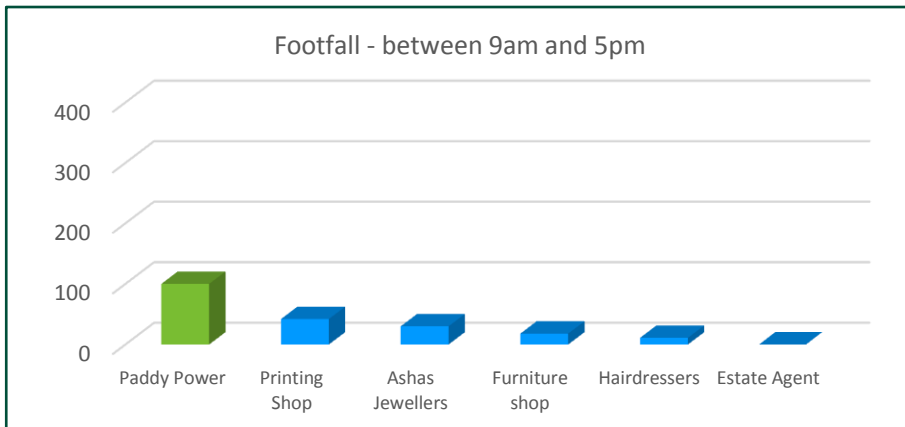
LIVERPOOL



STOKE NEWINGTON



ILFORD



SUMMARY ●

The surveys undertaken provide independent empirical evidence that betting shops generate footfall and are part of wider linked trips and spending within a centre.

Contrary to popular belief, the majority of betting shop customers do not just visit a parade to place a bet, but they will also visit other shops and services, spending money elsewhere within the centre, which contributes to the viability of shopping parades.

STATEMENT OF CONFIDENCE ●

Paddy Power completed customer surveys across 5 of their high street locations in the UK during September 2014 asking customers about their journey around the town whilst visiting Paddy Power. Samples of 422 customers were interviewed across the 5 locations from Wednesday 17th to Saturday 20th September. The sample achieves a confidence level of 95% allowing a 4.77% margin of error.

Interviews were conducted by ESA Retail an Independent Market Research Agency.

We are able to provide the original survey data and excel spread sheets upon request.