

Press release

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Global Powers of Retailing: department stores and online retailers on the up – luxury brand groups enjoying above-average growth

Retail sales have seen faster growth worldwide for what is now the third year in succession and currently stand at \$5.6 trillion. [The Deloitte ranking](#) shows that this global growth is being driven by luxury brands, online retailers and department stores, among others. While the two big Swiss retailers Migros and Coop did not grow quite as fast as their international competitors in the year under review, from a Swiss perspective it was primarily the luxury brand group Richemont that enjoyed above-average revenue growth. Generally speaking, luxury brand conglomerates were among the biggest winners in the 2021 financial year. Although department stores made major gains across the world, the situation in Switzerland is somewhat strained. The end of the pandemic is increasing pressure on the sector, with consumers tending to spend their money elsewhere at the moment.

Despite supply chain problems and the COVID-19 pandemic, the global retail industry mainly headed in one direction in the 2021 financial year: upwards. The world's 250 biggest retail firms increased their revenue by 8.5 per cent (see Figure 1). This is now the third year in a row of ever-faster growth (2019: 4.4 per cent; 2020: 5.2 per cent), as shown in the latest Global Powers of Retailing study by the audit and consulting company Deloitte. Total revenue hit \$5.6 trillion in the year under review.

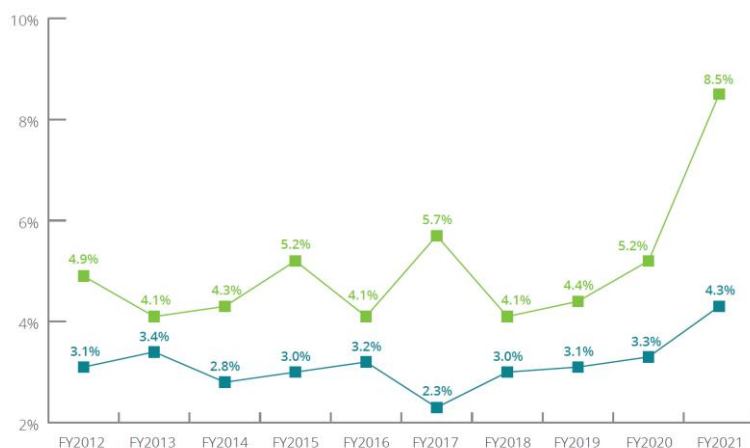


Figure 1: Retail sales since 2012 (green line) and profit margins since 2012 (blue line).

There was little change to the Top 10 in the rankings, which are dominated by US firms (see Figure 2). With annual revenue of \$570 billion, Walmart takes the number one spot by some distance, followed by the online company Amazon. The US monopoly is broken by the German retailer Schwarz Group, which includes Lidl, in fourth, the Aldi Group in ninth and the Chinese online retailer JD.com in seventh. Neither of the two retailers enjoying the fastest growth worldwide has (yet) made it into the Top 10: China's Alibaba Group (e-commerce and department stores) has grown by a total of 153 per cent over the past five years and the UK-based EG Group (food, filling stations, etc.) by 75 per cent.

"The latest available consumption figures continue to be shaped by the pandemic," says Karine Szegedi, Consumer Industry Lead at Deloitte Switzerland. "Lockdowns and border closures gave consumers fewer opportunities to travel and eat out, so they had more money left to spend on retail. Whereas it was mainly food that was in demand in 2020, the first year of the pandemic, in 2021 we saw higher demand for furniture, clothes and luxury items. I don't expect the results for the 2022 financial year, which was only marginally influenced by the pandemic, to show yet another increase in growth. People went back to spending more on travel, and inflation has made consumers more cautious."

Growth slowing at Migros and Coop, Richemont making impressive gains

Switzerland is represented in the Top 250 by the two retail giants Migros and Coop and the luxury goods group Richemont. However, both retailers have slipped down the international rankings after a very strong showing in the previous year: Migros has dropped to 41st (previous year: 36th), while Coop has fallen to 43rd (previous year: 39th). Richemont enjoyed a strong year, with the luxury brand group increasing its revenue by 45.8 per cent in the financial year and climbing 25 places in the rankings to 68th.

“Migros and Coop have a hefty market presence and a high recognition value in Switzerland,” Karine Szegedi explains. “But the Swiss market is small, and competition with the discounters Aldi and Lidl is fierce. This explains their level of growth, which is lagging behind their peers in other countries. It’s a similar story with the department stores. Whereas these saw growth in global terms in 2021, Switzerland’s traditional department stores have either already moved out of central Zurich, for instance, in their current form or are in the process of doing so. Only Grieder is putting money back into a new department store on Bahnhofstrasse, which has now become one of the most expensive shopping streets in the world, with rents costing 9,000 Swiss francs per square metre. The high rents and the returns expected by the property companies are undoubtedly significant factors in this development. However, they’re not the only ones. Consumer behaviour has changed fundamentally over recent years. The Bongénie Grieder stores, however, are a good example of how innovation, such as events, pop-ups and other services, can make a store more attractive and thus enable it to appeal to a wider audience.”

Almost all of the big department stores in the Top 250 made gains. For instance, the US chain Macy’s increased its revenue by 41 per cent and its UK-based counterpart Marks & Spencer, which operates in a number of countries, posted growth of 19 per cent. Besides department stores, the luxury segment was also among the biggest winners, with the two French luxury goods conglomerates LVMH (+51.4 per cent) and Kering (+39.9 per cent) seeing significant growth.

Online retailers and fast fashion growing despite sustainability trend

Alongside bricks-and-mortar retail, the growth has primarily been fuelled by the online retailers, which do not have any actual stores. As in previous years, companies like Amazon and Zalando have recorded above-average sales growth. Fast-fashion brands such as H&M and Next, which also focus mainly on selling their products online in addition to their bricks-and-mortar business, have enjoyed similar levels of success. This is surprising given that the trend towards more sustainable consumption is continuing to grow.

Rank (out of 250)	Change over previous year	Company	Home market	Retail sales 2021 (in \$ million)	Change in sales 2020–2021
1	0	Walmart Inc.	USA	572,754	+ 2.4%
2	0	Amazon.com Inc.	USA	239,150	+ 12.0%
3	0	Costco Wholesale Corporation	USA	195,929	+ 17.5%
4	0	Schwarz Group	GER	153,754	+ 5.5%
5	0	The Home Depot Inc.	USA	151,157	+ 14.4%
6	0	The Kroger Co.	USA	136,971	+ 4.1%
7	+ 2	JD.com Inc.	China	126,387	+ 25.1%
8	– 1	Walgreens Boots Alliance Inc.	USA	122,045	+ 3.7%
9	– 1	Aldi Einkauf und Aldi International	GER	120,947	– 0.4%
10	0	Target Corporation	USA	104,611	+ 13.2%
20	+ 10	LVMH Moët-Hennessy Louis Vuitton SA	FRA	56,305	+ 51.4%
41	– 5	Migros Genossenschaftsbund	CH	28,322	– 3.1%
43	– 4	Coop Group	CH	27,559	+ 4.7%
50	+ 8	Macy’s Inc.	USA	24,460	+ 41.0%
52	+ 2	H&M	SWE	23,343	+ 6.4%
68	+ 25	Compagnie Financière Richemont SA	CH	17,005	+ 45.8%
69	+ 26	Kering S.A.	FRA	16,898	+ 39.9%
80	+ 9	Marks and Spencer Group plc	UK	14,866	+ 18.9%
101	+ 21	Zalando SE	GER	12,241	+ 29.7%
121	– 3	Adidas Group	GER	9,662	+ 0.5%
159	– 13	Primark / Associated British Foods plc	UK	7,650	– 5.1%
193	– 6	XXXLutz Group	AUT	6,313	+ 4.7%
204	+ 39	Next plc	UK	5,983	+ 33.1%

Figure 2: The Top 10 largest retail firms plus a selection of other retailers.

However, management teams are also focusing more on ESG (environment, social and corporate governance) targets: “Sustainability is growing vital to success and is increasingly becoming something that young people consciously think about when they’re shopping,” says Karine Szegedi, referencing firms’ ESG objectives. “The sustainability focus is moving away from the level of individual products towards that of whole businesses and brands, which are expected to be sustainable across the board. The use of new technologies such as blockchain is enabling the traceability and transparency of supply chains, for example, to be optimised.”

Up for resale: luxury brands available second-hand

Demand for pre-owned items has increased, a trend which is driven mainly by a shift towards environmentally responsible consumption. This has led many of the Top 250 retailers to realise the importance of the resale market. Major brands such as the Canadian yoga apparel specialist lululemon and the US sporting goods manufacturer Nike as well as luxury brands including Gucci and Balenciaga have come up with new strategies for keeping second-hand products in circulation. As the Deloitte survey shows, the most in-demand resale products among consumers are clothes, furniture and toys.

“Resale is growing increasingly important, particularly for luxury brands, and is set to become part of the mainstream,” Karin Szegedi says. “Let’s take the watch market, for instance. By 2030, we expect second-hand models to make up around half of the whole market. We’re also seeing strong sales growth from online auctions for pre-owned luxury items, from expensive scarves to exclusive handbags.” She concludes: “In the future, bricks-and-mortar retailers are going to find it a very attractive proposition to base more resale outlets in department stores or integrate second-hand departments into existing brand stores in order to appeal to a larger customer segment.”

About the study: [Global Powers of Retailing](#)

The study identifies the world’s 250 largest retailers on the basis of the publicly available data for the 2021 financial year (companies’ financial years ending 30 June 2022) and analyses their performance across world regions and product categories. The study also provides a global economic outlook, examines the ten fastest-growing retailers, and presents the new entrants to the Top 250.



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