# Next to trial self-service tills to tackle rising wage costs



Next, a prominent UK retail chain, is set to trial self-service tills as part of an effort to enhance store efficiencies in response to an impending £67 million increase in its wage bill due to tax hikes. Chief Executive Lord Simon Wolfson confirmed to Retail Gazette that the first set of machines is scheduled for installation in selected stores during February and March this year.

The initiative aims to streamline operations amidst rising costs, with Wolfson indicating that successful trials could lead to wider implementation across the business later in the year. Alongside the self-service tills, Next is also contemplating a range of "small improvements and operating efficiencies" to manage the impact of the tax increases taking effect in April. One such improvement involves an automated returns process for online orders, allowing customers to return items using a self-scan system and deposit them in secure lockers, rather than having to queue at the till.

Wolfson expressed confidence about maintaining employment levels, stating that the retailer “is not expecting” to make any redundancies despite the financial pressures. He elaborated that as natural staff turnover occurs, the company plans to hire fewer new employees rather than lay off existing staff. He also assured that there would be "certainly no impact on the number of stores this year," highlighting that the increase in wage rates does not adversely affect the profitability of their current locations.

Despite the challenges posed by increasing costs, Wolfson acknowledged that the rise in expenses might "marginally impede growth" and could slow down the pace at which Next expands into new spaces. Furthermore, the company announced plans to implement a "unwelcome" 1% price increase on its products to help offset around £13 million of the additional wage costs.

In terms of performance, Next recently reported a 5.7% increase in underlying full-price sales for its fourth quarter, leading to a revision of its full-year pre-tax profit forecast to £1.010 billion, reflecting an anticipated 10% rise in profits. The retailer also indicated, "We believe that UK growth is likely to slow, as employer tax increases, and their potential impact on prices and employment, begin to filter through into the economy."

This strategic utilisation of AI and automation in operations illustrates the ongoing changes within the retail sector, showcasing how businesses are adapting to economic pressures by enhancing efficiency through technology.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Corroborates Next's plan to trial self-service tills, the timeline for installation, and the reasons behind this initiative to manage the impact of tax increases.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Supports the information about the automated returns process and the use of self-scan systems and secure lockers.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Confirms that Next is not expecting redundancies and plans to hire fewer new employees due to natural staff turnover.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Assures there will be no impact on the number of stores this year despite the increase in wage rates.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Mentions the potential impact on growth and the pace of expansion into new spaces due to increasing costs.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Details the 1% price increase to help offset additional wage costs.
* <https://www.retailgazette.co.uk/blog/2025/01/next-to-trial-self-service/> - Reports the 6% increase in fourth quarter full-price sales and the revised full-year pre-tax profit forecast.
* <https://www.thembsgroup.co.uk/external/next-to-trial-self-service-tills/> - Supports the information about Next trialling self-service tills to improve store efficiencies.
* <https://www.thembsgroup.co.uk/external/next-to-trial-self-service-tills/> - Corroborates the timeline for the trial and the aim to offset tax increases.