

Christmas cheer for the High Street as Brits splashed out

THERE was an injection of Christmas hope for the [high street](#) today when three top [retailers](#) reported strong [results](#) as pandemic-weary Brits treated themselves over the festive season.

[Sainsbury](#)'s bumped up profit forecasts for the year by fully £60 million to £720 million as working from home increased eating from home, with customers splashing out on high end party [food](#) and champagne.

CEO [Simon Roberts](#) said: "I am really pleased with how we delivered for customers this Christmas. More people ate at home and our significant investment in value, innovation and service led to market share growth."

Base pay for staff including those at Argos will rise to £10 an hour from March, a move that is costing Sainsbury's £100 million.

Grocery sales were up 6.6% compared to the same period two years ago. They are down 1.1% on a year ago when consumers had much less choice about where to shop due to Covid restrictions.

READ MORE

- [Next booms over Christmas and promises fresh rewards to investors](#)
- [How Scandi high-street hero Cos has changed the way we dress](#)
- [Department store Beales warns of risk of collapse](#)
- SPONSORED

8 London theatre shows to add sparkle to your New Year

All grocers are under intense pressure from the German discount giants Aldi and Lidl. Sainsbury's is launching an Aldi Price Match campaign for the 150 fresh products that people buy most often.

Russ Mould at AJ Bell said: "For years Sainsbury's has been stuck in the middle. Its products have more expensive than Aldi, Lidl, Tesco and Asda and so the value shopper hasn't seen Sainsbury's as a desirable place to buy food and drink. Equally, people seeking a higher quality product have preferred to go to Waitrose or Marks & Spencer.

"The new strategy is to become more competitive on pricing is now winning over some of the value-seeking shoppers, while a big focus on product innovation has seen it roll out some higher quality items which look to have been a hit with people looking for something fancy."

[JD Sports](#) also issued a full-year profit upgrade – it should make £875 million compared to the £810 million forecast. That is on the back of an "extremely robust" sales rise of 10% in the period to January 1 compared to 2020. Black Friday and Christmas were both strong as people splashed out on the latest Nike and Adidas shoes.

Chief executive Peter Cowgill did signal a note of caution on looming tax rises. He told the Standard: "The imposition on businesses this year, at a time when you've got such wage inflation in any event, is pretty strong. You've got the imposition of national insurance and you've got the increase in corporation tax as well. That impacts on retained profits for investment. I would certainly question it, very much so."

Most retail shares rose. Sainsbury up 4p to 283p, though JD slipped 4p to 214p.

Dunelm, the curtains and bedding store, said its 176 shops had a record quarter with sales up 13% to £407 million. Profits will be “materially ahead” of City expectations thanks to “particularly encouraging growth” from the bricks and mortar operation.

Yesterday, industry figures showed UK supermarket sales exceeded all expectations in the fortnight leading up to Christmas as excited shoppers spent £7.1 billion on food.

The till total exceeds previous forecasts from NielsenIQ analysts, who predicted sales would reach £6.8 billion, up from £6.7 billion in 2020.