

Hope on the high street as Next and Sports Direct back stores

Two of the biggest names on the [high street](#) offered hope for the battered retail sector today, insisting shops will remain a key part of the UK's business and social scene.

Covid saw internet sales rocket during lockdown, a trend some analysts insisted would be permanent. And [inflation](#) is biting hard, leading many consumers to cut back on all but essential [retail spending](#).

But today [Next](#), regarded as probably the best run retailer, saw full-price sales up 21% in the 13 weeks to April. That reassured the City, which was nervous that even Next would have to resort to heavy discounting.

With shops re-opened, internet sales actually fell 11% on a year ago, suggesting many consumers simply like going to stores. Total sales were up 285%, a reflection of stores being shut a year ago.

Next, led by [Simon Wolfson](#), held profit guidance for the full year of £850 million, again shrugging off fears of a cut in forecasts.

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Meanwhile the new boss of [Sports Direct](#) insisted the high street is far from dead. Michael Murray, who has replaced his future father-in-law Mike Ashley as CEO of Sports Direct's parent company Frasers, unveiled plans for 10 new flagship stores in the UK.

He said: "I believe if you give people a reason to come and shop, they will shop. They've just not had a reason for the past few years."

The new stores, like one in Birmingham, will have an E-sports gaming room, a sports bra fitting service, as well as Evans Cycles and a Game concession.

Steve Clayton at Hargreaves Lansdown said:

"What Next haven't said today is more important than what they have. Markets were concerned that the group would be struggling with costs and availability of product, putting margins under pressure, even before customers struggled with the squeeze on their own incomes. Instead, the company have reiterated their guidance from March, suggesting that their cost controls are succeeding. Customers look to be accepting the price increases the group are putting through, rather than leaving the stores empty-handed."

Next shares, which have been under pressure lately, rallied 40p to 6126p. The company has been buying back its own shares at an average price of 6552p, a move that ought to boost shareholder value.