Deloitte.

Global Powers of Retailing 2023
Revenue growth and continued focus on sustainability

February 2023

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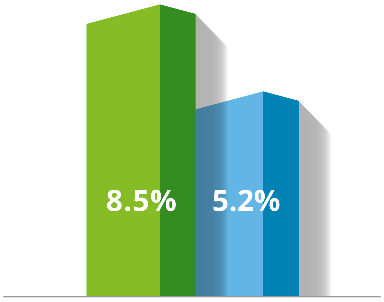
Foreword by Evan Sheehan

In a year of strong year-on-year growth in retail revenue across the top 250, we see that sustainability remains high on the agenda. Several players are working on the resale of slightly used goods and we see many technology-enabled innovations. Successful retailers combine technology with the human factor to provide optimal customer experience. Among the Fastest 50, the main drivers of growth were the luxury brands, e-commerce providers and department stores.

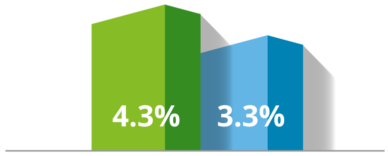
Evan Sheehan
Global Retail, Wholesale & Distribution Leader at Deloitte

Global Powers of Retailing 2023

Top 250 Retailers show significant revenue growth



Year-on-year **revenue growth** of Top 250 retailers



Composite net **profit margin** of Top 250 retailers

FY2021: financial years ending within 12 months from 1 July 2021 to 30 June 2022

FY2020: financial years ending within 12 months from 1 July 2020 to 30 June 2021

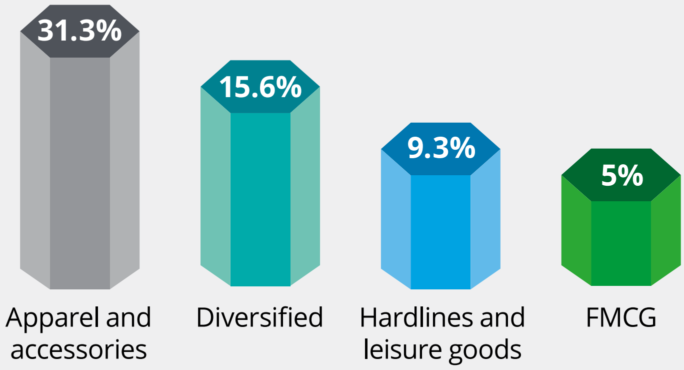
Top 250 Retailers

US$4.5 bilion
Minimum retail revenue

US$22.6 billion
Average retail revenue

US$572.7 billion
Maximum retail revenue

Apparel and accessories retailers showed fastest year-on-year growth



73% of Consumer CXOs have increased investments in sustainability over the last year

"Our Like New program allows guests to extend the life of our products by buying lululemon Like New or trading in lululemon gear when they are done with it."

– Maureen Erickson,
Senior Vice President Guest Innovation at lululemon

Retailers prepare for the future of the store

"Customers love their personal experience at our experiential store, and we've ensured that our digital channels support this in-store experience."

– Donald McDonald,
Managing Director of Brown Thomas

Global economic outlook

By Dr. Ira Kalish
Chief Global Economist, Deloitte Global
January 2023

What should we expect in 2023? It seems likely that the new year may, in part, be characterized by a reversal or stabilization of some of the events of 2022. These could include a rapid increase in inflation, surges in commodity prices, tightening of monetary policy, and substantial supply chain disruption. Some trends, however, are likely to persist. These include tight labor markets, the biggest land war in Europe since 1945, a slowdown of China's economy, increased use of industrial policy and sanctions, and economic disruption from climate change.

Here, then, are predictions for the new year:

Inflation should recede.

The factors that drove inflation in 2021-22 are already reversing. These factors included the following: supply chain disruption, increases in commodity prices, and expansive fiscal and monetary policy. Moreover, inflation has already peaked in the United States and may soon peak in Europe. Inflation remains moribund in Japan and China. Expect a rapid decline in inflation in the United States and a more moderate decline in Europe. The expectation of this pattern is already embedded in bond yields, which is why they remain relatively low.

Supply chains should stabilize.

Weakening global demand combined with increased capacity to produce and distribute manufactured goods are already causing a decline in delays, shortages, and costs of shipping. Once the COVID-19 pandemic situation stabilizes in China, supply chains in China will also normalize. This may help to ease inflation and remove bottlenecks that inhibit output in some industries.

On the other hand, fraught political relations between China and the United States may lead many companies to buy an insurance policy against political risk by diversifying supply chains. This could likely mean further outflows of capital from China and more investment in supply chain processes in Southeast Asia, India, Central Europe, and especially Mexico.

Labor markets should remain tight.

In many countries, labor has been in short supply as the world recovers from the COVID-19 pandemic. This has been due to reduced labor force participation, continued COVID-19-related illnesses, and a sharp decline in migration. These factors are not likely to change soon. Thus, even amidst concern about recession, job growth continues to be relatively strong and unemployment low. Many companies, fearful of persistent shortages of labor, are probably hiring to hoard labor that might be needed when the economy rebounds.

Notably, despite tightness in the labor market, wages have failed to keep pace with inflation in most advanced economies. The result has been weaker consumer spending. In 2023, as inflation recedes, it is likely that wage growth will ultimately exceed inflation. This should boost consumer spending. It may also put pressure on businesses to accelerate investment in labor saving technology.

Central banks should stop tightening.

We know that monetary policy acts with a lag. Thus, it is possible that the sharp increase in benchmark interest rates in 2022 was sufficient to quell future inflation. Still, it is likely that major central banks will continue to raise rates in early 2023, if only to anchor expectations of inflation. They may likely stop this process in the first half of the year and wait to see the fruits of their labor. Central banks will likely start to reduce rates in 2024.

The US may avoid recession.

Sixty percent of the US population believes that the country is already in recession. And yet the economy has shown remarkable resilience. Despite declining real wages, real consumer spending has grown as some consumers have dipped into their saving. Despite higher borrowing costs, business investment has grown as many businesses have dipped into their cash reserves and focused on the longer term. The only major sector to experience a sharp contraction has been housing, largely due to higher mortgage interest rates.

Without a doubt, US growth in 2023 may be slower than in 2022 due to tightening monetary and fiscal policy. Yet a recession might be avoided due to declining energy prices, strong employment growth, and easing of supply chain stress. Still, a recession remains a possibility.

Europe may experience recession.

Europe is different from the United States. As real wages have fallen, real consumer spending has fallen. And, although energy prices have fallen from their peaks, natural gas prices remain historically elevated, thereby helping to fuel inflation and reduce purchasing power for consumers and businesses. The energy shock, a result of the conflict in Ukraine, could play the leading role in driving a recession in Europe. In addition, tightening of monetary policy by the ECB and the Bank of England will play a role. Plus, although many European governments are offering large subsidies to offset high energy prices, the trajectory of fiscal policy remains contractionary.

Although European governments have taken strong measures to protect their economies from the energy shock, it is likely that electricity prices could remain relatively elevated for a prolonged period. Thus, many companies in heavy industry, which used to benefit from affordable Russian energy, are increasingly looking outside of Europe for investment opportunities. This could have a negative impact on the future of European manufacturing.

China may rebound only modestly.

With the relaxation of pandemic-related restrictions, China is likely to see a modest rebound in economic activity in 2023—but not immediately. For now, the massive outbreak of infections is suppressing mobility and production, the result of which is likely to be temporarily suppressed economic activity. Yet once this cycle of the outbreak recedes, it is likely that pent-up consumer demand will boost spending.

Still, China faces several headwinds that may restrain growth in 2023. These include a troubled property market, weaker global demand, an outflow of capital by global businesses, and a fraught relationship between China and the West that involves restrictions on cross-border trade and investment.

Japan should stabilize.

Japan's economy is accelerating from a low base as COVID-related restrictions decrease and pent-up demand is unleashed. Still, Japan's economy may face headwinds from a weakened global economy. Thus, growth is likely to remain modest.

Meanwhile, inflation has accelerated from a low base due to supply chain disruption and higher energy prices. The Bank of Japan has partially reversed its easy monetary policy, thereby providing a boost to the value of the yen.

India should grow strongly.

In 2023, India may become the most populated country in the world, surpassing China. The IMF estimates that this could happen in April. In the years to come, while China's population declines, India's should continue to grow well into the second half of this century.

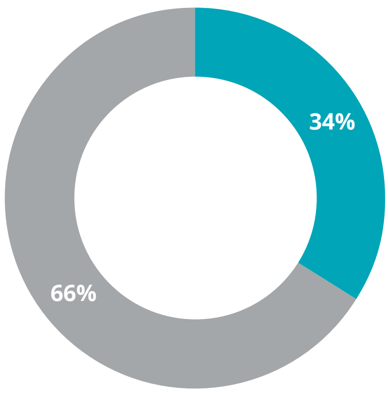
This demographic shift could have implications for the global economy. If for no other reason than demographics, China may grow more slowly while India's economy may grow faster as domestic consumer demand becomes a prominent growth driver. This is already the case. Indeed, India is currently one of the fastest growing major economies in the world. It is importing relatively affordable oil from Russia, thereby helping to limit the impact of the energy shock on its economy. Since trade as a share of GDP is lower than in most countries, this should shield India from the negative consequences of a global slowdown. The rate of inflation, although relatively high, has fallen recently. However, since the Reserve Bank of India (RBI) has been raising its benchmark rate since April 2022, there may be a modest deceleration in the rate of growth in 2023 due to its impact on demand.

Top 10 highlights

Top 10 retailers, FY2021

Top 250 rank	Change in rank	Name of company	Country/ Geography of origin	FY2021 retail revenue (US$M)		FY2021 retail revenue growth	FY2021 net profit margin[1]	FY2021 return on assets	FY2016-2021 retail revenue CAGR[2]	# countries/ geographies of operation	% retail revenue from foreign operations
1	0	Walmart Inc	United States	572,754		2.4%	2.4%	5.7%	3.3%	24	31.3%
2	0	Amazon.com, Inc.	United States	239,150		12.0%	7.1%	7.9%	20.4%	21	33.2%
3	0	Costco Wholesale Corporation	United States	195,929		17.5%	2.6%	8.6%	10.5%	12	27.8%
4	0	Schwarz Group	Germany	153,754		5.5%	n/a	n/a	7.8%	33	73.0%
5	0	The Home Depot, Inc.	United States	151,157		14.4%	10.9%	22.9%	9.8%	3	8.1%
6	0	The Kroger Co.	United States	136,971		4.1%	1.2%	3.4%	3.5%	1	0.0%
7	2	JD.com, Inc	China	126,387		25.1%	-0.5%	-0.9%	28.0%	1	0.0%
8	-1	Walgreens Boots Alliance, Inc.	United States	122,045		3.7%	1.9%	3.1%	4.7%	6	8.2%
9	-1	Aldi Einkauf GmbH & Co. oHG and Aldi International Services GmbH & Co. oHG	Germany	120,947	e	-0.4%	n/a	n/a	4.8%	19	72.8%
10	0	Target Corporation	United States	104,611		13.2%	6.6%	12.9%	8.5%	1	0.0%

Top 10	**1,923,704**	**8.0%**	**4.1%**	**7.5%**	**7.9%**	**12.1**	**27.9%**
Top 250	**5,650,478**	**8.5%**	**4.3%**	**5.9%**	**5.7%**	**11.4**	**23.4%**



Top 10 share of Top 250 retail revenue

[1] Net profit margin based on total consolidated revenue and net income

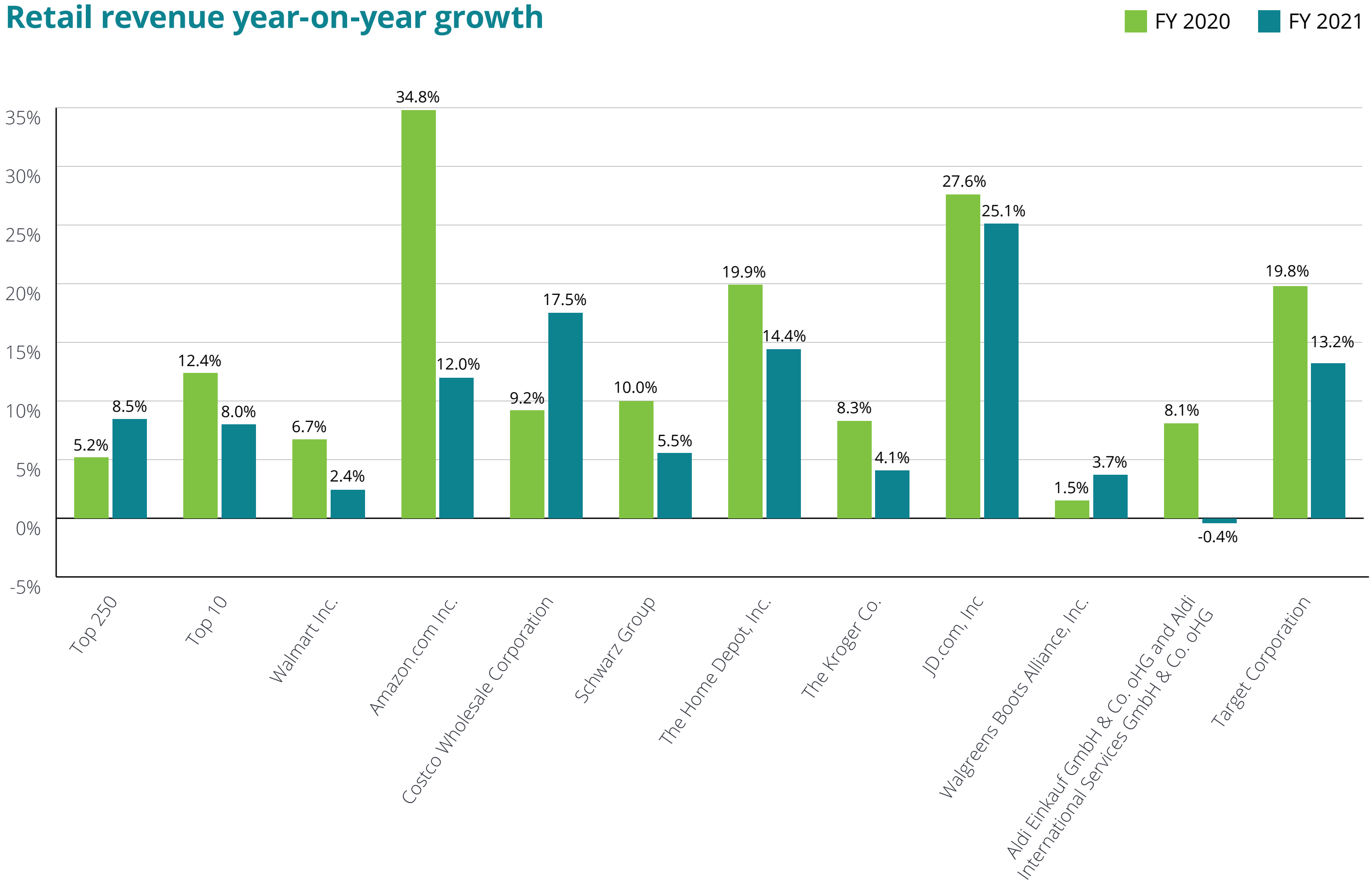
[2] Compound annual growth rate

e = estimate

n/a = not available

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Retail revenue year-on-year growth



Source: Deloitte Global. Global Powers of Retailing 2023.

China's online retail specialist JD.com rose two positions to seventh place in the Global Powers of Retailing Top 10 ranking in FY2021 as a result of 25.1% growth in retail revenue. No new retailers entered the Top 10 rankings in FY2021. Despite the easing of pandemic-related restrictions, the retail sector experienced ongoing disruptions during FY2021. The vast majority of retailers posted both positive revenue growth and net profit margins. The top retailers continued to support their ESG strategies, through measures such as setting ambitious carbon emissions targets, reducing single-use plastics and providing consumers with the tools to make environmentally-conscious shopping decisions.

This section presents an analysis of the Top 10 retailers in the Top 250 ranking, based on various themes including retail revenue, mergers and acquisitions, e-commerce, technology, Environmental, Sustainability and Governance (ESG), and net profit margins. The specific information covered for each retailer depends on the information that is publicly available.

Walmart Inc

Retail revenue

For a second consecutive year, in terms of retail revenue, Walmart leads the world's Top 250 global retailers. The company's Retail revenue grew by 2.4% year-on-year in FY2021 to US$573 billion, building on the retailer's strong performance reported in FY2020. Higher consumer spending, in part due to government stimulus packages, led to strong sales revenue in its US Sam's Club (a membership-only retail warehouse club) and e-commerce segments.

Walmart International's Retail revenue fell by 16.8% in FY2021, as a result of two divestments: Asda Stores Ltd, which was sold to Issa Brothers, and Seiyu Group, which was sold to KKR and Rakuten. Both deals closed in Q1 FY2022. Buoyant sales in Walmart's remaining international markets and favorable foreign exchange rates which contributed US$4.5 billion, offset further declines in Walmart's international segment. In the face of mounting losses in the Indian market, e-commerce giant Flipkart, acquired by Walmart for US$16 billion in 2018, reined in M&A activity and new hires, despite raising US$3.6 billion in funding the previous year.[1]

Mergers & Acquisitions

Following the acquisition of augmented reality (AR) company Zeekit in 2021, Walmart launched its 'Be Your Own Model' service on its Walmart iOS app in September 2022, where users can model clothing items virtually using a photo of themselves.[2] This followed Walmart's previous launch of several other AR features in June 2022, which included enabling users to place virtual furniture in their homes, as well as helping customers make purchasing decisions in-store.[3] In the same month, the company announced the acquisition of Memomi, an AR optical technology company that enables customers to try on virtual glasses in-store[4].

E-commerce

Walmart's e-commerce sales grew by 12.8% in FY2021, following 63.5% growth in the previous year. With easing of COVID-19 pandemic restrictions, consumers returned to the physical retail channel, which affected e-commerce sales. John Furner, head of Walmart's US operations, has commented: "We definitely saw a traffic shift back into stores from e-commerce".[5] However, Walmart remains committed to developing its digital channels. Walmart currently operates over 8,000 pickup and 6,000 delivery locations as of FY2021. It maintained its investments in store refurbishments, which included a US$3.3 billion investment towards renovation of its stores in 2022, as part of a strategy to blend online and in-store shopping experiences.

Walmart's development of its omnichannel capabilities and its interest in engaging with the technologically-native Gen Z and millennial age groups led to the launch of the Walmart Creator app, a new platform that helps enable content creators to monetize shoppable products from the retailer and to earn a commission for products sold, a concept similar to China's Douyin social media e-commerce platform.[6] While the platform is currently in beta-testing, Walmart Creator is expected to launch fully in 2023.

Environmental, Sustainability and Governance

Walmart's FY2022 ESG summary report discloses that it had reached the halfway milestone for Project Gigaton, which aims to reduce or avoid one billion metric tonnes of Scope 3 emissions from its supply chain by 2030. In April 2022, Walmart also launched a Circular Connector platform with the aim to "bridge the gap between companies searching for more sustainable packaging ideas and those that offer them".[7]

Net profit margin

In FY2021, Walmart's net profit margin fell by 0.1 percentage points to 2.4% despite a consolidated net income growth of 1.7%. Gains associated with higher revenue were offset by three factors: the US$2.4 billion loss of extinguishment of debt, due to the early retirement of certain higher-rate long-term debt; a US$3.0 billion loss from fair value changes on Walmart's equity investments; and losses associated with the divestment of some international operations.

Amazon

Retail revenue

Amazon's Retail revenue (first party retail sales only) grew by 12% in FY2021, following exceptional growth of 34.8% in FY2020. The retailer reported double-digit sales in both its North American and International segments. This was the result of higher unit sales, driven partly by efforts to reduce product prices, and fluctuations in exchange rates, which had a US$3.8 billion positive impact in FY2021. These increases in North America and International Retail revenues were offset partly by fulfilment network inefficiencies and supply chain constraints.[8]

The launch of Amazon Poland in 2021, was followed by Amazon Belgium in October 2022, expanding the company's market footprint further across Europe. As part of Amazon's commitment to support local business, the company launched "Brands of Belgium", an Amazon marketplace which features local retailers and their products.[9] Additionally, in January 2022, Amazon launched its first bricks and mortar fashion outlet (Amazon Style) in California. This pilot store has built technology into the consumer shopping experience through the Amazon Shopping App, which provides machine learning-driven recommendations, and touch-screens located around the store.[10]

Merges & Acquisitions

Amazon made acquisitions totalling US$496 million in FY2021. However, these did not include any retail-related deals. The company turned its attention to acquiring technology companies such as Cloostermans, a mechatronics company, to provide robotic automation in Amazon warehouses[11] and iRobot, the producers of Roomba, a leading robot vacuum cleaner.[12] Amazon also pushed further into the healthcare sector through the acquisition for US$3.9 billion of One Medical, a technology-focused healthcare provider.[13]

Environmental, Sustainability and Governance

Amazon is currently the world's largest corporate buyer of renewable energy.[14] In FY2021, the company announced the launch of 71 new renewable energy projects, making a total of 379 across 21 countries as of September 2022. Amazon's global renewable energy portfolio is forecast to generate 50GWh of clean energy thanks to the addition of these new projects. This is part of Amazon's goal to reach net-zero carbon emissions by 2040.[15]

Net Profit Margin

Amazon's net profit margin in FY2021 was 7.1%, the second-highest net profit margin among the Top 10 after The Home Depot, and up 1.6 percentage points on FY2020.

Costco

Retail revenue

In FY2021, Costco's Retail revenue grew by 17.5%, (compared to 9.2% in FY2020), making it the second-fastest growing retailer in the Top 10 after JD.com. The growth was driven by a 16% increase in comparable sales, in addition to the opening of 20 new warehouses (12 in the US, four in Canada and four in other countries). In FY2022, the company has already increased the total by another 13 (net). In FY2021, the revenue generated from membership fees grew by 9%, driven by sign-ups and upgrades to executive members. There was a shift in sales away from core merchandise categories (food and sundries, and fresh food) toward ancillary and other businesses.

Mergers & Acquisitions

In late 2022, Costco continued its international expansion. Between September and October, the retailer opened its first stores in New Zealand and Sweden. Other investment activities included Costco's purchase in mid-2022 of the remaining 45% stake in its joint venture Costco-Taiwan for US$1.05 billion. It was announced in late 2022 that Costco would be opening its third and fourth outlets in China, following the addition of a second in December 2021.

E-commerce

E-commerce accounted for 7% of total sales at Costco, up from 6% the previous year, despite a marginal slowdown to 44% in digital sales growth compared to 50% in FY2020. The formation of Costco Logistics from the earlier acquisition of final-mile logistics company Innovel in 2020[16] improved the retailer's delivery times and reduced prices for customers.

Net Profit Margin

Costco's net profit margin increased by 0.2 percentage points in FY2021 to 2.6%, the first change in two years.

Schwarz Group

Retail revenue

The privately-owned retailer Schwarz Group increased its Retail revenues by 5.5% in FY2021, following 10% growth in FY2020, due in part to the addition of an estimated 550 stores. While contributing only 1% of Retail revenue, online sales across the group amounted to US$1.9 billion. The group invested US$9 billion in organic growth through store expansion, digitalization and branch modernization.

Lidl, Schwarz's largest retail brand, active in 31 countries, operated about 12,000 stores globally in FY2021, an increase from 11,550 in FY2020. The brand's retail sales grew by 4.7% to US$114.3 billion in FY2021. While the majority of Lidl retail sales are derived from its bricks and mortar stores, the retailer also operates an e-commerce service in 11 countries, and offers a Lidl Plus program as part of its omnichannel strategy.

Mergers & Acquisitions

Kaufland, Schwarz Group's other retail brand, Achieved growth in Retail revenues of 7.4% to US$30.7 billion in FY2021. Kaufland had about 1,450 stores in Europe in FY2021, compared to an estimated 1,350 in FY2020. In FY2020, Kaufland was cleared to acquire 92 of Metro Real's hypermarkets[17], and in early 2022, the German Federal Cartel Office cleared the retailer to acquire an additional 13 Real stores.[18]

Environmental, Sustainability and Governance

As part of its sustainability strategy, Schwarz Group 'reported in FY2021 that its use of plastic in private label product packaging was reduced by 18% across countries and retail divisions. The group's goal is to make a 20% reduction by 2025. It also reported that, on average and across all countries, 14% of the plastics it used were from recycled sources[19]. Schwarz Group announced that it would be expanding its e-charging network for electric cars at its stores to a total of 13,000 charging points[20]. In order to inform in-store customers better about the environmental impact of their shopping choices, Lidl launched a pilot study for a sustainability 'eco-score' label in August 2021. The label was added to select products, making Lidl one of the first major retailers to employ such a system.

The Home Depot

Retail revenue

For the second year in a row, The Home Depot reported the third-highest Retail revenue growth among the Top 10 retailers. The company's revenues grew by 14.4% to US$151.2 billion in FY2021, following a record-breaking 19.9% increase in FY2020. Retail sales were boosted by a positive shift in the average ticket price and buoyant sales in the HD Supply division (a distributor of maintenance, report and operations products), which was acquired in Q4 FY2020.

E-commerce

Online sales through both click-and-collect and delivery grew by 9.4% and accounted for 13.7% of net sales. Consumers continue to use digital platforms for their shopping, despite the reopening of physical stores. The company is currently focusing on bigger-ticket B2B Pro Channel online sales by providing more personalized online experiences and business management tools[21]. Positive retail growth was in part assisted by a weaker US dollar relative to international currencies, which provided a US$760 million revenue boost in FY2021.

Technology

Home Depot's implementation of new in-store and at-home technologies continues to blur the lines between the physical and the virtual worlds. The company has dipped its toes into the world of augmented reality (AR), through a relationship with technology company Roomvo, giving customers the chance to test different flooring materials virtually in their homes[22]. Furthermore, Home Depot has introduced 125,000 new mobile devices, called hdPhone, into its stores: these provide customers with digital tools to help them in their bricks and mortar shopping experience[23].

Environmental, Sustainability and Governance

Home Depot announced in 2021 that it had joined RE100, a global collaborative initiative led by Climate Group and CDP (Carbon Disclosure Project) that is driving the transition to renewable energy sources[24]. This came after the company had declared in July 2021 its own target of reaching 100% renewable energy for its facilities by 2030[25].

Net Profit Margin

The Home Depot posted the highest net profit margin among the Top 10 retailers in FY2021: this grew by 1.2 percentage points to 10.9%. It also recorded the highest return on assets (22.9%) among the Top 10 retailers, thanks to its highly efficient use of space in store.

Kroger

Retail revenue

Kroger's Retail revenues grew by 4.1% in FY2021, following 8.3% growth in FY2020. The company operates, either directly or through subsidiaries, in 2,726 stores across the US. Excluding sales of fuels, which account for 10.6% of sales, growth in revenue was flat relative to FY2020. Digital sales, which include pickup, delivery, ship and pharmacy e-commerce sales, fell by 3% in FY2021, compared to the explosive growth in sales of 116% in FY2020, as customers returned to shopping in physical stores.

Mergers & Acquisitions

Kroger has announced a US$24.6 billion bid to merge with another Top 250 retailer, Albertson Companies.[26] Albertson comprises 2,200 supermarkets across 20 banners in the US and is ranked 18th in the FY2021 Top 250 retail rankings. The deal is expected to close in 2024 after clearing federal antitrust regulations and legal challenges. The proposed merger will significantly enhance Kroger's ability to serve a larger consumer base and increase its proximity to customers, thereby enabling the delivery of high-quality, affordable food products to a wider range of individuals.

Environmental, Sustainability and Governance

In FY2021, Kroger launched its 'Thrive Together' strategy, which aims to drive positive ESG changes. Initiatives include reducing GHG (greenhouse gas) emissions by 30% by 2030, relative to a 2018 baseline. As a socially responsible retailer, the company has made it a priority to help address food insecurity and has set a goal of donating three billion meals to underserved communities by 2025, in addition to increasing the proportion of surplus food donated from retail operations to 45%. In 2021, the company successfully contributed approximately 546 million meals to its communities[27].

Net Profit Margin

Kroger's FY2021 net profit margin fell by 0.8 percentage points, to 1.2%.

JD.com

Retail revenue

Despite the challenging retail environment in China in FY2021 caused by frequent COVID-19 lockdowns, the online retailer was the fastest-growing Top 10 company in FY2021, expanding its retail revenues by 25.1% to US$126.4 billion. Consequently, JD.com has risen from ninth to seventh position in this year's Top 10. Strong growth was driven by sales of general merchandise, excluding electronics, which increased by 29%. In addition, the company achieved a 21% increase to 569.7 million in active customer accounts, boosting total retail sales.

Mergers & Acquisitions

The company did not complete any retail acquisitions or mergers in FY2021. However, in March 2021, JD Group acquired 52% of Dada Group, a Chinese crowdsourcing delivery company. Additionally, in July 2022, JD Group announced the acquisition of China Logistics Property Holdings, one of the largest logistics infrastructure developers and operators in China, for US$2.1 billion.[28] In addition, in the same quarter, JD Logistics completed the acquisition of a controlling interest in Deppon, another China-based logistics company.

Technology

In September 2022, JD Super, JD.com's omnichannel supermarket, announced the launch of a new growth strategy, 'BOOST'. The 'BOOST' strategy focuses on broadening its range of users by expanding to rural regions, optimizing the use of its omnichannel technology and opening its platform to a wider range of collaborations. This follows JD.com's partnership with Dada Group (China's leading on-demand delivery and retail platform) in October 2021. The two organizations agreed a joint venture, 'Shop Now', an on-demand consumer retail service that operates in the JD app.[29] In February 2022, JD.com acquired additional Dada Group shares, raising the company's controlling interest from 46% to 52%.

Environmental, Sustainability and Governance

JD.com released its second ESG report in May 2022. JD logistics has set a goal to reduce its carbon emissions by 50% by 2030, relative to 2019 levels. The company has promised to invest US$16.8 billion to upgrade its supply chain as part of its "Green Stream Initiative". In FY2021, the company was selected by Global Compact China Network in FY2021 as one of the "Best Practices for Enterprises to Achieve Sustainable Development Goals 2021".[30]

Net Profit Margin

Despite its strong retail revenue growth, JD.com did post a negative net profit margin of -0.5%.

Walgreen Boots Alliance

Retail revenue

Walgreens Boots Alliance's (WBA) Retail revenues grew by 3.7% in FY2021, 2.2 percentage points more than in FY2020, to US$122.0 billion. In June 2022, WBA announced it was no longer pursuing the sale of Boots UK.

US sales increased by 4% in FY2021, thanks to a 5.5% increase in pharmacy sales, which represents a 75.8% share of WBA sales in the US. A shift towards cheaper generic drugs and away from more expensive branded products had a negative effect on US prescription sales but by less than in FY2020. Retail sales, which fell by 0.4% in FY2021, accounted for 24.2% of US sales. Any growth driven by health and wellness trends and at-home COVID-19 tests was offset in part by declines in tobacco sales. Strong performance in Boots UK and in Latin America and Ireland during H2 FY2021 offset declines seen earlier in the year due to the adverse effect of COVID-19 restrictions.

Mergers & Acquisitions

In August 2022, WBA completed the acquisition of 55% of CareCentrix for US$330m. This will help enable the retailer to expand its healthcare capabilities into the home setting[31]. In September 2022, it announced that it was accelerating plans to acquire the remaining 30% of shares of Shields Health Solutions for US$1.37 billion. In November 2022, WBA's VillageMD acquired Summit Health-City MD for US$8.9 billion and in the same month, WBA put up 10m shares in AmerisourceBergen Corporation for sale, reducing its stake in the company from 26% to 20%[32].

Net Profit Margins

Walgreen Boots Alliance posted a net profit margin of 1.9% in FY2021.

Aldi

Retail revenue

Aldi registered a marginal decline in retail sales in FY2021 after strong growth of 8.4% in FY2020. Aldi Sud achieved identical sales of US$72.5 billion in both FY2021 and FY2020; however the number of stores it operated increased from 6,744 to 6,972 with most stores openings in the US, UK and Italy. Aldi Sud also opened 16 stores in China, bringing the total number to 26, and plans to open more in the future. Aldi Sud's stores in China are becoming increasingly digitized, offering delivery services. In line with its digital strategy, Aldi Sud has been trialing a click-and-collect service for Swiss customers in collaboration with delivery service start-up Annanow.[33]

Retail revenues for Aldi Nord, Aldi Sud's sister company, grew by 2.1% in FY2021 to a total of US$28.0 billion. In November 2021, it announced the integration of 500 stores of France's Leader Price. In 2020, the retailer purchased 554 Leader Price stores out of a total of 640 and two Casino stores from Casino Group for approximately US$870 million.[34]

Target

Retail revenue

US discount mass merchandiser Target recorded retail sales of US$104.6 billion in FY2021, growing by 13.2% on top of the 19.8% growth the previous year. The retailer retained its 10th position in the Top 10, having entered the rankings in FY2020. The Apparel and Accessories segment of Target's sales grew by 21% in FY2021, its only retail segment to grow more quickly this year than in the previous year. Online sales, which increased from 17.9% to 18.9% of total sales, grew by 20.8% in FY2021, following a record increase of 145% in the previous year.

Target expanded its existing relationship with Alta, Apple, Disney, Levi Strauss, Starbucks. It added additional store-in-store experiences: notably, Apple expanded its in-store experience from 15 locations in the previous year to 150[35].

E-commerce

As part of its Stores-As-Hubs strategy, the retailer expanded its online channel infrastructure by opening an additional three sortation centers in the US, increasing the total number to nine as of July 2022.[36] These centers take packed orders from local stores and sort them quickly for local deliveries. During FY2021, over 50% of Target's digital sales were completed by its same-day fulfilment services[37] (Order Pickup, Drive Up, and delivery via logistics service Shipt).

Net Profit Margin

Target's FY2021 net profit margin was 6.6%, an increase of 1.9 percentage points compared to the previous year.

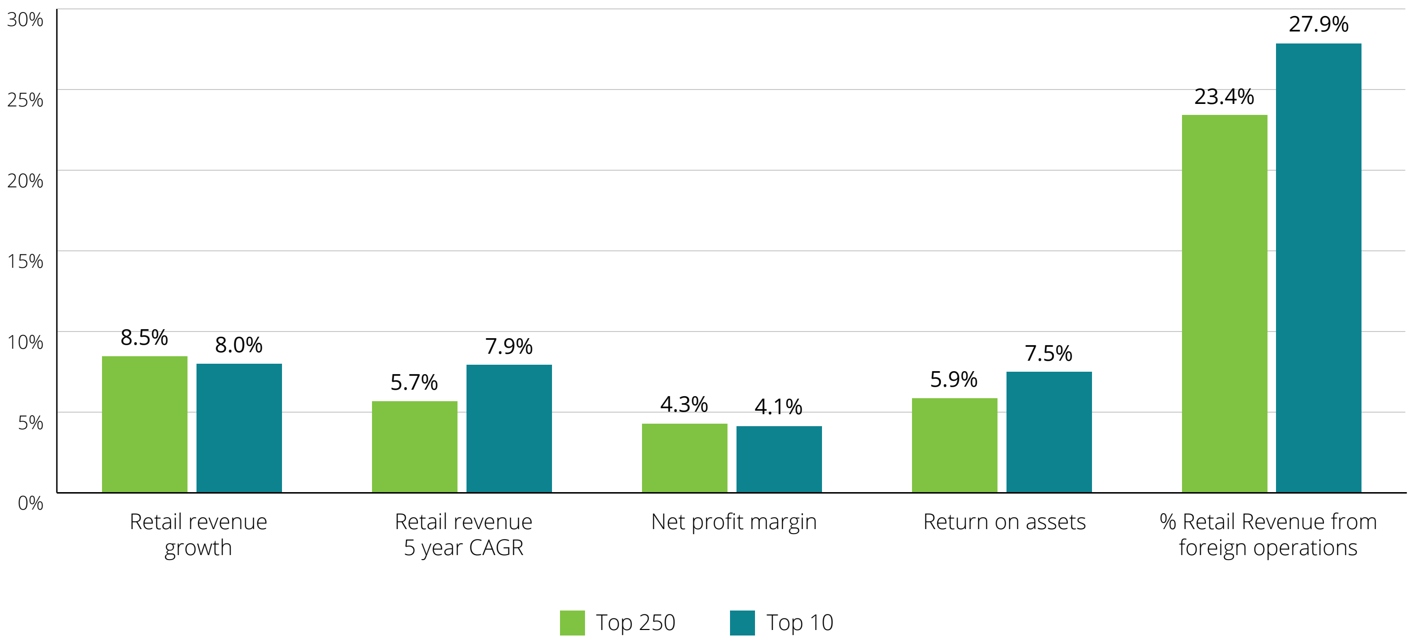
Top 10 versus Top 250

The Top 250 retailers achieved a total composite retail growth rate of 8.5% in FY2021. In comparison, the Top 10 retailers grew by 8.0% on a composite sales-weighted and currency-adjusted basis, a decline from the 12.4% retail growth by the Top 10 in FY2020. Of the retailers in the Top 10, 70% are located in the US, a significantly larger percentage than the 28% of US retailers in the Top 250. Additionally, there was a 2.8 percentage point increase in the percentage of Retail revenue from foreign operations among the Top 10 (27.9%): this is similar to the 2.1 percentage point increase across the Top 250 retailers (23.4%).

In terms of annual retail revenue growth JD.com was the fastest-growing Top 10 retailer in FY2021, with revenues up by 25.1%. Along with Amazon, the two digital retailers have benefitted from a behavioral shift among consumers toward digital shopping, during and after the pandemic. The majority of the Top 10 retailers have actively boosted their digital capabilities through either the implementation of in-store technologies to assist shoppers (such as The Home Depot's hdPhones) or through enhancing their omnichannel offerings (such as JD.com's new 'Shop Now' on-demand consumer retail service).

The composite net profit margin among the Top 10 grew by 0.2 percentage points from 3.9% in FY2020 to 4.1% in FY2021, but net profit margins among the Top 10 vary widely ranging between -0.5% to 10.9%. Target, Walgreens and Amazon increased their profit margins by over 1.5 percentage points in FY2021. The Top 250 posted a net profit margin of 4.3%, a 1.0 percentage point increase compared to FY2020. The increase in profitability comes despite the continuing pressure from the pandemic, inflation in the prices of energy and goods, and rising labor costs.

Performance of the Top 10 retailers compared to the Top 250 retailers[1]



[1] Sales-weighted, currency-adjusted composites

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.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Sustainability in retail

The way forward

Many retailers continue to invest in sustainability initiatives. Deloitte's 2023 CxO Sustainability Report indicates that climate change is among the top three issues for consumer-facing companies. There are four areas emerging as key focal points: the importance of the resale market; the need to embed sustainability practices across supply chain operations; the role of technology in sustainability; and the adherence to ESG related regulations and frameworks.

CxO's perspective on sustainability

Companies in consumer industries continue to see climate change as one of the top issues affecting their organization. In Deloitte's 2023 CxO Sustainability Report 54% of the executives surveyed stated that their investment in sustainability had increased over the past year, and 19% stating that investment had increased before then.

There has also been a change in the past year in the top climate issues which executives believe to be impacting companies: 49% of respondents this year considered that changing consumption patterns is one of the main issues. In comparison, the main issues in the previous year's survey were centered around the impact of industrial processes, regulatory and political uncertainty, and operational impact. Additionally, 71% of executives from consumer industries said that they felt strong pressure from their clients and consumers to act on climate change.

59% of CxOs in consumer industries believed that their current sustainability efforts were having a positive effect on their brand and reputation, an increase from 50% the previous year. However, the difficulty in measuring environmental impact is a major obstacle to driving sustainability efforts, indicating a need for tracking tools and processes, which could also benefit long-term sustainability goals.

Top Actions Taken

65%
Using more sustainable materials (e.g., recycled materials, lower emitting products, less plastic material, 'circular' products)
Global = 59%

62%
Increasing the efficiency of energy use (e.g., energy efficiency in buildings)
Global = 59%

53%
Using energy-efficient or climate-friendly machinery, technologies, and equipment
Global = 54%

50%
Developing new **climate-friendly products or services**
Global = 49%

48%
Training employees on climate change actions and impact
Global = 50%

Harder to Implement, Needle-Moving Actions*

**As defined by Deloitte's analysis*

50%
Developing new **climate-friendly products or services**
Global = 49%

43%
Requiring **suppliers and business partners** to meet specific sustainability criteria
Global = 44%

38%
Updating/ relocating facilities to make them more resistant to climate impacts
Global = 43%

27%
Incorporating climate considerations into lobbying/ political donations
Global = 32%

26%
Tying senior leaders' compensation to environmental sustainability performance
Global = 33%

Source: 2023 Deloitte CxO Sustainability Report

Resale in retail

The growing popularity of the resale market is being driven by consumer preference for sustainable buying options and by high prices for first-hand goods.

Consumers, especially those from the millennial and Generation Z age groups, are conscious of what they purchase and appear open to buying used goods which they see as a more sustainable option compared to buying brand new items[1]. As consumers become more aware of the negative environmental consequences of fast fashion and other consumer goods, the resale market for product categories such as apparel and furniture continues to grow, fueled by a shift towards eco-conscious consumerism.

The increasing cost of new items is also causing consumers to turn toward purchasing pre-owned goods, which can be obtained at a lower price. Deloitte Global's 2022 Holiday Retail Survey found that 32% of US-based consumers were planning to buy resale items in the holiday season, as a cost-saving measure. Among the categories preferred for purchasing pre-owned goods, clothing topped the list (51%), followed by the toys and hobbies category (40%)[2].

Several retailers are entering into the pre-owned goods market by introducing marketplaces and buy-back options.

Three models are currently used in the resale market. In the first model, consumers can sell their product back to the retailer they purchased it from to earn store credits. The retailer then sells the refurbished item on their own platform to other customers, giving the retailer more control over its branding and customer experience. For example, Nike launched a "Nike Refurbished" program in 2021, through which it resells sneakers returned by customers within 60 days of purchase. The sneakers are inspected and rated as "worn for a day or two", "gently worn" and "cosmetically flawed", before being cleaned and resold at a lower price than the originals[3].

In the second model, consumers can sell their pre-owned goods to other consumers directly through retailer-facilitated marketplaces, in a peer-to-peer model. Chinese e-commerce company JD.com launched a resale platform called Jing Zhi, where customers can resell their products to other customers or back to JD.com's AiHuiShou second-hand division[4]. In the third model, consumers can sell their products directly to other consumers through popular reselling marketplaces such as ThredUp and The RealReal, with which the retailers usually have a third-party relationship. For example, luxury brands like Gucci and Balenciaga, part of Kering SA, have collaborated with popular third-party resale platform The RealReal to facilitate reselling of their branded goods[5,6].

The use of these models to facilitate reselling, combined with consumers' demand for sustainable purchasing options, is expected to fuel further growth over the coming years in the resale marketplace, across various product categories. It will be important for retailers to optimize logistics, and train their staff to authenticate reselling transactions, while strategizing how to scale their operations sustainably. Future retail models, especially for large companies, will include and combine mainline, outlet and resale selling models. Since consumer expectations are becoming more demanding with regard to sustainability, it is logical that brands should want to control their own resale channels.

Sustainable supply chain

According to 2022 data from the World Business Council for Sustainable Development, the retail supply chain is currently responsible for 25% of greenhouse gas emissions (GHG) globally[7]. This huge percentage points to the need for retailers to embed sustainable initiatives in their supply chain operations.

The traceability of food products and reduction of food waste from the value chain are other major concerns for consumers as they interact with retailers. Tesco recently launched "Tesco Exchange", a surplus marketplace, to help its suppliers cut down on food waste in the supply chain. Through this surplus marketplace, Tesco's suppliers can sell or donate excess food products and stock to other suppliers that can make better use of it, rather than letting it go to waste[8]. Retailers like Walmart and popular programs such as Imperfect Foods are also selling "imperfect" grocery items that would otherwise not pass cosmetic quality checks. This eliminates wastage of quality food products from the supply chain.

Growth in e-commerce operations has led to an increasing demand for robust logistics services and requirements for more fulfilment centers. This has paved the way to embedding sustainability across various parts of the retailer's supply chain.

Dark stores, which are brick and mortar stores converted into fulfilment centers, provide the retailer with an additional logistic operation center without the need to invest as much in capital, and also reduces the need for carbon intensive construction projects to build new fulfilment infrastructure.

Greenhouse gas emissions (GHG) are divided into three categories—Scope 1, 2 and 3 emissions. In the retail sector, Scope 1 emissions are emissions resulting directly from a retailer's operations, such as emissions from its own logistics fleet or from machinery owned and operated by the retailer. To bring down Scope 1 emissions, retailers like Walmart are switching to electric vehicles across their fleet and integrating alternative sources such as Compressed Natural Gas and Hydrogen into their over-the-road trucks and yard trucks to bring down emissions from their owned fleet[9]. Scope 2 emissions occur as a result of indirect operations such as electricity usage and heating requirements. Sourcing electricity from renewable sources such as solar, wind and biogas can help reduce Scope 2 emissions. Retailers like Aldi and Sephora are already embracing renewable energy sources by purchasing solar and wind-generated electricity for their stores[10].

Scope 3 emissions arise from operations across the value chain, which are not directly under the control of the retailer. Emissions from purchase and use of the retailer's products by consumers, from manufacturing private label products, and from third-party logistics operations fall within this category. Scope 3 emissions form a large proportion of total GHG emissions for retailers and are also the most difficult to reduce. In 2020, among conventional retailers, Scope 3 emissions were 28.3 times higher than Scope 1 and Scope 2 emissions combined, according to CDP (formerly the Carbon Disclosure Project) data[11]. Several retailers have set up strict emissions guidelines for their network of suppliers and logistics associates, to bring down their Scope 3 emissions. Initiatives for the reduction of packaging waste through the circular economy and recycling initiatives are also being implemented to bring down Scope 3 emissions. Spar Group Limited, a South Africa-based holding company, has launched several initiatives to reduce packaging waste across its products. It uses 100% recycled packaging for its products and encourages consumers to recycle their packaging to help ensure that packaging waste is minimal and remains within a circular loop[12].

Setting science-based targets and monitoring progress through dashboarding and independent reviews, and by using frameworks such as CDP, could help retailers accelerate their progress towards sustainability. Achieving sustainability across a retailer's supply chain operations also comes with the added benefits of improved efficiencies and cost savings.

Role of technology

In Deloitte's 2023 CxO Sustainability Report, referred to previously, 53% of consumer industry CxOs stated that their company had already used energy-efficient or climate-friendly machinery, technologies, and equipment as a part of its sustainability efforts. Usage of technology tools such as blockchain and artificial intelligence can assist retailers' sustainability initiatives.

Blockchain technology can increase the level of traceability and transparency across retailers' supply chain operations. It can be used to track products and components as they progress through the value chain, from sourcing to production, and purchase to disposal, thereby helping to enable closed-loop supply chain strategies.

Artificial intelligence (AI) has various applications in sustainability initiatives, such as designing products for a circular economy, improving traceability of products, and making forecasting functions more reliable to help reduce wastage from excess inventory. AI can be used to cut out waste from the design stage of a product life cycle and is estimated to have the potential to unlock value of US$90 billion per year in the consumer electronics category, and US$127 billion in the food category[13]. AI can also be used to make forecasting more reliable and to reduce overstocking, thus helping reduce waste from a retailer's operations. Supermarket company Albertsons has selected Afresh Technologies' AI platform to optimize its fresh food forecasting and monitor inventory, reducing food wastage across its stores[14].

Regulations and frameworks

With increasing scrutiny of sustainability reporting which is being undertaken by retailers, adherence to frameworks and regulations, and accurate reporting are becoming more critical by the day. Deloitte's 2023 CxO Sustainability Report found that 69% of consumer industry CxOs identified 'changing regulatory environment' as an issue that influenced their organization's actions on sustainability over the past year. Some of the widely-used global reporting standards for retailers include:

TCFD: The Task Force on Climate-Related Financial Disclosures (TCFD) sets out financial disclosure guidelines for climate-related topics. The TCFD reporting standards are divided into four themes: governance, strategy, risk management, and metrics and targets[15]. The TCFD reporting standard is widely used by retailers globally. The UK government has further adopted TCFD reporting and made it mandatory for publicly listed companies in the UK[16].

CSRD: The Corporate Sustainability Reporting Directive (CSRD) was adopted by the European Union (EU) in 2022. It requires around 50,000 EU-based large, medium, and small-scale companies to report sustainability and human capital-related metrics. The CSRD requirements replace the existing Non-Financial Reporting Directive (NFRD) and introduce more robust reporting requirements for a company's impact on the environment, human rights, and social standards. The directive is also applicable to non-EU companies which have a turnover of more than US$160 million in the EU[17].

TNFD: The Taskforce on Nature-Related Financial Disclosures (TNFD) has released frameworks to help companies track nature-related risks and act to achieve nature-positive outcomes. Its latest framework includes guidelines on disclosures, the LEAP approach to assess nature-related risks and opportunities, and guidance on science-based targets for nature[18].

CDP: The CDP, formerly the Carbon Disclosure Project, is one of the most relevant reporting standards for retailers, centered around tracking and reporting the impact of operations on the environment. The CDP has three primary areas of focus: climate, water, and forests. Companies disclose their environmental impact metrics by answering climate-related questionnaires[19].

SASB: The Sustainability Accounting Standards Board (SASB) outlines industry- and sector-specific standards for sustainability reporting. Examples of its sector-specific metrics include energy management in retail distribution for multiline and specialty retailers; and employee recruitment, inclusion, and performance metrics for e-commerce operations[20].

Retail executive interview

Burberry's multi-faceted approach to sustainability

Cross-departmental collaboration key to success

Caroline Laurie
Vice President Corporate Responsibility

Burberry's sustainability approach, 'Burberry Beyond', includes focusing on responsible craftsmanship, planet, people, and the community. "It's a broad-reaching and ambitious approach," says Caroline. "It becomes tangible and manageable through the initiatives we've set up to achieve these goals."

The projects around sustainability are embedded in the different parts of the business. "This encourages collaboration across Burberry's business areas and is key to our success. The projects are immensely interconnected. Our collaborative approach, working in multi-functional team across the business, ensures we don't tackle one issue while harming our goals in another area."

Heritage trench coats built to last

One of Burberry's focus areas is to ensure sustainable sourcing of their raw materials. The brand's heritage trench coats are made in the UK at a carbon-neutral, internal manufacturing site, with certified cotton, which can be traced all the way through the supply chain. The trench coat is built to last, and Burberry offers services which extend the trench coat's life even further. "A repair and refresh service can give this wonderful product a second life. We are working the exact opposite of fast fashion," says Caroline.

milestones. This helps us deliver and report on our targets, both environmentally and socially, and, above all, it is what consumers want. On a recent visit to one of our stores, it was great to hear from staff members that customers increasingly ask where the products come from and how the materials are sourced. We love that!"

Collaborating across the industry

"We are very lucky to have leadership who has been right at the forefront of our sustainability developments and we work with other c-suite executives on these standards, keeping us one step ahead of the game." Burberry is a proud member of the Fashion Pact, a global coalition of 80 companies in the fashion and textile industry, representing 200 fashion brands and covering one-third of the fashion industry. The Fashion Pact is committed to global goals such as stopping global warming, restoring biodiversity and protecting the oceans. "We are all tackling the same challenges. The Fashion Pact helps us to collaborate on finding solutions for these challenges. One of the things being investigated for example, is an alternative for the polybag, widely used in the fashion industry. Work has also been done on a collective power purchase agreement and there are workstreams around unlocking low-impact materials. By working together, we can help to move the industry forward, while also supporting our own goals."

"On the climate change front, I feel ambition is no longer enough. It now has to be about operational delivery."

Traceability is a key issue in the fashion industry

By FY 2025/26, Burberry aims for 100% of its key raw materials to be traceable. "Traceability will give us absolute visibility from the field to the wardrobe. That means understanding the supply chain, understanding risk and sourcing in the various regions. We have a roadmap to support that, with key

Multiple initiatives serving to achieve ambitious goals

Caroline had a hard time choosing which other initiatives to mention, as there were so many noteworthy ones. There's the sustainable manufacturing team working with Burberry's vendor base to reduce chemical and water impacts. "I think we are one of few luxury businesses to have a dedicated team of experts supporting vendors in environmental water assessments & chemical management right throughout the supply chain. Water is sometimes considered somewhat a poor relation when compared to carbon and climate change. But with water being so vital, we are dedicating plenty of resources to this."

She also mentioned the Sustainability Bond, which funds some initiatives across materials and sustainable packaging, for example, and their sustainable finance function that takes care of non-financial reporting requirements including TCFD.

There's a project in which Burberry works with partners on the PUR Project (now known as PUR) to support Australian wool farmers in implementing sustainable farming practices.

When outside of work, Caroline does not stop thinking about sustainability. "When I'm not busy taking my teenagers to their numerous sports activities, I like to think about the bigger challenges while I am out walking or running. I live near the beach, so I have the perfect location to do that."

Retail executive interview

Ahold Delhaize's journey toward net zero

Uncovering new levels of collaboration to achieve Scope 3 emission targets

Daniella Vega
Global Senior Vice President Health & Sustainability

Ahold Delhaize recognizes its role both in helping customers to make healthy and more sustainable choices, and leading the transition to a healthy and sustainable food system, which is reflected in their commitment to becoming a net-zero company. Ahold Delhaize calls its approach to sustainability 'Grounded in Goodness'. We asked Daniella Vega, Global Senior Vice President Health & Sustainability, to tell us about their plans for achieving Scope 3 emission reduction targets across their business.

Scope 1 greenhouse gas emissions result directly from a company's own operations, such as emissions from its own machinery, and Scope 2 emissions result indirectly from its operations, such as usage of electricity and heating. Companies can reduce these emissions by switching to electric vehicles, for example, or by sourcing electricity from renewable sources. Scope 3 emissions arise from operations across the value chain, such as emissions by third-party logistics partners or suppliers, and these are the most difficult to reduce as they are not directly under a company's control.

The report section "Sustainability in Retail" contains more details on scope 1, 2, and 3 emissions.

"Our Scope 3 target is to achieve net zero by 2050, with a 37% reduction achieved by 2030," says Daniella. "We shortlisted the levers that we would need to pull to support reaching this decarbonization target. We chose to focus on supporting the supply chain to decarbonize, on livestock and regenerative agriculture, and on providing a sustainable diverse assortment through, for example, the shift to more plant-based proteins."

But, with 19 large food retailer brands across the US and Europe, there is no one-size-fits-all solution across all Ahold Delhaize operations. The trajectory and ambitions for decarbonization are set at group level, but the various programs are shaped from the bottom up, making use of the power of the local brands.

"Healthy people and a healthy planet are connected. Our programs look for the interconnections and co-benefits between the two."

Local programs reinforce global goals

"We have programs in place in most of our retail brands that reinforce our decarbonization efforts throughout the supply chain. Albert Heijn's 'Better For' program, for example, aims to offer, among other things, a more sustainable assortment. And as part of Albert Heijn's mission, the brand aims to have 60% of its protein sales made up of plant-based proteins by 2030. The brand already has a large plant-based assortment which continues to expand. Albert Heijn is also increasingly encouraging customers to make vegetarian choices," says Daniella. More than 1,100 farmers and growers are part of the 'Better For' program, which consists of transparent, long-term agreements on climate, carbon reduction, sustainability, animal welfare, and fair earnings. "Our marketing efforts help bring the customer along on the journey. Another example of reducing the carbon footprint is by sequestering carbon in the soil. Albert Heijn partners with 450 dairy farmers who have stopped plowing grasslands and started sowing herbs in the fields, which results in the soil retaining up to twice as much carbon."

Furthermore, Delhaize in Belgium has built its loyalty program around health, by always providing a 10% discount on fresh products with Nutriscore A & B. The more healthy foods you buy, the more of a discount you get. With over 2.5 million subscribers, we've seen people structurally buying more fresh food since we started this program.

In the US, Ahold Delhaize's Giant Food is working with the Rodale Institute, an organization dedicated to building a regenerative organic agriculture movement through research, farmer training and education. Together, they are investigating the possibilities for regenerative agricultural practices in Giant Food's supply chain and are working in partnership to bring these practices to their supply base through, for example, farmer support programs.

Connections are key to decarbonization across the value

"Our ambitious decarbonization targets require a new approach. Working on our Scope 1 and 2 emission reduction becomes business as usual. But working on Scope 3 requires a real mindset shift. It means unravelling the way we work with our supply chains and building a new way of working, with sourcing and merchants for example, but also with our internal finance department. Listening to all our stakeholders and, above all, our customers.

Daniella has been active in the field of sustainability for over 20 years. "But this current time of uncertainty, on many fronts, makes us think about health and sustainability in new ways. I believe that constraints lead to innovation. We need to connect health to the notion of value for our customers. These are the kinds of co-benefits we are looking for."

"It takes partnership and a growth mindset"

"In such uncertain times, looking after your own health is paramount. I encourage my team to focus on their own health and wellbeing as well as that of our business and our wider communities. For me, health is linked to nature, and I prioritize trying to be in nature every day. I love to take long walks and to swim.

Retail executive interview

Lululemon's Like New Program

How a focus on sustainability goes hand in hand with meeting consumer wishes

Maureen Erickson
Senior Vice President Guest Innovation

The Global Powers of Retailing 2023 edition shows that, as many retailers continue to invest in sustainability initiatives, some themes require more attention and investment from retailers. One of these is the resale market. We spoke with Maureen Erickson about lululemon's efforts in this regard.

Lululemon's 'Like New' recommerce program is a logical follow-on from its goal to minimize environmental harm and restore a healthy planet. Lululemon has always built its products to last and the program now allows gently used products to be returned and resold. Key ingredients in building the program were the quality of lululemon's products, its engaged community, and the ability to forge strong partnerships.

So what does their Like New recommerce program entail? "We were already a top brand on most third-party used clothing platforms," explains Maureen Erickson, SVP Global Guest Innovation at lululemon. "Our Like New program allows guests to extend the life of our products by buying lululemon Like New or trading in lululemon gear when they are done with it. We knew there was already a massive market for previously worn lululemon products and buying second-hand is commonplace. Now, new and existing guests can come directly to us for these gently-used products and let us handle the logistics, while extending the life of the products they love. Like New has enabled us to reach a younger audience, as our premium product is offered at a more affordable price point."

Connections are key when it comes to creating sustainability impact

"We're very proud of the journey we're on together with our 'guests', as we call our customers at lululemon," continued Maureen. "Our community is clearly already environmentally-minded and active in sustainable shopping solutions, and we have been excited to see how engaged our guests are to participate in our Like New program both on the trade in and resale."

And that is the primary goal for lululemon—answering the urgent call for a more sustainable industry. Lululemon reinvests 100 percent of the resale profits (or 2 percent revenue, whichever is higher) from Like New into additional lululemon sustainability initiatives. The new platform has become a self-funding mechanism that allows them to put their Impact Agenda into action.

"The primary goal is the urgent call for a more sustainable industry, and we're proud of the journey we're on."

"We have a goal to create end-of-use solutions for all of our products by 2030, so recommerce is a global priority for us. But we realize that we cannot change the industry alone, and that when it comes to sustainability, collaboration is key. We hope our peers will join us in finding circular solutions that further reduce retail's environmental impact."

From idea to implementation

Launching this program touched all parts of the lululemon organization, and shows the power of believing in what's possible when it comes to impact. Maureen adds: "Lululemon Like New is an example of our environmental commitments in action, so it was easy to get leadership alignment and passion across the organization from the beginning. We established an all-star team who took this from an idea to a thriving program our guests love and engage in."

The Like New pilot program launched in 2021 in California and Texas. This gave the team time to test and learn to refine the model before scaling it to all US guests in April 2022. Lululemon forged a successful partnership with a backend logistics partner and were able to use their expertise in back-of-house logistics and their knowledge of the circularity industry at large. "This allowed us to focus on what we do best—offering a premium guest experience our community knows us for."

"But above all, launching Like New showcased what lululemon is about. Innovating to see possibilities, creating impact, providing guests with quality products, and empowering our leaders."

Retail executive interview

Inditex embeds sustainability at all levels of its organization

From the head office, to the shop floor, everyone is joining in

Javier Losada
Chief Sustainability Officer at Inditex

For Javier Losada, sustainability is not something that is only a priority for the head office or the company's sustainability department. "All 165,000 members of staff need to be on board to make it happen, and it is something that happens every day, not just a one-off project", Javier said when we asked him about the Inditex approach. Of course there are some massive initiatives related to meeting our environmental targets, where corporate is in the lead, but we also have wonderful initiatives in the field of sustainability that are led from the bottom up. I am very proud of how we've managed to completely embed this all throughout our organization.

Putting everyone in charge of change

In fact, Javier mentions employees as one of the strongest engines in Inditex, pushing them ahead on their sustainability journey. "Our employees have the connection to our products and customers every day, and they are delighted we are taking so many steps forward." With this in mind, and with the strong belief Inditex has that change can be initiated at every level of its organization, it started a 'Changemakers' program, which empowers employees to find ways to improve operations.

The program identified the professionals who are most passionately committed to sustainability at stores worldwide. "They are our Changemakers and that community is tasked with making sure sustainability reaches all our store teams. Our Changemakers are provided with constant training and they work on feedback, ideas and concerns from our teams and customers. That project is already running across 53 markets and extending to all Inditex stores in the world."

Employees were also the first customers for the 'Zara pre-owned' program. The pre-owned program, Inditex's new approach to circularity, helps to extend the life of garments through repair, donation, or recycling. Employees have been joining in but customers are now also loving this opportunity to help transform the life of their clothes.

Targets for sustainable sourcing of fibres and reducing plastic use, and ultimately becoming net zero

The overall ambition targets are set high at Inditex. "There are targets for the sustainable sourcing of cotton and cellulose fibres by 2023. We're committed to gathering 100% of our polyester and our linen from preferred sources as well, by 2025. At the same time, we are reaching very important milestones regarding the use of renewable energy in our operations and the elimination of single-use plastics."

"Such huge changes ask a lot from us. It takes dedication, innovation and it forces us to challenge the way we've always done things." And that's why we need everyone on board, from employees to competitors, to governments, NGOs and other stakeholders. If we are all transparent about our efforts, and collaborate, we will get much further. We have set ambitious goals and are getting ready to deliver on them.

The Sustainability Innovation Hub

"The best example of our commitment to innovation, research, investment and collaboration is the Inditex Sustainability Innovation Hub, our vehicle for searching tirelessly for better materials, approaches and processes, alongside start-ups, scientific institutions and third-party organisations. We are pioneering new types of recycled fibre, like Infinna, to help scale solutions. We are also investing in start-ups such as CIRC, whose disruptive technology will make it possible to recycle clothing made from polyester and cotton blends on an industrial scale, addressing one of the biggest challenges the industry is facing."

Another initiative developed by the Sustainability Innovation Hub is 'The Laundry by Zara Home', a program in which Inditex partnered with BASF to develop the first detergent designed to reduce microfiber release from textiles during washing. The new detergent is available at the brands' stores and online, and it reduces microfiber shedding from textiles by up to 80%.

"We are reaching very important milestones regarding the use of renewable energy in our operations and the elimination of single-use plastics. At the same time, There are targets for the sustainable sourcing of cotton and cellulose fibres by 2023.

It also enables washing at a lower temperature, saves energy and therefore reduces greenhouse gas emissions. "The developed solution can also be adjusted to enable the use of this technology by other detergent manufacturers, because we hope everyone will use it. So, although some of our initiatives may seem small, the sheer size of our operations and our willingness to share with the rest of the industry, means they can have a huge impact."

All about our future

Javier ended by talking about the importance of getting this right. "The textile industry will be completely different in ten years, but it will be for the better. It's a challenging process to get there but as one of the leading companies in the industry, we have the responsibility and a commitment to play a big role in the transformation for future generations."

"Personally, the future generation is also where I find my balance. I have amazing conversations with my kids about sustainability, for example. Their generation is already so aware and interested in this topic. And in the end, those future generations are what it is all about."

Case studies

Retailers' sustainability initiatives

Colruyt Group

Belgian retailer Colruyt Group recently introduced a sustainability loyalty program which rewards loyal customers with sustainability-related credits. Customers can accumulate loyalty points on its Xtra app by purchasing food and other products from the company's Eco-score A and B categories. The points can be redeemed towards several environment-related initiatives such as planting a tree or taking sustainability workshops at the Colruyt Group Academy. The initiative has been launched to encourage consumers to make more conscious and sustainable choices when shopping for products[23].

Amazon

Amazon recently launched the "Grade and Resell" program in the UK, which enables third-party sellers to resell products that have been returned to them. Amazon rates these products by their quality as "Like New," "Very Good," "Good," or "Acceptable", and the reseller can choose the pricing of the product according to its quality rating. The products are then sold on Amazon to customers who are open to purchasing used goods. Another new program allows sellers to sell extra inventory to other wholesalers through Amazon. Both these programs are expected to be rolled out soon to the US and several European countries and are expected to reduce waste generated by discarding used and returned products, and through overstocking[24].


Clothes
Join Us
Sign In / Register
Clothing
Shoes
Bags
Accessories
NEW YORK BAG
219.-
URBAN COAT
409.-
Add to cart
Add to cart

Future of the Store

Emerging technology and reinventing the human experience

As the post-pandemic world emerges, the integration of technology in the retail industry has become increasingly important in attracting customers back to physical stores and creating immersive shopping experiences. The use of advanced technologies such as virtual and augmented reality, artificial intelligence, and data analytics helps enable retailers to personalize recommendations, streamline checkout processes, and engage customers in unique ways. In this new era of retail, the innovative application of technology will be crucial in fostering customer loyalty and driving business success.

Additionally, retailers are seeking to enhance the shopping experience by offering a range of human-centered services beyond product sales, such as concierge assistance, on-site repairs, valet parking, and personal styling. These added touches of convenience and personalization can differentiate physical stores from online retailers, who may not be able to offer such services.

Seven & i

In March 2022, Japanese convenience store chain 7-Eleven conducted a trial of a new self-checkout system using holographic registers in selected outlets in Tokyo. The system, known as Digi POS, featured non-contact holographic display technology for point-of-sale cash registers. It was developed in a joint venture between Toshiba Tec, 7-Eleven and others. Customers using the system were able to scan their products and proceed to payment. Additionally, the registers also offered a selection of Seven Cafe beverages for customers to choose from. The trial provided valuable insights into the feasibility and effectiveness of this innovative technology in the retail industry[1].

Ulta Beauty

Ulta Beauty has integrated artificial intelligence (AI) and augmented reality (AR) into its business operations in order to improve customer experiences and adapt to changing market conditions. In 2018, the company acquired start-ups QM Scientific and GlamST, to develop an AI-powered recommendation engine and AR technology respectively. These acquisitions have helped enable Ulta Beauty to offer a virtual try-on experience called GLAMLab in its app. This uses AR and AI technology to allow customers to try on products. The company is also using AI to analyze consumer data and optimize inventory management. The company's Chief Digital Officer commented that the combination of AR and AI is having a positive impact on the business[2].

Nike

Retailers are using technology to create immersive in-store experiences as a way to attract and retain customers in a competitive market. In January 2022, Nike announced a collaboration with 8th Wall and BDRG Studios to bring augmented reality (AR) technology to its in-store retail experience in selected locations in the US. The collaboration, called the PLAY NEW initiative, invited customers to scan QR codes located throughout the store to unlock and play five web-based AR sports games. Additionally, Nike announced a collaboration with online gaming brand Roblox to bring an AR experience, called Nikeland, to its New York City Fifth Avenue store[3].

Alibaba

Alibaba Group has implemented technology to enhance the shopping experience for its customers in its stores, with a focus on the integration of online, offline, logistics and data. One example of this is Hema, a high-tech supermarket chain that is part of Alibaba's "New Retail" strategy. Hema stores are designed around customers' smartphones, which can be used for everything from placing items in a digital shopping cart and receiving product information, to paying for goods. Customers can also enjoy personalized shopping recommendations using AI. Products have digital price tags that can be updated in real time[4].

Retail executive interview

Brown Thomas' new Dundrum store

A human-centered luxury experience

Donald McDonald
Managing Director

As a part of the 'Future of the store' section of this Global Powers of Retailing report, we spoke with Donald McDonald, Managing Director of Brown Thomas in Ireland, about Brown Thomas' new Dundrum store. Unprecedented technological possibilities, and increased online shopping due to COVID, have steered many retailers in the direction of a fully digital offering. But Brown Thomas has embraced the physical store, and combined it with the innovative services offered by technology.

In an age of cashless stores and increasing digital purchases, Brown Thomas opened a new physical store focused on reinventing the shopping experience. The new Dundrum store opened in 2022 and offers luxury brands, beauty makeovers, masterclasses, vitamin injections, fashion shows, repairs and dry cleaning, and the type of concierge services typically reserved for 5-star hotels.

Donald sees customers are becoming increasingly cross-channel oriented. "Customers who visit us in store as well as online spend on average three times as much as our single-channel customers. So, in fact, we've seen the best of both worlds, the in-store world and the online world."

Innovation and collaboration key in unique store concept

Brown Thomas was one of the first stores to set up an innovation department, and many of its new services have come out of that department. Donald shares how it's a collaboration across the whole business and with their suppliers and brands. And with their customers first and foremost. "We examined the pain points for our customers and looked at solving things that might be inhibiting their experience. It's then up to our buying directors, to really deliver the customer experience. They work closely with the retail operations team, the store design people, and our marketing team. Externally, our buying teams work with the luxury brands we offer, to ensure that, together, we grow both our brands in the store. Where shoppers used to mainly look at price, they are now visiting us for an experience."

"Customers love their personal experience at our experiential store and we've ensured that our digital channels support this in-store experience, rather than drive customers online."

Digital supports the in-store experience

"We are certainly not shying away from the digital opportunities on offer," said Donald when asked about the relationship between online and offline. "In fact we embrace the digital solutions on offer, and we use them to enhance our physical customer experience. Above all, we are customer centric, not system centric."

"Experience is the most important part of retail."

The new store has also given employees new areas to work in, like the concierge services mentioned before. Just like the innovation team, the retail team is really pushing boundaries. "I'm very proud of how we are all working together, especially in these challenging times."

"Luxury brands are keen to have their brand experience come to life in our store."

The value of consistency

'Retail is detail' is often heard in the retail domain. "That's a classic," agrees Donald. "And our focus on details is what lets us deliver on the customer experience. Often, people won't remember the exact product they bought, but they'll remember the experience they had shopping in our store. We look at every detail. From the level of the music, the cleanliness of the store, the visibility through the store, the temperature. We're even working to see how we can incorporate a scent into our stores.

In that respect, I believe that of all the components that go into making the Brown Thomas experience, consistency is very important in delivering on our promise. Consistently delivering an elevated experience for our customers. There are many stores that offer a product, but we offer a significant, unique, consistent elevated experience."

A retail life, with a little bit of sports

Does the hectic world of retail leave any time for unwinding? "Well, my wife also works in retail so we enjoy talking about that even when we are not working. And I love watching all sorts of sports and I play a bit of golf. With a 70-hour working week, I don't have much room for anything else. But I love what I do and don't really need to get away and unwind like some people do."

Retail executive interview

Omnichannel approach is the way ahead for grocery retail

How Pick n Pay ensures it is there where its customers are

Vincent Viviers
Omnichannel Executive Pick n Pay

After launching an alcohol delivery start-up, partnering with a huge retail store in order to scale up, and consequently pivoting the business from the alcohol to the groceries category when the COVID-19 pandemic hit, Vincent Viviers' ideas about the future of retail have a solid grounding in experience.

A personal journey…

In 2016, Vincent co-founded Bottles App, South Africa's first alcohol delivery app, shaking up a legacy industry where technology was virtually absent. Bottles went on to partner with Pick n Pay Liquor to scale their beverage delivery business and became the leading on-demand alcohol delivery service in the country. "Then, when the pandemic hit, we faced a lockdown and a government ban on the sale of alcohol for a period. We worked flat-out to pivot our business from alcohol to an on-demand grocery delivery app. We managed to do this in just 4 days, and business has boomed ever since, culminating in Bottles being acquired by Pick n Pay in 2020, where my team now leads Pick n Pay's omnichannel division.

…that made a difference for so many people

"I'm so proud that we could help people in a difficult time and create jobs when many people were out of work because of the pandemic. The team really came together to get this done for customers."

Omnichannel and digital transformation are now an integral pillar in Pick n Pay's strategy, and Vincent and his team are in the relentless pursuit of continuing to create great omnichannel experiences for customers. "Grocery retail was one of the last categories to embrace digital technology. But the pandemic fast-tracked e-commerce, especially in retail, and we have not seen it slow down now things are returning to 'normal'. Customer adoption of online shopping, on-demand services and delivery options has remained. In fact, it keeps growing."

The ingredients for success

But it is not all easy. Vincent also talked about the challenges he faces in growing Pick n Pay's omnichannel presence. "Transformation of a large, existing business is not for the faint-hearted. It requires a team that embraces new technology and looks for collaboration. It is a constant balance between maintaining current business, while at the same time building a new, strong, innovation and product-led team. It takes solid tech and data science resources, so attracting talent in that field is important, but not easy in the current competitive market. And it's critical to avoid silos, both in the customer ecosystem of platforms and in the back-end infrastructure."

Omnichannel is the future…

"Ultimately it's about being there where your customers are," said Vincent. Pick n Pay's collaboration with a South African food and take away delivery company, is a great example of that. The partner's delivery network and Pick n Pay's e-commerce capabilities joined forces in 2022 and their strong growth proves the importance of strategic collaborations and thinking outside of the box. "Whether customers are looking to have groceries delivered or choose to have a take away meal come to the door, we are there!"

"Ultimately it's about being there where your customers are!"

… but brick and mortar stores are here to stay

And although it may not seem logical to talk about the importance of brick and mortar stores when talking to someone with 'omnichannel' in his job title, Vincent underlines how important brick and mortar stores will continue to be, especially in the grocery space.

"Everybody needs groceries. And, of course, like any business, brick and mortar stores will adapt going forward, but they will always remain important, and are actually a cornerstone of our e-commerce and delivery success. Customers will continue to go to stores for their standard shopping but stores will also

"Brick and mortar stores will adapt going forward, but they will always remain important, and are actually a cornerstone of our e-commerce and delivery success."

become more experiential. They will increasingly be a place where customers can see and experience products. The store can then also function as a fulfilment center, delivering the products to people's homes. Customers want to be able to actually see a new fridge, for example, before choosing which one they want, but the real added value is if they can then have the store deliver that fridge to their home at a later moment. The brick and mortar stores are also great for collecting data on purchasing behavior and stock availability."

Keeping a positive mindset

In the days when his business was still a start-up, Vincent found it difficult to switch off. Now the business is more established, he is very mindful of being present in the moment, both at work and when spending time with family. "Being 100% present in all I do takes effective time management and ensuring I stay healthy. I start my day with a walk, a game of tennis or a hike, which sets me up for success for the rest of the day. I need that positive mindset for myself and for my team."

Retail executive interview

Just Walk Out technology by Amazon

Frictionless shopping, skipping checkouts and lines

Jon Jenkins
Vice President, Just Walk Out technology by Amazon

When talking about the future of the store, Amazon's Just Walk Out technology is something we could only have imagined in a Sci-Fi movie not too long ago. With this tech, shoppers can walk into a store, grab what they want, and go. This frictionless experience is available in Just Walk Out technology-enabled stores; no checkout needed.

Amazon's Jon Jenkins talks us through how he and his team are building the technologies and services that enable this groundbreaking retail solution. "Just Walk Out technology uses a combination of computer vision, sensor fusion, and deep learning to determine 'who took what' from a store. The 'who' is answered when a customer enters the store using their entry method, which is their credit card, or Amazon One ID. The 'what' is answered when the technology recognizes items as they are taken from the shelf among the retailer's assortment of products. If a shopper is new to using the Amazon One palm recognition service, they can enroll in less than a minute and use it to enter or pay wherever Amazon One is available."

Improving customer experiences

"There are plenty of places where customers want to get in, out, and on their way—skipping checkouts or long lines," says Jon. The technology is especially relevant in travel retail, convenience stores and other event venues.

"At sporting events, for example, we want guests to be able to enjoy all a venue has to offer, so offering Amazon's Just Walk Out technology gives them a way to enjoy their choice of food or drink without missing a minute of play. Fans often say there's nothing more frustrating than waiting in long lines to grab snacks and beverages while trying to enjoy the game. Our technology lets fans get back to the action faster. And I'm one of those fans. It's fun to be able to go and enjoy games where I get to interact with the technology that my team has developed, and I love seeing fans get excited about the tech. It really energizes our team seeing the impact we have on the customer experience."

"I love getting to use the things my team has built and to see how these really make my own life better. There is a lot of buzz around machine learning and computer vision right now. It's fun to talk about in the abstract, but it's exciting to be part of a team building something that actually works when using these technologies—using cutting-edge technology on applied problems. And I get to buy my beer at the game without missing any of the action!"

Delivering value to retailers

So the proposition for customers is clear. But what does the technology offer the retailers? "We are focused on making sure that our retailers and operators are successful when they deploy Just Walk Out technology at their locations." Making a shopper happy with a great experience doesn't automatically make the retailer happy as well. "We look for ways to drive value for both. Reducing friction for the consumer in turn drives value for the retailer in terms of throughput. It's a dual-value proposition and we think about both sides of the experience."

One example is Just Walk Out technology Store Kits. "Our Store Kits allow us to offer retailers a faster way to implement our technology, providing formats and experiences that require less expense up front. By deploying what we've learned in launching multiple stores, both at third-party retail locations and in our own Amazon Go and Amazon Fresh locations, we can accelerate implementation."

Further, Just Walk Out Analytics provides data-driven insights to help retailers make strategic decisions across their stores that drive revenue and reduce costs with new insights about how products are considered, picked up, put back, and ultimately purchased across the total store, category, and subcategory. Retailers can create more productive planograms and improve selection, which ultimately circles back to a better experience for the consumer. "Exactly what I mean when I say we work on the dual-value proposition."

Continuous development

"As with any new technology, there was a lot of discovering to do," continues Jon. "When we started development a number of years ago, computer vision wasn't advanced enough for what we needed it to do. We thought about how to best apply emerging machine learning capabilities. In this retail environment, consumers—and retailers—expect things to be highly accurate. Machine learning systems were basically unheard of when we sought to rethink making stores frictionless."

"Every time we build the technology for a new use case or new type of customer, we're proving value realization in new ways," says Jon. The approach to this continuous development is much the same as when Amazon.com first started. "Amazon started by selling books, proving that the model works, before expanding to new areas. From books, to music, then getting more features right, to expanding to apparel and new categories. Similarly, we continue to add incremental features to Just Walk Out technology that make it work beyond where we know we have a great fit today. We think about new applications of the technology and new use cases, for customers and their customers."

Global Powers of Retailing Top 250

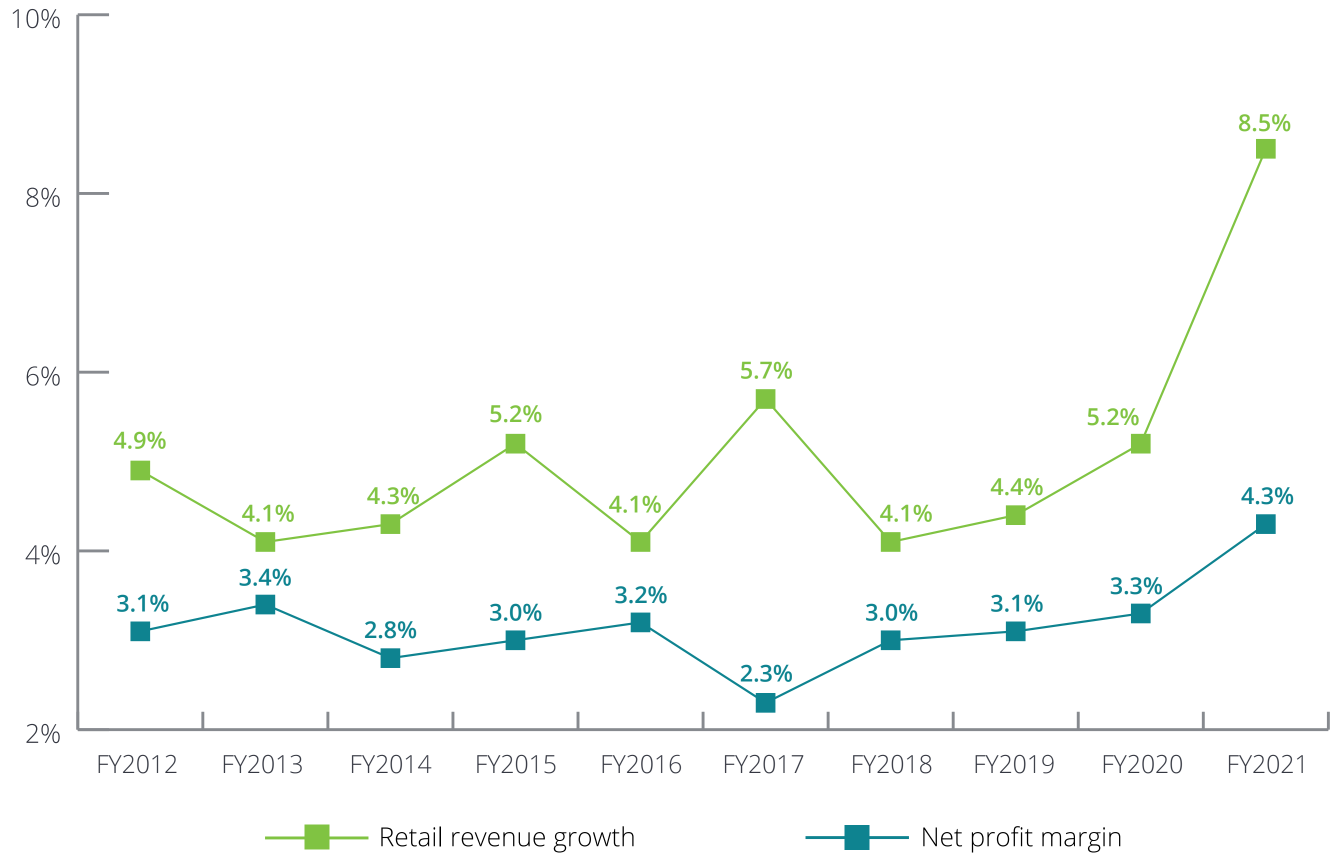
The Global Powers of Retailing Top 250 companies achieved very strong year-on-year growth of 8.5% in retail revenue, on a sales-weighted, currency-adjusted composite basis. This is building on top of the 5.2% year-on-year retail revenue growth recorded in FY2020. Whilst still posing significant challenges, the retail environment became more hospitable in FY2021 compared to the previous year thanks to the partial relaxation of pandemic restrictions and consumers returning to prepandemic shopping habits.

Pent-up consumer demand for apparel and accessories led to the 31.3% annual sales growth in the segment, compared to a 14% fall in the previous year. Luxury goods retailers achieved standout performance thanks to the reopening of brick-and-mortar stores and the re-emergence of social events and occasions, which lend themselves to purchases of high-end apparel. The department store format benefitted in particular, with 25.7% revenue growth, after a difficult FY2020 plagued by store closures and apprehensive consumers. E-commerce retailers and retailers with developed digital channels posted strong revenue growth during FY2021, on top of the record-breaking returns in the previous year.

The composite net profit margin for the Top 250 retailers was 4.3% on a sales-weighted, currency-adjusted composite basis, one percentage point higher than the previous year. This increase in profitability was attributable largely to a composite net profit margin of 9.8% in the apparel and accessories sector and to increased profitability of hardline and leisure goods and diversified retailers.

In total, 81.6% (204) of the Top 250 achieved positive retail revenue growth, and 35.2% (88) of them recorded double-digit growth. Among the retailers that reported their net profit, 88.9% (169) were profitable, up from 82.7% in FY2020. The share of Top 250 aggregate retail revenue from foreign operations increased from 21.3% to 23.4%, and the average number of countries in which companies have retail operations increased from 10.8 in FY2020 to 11.4 in FY2021.

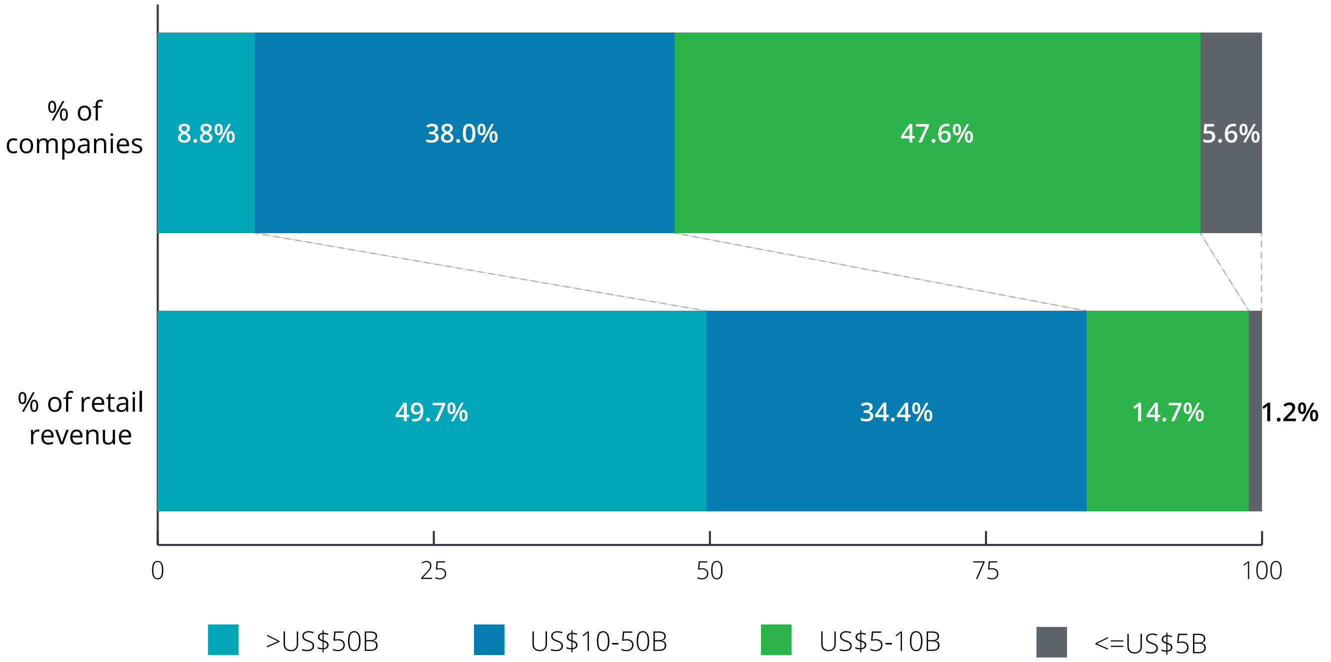
Year-on-year growth and profitability of Top 250 retailers in Global Powers of Retailing reports



Note: GPR 2014 = FY2012, GPR 2015 = FY2013, GPR 2016 = FY2014, GPR 2017 = FY2015, GPR 2018 = FY2016, GPR 2019 = FY2017, GPR 2020 = FY2018, GPR 2021 = FY2019, GPR 2022 = FY2020, GPR 2023 = FY2021

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Top 250 companies by size (retail revenue US$B), FY2021



Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Global Powers of Retailing Top 250, FY2021

FY2021 retail revenue rank	Change in rank from FY2020[1]	Name of company	Location/ Geography of origin	FY2021 retail revenue (US$M)	FY2021 parent company/ group revenue[2] (US$M)	Dominant operational format	# countries/ geographies of operation	FY2016-2021 retail revenue CAGR[3]	FY2020-2021 retail revenue growth	FY2021 Net profit margin[4]
1	0	Walmart Inc	United States	572,754	572,754	Hypermarket/ supercenter	24	3.3%	2.4%	2.4%
2	0	Amazon.com, Inc.	United States	239,150	469,822	Non-store	21	20.4%	12.0%	7.1%
3	0	Costco Wholesale Corporation	United States	195,929	195,929	Cash & carry/ warehouse club	12	10.5%	17.5%	2.6%
4	0	Schwarz Group	Germany	153,754	156,209	Discount store	33	7.8%	5.5%	n/a
5	0	The Home Depot, Inc.	United States	151,157	151,157	Home improvement	3	9.8%	14.4%	10.9%
6	0	The Kroger Co.	United States	136,971	137,888	Supermarket	1	3.5%	4.1%	1.2%
7	2	JD.com, Inc	China	126,387	147,450 [5]	Non-store	1	28.0%	25.1%	-0.5%
8	-1	Walgreens Boots Alliance, Inc.	United States	122,045	132,509	Drug store/ pharmacy	6	4.7%	3.7%	1.9%
9	-1	Aldi Einkauf GmbH & Co. oHG and Aldi International Services GmbH & Co. oHG	Germany	120,947 e	120,947 e	Discount store	19	4.8%	-0.4%	n/a
10	0	Target Corporation	United States	104,611	106,005	Discount department store	1	8.5%	13.2%	6.6%
11	0	CVS Health Corporation	United States	100,105	292,111	Drug store/ pharmacy	1	4.3%	9.8%	n/a
12	0	Lowe's Companies, Inc.	United States	96,250	96,250	Home improvement	2	8.2%	7.4%	8.8%
13	0	Ahold Delhaize	Netherlands	89,381 [5]	89,381 [5]	Supermarket	10	3.9%	1.2%	3.0%
14	1	Tesco PLC	United Kingdom	82,881	84,145	Hypermarket/ supercenter	5	1.9%	5.7%	2.4%
15	4	Seven & i Holdings Co., Ltd.	Japan	76,912 [5]	78,458 [5]	Convenience/ forecourt store	18	9.0%	54.7%	2.6%
16	1	Edeka-Verbund	Germany	72,462 e[5]	74,129 [5]	Supermarket	1	4.8%	2.3%	n/a
17	-3	Aeon Co., Ltd.	Japan	72,190	78,155 [5]	Hypermarket/ supercenter	11	1.0%	1.2%	0.7%
18	-2	Albertsons Companies, Inc.	United States	71,887	71,887	Supermarket	1	3.8%	3.2%	2.3%
19	-1	Rewe Group	Germany	62,735 [5]	81,998 [5]	Supermarket	10	5.6%	-2.2%	1.1%
20	10	LVMH Moët Hennessy-Louis Vuitton S.A.	France	56,305	75,920 [5]	Other specialty	80	14.4%	51.4%	19.8%
21	1	Centres Distributeurs E. Leclerc	France	54,385 e[5]	60,060 ge[5]	Supermarket	6	4.5%	11.7%	n/a

[1] Change in ranking versus FY2020 ranking from the Global Powers of Retailing 2022 report

[2] May include results from non-retail operations

[3] Compound annual growth rate

[4] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenuee

[5] Revenue includes wholesale and retail sales

n/a = not available

ne = not in existence

e = estimate

g = gross turnover as reported by company

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

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22	-2	Best Buy Co., Inc.	United States	51,761	51,761	Electronics specialty	2	5.6%	9.5%	4.7%
23	10	The TJX Companies, Inc.	United States	48,550	48,550	Apparel/ footwear specialty	9	7.9%	51.1%	6.8%
24	-3	Publix Super Markets, Inc.	United States	48,394	48,394	Supermarket	1	7.1%	7.1%	9.1%
25	-1	The IKEA Group (INGKA Holding B.V.)	Netherlands	44,699	47,549	Other specialty	32	1.8%	6.3%	4.0%
26	0	ITM Développement International (Intermarché)	France	43,626 e[5]	59,755 g[5]	Supermarket	4	4.9%	6.0%	n/a
27	-2	Loblaw Companies Limited	Canada	41,683 [5]	42,402 [5]	Hypermarket/ supercenter	1	2.9%	0.8%	3.7%
28	-5	Woolworths Limited	Australia	41,320 [5]	44,122 [5]	Supermarket	2	1.0%	2.3%	13.1%
29	13	Alibaba Group Holding Limited/New Retail & Direct Sales	Hong Kong SAR	40,645	1,32,869	Hypermarket/ supercenter	1	153.1%	42.7%	n/a
30	-3	J Sainsbury plc	United Kingdom	40,414	41,007	Hypermarket/ supercenter	2	2.7%	3.0%	2.9%
31	-3	Casino Guichard-Perrachon S.A.	France	36,117	36,713 [5]	Hypermarket/ supercenter	27	-3.2%	-4.3%	-1.3%
32	-3	ELO SA (formerly Auchan Holding SA)	France	36,111	36,755 [5]	Hypermarket/ supercenter	12	-10.0%	-3.4%	1.2%
33	-1	Dollar General Corporation	United States	34,220	34,220	Discount store	1	9.3%	1.4%	7.0%
34	0	H-E-B Grocery Company LP (formerly H.E. Butt Grocery Company)	United States	33,000 e	33,000 e	Supermarket	1	7.5%	3.1%	n/a
35	10	Inditex, S.A.	Spain	32,567 [5]	32,567 [5]	Apparel/ footwear specialty	215	3.5%	35.8%	11.7%
36	new	Asda Group Limited	United Kingdom	32,297	32,297	Hypermarket/ supercenter	1	n/a	3.2%	4.3%
37	0	Mercadona, S.A.	Spain	30,168	30,168	Supermarket	2	5.2%	3.4%	2.7%
38	3	Groupe Adeo SA	France	30,035 [5]	31,077 [5]	Home improvement	13	9.4%	17.5%	5.5%
39	-1	X5 Retail Group N.V.	Russia	29,831 [5]	29,906 [5]	Discount store	1	16.3%	11.3%	1.9%
40	-5	Coles Group Limited	Australia	28,547	28,820	Supermarket	1	0.1%	2.1%	2.6%

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41	▼ -5	Migros-Genossenschafts Bund	Switzerland	28,322 e[5]	31,643 [5]	Hypermarket/ supercenter	3	1.7%	-3.1%	2.3%
42	▲ 1	Système U, Centrale Nationale	France	27,949 e[5]	33,813 g[5]	Supermarket	7	3.9%	5.4%	n/a
43	▼ -4	Coop Group	Switzerland	27,526 e[5]	34,858	Supermarket	8	2.7%	4.7%	2.2%
44	▼ -4	Dollar Tree, Inc.	United States	26,321	26,321	Discount store	2	4.9%	3.2%	5.0%
45	▲ 1	Ceconomy AG	Germany	25,527	25,527	Electronics specialty	13	-0.5%	2.5%	1.2%
46	▲ 1	Wm Morrison Supermarkets PLC	United Kingdom	24,793 e[5]	24,793 e[5]	Supermarket	1	2.0%	2.5%	-0.8%
47	▲ 2	Jerónimo Martins, SGPS, S.A.	Portugal	24,697	24,697	Discount store	3	7.4%	8.3%	2.3%
48	▼ -4	Metro AG	Germany	24,620	29,595 [5]	Cash & carry/ warehouse club	24	-8.8%	-5.0%	-0.2%
49	▲ 3	PJSC "Magnit"	Russia	24,520	25,176 [5]	Convenience/ forecourt store	1	11.1%	19.7%	2.6%
50	▲ 8	Macy's, Inc.	United States	24,460 [5]	24,460 [5]	Department store	3	-1.1%	41.0%	5.8%
51	▼ -1	Empire Company Limited	Canada	24,034	24,177 [5]	Supermarket	1	4.8%	6.7%	2.7%
52	▲ 2	H & M Hennes & Mauritz AB	Sweden	23,343 [5]	23,343 [5]	Apparel/ footwear specialty	75	0.7%	6.4%	5.5%
53	▲ 3	Reliance Retail Limited	India	22,823	22,826	Supermarket	1	45.1%	24.3%	2.9%
54	▼ -1	A.S. Watson Group	Hong Kong SAR	22,334 [5]	22,334 [5]	Drug store/ pharmacy	28	2.8%	8.8%	n/a
55	▼ -7	Wesfarmers Limited	Australia	22,087	26,712 [5]	Home improvement	4	-13.6%	2.3%	6.4%
56	▼ -5	Meijer, Inc.	United States	21,000 e	22,000 e	Hypermarket/ supercenter	1	3.2%	0.0%	n/a
57	▼ -2	Fast Retailing Co., Ltd.	Japan	19,884 [5]	19,908 [5]	Apparel/ footwear specialty	24	3.6%	6.2%	8.2%
58	▼ -27	Suning.com Co., Ltd.	China	19,834	21,523	Electronics specialty	1	-2.3%	-46.3%	-31.8%
59	0	NIKE, Inc./NIKE Direct	United States	19,657	46,710 [5]	Apparel/ footwear specialty	74	16.7%	14.7%	n/a
60	▼ -3	E-MART Inc.	South Korea	19,373 [5]	21,761 [5]	Supermarket	6	10.8%	7.9%	6.4%

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61	▲ 24	Ross Stores, Inc.	United States	18,916	18,916	Apparel/ footwear specialty	1	8.0%	50.9%	9.1%
62	▲ 4	Kohl's Corporation	United States	18,471	19,433	Department store	1	-0.2%	22.9%	4.8%
63	0	Kingfisher plc	United Kingdom	18,117	18,117	Home improvement	8	3.3%	6.8%	6.4%
64	▼ -3	Conad Consorzio Nazionale, Dettaglianti Soc. Coop. a.r.l.	Italy	18,089 e[5]	20,099 g[5]	Supermarket	5	6.5%	6.5%	n/a
65	▼ -5	CP ALL Plc.	Thailand	17,637 [5]	18,335 [5]	Convenience/ forecourt store	2	5.4%	7.5%	2.1%
66	▼ -4	Rite Aid Corporation	United States	17,495	24,568	Drug store/ pharmacy	1	-8.2%	6.9%	-2.2%
67	0	Vipshop Holdings Limited	China	17,459	18,369	Non-store	1	17.0%	16.9%	4.0%
68	▲ 25	Compagnie Financière Richemont SA	Switzerland	17,005	22,276 [5]	Other specialty	52	18.0%	45.8%	10.8%
69	▲ 26	Kering S.A.	France	16,898 e	20,861 [5]	Apparel/ footwear specialty	95	15.4%	39.9%	18.5%
70	▲ 5	Otto (GmbH & Co KG)	Germany	16,834	18,778	Non-store	30	8.0%	21.2%	11.3%
71	▲ 3	The Gap, Inc.	United States	16,670 [5]	16,670 [5]	Apparel/ footwear specialty	40	1.4%	20.8%	1.5%
72	▼ -8	BJ's Wholesale Club Holdings, Inc.	United States	16,667	16,667	Cash & carry/ warehouse club	1	6.2%	8.0%	2.6%
73	▲ 15	Alimentation Couche-Tard Inc.	Canada	16,604	62,810	Convenience/ forecourt store	22	9.1%	4.6%	n/a
74	▲ 24	Coupang, Inc.	South Korea	16,488	18,406	Non-store	1	61.7%	49.3%	-8.4%
75	▲ 7	Décathlon S.A.	France	16,315	16,315	Other specialty	67	6.7%	21.1%	6.6%
76	▲ 5	FEMSA Comercio, S.A. de C.V.	Mexico	15,351	15,351	Convenience/ forecourt store	6	8.3%	11.0%	n/a
77	▼ -5	Spar Holding AG	Austria	14,979 [5]	15,057 [5]	Supermarket	8	6.1%	4.1%	2.0%
78	▼ -13	Pan Pacific International Holdings	Japan	14,968	15,600	Discount department store	7	17.0%	7.6%	3.4%
79	▼ -6	John Lewis Partnership plc	United Kingdom	14,894 [5]	14,894 [5]	Supermarket	2	1.6%	0.6%	-0.6%

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80	▲ 9	Marks and Spencer Group plc	United Kingdom	14,866 [5]	14,866 [5]	Department store	98	0.5%	18.9%	2.8%
81	▲ 2	AutoZone, Inc.	United States	14,630 [5]	14,630 [5]	Other specialty	3	6.6%	15.8%	14.8%
82	▲ 5	S Group	Finland	14,576	14,576	Supermarket	3	4.7%	14.9%	n/a
83	▲ 3	Cencosud S.A.	Chile	14,550	14,931	Supermarket	5	2.2%	12.6%	5.8%
84	▼ -4	ICA Gruppen AB	Sweden	14,500 [5]	14,902 [5]	Supermarket	4	4.2%	1.3%	3.6%
85	▼ -6	Metro Inc.	Canada	14,456 [5]	14,456 [5]	Supermarket	1	7.4%	1.6%	4.5%
86	▲ 19	Nordstrom, Inc.	United States	14,402	14,789	Department store	2	-0.1%	39.1%	1.2%
87	▼ -10	Coop Italia	Italy	14,045 e	16,907 ge	Hypermarket/ supercenter	1	0.2%	-0.8%	n/a
88	▼ -19	Qurate Retail Group	United States	14,044	14,044	Non-store	7	5.7%	-0.9%	3.0%
89	▼ -11	Currys plc. (formerly Dixons Carphone plc)	United Kingdom	13,777	13,777	Electronics specialty	8	-0.4%	-1.9%	0.7%
90	▼ -19	Wayfair Inc	United States	13,708	13,708	Non-store	4	32.3%	-3.1%	-1.0%
91	▼ -15	Lotte Shopping Co., Ltd.	South Korea	13,593	13,593	Discount store	9	-7.1%	-3.8%	-1.8%
92	▲ 2	O'Reilly Automotive, Inc.	United States	13,328 [5]	13,328 [5]	Other specialty	2	9.2%	14.8%	16.2%
93	▲ 4	El Corte Inglés, S.A.	Spain	13,242	14,624	Department store	20	-2.5%	7.6%	1.0%
94	▼ -10	Yonghui Superstores Co., Ltd.	China	13,164	14,110	Hypermarket/ supercenter	1	12.7%	-2.4%	-4.9%
95	▼ -3	Dirk Rossmann GmbH	Germany	13,123 g	13,123 g	Drug store/ pharmacy	8	5.7%	7.2%	n/a
96	▲ 16	S.A.C.I. Falabella	Chile	12,986	13,588	Home improvement	7	7.1%	26.0%	6.7%
97	▲ 5	Tractor Supply Company	United States	12,731	12,731	Other specialty	1	13.4%	19.9%	7.8%
98	▲ 25	Chow Tai Fook Jewellery Group Limited	Hong Kong SAR	12,709 [5]	12,709 [5]	Other specialty	11	14.1%	41.0%	7.0%
99	▼ -3	dm-drogerie markt Verwaltungs-GmbH	Germany	12,637	14,758 g	Drug store/ pharmacy	13	5.2%	6.6%	1.3%
100	▲ 15	Dick's Sporting Goods, Inc.	United States	12,293	12,293	Other specialty	1	9.2%	28.3%	12.4%

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101	21	Zalando SE	Germany	12,241	12,241	Non-store	23	23.3%	29.7%	2.3%
102	-11	Menard, Inc.	United States	12,100 e	12,100 e	Home improvement	1	5.0%	2.5%	n/a
103	-3	Shoprite Holdings Ltd.	South Africa	12,088 [5]	12,328 [5]	Supermarket	11	5.5%	9.6%	3.1%
104	-5	Hy-Vee, Inc.	United States	12,000 e	12,000 e	Supermarket	1	4.1%	9.1%	n/a
105	-2	NorgesGruppen ASA	Norway	11,699 [5]	11,956 [5]	Discount store	1	5.7%	1.4%	3.6%
106	-36	Yamada Holdings Co., Ltd. (Formerly Yamada Denki Co., Ltd.)	Japan	11,437 [5]	14,414 [5]	Electronics specialty	3	-3.8%	-14.5%	3.2%
107	34	JD Sports Fashion Plc	United Kingdom	11,391 e	11,768 [5]	Apparel/ footwear specialty	32	30.2%	38.6%	5.4%
108	-4	The Sherwin-Williams Company/Americas Group	United States	11,217 [5]	19,945 [5]	Home improvement	15	6.0%	8.0%	9.3%
109	-8	Wegmans Food Markets, Inc.	United States	11,200 e	11,200 e	Supermarket	1	6.2%	3.7%	n/a
110	0	Advance Auto Parts, Inc.	United States	10,998 [5]	10,998 [5]	Other specialty	3	2.8%	8.8%	5.6%
111	13	Steinhoff International Holdings N.V.	South Africa	10,986	10,986	Discount store	28	-5.6%	16.4%	-9.2%
112	-6	Giant Eagle, Inc.	United States	10,700 e[5]	10,700 e[5]	Supermarket	1	2.8%	3.4%	n/a
113	-4	Canadian Tire Corporation, Limited	Canada	10,641 [5]	12,993 [5]	Other specialty	1	6.3%	8.8%	7.7%
114	-3	Co-operative Group Ltd.	United Kingdom	10,548	15,333 [5]	Convenience/ forecourt store	1	1.5%	-1.3%	0.4%
115	5	Salling Group	Denmark	10,452	10,523	Discount store	3	2.7%	8.7%	2.9%
116	0	Esselunga S.p.A.	Italy	10,045	10,045	Hypermarket/ supercenter	1	2.5%	3.6%	3.1%
117	11	Grupo Coppel	Mexico	10,039 e	10,039 e	Department store	2	11.2%	8.6%	n/a
118	-1	Tengelmann Group	Germany	9,896 e[5]	9,931 e[5]	Home improvement	22	-1.2%	1.0%	n/a
119	-11	China Resources Vanguard Co., Ltd.	China	9,690 e	12,112 e, g	Hypermarket/ supercenter	1	-5.5%	-11.0%	n/a

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120	▲ 44	Hermès International SCA	France	9,663 e	10,619 [5]	Apparel/ footwear specialty	46	14.4%	42.1%	27.3%
121	▼ -3	Adidas Group	Germany	9,662	25,104 [5]	Apparel/ footwear specialty	60	10.3%	0.5%	n/a
122	▼ -9	Colruyt Group	Belgium	9,562	11,671 [5]	Supermarket	3	2.4%	-1.7%	2.9%
123	▲ 7	FNAC Darty S.A.	France	9,509	9,509	Other specialty	13	1.6%	7.4%	2.0%
124	▲ 5	SIGNA Retail Group	Austria	9,458 e	9,458 e	Department store	21	n/a	6.7%	n/a
125	▲ 65	Burlington Stores, Inc.	United States	9,322	9,322	Department store	1	10.8%	61.7%	4.4%
126	0	Koninklijke Jumbo Food Groep B.V. (formerly Jumbo Groep Holding B.V.)	Netherlands	9,261 [5]	9,270 [5]	Supermarket	2	7.6%	1.7%	1.5%
127	▲ 36	Grupo Comercial Chedraui, S.A.B. de C.V.	Mexico	9,242	9,288	Hypermarket/ supercenter	2	16.4%	29.0%	1.8%
128	▼ -3	WinCo Foods LLC	United States	9,050 e	9,050 e	Supermarket	1	6.2%	2.8%	n/a
129	▲ 16	Foot Locker, Inc.	United States	8,958	8,958	Apparel/ footwear specialty	28	2.9%	18.7%	10.0%
130	▲ 5	Globus Holding GmbH & Co. KG	Germany	8,918 e	8,918 e	Hypermarket/ supercenter	4	4.2%	17.3%	n/a
131	new	Chewy, Inc.	United States	8,891	8,891	Non-store	1	n/a	24.4%	-0.8%
132	0	Kesko Corporation	Finland	8,843 e[5]	13,360 [5]	Supermarket	7	1.3%	1.5%	5.1%
133	▼ -14	Beisia Group Co., Ltd.	Japan	8,765 e[5]	9,254 e[5]	Home improvement	1	3.6%	-0.3%	n/a
134	▼ -1	Louis Delhaize S.A.	Belgium	8,752	8,752	Hypermarket/ supercenter	4	-2.7%	0.4%	0.5%
135	▲ 7	The SPAR Group Limited	South Africa	8,614 [5]	8,614 [5]	Supermarket	13	6.8%	2.9%	1.7%
136	▼ -2	President Chain Store Corp.	Taiwan (China)	8,585	9,402 [5]	Convenience/ forecourt store	4	3.4%	1.5%	3.8%
137	▼ -69	PetSmart, Inc.	United States	8,500 e	8,500 e	Other specialty	2	4.0%	-41.8%	n/a
138	▲ 41	Ulta Beauty, Inc	United States	8,372	8,631	Other specialty	1	12.7%	40.3%	11.4%

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139	▲ 22	Williams-Sonoma, Inc.	United States	8,246		8,246		Non-store	13	10.2%	21.6%	13.7%
140	▼ -33	Dairy Farm International Holdings Limited	Hong Kong SAR	8,204		9,015		Supermarket	10	-6.0%	-20.1%	1.0%
141	new	Penney OpCo LLC (formerly J. C. Penney Company, Inc.)	United States	8,200	e	8,200	e	Department store	1	-8.2%	n/a	n/a
142	▲ 8	Ace Hardware Corporation	United States	8,168		8,594	5	Home improvement	66	11.4%	11.2%	3.8%
143	▲ 1	Sonae, SGPS, SA	Portugal	8,136	5	8,303	5	Supermarket	62	5.8%	3.4%	4.7%
144	▲ 24	Action Holding BV	Netherlands	8,080		8,080		Discount department store	10	20.6%	22.7%	7.3%
145	▲ 8	Gruppo Eurospin	Italy	8,071		8,168		Discount store	3	7.6%	7.7%	4.9%
146	▼ -19	Tsuruha Holdings Inc.	Japan	8,050		8,050		Drug store/ pharmacy	2	9.7%	-0.4%	2.7%
147	▼ -16	Lulu Group International	United Arab Emirates	8,000	e	8,000	e	Hypermarket/ supercenter	10	3.0%	3.6%	n/a
148	▼ -34	Southeastern Grocers, Inc. (formerly Southeastern Grocers, LLC)	United States	8,000	e	8,000	e	Supermarket	1	-5.2%	-17.1%	n/a
149	▼ -12	BİM Birleşik Mağazalar A.Ş.	Turkey	7,937		7,937		Discount store	3	28.6%	27.1%	4.2%
150	▼ -1	Reitan AS	Norway	7,936	5	12,133	5	Discount store	7	3.5%	-2.0%	4.4%
151	new	Bath & Body Works, Inc.	United States	7,882	5	7,882	5	Other specialty	37	15.4%	22.5%	16.9%
152	▼ -31	Bed Bath and Beyond Inc.	United States	7,868		7,868		Other specialty	3	-8.4%	-14.8%	-7.1%
153	▼ -15	Distribuidora Internacional de Alimentación, S.A. (Dia, S.A.)	Spain	7,859	5	7,896	5	Discount store	4	-5.6%	-3.4%	-3.9%
154	▲ 4	Wumart Technology Group Co., Ltd. (formerly Wumart Holdings, Inc.)	China	7,859	e	9,246	e	Supermarket	1	9.7%	6.3%	n/a
155	▲ 53	Signet Jewelers Limited	United States	7,757		7,826		Other specialty	4	4.0%	49.3%	9.8%
156	▲ 9	Axel Johnson AB	Sweden	7,718	5	11,027	5	Supermarket	3	5.3%	8.0%	1.7%

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157	▼ -17	Bic Camera Inc.	Japan	7,664		7,785		Electronics specialty	1	1.4%	-1.7%	1.5%
158	▼ -7	Organización Soriana, S.A.B. de C.V.	Mexico	7,650	5	7,650	5	Hypermarket/ supercenter	1	0.8%	-1.1%	2.8%
159	▼ -13	Associated British Foods plc/Primark	United Kingdom	7,650		18,990		Apparel/ footwear specialty	14	-1.2%	-5.1%	n/a
160	▲ 25	DNS	Russia	7,627	e	7,627	e	Electronics specialty	1	30.1%	31.5%	n/a
161	new	Natura & Co Holding S.A	Brazil	7,440		7,440		Other specialty	100	38.4%	8.8%	2.6%
162	▼ -5	GS Retail Co., Ltd.	South Korea	7,372	e	8,523		Convenience/ forecourt store	3	3.7%	2.2%	8.2%
163	new	Endeavour Group	Australia	7,313		8,409		Other specialty	1	n/a	-0.9%	4.3%
164	▼ -2	Nitori Holdings Co., Ltd.	Japan	7,277		7,277		Other specialty	5	9.6%	13.2%	11.9%
165	▲ 34	Lao Feng Xiang Co., Ltd.	China	7,261	5	9,094	5	Other specialty	4	12.0%	23.1%	4.2%
166	▲ 18	Berkshire Hathaway Inc./Retailing operations	United States	7,205	e	276,094		Other specialty	13	5.7%	21.7%	n/a
167	▲ 2	Gome Retail Holdings Limited	China	7,203		7,203		Electronics specialty	1	-9.5%	5.4%	-10.3%
168	▼ -12	Great American Outdoors Group, LLC (fomerly Bass Pro Group, LLC)	United States	7,200	e	7,200	e	Other specialty	2	13.7%	1.4%	n/a
169	▼ -26	Majid Al Futtaim Holding LLC	United Arab Emirates	7,160		8,790		Hypermarket/ supercenter	17	2.0%	-6.0%	7.6%
170	▼ -15	Bauhaus AG	Germany	7,143	e	8,158	ge	Home improvement	19	2.4%	-3.1%	n/a
171	▼ -17	Life Corporation	Japan	6,890		6,890		Supermarket	1	3.3%	1.2%	2.0%
172	▼ -1	Army and Air Force Exchange Service (AAFES)	United States	6,871		6,871		Convenience/ forecourt store	31	1.2%	8.7%	3.6%
173	new	Victoria's Secret & Co.	United States	6,785	5	6,785	5	Apparel/ footwear specialty	74	-2.7%	25.3%	9.5%
174	▲ 18	Academy Sports and Outdoors, Inc.	United States	6,773		6,773		Other specialty	1	9.1%	19.1%	9.9%
175	▲ 45	El Puerto de Liverpool, S.A.B. de C.V.	Mexico	6,741		7,442		Department store	1	9.2%	35.5%	8.5%

[1] Change in ranking versus FY2020 ranking from the Global Powers of Retailing 2022 report

[2] May include results from non-retail operations

[3] Compound annual growth rate

[4] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenuee

[5] Revenue includes wholesale and retail sales

n/a = not available

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Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

FY2021 retail revenue rank	Change in rank from FY2020[1]	Name of company	Location/ Geography of origin	FY2021 retail revenue (US$M)	FY2021 parent company/ group revenue[2] (US$M)	Dominant operational format	# countries/ geographies of operation	FY2016-2021 retail revenue CAGR[3]	FY2020-2021 retail revenue growth	FY2021 Net profit margin[4]
176	-17	Yodobashi Camera Co., Ltd.	Japan	6,702	6,702	Electronics specialty	1	2.7%	2.9%	n/a
177	-11	JB Hi-Fi Limited	Australia	6,694	6,694	Electronics specialty	2	10.4%	3.5%	5.9%
178	-31	K's Holdings Corporation	Japan	6,651 [5]	6,651 [5]	Electronics specialty	1	2.6%	-5.7%	3.8%
179	2	Coop Norge, the Group	Norway	6,647 [5]	6,965 [5]	Supermarket	1	5.2%	2.0%	0.8%
180	14	Pick n Pay Stores Limited	South Africa	6,581 [5]	6,581 [5]	Supermarket	8	4.8%	5.2%	1.2%
181	-7	Lenta Group	Russia	6,560	6,560	Hypermarket/ supercenter	1	9.6%	8.6%	2.6%
182	-22	Cosmos Pharmaceutical Corp.	Japan	6,545	6,545	Drug store/ pharmacy	1	8.5%	4.0%	3.1%
183	12	Magazine Luiza S.A.	Brazil	6,500	6,535	Other specialty	1	30.0%	21.2%	1.7%
184	18	Deichmann SE	Germany	6,436	6,633	Apparel/ footwear specialty	31	2.4%	14.1%	5.6%
185	22	MatsukiyoCocokara & Co. (formerly MatsumotoKiyoshi Holdings Co., Ltd..)	Japan	6,432 [5]	6,497 [5]	Drug store/ pharmacy	5	6.3%	30.6%	4.7%
186	56	Dillard's, Inc.	United States	6,431	6,624	Department store	1	1.0%	52.6%	13.0%
187	-4	HORNBACH Baumarkt AG Group	Germany	6,426	6,426	Home improvement	9	8.2%	7.4%	3.4%
188	-16	B&M European Value Retail S.A.	United Kingdom	6,382	6,382	Discount store	2	14.0%	-2.7%	9.0%
189	0	PJSC "M.video"	Russia	6,375	6,461	Electronics specialty	1	20.7%	12.6%	0.5%
190	-38	Edion Corporation	Japan	6,353 [5]	6,353 [5]	Electronics specialty	1	1.1%	-7.1%	1.8%
191	-9	H2O Retailing Corporation	Japan	6,340	7,015	Department store	2	-3.2%	13.3%	1.3%
192	-6	PT Indomarco Prismatama (Indomaret)	Indonesia	6,328 [5]	6,328 [5]	Convenience/ forecourt store	1	8.9%	5.2%	2.2%
193	-6	XXXLutz Group	Austria	6,313 e	6,313 e	Other specialty	13	4.9%	4.7%	n/a
194	33	Hobby Lobby Stores, Inc.	United States	6,300 e	6,300 e	Other specialty	1	7.9%	37.6%	n/a

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195	▲ 33	Frasers Group plc (formerly Sports Direct International plc)	United Kingdom	6,298		6,501	5	Other specialty	22	9.1%	33.6%	5.4%
196	▲ 43	lululemon athletica inc.	Canada	6,257	5	6,257	5	Apparel/ footwear specialty	17	21.7%	42.1%	15.6%
197	▼ -6	Takashimaya Company, Ltd.	Japan	6,161	5	6,825	5	Department store	5	-3.7%	12.9%	0.8%
198	▼ -20	SM Investments Corporation	Philippines	6,160		8,679		Hypermarket/ supercenter	1	1.9%	2.4%	12.3%
199	▼ -26	Big Lots, Inc.	United States	6,151		6,151		Discount store	1	3.4%	-0.8%	2.9%
200	▼ -33	Sprouts Farmers Market, Inc.	United States	6,100		6,100		Supermarket	1	8.6%	-5.7%	4.0%
201	▼ -31	Valor Holdings Co., Ltd.	Japan	6,061		6,520		Supermarket	1	6.6%	0.6%	1.5%
202	▲ 12	GameStop Corp.	United States	6,011		6,011		Other specialty	10	-6.9%	18.1%	-6.3%
203	▼ -15	Demoulas Super Markets, Inc. (dba Market Basket)	United States	6,000	e	6,000	e	Supermarket	1	4.6%	3.8%	n/a
204	▲ 39	Next plc	United Kingdom	5,983	5	6,357	5	Apparel/ footwear specialty	35	1.3%	33.1%	14.6%
205	▼ -8	Coop Danmark A/S	Denmark	5,942	5	6,066	5	Supermarket	2	-0.2%	1.9%	0.8%
206	▲ 3	PT Sumber Alfaria Trijaya Tbk (Alfamart)	Indonesia	5,930	5	5,930	5	Convenience/ forecourt store	2	8.6%	12.0%	2.3%
207	▲ 4	Tapestry, Inc.	United States	5,925	e	6,685	5	Other specialty	125	9.2%	14.6%	12.8%
208	new	United.b Group (formerly HTM-Group)	France	5,911	e5	5,911	e5	Electronics specialty	4	10.8%	5.0%	n/a
209	▲ 1	Reinalt-Thomas Corporation (dba Discount Tire/ America's Tire)	United States	5,900	e	5,900	e	Other specialty	1	6.3%	14.1%	n/a
210	▲ 23	Liquor Control Board of Ontario	Canada	5,854	5	5,854	5	Other specialty	1	9.5%	23.2%	34.6%
211	▼ -35	Sundrug Co., Ltd.	Japan	5,774	5	5,774	5	Drug store/ pharmacy	1	4.2%	2.3%	3.7%
212	▼ -37	Izumi Co., Ltd.	Japan	5,768	5	5,768	5	Hypermarket/ supercenter	1	-0.8%	-0.4%	3.7%

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213	▼ -17	Via S.A. (Formerly Via Varejo S.A.)	Brazil	5,724		5,724		Electronics specialty	1	n/a	6.9%	-1.0%
214	▲ 7	Chyuan Lien Enterprise Co Ltd/PX Mart Co., Ltd.	Taiwan (China)	5,690		5,690		Supermarket	1	9.5%	15.2%	n/a
215	▼ -35	Homeplus Co., Ltd. (formerly Homeplus Stores Co., Ltd.)	South Korea	5,584	e	5,584	e	Hypermarket/ supercenter	1	-4.0%	-7.0%	-0.6%
216	▼ -23	Sugi Holdings Co., Ltd.	Japan	5,569		5,609	5	Drug store/ pharmacy	1	7.7%	3.8%	3.1%
217	▼ -14	Harbor Freight Tools USA, Inc.	United States	5,500	e	5,500	e	Other specialty	1	15.2%	1.9%	n/a
218	▼ -20	Central Retail Corporation Public Company Limited	Thailand	5,491		6,105		Department store	3	ne	1.6%	0.1%
219	▼ -19	Lawson, Inc.	Japan	5,436		6,262	5	Convenience/ forecourt store	6	2.6%	4.4%	2.6%
220	▲ 10	ATB-Market LLC	Ukraine	5,402		6,532	g	Discount store	1	25.2%	20.1%	n/a
221	▲ 1	Mobile World Investment Corporation	Vietnam	5,353		5,353		Electronics specialty	2	22.5%	13.3%	4.0%
222	▼ -18	Grupo Eroski	Spain	5,332	e5	5,631	5	Supermarket	3	-2.3%	-3.3%	-2.2%
223	▼ -4	MAXIMA GRUPĖ, UAB	Lithuania	5,302	5	5,302	5	Supermarket	5	10.7%	6.1%	3.0%
224	new	Shinsegae Inc.	South Korea	5,283		5,513	5	Other specialty	1	17.4%	33.3%	6.2%
225	▼ -12	Woolworths Holdings Limited	South Africa	5,258		5,401		Department store	13	3.5%	1.7%	4.5%
226	▼ -14	Shimamura Co., Ltd.	Japan	5,233		5,233		Apparel/ footwear specialty	3	0.6%	7.6%	6.1%
227	▼ -11	Shanghai Bailian Group Co., Ltd.	China	5,202	5	5,369	5	Hypermarket/ supercenter	1	-5.9%	-1.5%	2.2%
228	▼ -13	Stater Bros. Holdings Inc.	United States	5,200	e	5,200	e	Supermarket	1	4.4%	4.0%	n/a
229	▼ -14	The Michaels Companies, Inc.	United States	5,200	e	5,200	e	Other specialty	2	0.0%	-1.3%	n/a
230	▼ -12	JYSK Group	Denmark	5,171	5	5,171	5	Other specialty	50	7.0%	7.1%	n/a
231	▼ -25	Arcs Co., Ltd.	Japan	5,168		5,179		Supermarket	1	2.4%	3.7%	1.8%

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232	new	ASOS plc	United Kingdom	5,150	5,322	Non-store	12	21.9%	19.3%	3.3%
233	▼ -1	Petco Health and Wellness Company, Inc. (formerly PETCO Animal Supplies, Inc.)	United States	5,137	5,807	Other specialty	2	4.9%	15.4%	2.8%
234	▼ -33	Save-On-Foods LP	Canada	5,104 e	5,104 e	Supermarket	1	5.3%	-12.9%	n/a
235	new	American Eagle Outfitters, Inc.	United States	5,011 [5]	5,011 [5]	Apparel/ footwear specialty	25	6.8%	33.3%	8.4%
236	▼ -5	A101 Yeni Mağazacılık A.S	Turkey	5,010 e	5,010 e	Discount store	1	35.6%	39.6%	n/a
237	▼ -8	NORMA Unternehmens Stiftung	Germany	4,942 e	4,942 e	Discount store	4	4.9%	4.5%	n/a
238	▼ -21	WD FF Limited dba Iceland	United Kingdom	4,916 [5]	5,008 [5]	Supermarket	9	5.2%	-4.7%	-1.1%
239	▼ -4	Ingles Markets, Inc.	United States	4,832	4,988 [5]	Supermarket	1	5.7%	7.8%	5.0%
240	▼ -16	The Save Mart Companies	United States	4,800 e	4,800 e	Supermarket	1	2.7%	4.3%	n/a
241	▲ 8	Raia Drogasil S.A.	Brazil	4,743	4,743	Drug store/ pharmacy	1	17.9%	20.9%	3.1%
242	▼ -2	Sklavenitis Group	Greece	4,712	4,712	Supermarket	2	n/a	5.1%	1.5%
243	new	Specsavers Group	United Kingdom	4,706 e[5]	4,706 e[5]	Other specialty	11	8.6%	25.8%	n/a
244	new	Neiman Marcus Group LTD LLC	United States	4,700 e	4,700 e	Department store	1	-1.0%	80.8%	n/a
245	new	OK Corporation	Japan	4,661	4,673	Supermarket	1	n/a	3.2%	4.2%
246	▼ -9	EG Group Limited	United Kingdom	4,606	26,420	Convenience/ forecourt store	10	75.1%	4.3%	n/a
247	▼ -21	Yaoko Co., Ltd.	Japan	4,575	4,771	Supermarket	1	9.4%	5.5%	2.9%
248	▼ -25	Daiso Industries Co., Ltd	Japan	4,546 e[5]	4,889 g[5]	Discount department store	26	5.5%	4.4%	n/a
249	▼ -11	Shufersal Ltd.	Israel	4,544	4,561	Discount store	1	4.6%	-3.1%	2.7%
250	new	T. J. Morris dba Home Bargains	United Kingdom	4,478	4,478	Other specialty	1	15.8%	19.6%	9.5%

[1] Change in ranking versus FY2020 ranking from the Global Powers of Retailing 2022 report

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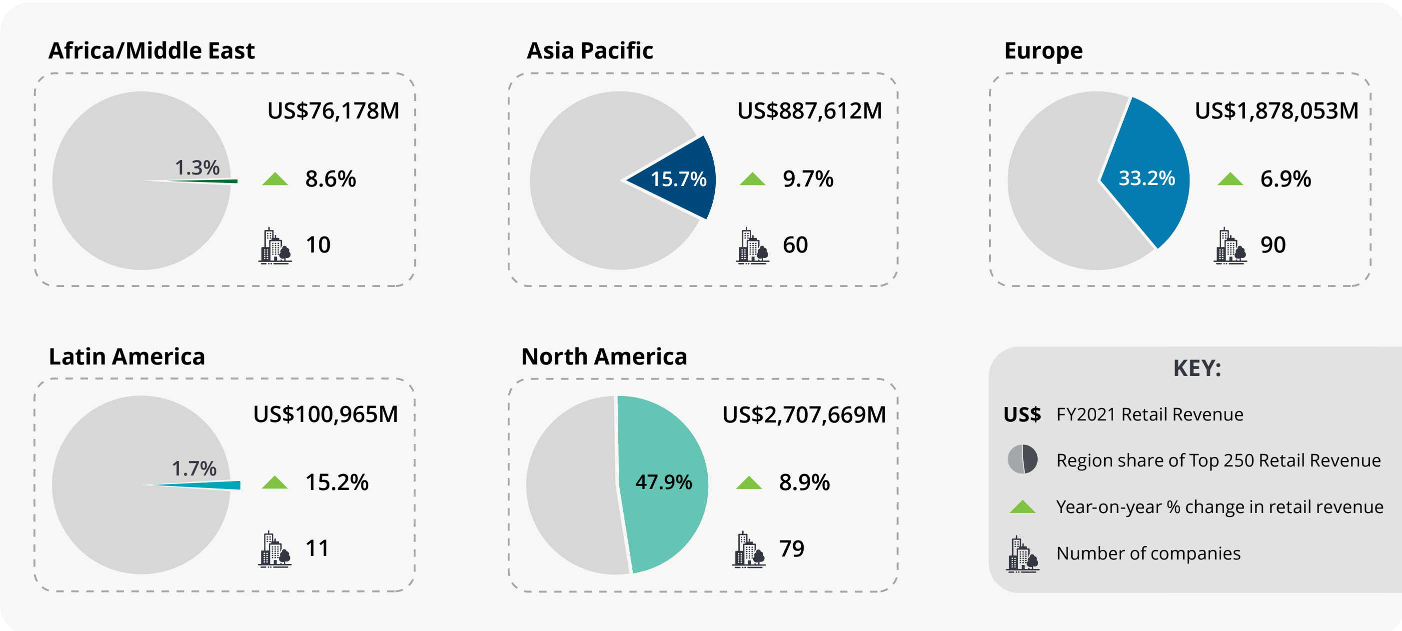
Geographic analysis

This section of the report analyzes retail performance of the Top 250 by region. For the purposes of geographic analysis, companies are assigned to a region based on the location of their headquarters, which may not coincide with where they derive the majority of their sales. Although many companies service sales from outside their region, 100% of each company's sales are accounted for within the region where the company is headquartered.

Global Powers of Retailing Top 250, FY2021



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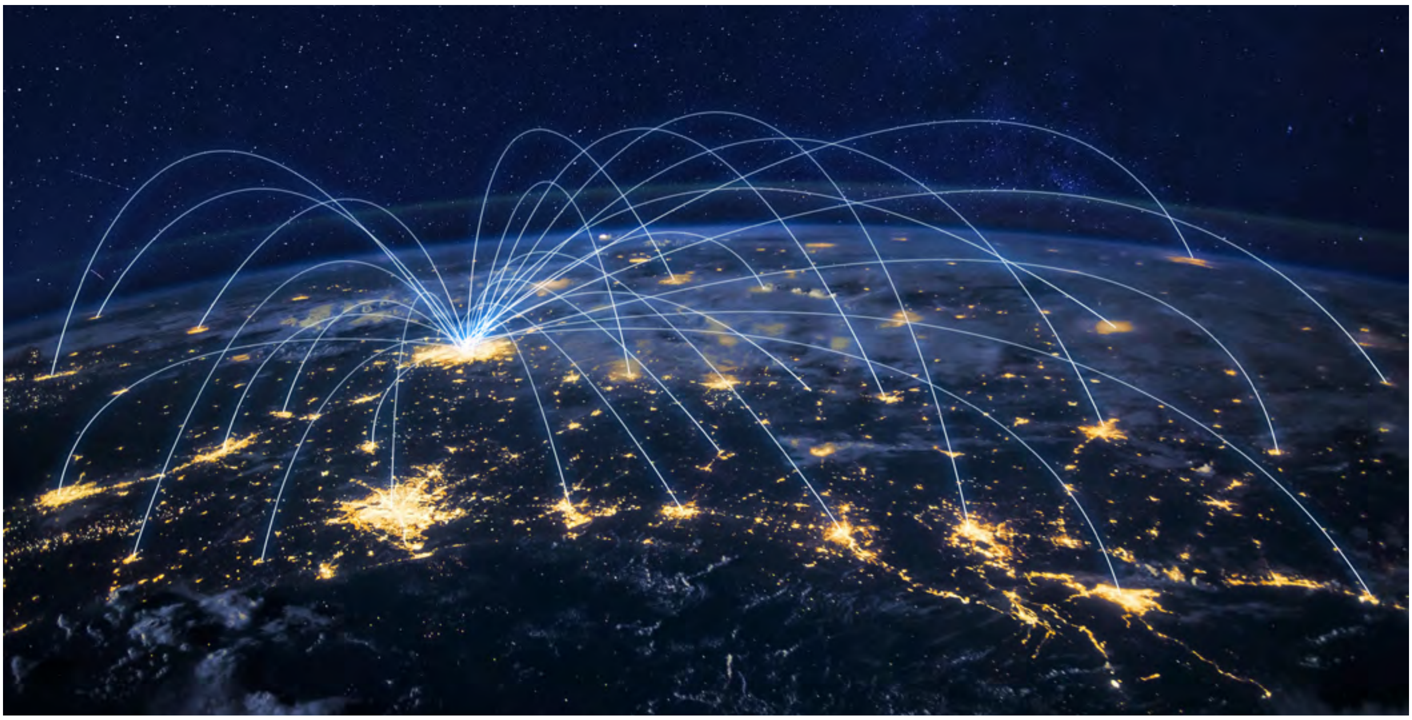
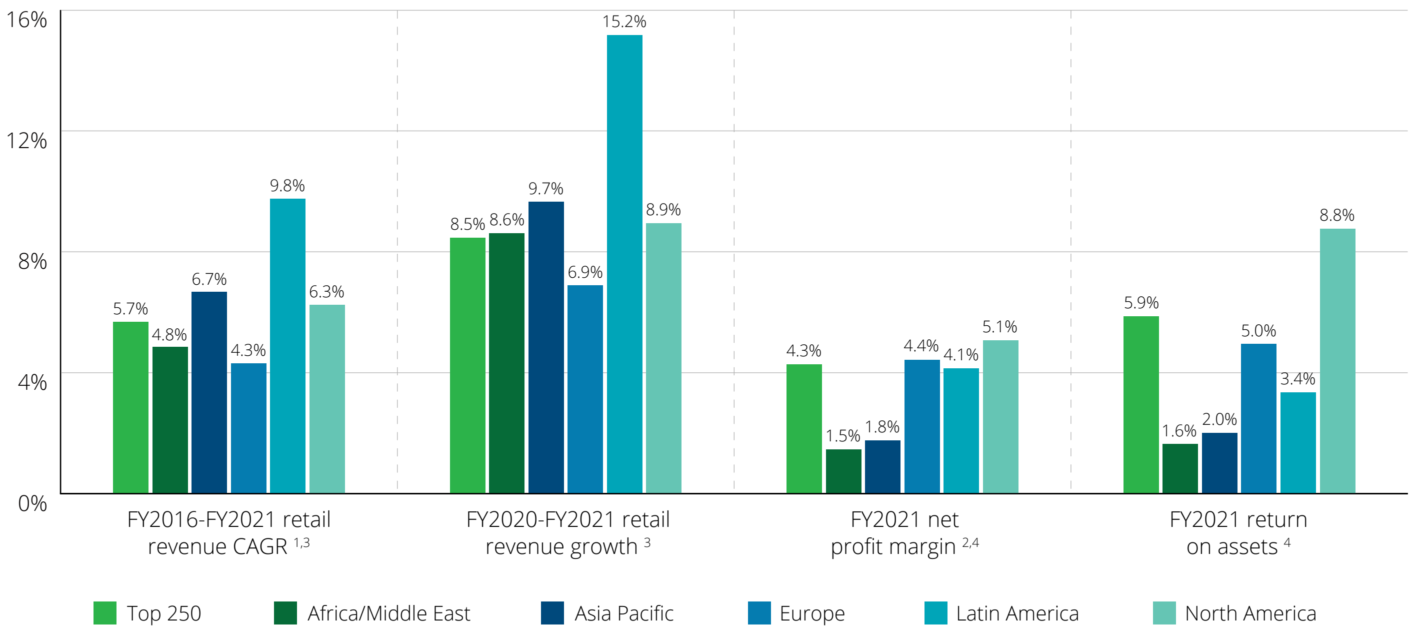


Retail revenue growth and profitability by region, FY2021



[1] Compound annual growth rate

[2] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenue

[3] Sales growth rates are sales-weighted, currency-adjusted composites

[4] Net profit margin and return on assets are sales-weighted composites

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

% of companies by product sector within each region, FY2021

	Apparel and accessories	FMCG	Hardlines and leisure goods	Diversified
Africa/Middle East	n/a	90%	n/a	10%
Asia Pacific	10%	55%	20%	15%
Europe	16%	61%	19%	4%
Latin America	9%	45%	36%	9%
North America	22%	43%	30%	5%
Top 250	**15%**	**54%**	**23%**	**8%**

Source: Deloitte Global. Global Powers of Retailing 2023.

Africa/Middle East

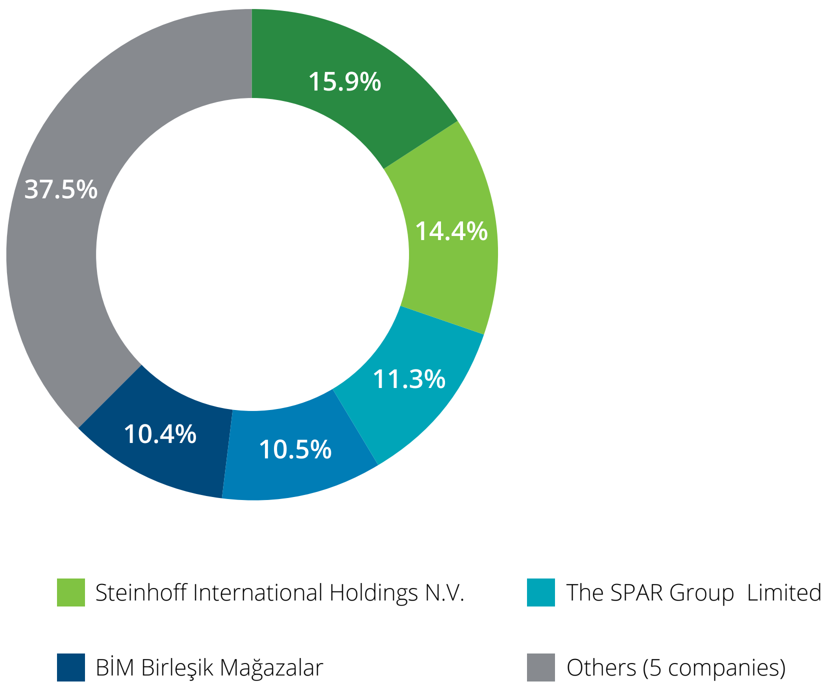
Among the Top 250 global retailers in FY2021, ten are from Africa/Middle East. Collectively, these ten companies account for 1.3% of the total retail revenues for the Top 250, down from 1.4% in FY2020. South African retailer Shoprite retained its position as number one retailer in the region, with retail sales growth of 9.6% in FY2021. The company reported that it had opened an additional 117 stores during the financial year and planned to open another 275 stores in the next year[1]. The retail revenue of companies in Israel, South Africa, Turkey and the United Arab Emirates changed by -3.1%, 5.7%, 31.6% and -3.9% respectively, relative to FY2020.

Taken together, the companies in the Africa/Middle East region achieved 8.6% growth in retail revenue in FY2021 along with a net profit margin of 1.5% (compared to a net operating loss of 1.1% in FY2020). The cumulative five-year CAGR for companies in the region was 4.8% for the period FY2016-FY2021.

Collectively, the top five retailers increased their share of total retail revenues in the region from 61% to 63%, with double-digit growth for Steinhoff, BİM Birleşik Mağazalar and A101 Yeni Mağazacılık. Revenue in FY2020 for Steinhoff had fallen by 34.1%, but FY2021 saw the company turn around and grow its revenues by 16.4%. Growth was driven in part by the company's successful e-commerce channel where sales reportedly increased by 16% year-on-year and contributed 7% of the company's total sales for the year. Additionally, Steinhoff increased the number of customer transactions and average order value, thanks to a consumer shift towards luxury products.

Africa/Middle East	Number of companies	Average retail revenue (US$M)	% Retail revenue from foreign operations
South Africa	5	8,705	29.3%
Turkey	2	6,473	5.1%
United Arab Emirates	2	7,580	44.8%
Israel	1	4,544	0.0%
Total Africa/ Middle East	**10**	**7,618**	**26.5%**

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

Asia Pacific

The combined retail revenues of companies from the Asia Pacific region accounted for 15.7% of the revenues for the Top 250 companies, down from 15.9% the previous year. Their average growth in retail revenues was 9.7%, up from 2.6% in FY2020. Despite the strong growth in sales revenue, average net profits fell by 0.9 percentage points to 1.8%.

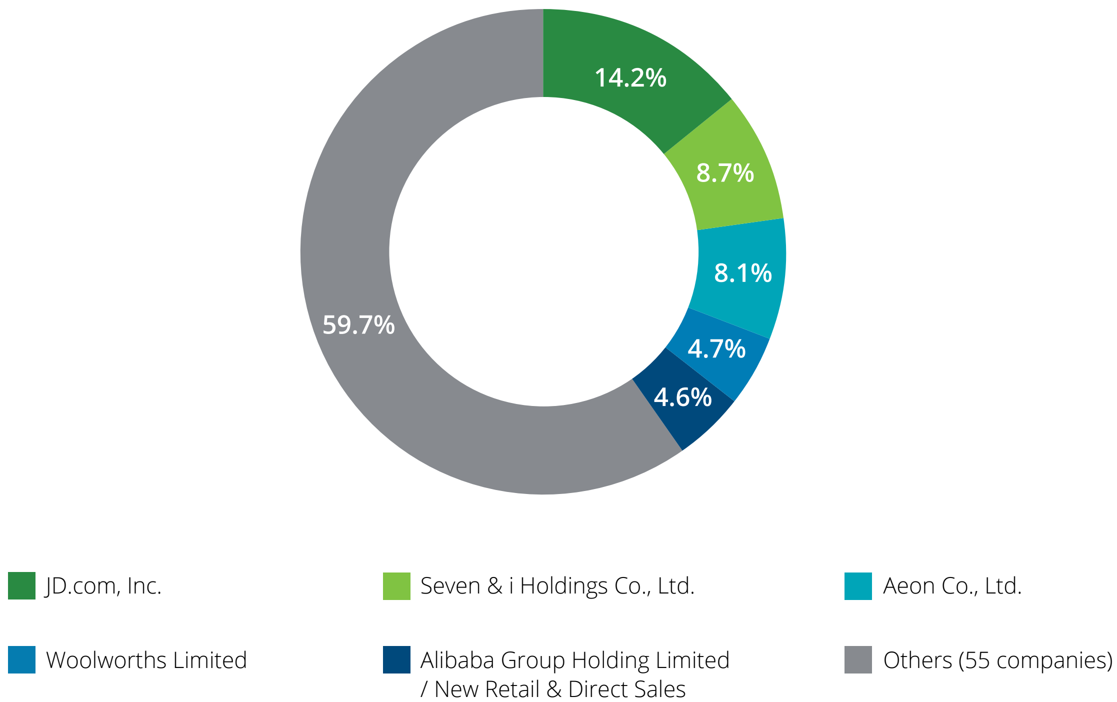
South Korea, Japan and China Mainland and Hong Kong SAR, the top retail growth markets in Asia Pacific, reported retail revenue up by 3.9%, 11.1% and 10.8% respectively. Growth rates in these markets were driven by Coupang in South Korea (up by 49.3%), Seven & i in Japan (up by 54.7%) and Alibaba in China Mainland and Hong Kong SAR, grew by 42.7%. Among these leading retailers, strong sales performance was driven by digital channels and international expansion.

Average retail revenue growth in FY2021 was 11.7% for Top 250 retailers in the other Asia Pacific geographies, which include India, Indonesia, Philippines, Taiwan (China), Thailand, Vietnam. Both India and Vietnam achieved strong growth rates, of 24.3% and 13.3% respectively, thanks to the strong performance of Reliance Limited and Mobile World Investment Corporation.

The composite CAGR for the Top 250 companies in the Asia Pacific region for the period FY2016-2021 was 6.7%, 3.3 percentage points higher than the CAGR for FY2015-2020. This was the second largest CAGR among the geographical regions. The 1.8% net profit margin for companies in the region was 0.9 percentage points lower than in the previous year and 2.5 percentage points lower than for the Top 250 average for FY2021.

Asia Pacific	Number of companies	Average retail revenue (US$M)	% Retail revenue from foreign operations
Japan	27	12,297	19.9%
China including Hong Kong SAR	13	22,919	5.9%
South Korea	6	11,282	11.2%
Australia	5	21,192	6.6%
Other Asia Pacific	9	9,333	2.9%
Total Asia Pacific	**60**	**14,794**	**11.3%**

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

Europe

Taken together, European retailers had the lowest rate of growth in retail revenues in FY2021 among the geographic regions. The region grew in total by 6.9%, considerably higher than the 1.1% growth rate in the previous year. While the European region contains the largest number of Top 250 retailers, with 90 companies in total, it is only the second largest region in terms of total revenue share, accounting for 33.2% of the total retail revenues for the Top 250.

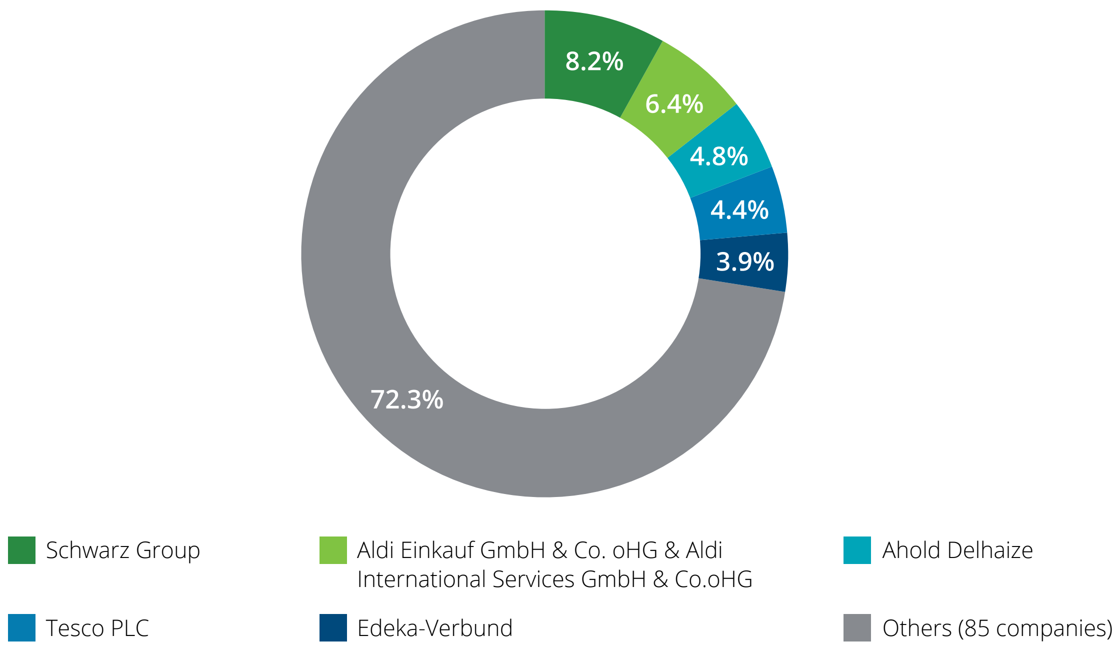
There was low double-digit growth experienced by France, Russia and Spain, and mild single-digit growth in Germany, the UK and the Netherlands in FY2021. The top four fastest-growing European retailers were luxury fashion brands. The top position is taken by high-end fashion retailer LVMH, whose retail revenues grew by 51.4% year-on-year to nearly US$56.3 billion. LVMH's strong performance was due partly to the acquisition of Tiffany & Co, as well as organic growth in its Asia markets and the US, especially through online channels. In second place was Compagnie Financière Richemont, owner of brands such as Cartier and Montblanc, whose retail revenues grew by 45.8% in FY2021.

The FY2021 average net profit margin for the companies in Europe was 4.4%, a 1.4 percentage point increase compared to the previous year and the second-largest net profit margin of any geographical region. The average return on assets also went up, from 3.3% in FY2020 to 5.0% in FY2021. Once again, luxury retailers such as Hermes, LVMH and Kering boosted the region's performance, with double-digit net profit margins.

In FY2021, the 28 'other Europe' retailers are based in Italy (4), Sweden (3), Switzerland (3), Austria (3), Denmark (3), Norway (3), Finland (2), Portugal (2), Belgium (2), Lithuania (1), Ukraine (1), and Greece (1).

Europe	Number of companies	Average retail revenue (US$M)	% Retail revenue from foreign operations
Germany	17	33,430	53.2%
France	12	28,569	42.3%
United Kingdom	19	16,534	14.7%
Netherlands	4	37,855	78.9%
Russia	5	14,983	0.0%
Spain	5	17,834	39.5%
Other Europe	28	12,046	32.4%
Total Europe	**90**	**20,867**	**40.4%**

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

Latin America

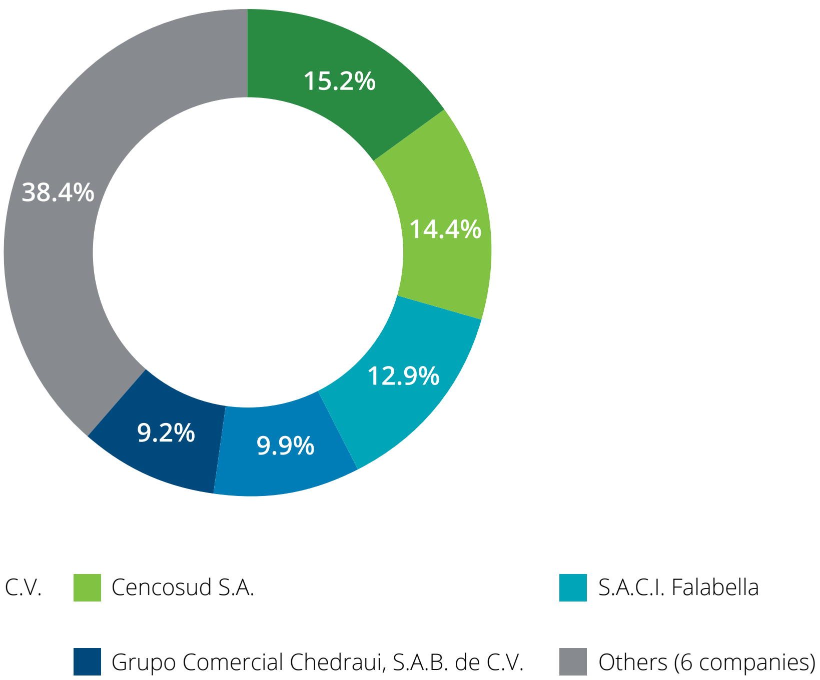
While accounting for only 1.8% of the total retail revenues for the Top 250 companies, Latin American retailers achieved the largest composite five-year CAGR and year-on-year retail revenue growth in FY2021. The CAGR for companies in the region was 9.8% in FY2016-2021 and year-on-year revenue growth in FY2021 was 15.2%. Double-digit retail revenue growth was achieved in three Latin American countries. For Brazilian retailer Natura & Co, which joined the Top 250 in FY2021, approximately 73.9% of its operations are in other countries. For the companies in Brazil, Chile and Mexico, retail revenue growth was 13.6%, 18.5% and 14.1% respectively.

The fastest-growing retailer in the Latin America region in FY2021 was Mexican department store El Puerto de Liverpool whose retail revenues grew by 35.5% year-on-year. The retailer increased its digital customer base by 20%, resulting in a 4.7% increase in digital sales as it focused on developing an omnichannel strategy. The fastest growing country in the region was Chile, where companies increased their retail revenues by 18.5%. Growth was led primarily by the Chilean department store and home improvement retailer S.A.C.I Falabella, which increased customer numbers by 25% in part thanks to the launch of a new online marketplace and home-delivery service.

Except for Organización Soriana, a Mexican supermarket, all retailers in the region achieved positive revenue growth in FY2021. They also increased their average net profit margin from 1.7% to 4.1% thanks to the strong profitability of organizations such as Cenosud, S.A.C.I Falabella and El Puerto de Liverpool.

Latin America	Number of companies	Average retail revenue (US$M)	% Retail revenue from foreign operations
Brazil	4	6,102	22.5%
Mexico	5	9,804	16.6%
Chile	2	13,768	38.7%
Total Latin America	**11**	**9,179**	**24.0%**

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

North America

Despite the addition of six new retailers to the Top 250 in FY2021, the number of retailers in North America increased by just one in total. The 8.9% year-on-year composite retail growth for companies in the region was lower by 0.4 percentage points compared to the previous year. Nearly 46% of North American retailers achieved double digit annual retail revenue growth in FY2021, up from about 40% in the previous year. A total of nine retailers experienced negative annual retail growth rates.

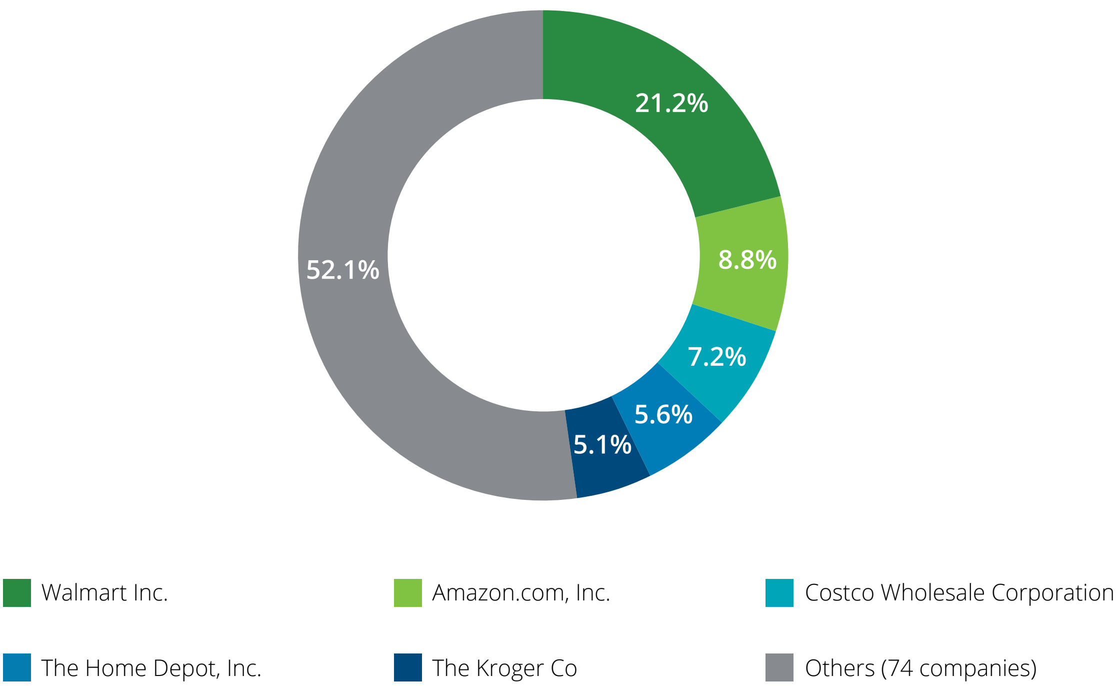
In North America, nine of the ten companies with the largest annual retail growth rates were apparel and accessories retailers, and 50% were department stores. This is a reversal from the strong declines in FY2020, during the pandemic. Consumer shopping behavior is once again supporting in-store sales. Fast growing companies include Neiman Marcus, Burlington Stores and Dillard's. North American department stores in the Top 250 achieved positive retail sales growth in FY2021 compared to the previous year.

Whilst e-commerce and digital sales remain a key strategy for many North American retailers, the high growth rates seen in FY2020 were more subdued in FY2021. Online specialists Amazon and Wayfair posted growth rates of 12.0% and -3.1% respectively, down from high double-digit growth in the previous year.

In FY2021, 50 North American retailers in the Top 250 achieved a positive net profit margin, down from 54 in the previous year. Despite this, the composite net profit margin for retailers in the region was 5.1%, up from 3.8% in the previous year.

North America	Number of companies	Average retail revenue (US$M)	% Retail revenue from foreign operations
United States	71	36,381	15.6%
Canada	8	15,579	15.6%
Total North America	**79**	**34,274**	**15.6%**

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

Product sector analysis

This section of the report analyzes retail performance of the Top 250 by the primary retail product sector. Four product sectors are used for analysis: apparel and accessories; fast-moving consumer goods (FMCG); hardlines and leisure goods; and diversified. A company is assigned to one of the three specific product sectors if at least half its retail revenue is derived from that broadly defined product category. If each of these product sectors accounts for less than half of a company's retail revenue, it is categorized as diversified.

In FY2021, Top 250 companies in the apparel and accessories sector achieved the highest retail revenue growth among the four product sectors, 31.3%, and highest net profit margin, 9.8%. This compares with a fall in retail revenue of 14.0% in FY2020.

	Apparel and accessories	FMCG	Hardlines and leisure goods	Diversified
Retail revenue FY2021	US$524.9B	US$3,607.2B	US$1,211.9B	US$306.4B
Share of Top 250 revenue, FY2021	9.3%	63.8%	21.4%	5.4%
Number of companies	38	136	57	19

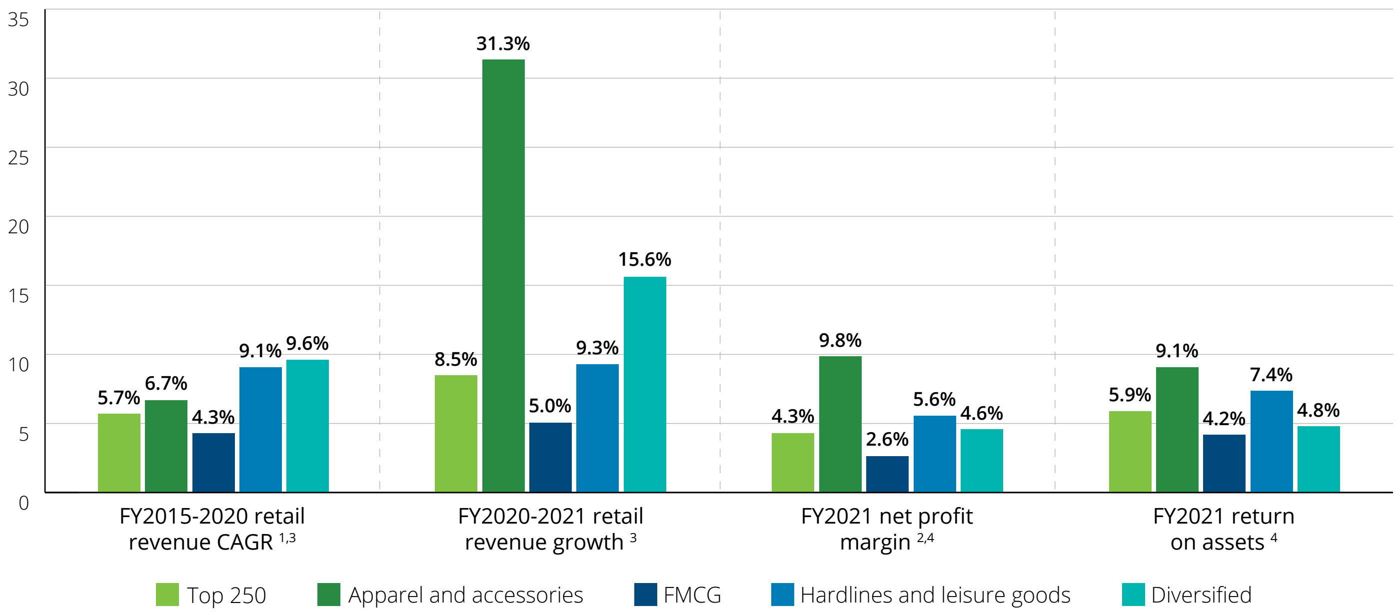
Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Percentage of companies by region within each product sector, FY2021

	Africa/Middle East	Asia Pacific	Europe	Latin America	North America
Apparel and accessories	n/a	16%	37%	3%	45%
FMCG	7%	24%	40%	4%	25%
Hardlines and leisure goods	n/a	21%	30%	7%	42%
Diversified	5%	47%	21%	5%	21%
Top 250	**4%**	**24%**	**36%**	**4%**	**32%**

Source: Deloitte Global. Global Powers of Retailing 2023.

Retail revenue growth and profitability by primary product sector, FY2021



[1] Compound annual growth rate

[2] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenue

[3] Sales growth rates are sales-weighted, currency-adjusted composites

[4] Net profit margin and return on assets are sales-weighted composites

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

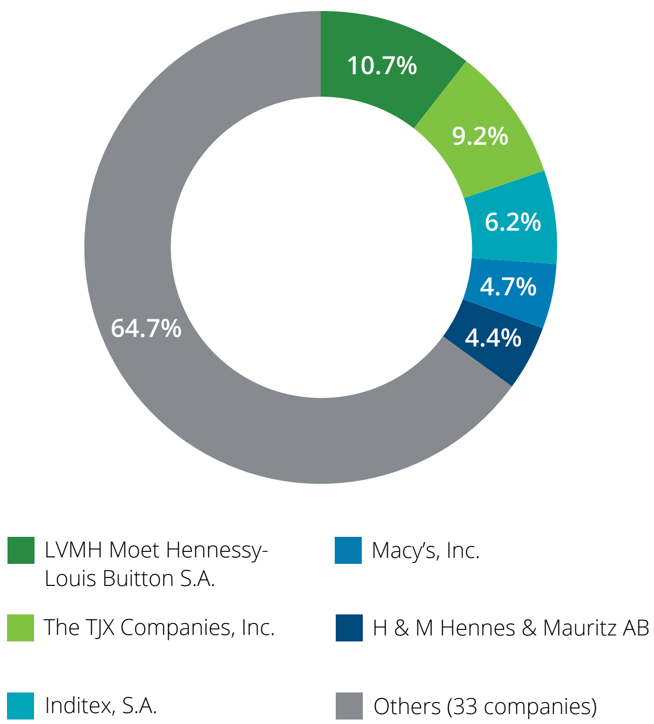
Apparel and accessories

Companies in the apparel and accessories sector rebounded strongly from a fall of 14% in retail revenue in FY2020 with growth of 31.3% in FY2021. Sector growth was spearheaded by retailers LVMH, TJX and Ross Stores which grew by 51.4%, 51.1% and 50.9% respectively. Retail revenue growth was over 40% for 12 companies in the sector: four were department stores, four were specialty fashion stores and four were apparel/footwear specialists. The relaxation of COVID-19 restrictions on brick and mortar retailers in FY2021 helped enable consumers to return to shopping in physical stores. Apparel and accessory retailers also benefited from pent-up consumer demand following the pandemic.

US department store Neiman Marcus experienced a strong recovery in retail sales in FY2021. The company has been integrating technology directly into the consumer shopping experience. Its initiatives include a Connect platform which pairs shoppers with personal style assistants. This platform was further enhanced by the integration of machine-learning based platform Stylyze, which was acquired the previous year[1].

The performance of the Top Five largest retailers in the apparel and accessories sector was by and large very strong. LVMH, TJX, Inditex and Macy's posted high-double digit retail revenue growth, whereas H&M grew by 6.4%. The largest five companies

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

increased their share of total retail revenues for companies in the product sector by one percentage point in FY2021, led by strong performance from LVMH. Five retailers were added to the sector in FY2021, bringing the total number of Top 250 companies to 38. During FY2021, luxury goods retailers experienced a big increase in retail sales due to the re-opening of stores and a recovery in consumer demand and they achieved high double-digit growth rates in retail sales.

The average net profit of companies in the apparel and accessories sector increased from 3.4% in FY2020 to 9.8% in FY2021. This growth was driven largely by the high profitability of luxury brands, such as French retailer Hermès, whose net profit margin of 27.3% made it the most profitable company in the sector.

FMCG

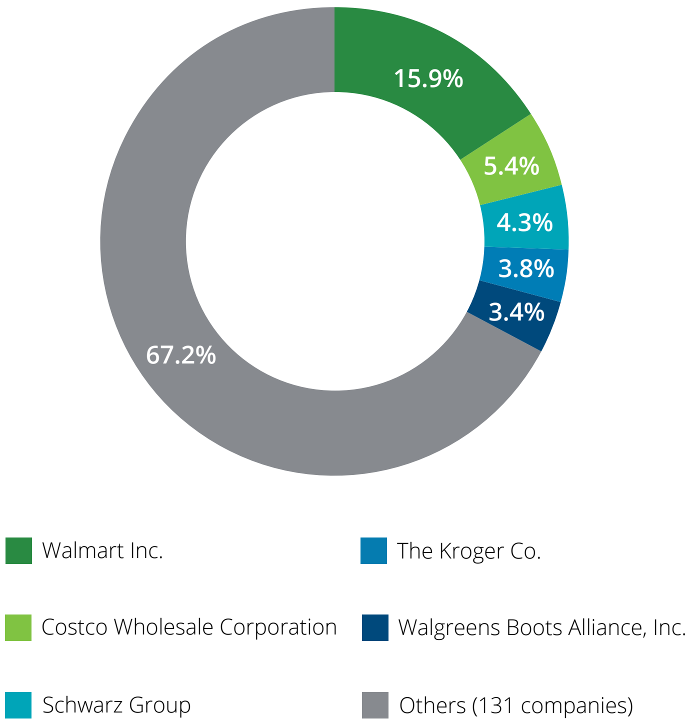
Top 250 companies in the FMCG sector had the lowest rate of growth among the four product sectors, with growth in average retail revenue up from 4.7% in FY2020 to 5.0% in FY2021. Companies in the sector achieved an average net profit margin of 2.6%, up 0.1 percentage points from the previous year. FMCG retailers accounted for 63.8% of the total retail revenues for the Top 250, down by 2.6 percentage points from the previous year. While 40% of FMCG companies are located in Europe, an increasing number in the Top 250 are in Asia Pacific and North America.

Out of 136 companies, 11 FMCG retailers grew their retail revenue by over 20% in FY2021. Leading the pack was Japan's convenience retailer Seven & i Holding, with an increase of 54.7% in total and 137% in its overseas convenience store segment. Ulta Beauty also achieved strong retail growth of 40.3%, thanks to a combination of increased consumer confidence following the easing of COVID-19 restrictions and government stimulus packages awarded through the year.

The top five FMCG retailers, which are in the Top 10 rankings, together had a 33% share of the total for the sector, the same as in the previous year. The mean retail revenue of an FMCG company increased from US$24 billion in FY2020 to US$27 billion in FY2021, above the US$23 billion average size of retailers in the Top 250.

During FY2021, only three FMCG retailers achieved double-digit net profit margins. They included Liquor Control Board of Ontario, which had the highest margin (34.6%), Woolworth's (13.1%), and Ulta Beauty (11.4%). However, twelve other retailers in the FMCG sector reported a negative net profit margin for the year.

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

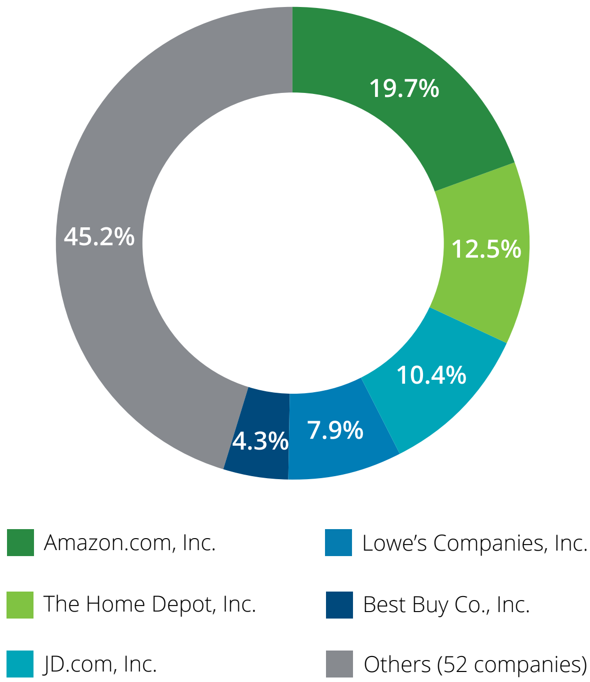
Hardlines and leisure goods

Companies in the hardline and leisure goods sector experienced a fall in both the rate of revenue growth and net profit margin in FY2021 compared to the previous year. Specifically, average year-on-year revenue growth fell from 14.5% in FY2020 to 9.3% in FY2021, although the average net profit margin went up by 0.1 percentage points to 5.5%. Although 40% of retailers achieved double digit revenue growth, (up from 35% of the sector total in the previous year), a larger number of retailers experienced decline, in particular electronic specialists. The addition of Natura & Co, United.b Group, and T. J. Morris dba Home Bargains to the ranking this year in part contributed to an increase in market share for hardline and leisure goods retailers in Europe, Asia Pacific, and Latin America. In contrast, North America saw a decline in market share from 44% to 42%.

Among the 57 hardline and leisure goods retailers, 36 were profitable in FY2021. The retailer with the biggest net profit margin (16.9%) was Bath & Body Works, a US retail chain that sells soaps, lotions, fragrances, and candles. Strong annual retail growth continued for e-commerce specialists JD.com and DNS, albeit at reduced rates compared to FY2020.

Among the companies in the sector, US retailer Hobby Lobby Stores recorded the strongest retail revenue growth of 37.6% in FY2021.

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

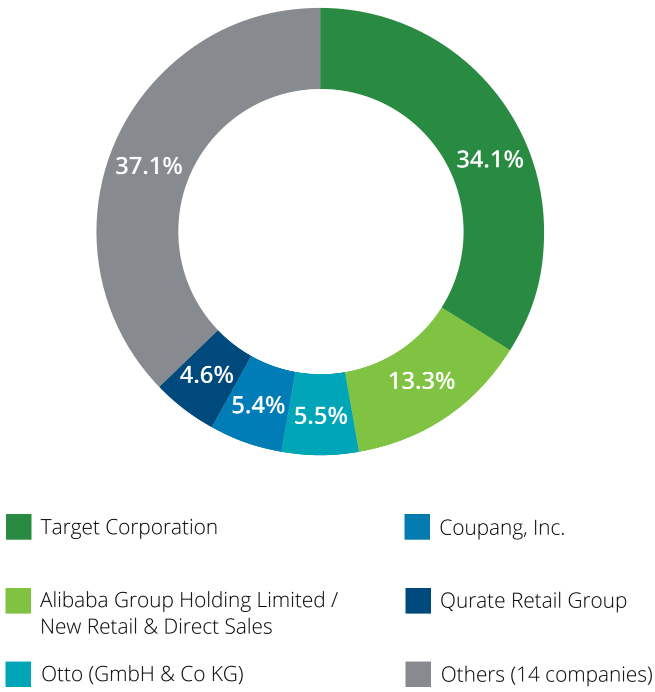
Diversified

The sales-weighted, currency-adjusted composite retail revenue for companies in the diversified products grew by 15.6% in FY2021, the second highest rate among the four product sectors but only half as high as the growth in the apparel and accessories sector. The share of total retail revenue for the biggest companies in this sector, Target, Alibaba, Otto, Coupang and Qurate, fell by four percentage points, due to the addition of South Korean retailer Shinsegae to the sector as well as the fast growth of Asia Pacific and European retailers.

Out of the 19 total diversified retailers, nine achieved double-digit year-on-year retail growth, and five experienced a fall. Growth was spearheaded by Alibaba, Coupang and Shinsgae, up by 49.3%, 42.7% and 33.3% respectively. European retailers in the sector grew at the fastest composite growth rate, 14.3%, compared to the 4.5% composite growth rate of Asia Pacific retailers.

The composite net profit margin of the diversified retailers increased from 1.7% to 4.6%. SM Investment Corporation posted the largest profit margin (12.3%) among the diversified retailers in FY2021. In total, 87% of diversified retailers achieved a positive net profit margin, thanks to the relaxation of COVID-19 restrictions and the recovery of in-store shopping.

Top 5 companies share of retail revenue, FY2021



Source: Deloitte Global. Global Powers of Retailing 2023.

New entrants

In FY2021, 15 retailers joined or re-entered the Top 250. Ten of the new entrants are from either the US or the UK, and six are apparel and accessories retailers.

New entrants, FY2021

Top 250 rank	Name of company	Country/Geography of origin	Dominant operational format	FY2021 retail revenue growth
36	Asda Group Limited	United Kingdom	Hypermarket/supercenter	3.2%
131	Chewy, Inc.	United States	Non-store	24.4%
141	Penney OpCo LLC (formerly J. C. Penney Company, Inc.)	United States	Department store	n/a
151	Bath & Body Works, Inc.	United States	Other specialty	22.5%
161	Natura & Co Holding S.A	Brazil	Other specialty	8.8%
163	Endeavour Group	Australia	Other specialty	-0.9%
173	Victoria's Secret & Co.	United States	Apparel/footwear specialty	25.3%
208	United.b Group (formerly HTM-Group)	France	Electronics specialty	5.0%
224	Shinsegae Inc.	South Korea	Other specialty	33.3%
232	ASOS plc	United Kingdom	Non-store	19.3%
235	American Eagle Outfitters, Inc.	United States	Apparel/footwear specialty	33.3%
243	Specsavers Group	United Kingdom	Other specialty	25.8%
244	Neiman Marcus Group LTD LLC	United States	Department store	80.8%
245	OK Corporation	Japan	Supermarket	3.2%
250	T. J. Morris dba Home Bargains	United Kingdom	Other specialty	19.6%

n/a = not available

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Six entrants into the Top 250 were apparel and accessories retailers, signalling a strong return of consumer interest in this product sector post-pandemic.

Both Shinsegae, a South Korean department store, and American Eagle Outfitters, a US apparel and accessories retailer, recorded a year-on-year retail sales growth of 33.3% in FY2021. The robust performance of Shinsegae was led by strong retail sales in the company's flagship store in Gangnam (South Korea) thanks to pent-up demand during the pandemic for spending on luxury goods.[1] American Eagle Outfitters enjoyed a strong boost to its in-store sales as consumers returned to the physical shops post-pandemic. In FY2021, digital sales for the US retailer increased by 46% compared to the pre-pandemic year of FY2020, and in-store sales revenue increased by 3%. Despite the recovery in in-store sales, digital sales remained 7% higher than the previous year.

Neiman Marcus rejoined the Top 250 in FY2021. The department store filed for bankruptcy protection in 2020, allowing it to alleviate debt and access fresh capital. The company's retail revenue is estimated to have rebounded back almost to FY2019 levels, growing by 80.8% in FY2021 after a steep decline in FY2020.

Retail sales at Specsavers Group, the UK optometry retailer and opticians, grew by 25.8% in FY2021, driven primarily by its domestic UK market in which total revenue growth was reportedly 33%. The retailer entered the Canadian market in FY2021, earning revenue of £12.5 million. The Group also expanded its digital offerings, which included consultations with optical specialists in video calls and rolling out e-commerce services across its operating markets. UK accessories and apparel e-commerce retailer ASOS, entered the Top 250 at position 232, having achieved revenue growth of 19.3%. Growth was driven primarily by UK sales, up 36%, while sales grew by 15% in the EU and by 21% in the US. In early

2021, ASOS acquired UK brands Topshop, Miss Selfridge and other leading fashion brands for a total of £330 million. Since the acquisition, these brands have experienced triple digit sales growth. The company also recorded a 13% increase in its active consumer base, having benefited from COVID-19 lockdowns during which consumers switched to digital shopping channels.

US department store Penney OpCo, formally known as J.C. Penney, joined the Top 250 ranking in position 141. Despite Penney filing for Chapter 11 bankruptcy protection in May 2020, the retailer is pushing ahead with investments in its retail operations, such as in its JCPenney Beauty brand which plans to expand from 10 to 300 stores by 2023[2].

Brazilian beauty product retailer Natura & Co, UK discount retailer T. J. Morris Home Bargains and Japanese supermarket OK Corporation join the Top 250 for the first time.

Brazilian retailer Natura & Co Holding S.A, owner of beauty brands Avon, Natura, The Body Shop and Aesop, entered the Top 250 in FY2021 at position 161, with growth in retail revenue of 8.8% to US$7.4 billion The retailer's focus on digitalization and online sales boosted retail revenue in 2021, and digitally-enabled sales provided 51% of total revenue. The company launched Avon ON in 51 markets, transforming the consumer experience for the brand. Natura & Co continues to push into the Chinese market, with Aesop's go-to-market strategy set to launch in H2 FY2022 and roll-out by The Body Shop's into China Mainland[3]. The company's boost in sales was achieved through the opening of additional retail outlets, which now total 552 stores across the UK at the end of the FY2021, up from 525 the previous year[3]. Japan's OK Corporation joined the Top 250 at position 245 having achieved retail sales growth of 3.2% and US$4.6 billion in retail revenue, and a net profit margin of 4.2%.

Six retailers entered the Top 250 as a result of mergers, acquisitions and demerger activity

Six of the 15 new entrants into the Top 250 were a result of demerger activity in FY2021. Asda, one of the UK's largest supermarkets and previously owned by Walmart, was sold to the Issa brothers who own Top 250 retailer EG Group. Walmart still retains a minority equity investment in the retailer and a seat on the board, along with an ongoing commercial relationship[4].

Both Victoria's Secret & Co and Bath & Body Works entered the Top 250 following the split of US based retailer L Brands into two separate publicly-traded companies. Victoria's Secret and Bath & Body Works enjoyed strong retail sales growth of 25.3% and 22.5% respectively, compared to a fall of 8.3% in FY2020 when the two brands existed as L Brands. By dividing L Brands, Victoria's Secret and Bath & Body Works gained the ability to develop independent growth strategies free from the constraints of their parent company.

In June 2021, Endeavour Group, the owner of Australian alcohol and tobacco retailer Murphy's, demerged from its parent company Woolworths Group. The transaction was originally meant to occur in 2020, but it was postponed as Woolworths Group prioritized its response to COVID-19. Endeavour Group is now listed on the Australian Stock Exchange where Woolworths retains a 14.6% non-controlling interest in the company.

Chewy Inc, a US online retailer for pet-related items, entered the Top 250 in 2021 following a demerger from Petsmart. From February 2021 the company was no longer controlled by Petsmart: control shifted to BC Partners, the parent company of Petsmart. In FY2021, Chewy's retail revenues grew by 24.4%, placing the retailer at position 131 in the Top 250.

France's United.b Group, an electronic retailer (and formerly HTM Group), entered the Top 250 in position 208, with retail revenue growth of 5.0% in FY2021 after acquiring leading refurbished electronics retailer Recommerce[6].

Fastest 50

The Fastest 50 are the 50 companies in the global Top 250 retailers with the highest compound annual growth rates (CAGR) in retail revenue for the period FY2016 to FY2021. Companies that were also in the Fastest 50 last year are shown in the list in bold type.

Luxury goods brands, e-commerce providers and department stores were the drivers of growth among the Fastest 50 in FY2021

In 2021, 16 new retailers entered the Fastest 50, this includes Costco which joins JD.com as the only Top 10 retailers in the Fastest 50 rankings. Five luxury retailer brands entered the Fastest 50 list, two of which are Chinese jewelry companies. Hong-Kong-based online retailer Alibaba topped the rankings, posting a 153.1% CAGR in retail sales for FY2016-2021, followed by UK convenience store owners EG Group and South Korea online retailer Coupang.

The composite CAGR for the Fastest 50 retailers was 18.5% for FY2016-FY2021, up marginally by 0.4 percentage points on the CAGR for FY2015-FY2020. The CAGR for the Fastest 50 retailers was 12.8 percentage points greater than for Top 250. The number of e-commerce retailers in the Fastest 50 ranking went up from six to nine, three of which were in the top ten fastest growing retailers. In FY2021, 18 specialty retailers (including electronics specialty but excluding fashion specialty) made the rankings, up from 15 in the previous year. In FY2021 there was a shift in the rankings toward the addition of home improvement retailers, department stores, apparel/footwear stores and cash & carry/warehouse club retailers, with fewer supermarkets, drugstore/pharmacies, discount stores and convenience/forecourt stores.

The Fastest 50 retailers recorded annual growth in retail revenues of 20.1%, which is 1.4 percentage points higher than for the Fastest 50 in the previous year's report. Among the fastest 5 companies, only Coupang remained from the previous year. Alibaba, EG Group and Natura & Co join the fastest 5.

Spearheaded by Alibaba, among the five fastest growing retailers, three are from the Asia Pacific region

In FY2021, Chinese e-commerce retailer Alibaba became the fastest growing retailer in the Top 50 rankings. Alibaba recorded a 153.1% CAGR in retail sales for FY2016-2021, growing by 42.7% in FY2021 alone following strong growth of 94.3% growth in the previous year. Alibaba was not included in the Fastest 50 rankings in the previous years due to a lack of available historical data. Strong growth in retail sales was driven by Tmall Supermarket, Freshippo and Sun Art, one of China's biggest supermarket chains which Alibaba gained controlling interest of during 2020. As a result of its multi-app strategy to provide personalized and immersive experiences for consumers, Alibaba recorded 903 million active users in FY2021, an increase of 89 million over the previous year. In March 2021, the company launched a next-day pick up service for groceries and daily products, named Taocaicai, which recorded 90 million active users a year after launch[1].

Coupang of South Korea was the third-fastest growing retailer in FY2021. The company achieved a CAGR of 61.7% in retail sales CAGR between 2016-2021 and year-on-year growth of 49.3% in 2021. The retail sales growth was driven by a 15% increase in active consumers and a 30% increase in net retail sales per active customer. This was due to an increase in consumer engagement across a wider range of product categories, as well as a shift in consumer behavior to online purchasing as a result of COVID-19.[2] The digital retail business expanded beyond its domestic market in early FY2021, entering Japan, Taiwan (China) and Singapore.[3]

Reliance Retail, an Indian supermarket retailer, achieved a CAGR of 45.1% in retail sales in 2016-2021 and its year-on-year growth in FY2021 was 24.3%. There were record grocery sales in both bricks and mortar and digital channels thanks in part to the integration of D2C platform MilkBasket with JioMart, which closed in late 2021[4]. It developed its digital offering in FY2021 with the launch of a new consumer electronics e-commerce site JioMart Digital. Additionally it launched a collaboration in August 2022 between Meta's Whatsapp and JioMart to provide an end-to-end shopping experience, which helps enable consumers to order from JioMart's catalogue of products and complete payments. Furthermore in November 2022, JioMart announced the launch of 'Platform' an Indian equivalent of TikTok, with the aim of merging digital consumer-led content with retail advertising and sales[5].

Several retailers in the Fastest 50 list experienced growth from M&A activity and digital strategies

EG Group, a UK convenience store retailer as well as a QSR and filling station provider, achieved a CAGR of 75.1% for FY2016-2021, placing the retailer in second place in the Fastest 50 ranking in FY2021. EG Group's 4.3% year-on-year retail sales growth in FY2021 was fueled by its European segment which grew by 14.4%, boosted by the acquisitions of food service brands LEON and Cooplands in 2021. The group completed several other acquisitions in FY2021, including Sprint Food Stores in November 2021, a portfolio of 34 convenience stores in South Carolina and Georgia, and the OMV-branded service station network in Germany for US$510 million acquired from OMV Deutschland, which was finalized in May 2022[6].

Natura & Co grew at a CAGR of 38.4% in FY2016-2021 and by 8.8% in FY2021 over the previous year. The Brazilian personal care cosmetics group boosted its retail sales thanks to the strong performance of Aesop, which launched several digital strategies, including a cross-border mini-program on China's WeChat and South Korea's Kakao Talk that helped enable consumers to buy products directly on the app. The same story of digital transformation can be seen for The Body Shop which transitioned to omnichannel in FY2021–its online sales have more than doubled compared to 2019, before the pandemic.

Fastest 50 versus Top 250

On a sales-weighted, currency-adjusted composite basis, the Fastest 50 grew by 20.1% year-on-year, more than double the 8.5% growth for the Top 250. However, the 5.7% composite sales-weighted, currency-adjusted net profit margin across the Fastest 50 in FY2021 was lower than for the Top 250. There are 20 unique markets for the companies in the Fastest 50 in FY2021, down from 21 the previous year. The number of hardline and leisure goods as well as apparel and accessories retailers is disproportionately larger in the Fastest 50 than in the Top 250, marking a shift in consumer spending that is partly the result of relaxation of COVID restrictions.

Fastest 50 by location, FY2016-2021

Location	Number of companies	Average FY2021 retail revenue (US$M)	FY2016-2021 retail revenue CAGR[1]	FY2021 retail revenue year-on-year growth[2]
United States	11	47,965	15.4%	14.6%
United Kingdom	5	6,401	24.5%	17.4%
Russia	4	17,088	15.6%	16.4%
China	4	41,068	23.9%	21.4%
France	4	22,194	14.3%	43.9%
South Korea	3	13,715	21.6%	24.8%
Brazil	3	6,228	28.6%	15.9%
Hong Kong SAR	2	26,677	50.2%	42.3%
Turkey	2	6,473	31.0%	31.6%
Mexico	2	9,640	13.5%	17.5%
India	1	22,823	45.1%	24.3%
Ukraine	1	5,402	25.2%	20.1%
Germany	1	12,241	23.3%	29.7%
Vietnam	1	5,353	22.5%	13.3%
Canada	1	6,257	21.7%	42.1%
Netherlands	1	8,080	20.6%	22.7%
Switzerland	1	17,005	18.0%	45.8%
Japan	1	14,968	17.0%	7.6%
Lithuania	1	5,302	10.7%	6.1%
Australia	1	6,694	10.4%	3.5%

[1]Compound annual growth rate

[2]Sales growth rates are sales-weighted, currency-adjusted composites

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

50 Fastest-growing retailers, FY2016-2021

Growth rank	Top 250 rank	Name of company	Location/ Geography of origin	FY2021 Retail revenue (US$M)	Dominant operational format	FY2016-2021 retail revenue CAGR[1]	FY2021 retail revenue growth[3]	FY2021 net profit margin[2]
1	29	Alibaba Group Holding Limited/ New Retail & Direct Sales	Hong Kong SAR	40,645	Hypermarket/ supercenter	153.1%	42.7%	n/a
2	246	EG Group Limited	United Kingdom	4,606	Convenience/ forecourt store	75.1%	4.3%	n/a
3	74	**Coupang, Inc.**	South Korea	16,488	Non-store	61.7%	49.3%	-8.4%
4	53	**Reliance Retail Limited**	India	22,823	Supermarket	45.1%	24.3%	2.9%
5	161	Natura & Co Holding S.A	Brazil	7,440	Other specialty	38.4%	8.8%	2.6%
6	236	**A101 Yeni Mağazacılık A.S**	Turkey	5,010 e	Discount store	35.6%	39.6%	n/a
7	90	**Wayfair Inc**	United States	13,708	Non-store	32.3%	-3.1%	-1.0%
8	107	**JD Sports Fashion Plc**	United Kingdom	11,391 e	Apparel/footwear specialty	30.2%	38.6%	5.4%
9	160	**DNS**	Russia	7,627 e	Electronics specialty	30.1%	31.5%	n/a
10	183	**Magazine Luiza S.A.**	Brazil	6,500	Other specialty	30.0%	21.2%	1.7%
11	149	BİM Birleşik Mağazalar A.Ş.	Turkey	7,937	Discount store	28.6%	27.1%	4.2%
12	7	**JD.com, Inc**	China	126,387	Non-store	28.0%	25.1%	-0.5%
13	220	**ATB-Market LLC**	Ukraine	5,402	Discount store	25.2%	20.1%	n/a
14	101	**Zalando SE**	Germany	12,241	Non-store	23.3%	29.7%	2.3%
15	221	**Mobile World Investment Corporation**	Vietnam	5,353	Electronics specialty	22.5%	13.3%	4.0%
16	232	ASOS plc	United Kingdom	5,150	Non-store	21.9%	19.3%	3.3%
17	196	**lululemon athletica inc.**	Canada	6,257 [4]	Apparel/footwear specialty	21.7%	42.1%	15.6%
18	189	**PJSC "M.video"**	Russia	6,375	Electronics specialty	20.7%	12.6%	0.5%
19	144	**Action Holding BV**	Netherlands	8,080	Discount department store	20.6%	22.7%	7.3%
20	2	**Amazon.com, Inc.**	United States	239,150	Non-store	20.4%	12.0%	7.1%
21	68	**Compagnie Financière Richemont SA**	Switzerland	17,005	Other specialty	18.0%	45.8%	10.8%

Companies in **bold** type were also among the 50 fastest-growing retailers in FY2020.

[1] Compound annual growth rate

[2] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenue.

[3] Sales growth rates are sales-weighted, currency-adjusted composites

[4] Revenue includes wholesale and retail sales

n/a = not available

e = estimate

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Growth rank	Top 250 rank	Name of company	Location/ Geography of origin	FY2021 Retail revenue (US$M)		Dominant operational format	FY2016-2021 retail revenue CAGR[1]	FY2021 retail revenue growth[3]	FY2021 net profit margin[2]
22	241	**Raia Drogasil S.A.**	Brazil	4,743		Drug store/ pharmacy	17.9%	20.9%	3.1%
23	224	Shinsegae Inc.	South Korea	5,283		Other specialty	17.4%	33.3%	6.2%
24	67	**Vipshop Holdings Limited**	China	17,459		Non-store	17.0%	16.9%	4.0%
25	78	**Pan Pacific International Holdings**	Japan	14,968		Discount department store	17.0%	7.6%	3.4%
26	59	**NIKE, Inc./NIKE Direct**	United States	19,657		Apparel/footwear specialty	16.7%	14.7%	n/a
27	127	**Grupo Comercial Chedraui, S.A.B. de C.V.**	Mexico	9,242		Hypermarket/ supercenter	16.4%	29.0%	1.8%
28	39	**X5 Retail Group N.V.**	Russia	29,831	4	Discount store	16.3%	11.3%	1.9%
29	250	T. J. Morris dba Home Bargains	United Kingdom	4,478		Other specialty	15.8%	19.6%	9.5%
30	151	Bath & Body Works, Inc.	United States	7,882	4	Other specialty	15.4%	22.5%	16.9%
31	69	Kering S.A.	France	16,898	e	Apparel/footwear specialty	15.4%	39.9%	18.5%
32	217	**Harbor Freight Tools USA, Inc.**	United States	5,500	e	Other specialty	15.2%	1.9%	n/a
33	120	Hermès International SCA	France	9,663	e	Apparel/footwear specialty	14.4%	42.1%	27.3%
34	20	LVMH Moët Hennessy-Louis Vuitton S.A.	France	56,305		Other specialty	14.4%	51.4%	19.8%
35	98	Chow Tai Fook Jewellery Group Limited	Hong Kong SAR	12,709	4	Other specialty	14.1%	41.0%	7.0%
36	188	**B&M European Value Retail S.A.**	United Kingdom	6,382		Discount store	14.0%	-2.7%	9.0%
37	168	**Great American Outdoors Group, LLC (fomerly Bass Pro Group, LLC)**	United States	7,200	e	Other specialty	13.7%	1.4%	n/a
38	97	**Tractor Supply Company**	United States	12,731		Other specialty	13.4%	19.9%	7.8%
39	94	**Yonghui Superstores Co., Ltd.**	China	13,164		Hypermarket/ supercenter	12.7%	-2.4%	-4.9%
40	138	**Ulta Beauty, Inc**	United States	8,372		Other specialty	12.7%	40.3%	11.4%

Companies in **bold** type were also among the 50 fastest-growing retailers in FY2020.

[1] Compound annual growth rate

[2] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenue.

[3] Sales growth rates are sales-weighted, currency-adjusted composites

[4] Revenue includes wholesale and retail sales

n/a = not available

e = estimate

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Growth rank	Top 250 rank	Name of company	Location/ Geography of origin	FY2021 Retail revenue (US$M)		Dominant operational format	FY2016-2021 retail revenue CAGR[1]	FY2021 retail revenue growth[3]	FY2021 net profit margin[2]
41	165	Lao Feng Xiang Co., Ltd.	China	7,261	4	Other specialty	12.0%	23.1%	4.2%
42	142	Ace Hardware Corporation	United States	8,168		Home improvement	11.4%	11.2%	3.8%
43	117	**Grupo Coppel**	Mexico	10,039	e	Department store	11.2%	8.6%	n/a
44	49	**PJSC "Magnit"**	Russia	24,520		Convenience/ forecourt store	11.1%	19.7%	2.6%
45	60	**E-MART Inc.**	South Korea	19,373	4	Supermarket	10.8%	7.9%	6.4%
46	125	Burlington Stores, Inc.	United States	9,322		Department store	10.8%	61.7%	4.4%
47	208	United.b Group (formerly HTM-Group)	France	5,911	e4	Electronics specialty	10.8%	5.0%	n/a
48	223	**MAXIMA GRUPĖ, UAB**	Lithuania	5,302	4	Supermarket	10.7%	6.1%	3.0%
49	3	Costco Wholesale Corporation	United States	195,929		Cash & carry/ warehouse club	10.5%	17.5%	2.6%
50	177	**JB Hi-Fi Limited**	Australia	6,694		Electronics specialty	10.4%	3.5%	5.9%

Fastest 50				**1,130,561**			**18.5%**	**20.1%**	**5.7%**
Top 250				**5,650,478**			**5.7%**	**8.5%**	**4.3%**

Companies in **bold** type were also among the 50 fastest-growing retailers in FY2020.

Fastest 50 and Top 250 composite net profit margins exclude results for companies that are not primarily retailers.

[1] Compound annual growth rate

[2] Net profit margin based on total consolidated revenue and net income. May include results from non-retail operations if these are <50% of group revenue.

[3] Sales growth rates are sales-weighted, currency-adjusted composites

[4] Revenue includes wholesale and retail sales

n/a = not available

e = estimate

Source: Deloitte Global. Global Powers of Retailing 2023. Analysis of financial performance and operations for fiscal years ended between 1 July 2021 to 30 June 2022 using company annual reports, Supermarket News, Forbes America's largest private companies and other sources.

Study methodology and data sources

Data source

The primary data sources for this report are company-released information, including annual reports, SEC filings, and information found in company press releases, fact sheets and presentations, and on company websites.

Where this information is not available, other sources in the public domain are used, including trade journal estimates, industry analyst reports, and press interviews. Each year a small number of privately-owned retailers cannot be included in the rankings, because there is insufficient data from any source to make a reasonable estimate of their retail revenue.

Fiscal year and exchange rates for rankings, growth and company group results

The Fiscal Year 2021 (FY2021) used in this report includes financial results for the 12-month period ending between 1 July 2021 and 30 June 2022. The only exception is if a company's financial year falls outside of these dates by a few days, due to changes in the reporting period.

It should be noted that Deloitte Global's Powers of Luxury Goods report uses an alternative definition of fiscal year, which may cause differences in the apparent performance of certain retailers between the two reports.

The FY2021 year-over-year growth rate and FY2016-2021 compound annual growth rate (CAGR) for individual companies are calculated in their local currency.

The financial information used for each company in a given year is accurate as of the date the financial report was originally issued. Although a company may have restated prior-year results to reflect a change in its operations, such restatements are not reflected in this data, except in special circumstances.

When companies are grouped, e.g., Top 250, Top 10, by product sector and by region, calculations are made in US$.

Non-US company results in local currency are converted to US$ at the average exchange rate for the 12 months up to the company's fiscal year end. OANDA.com is the source for the exchange rates.

Group financial results are based only on companies with data. Not all data elements are available for all companies.

Group revenue, net income and total assets

Group revenue, net income and total assets are the consolidated results of a retailer's parent company, including non-retail activities, and excluding operations in which a company has only a minority interest. Discontinued operations which are not reported in consolidated sales are excluded. Where retail revenue is less than 50% of group revenue, net income and total assets figures are not used, to mitigate distorting composite results with non-retail activities. If a privately-held company reports gross turnover only, this figure is reported as group revenue and footnoted as "g."

Retailers: companies include and exclude

Include:

- Retail companies and integrated cooperatives selling merchandise directly to consumers
- Vertically integrated brand manufacturers with corporate-owned retail operations
- E-commerce B2C retailers selling goods directly to consumers
- Cash & carry wholesalers
- Fuel retailers reporting merchandise sales
- A subsidiary that has not been consolidated into the parent company's revenue figures

Exclude:

- Delivered B2B wholesalers
- E-commerce marketplaces, auction sites and streaming services
- Foodservice companies
- Auto dealers
- Fuel retailers not reporting merchandise sales
- Private equity and other investment companies
- Parent companies/conglomerates with retail and non-retail operations which do not report consolidated retail sales
- Buying groups and non-integrated cooperatives/voluntary groups
- Companies with insufficient data to make a reasonable estimate of their retail revenue
- Companies resulting from structure changes after the end of FY2021, including demergers, acquisitions and bankruptcies
- Carrefour S.A. has been excluded from this year's report at the company's request
- EssilorLuxottica has been excluded from this year's report due to an absence of available data in FY2021

Retail revenue: what is included and excluded?

The following definitions are applied wherever possible. In practice, some companies do not break out their retail revenue in line with these definitions—in such cases best estimates are made applying the principles behind the definitions.

Include:

- Retail merchandise sales to consumers, excluding sales tax/value added tax
- Wholesale sales to "controlled wholesale space" e.g., affiliated/member stores within cooperatives and franchise networks, concessions and shop-in-shops
- B2B sales made from retail stores e.g., warehouse clubs, DIY stores, cash & carry stores
- E-commerce retail revenue from direct (first party) B2C sales where the company is the seller of record
- Retail-related revenue from services and activities supporting retail operations, franchise/license fees, royalties, commissions
- In-store foodservice/restaurant revenue
- Fuel sales (excluding tax) where these are less than 50% of retail sales

Exclude:

- Retail operations in which the company has a minority interest
- Traditional wholesale or other B2B revenue (except where this is sold through retail stores)
- E-commerce third-party sales and other marketplace and auction revenue e.g., commissions, fees, advertising revenue
- Revenue from other activities which do not primarily support retail operations
- Foodservice revenue from activities outside retail stores e.g., standalone restaurants
- Auto/car sales revenue
- Fuel sales (excluding tax) where these are more than 50% of retail sales

This study is intended to provide a reflection of market dynamics and the impact on the retailing industry over a period of time. As a result, growth rates for individual companies may not correspond to other published results.

Impact of exchange rates on ranking

The Top 250 companies in the Global Powers of Retailing 2023 report have been ranked according to their FY2021 retail revenue in US dollars (US$). Changes in the rankings from year to year are generally driven by increases or decreases in company sales. However, a stronger currency compared to the US$ in FY2021 means that companies reporting in that currency may rank higher in FY2021 than they did in FY2020, all other things being equal. Conversely, companies reporting in a weaker currency may rank lower.

In FY2021, some major currencies strengthened slightly against the US$. The British pound, yuan and euro grew by 7.2%, 7.0% and 3.7% respectively. The South African rand experienced the greatest increase against the US dollar, with a growth rate of 11.3%. Conversely, Latin American, Eastern European and Middle Eastern countries saw the strongest declines. Argentina, Turkey, and Peru experienced the strongest declines, falling by -25.8%, 20.9% and 9.9% respectively. Other major currencies such as the Japanese yen and the Hong Kong dollar declined by 2.8% and 0.2% respectively.

For companies, the impact of these exchange rate movements on results depends on their reporting currency, the geographic spread of their business, and the resulting exposure to different currencies.

Changes in retailer's sector categorization

A note of any changes in the sector categorization of a retailer.

- JD Sports Fashion Plc was reclassified from Hardline & Leisure to Apparel & Accessories
- lululemon athletica inc. was reclassified from Hardline & Leisure to Apparel & Accessories

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Contacts

Retail contacts for Deloitte Touche Tohmatsu Limited (DTTL) and its member firms

Global

Global Retail, Wholesale & Distribution Sector Leader
Evan Sheehan
esheehan@deloitte.com

Chief Global Economist
Ira Kalish
ikalish@deloitte.com

North America

Canada
Marty Weintraub
martyweintraub@deloitte.ca

Deloitte United States
Nick Handrinos
nhandrinos@deloitte.com

Europe, Middle East and Africa (EMEA)

Austria
Orsolya Hegedüs
ohegedues@deloitte.at

Belgium
Joris van Malderen
jvanmalderen@deloitte.com

Czech Republic
Michal Cerny
micerny@deloittece.com

Finland
Jussi Sairanen
jussi.sairanen@deloitte.fi

France
Benedicte Sabadie
bsabadie@deloitte.fr

Germany
Karsten Hollasch
khollasch@deloitte.de

Ireland
Daniel Murray (Consumer Industry Leader)
danmurray@deloitte.ie

Brian Murphy (Retail, Wholesale & Distribution Sector Leader)
briamurphy@deloitte.ie

Israel
Rani Argov
rargov@deloitte.co.il

Italy
Enrico Cosio
ecosio@deloitte.it

Netherlands
Adgild Hop
ahop@deloitte.nl

Nordics
Joakim Torbjorn
jtorbjorn@deloitte.se

Poland
Anna Raczkowska
araczkowska@deloittece.com

Bartosz Bobczynski
bbobczynski@deloittece.com

South Africa
Rodger George
rogeorge@deloitte.co.za

Spain
Fernando Pasamon
fpasamon@deloitte.es

Switzerland
Karine Szegedi
kszegedi@deloitte.ch

Turkey
Hande Ozdiler
hozdiler@deloitte.com

Ukraine
Oleksandr Yampolskyi
oyampolskyi@deloitte.ua

United Kingdom
Oliver Vernon-Harcourt
overnonharcourt@deloitte.co.uk

Latin America

Brazil
Ricardo Balkins
rbalkins@deloitte.com

Spanish Latin America
Erick Calvillo
ecalvillo@deloittemx.com

Manuel Ostos
mostos@deloittemx.com

Asia Pacific

Australia
Melissa Dean
medean@deloitte.com.au

China
Tian Bing Zhang
tbzhang@deloitte.com.cn

India
Porus Doctor
podoctor@deloitte.com

Japan
Satoshi Watanabe
satwatanabe@tohmatsu.co.jp

Jun Matsuo
jmatsuo@tohmatsu.co.jp

South Korea
Eric Kim
kyungwkim@deloitte.com

Southeast Asia and Singapore
Wee Meng Pua
wpua@deloitte.com

Taiwan (China)
ChingTing Ying
chinyang@deloitte.com.tw

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