

Press release

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Deloitte report finds over four per cent global growth in retail market

Migros and Coop moving up the top 50 retailers list

The Top 250 global retailers generated aggregated revenues of USD 4.4 trillion in fiscal year 2016*. This represents a composite growth of 4.1%, according to the [Global Powers of Retailing 2018](#) report from Deloitte. Europe's share of Top 250 revenues dropped from 39.4% to 33.8% in just 10 years. The gap versus North America is widening and retailers from Asia are gaining ground. In contrast to this, the four Swiss retailers listed in the report all moved up.

Focusing on the subsectors, the apparel and accessories retailers were – for the first time in four years – not the clear growth leaders. But apparel and accessories remained the most profitable and the most globalized subsector. Hardlines and leisure goods grew by nearly eight per cent in 2016, close to double than the Top 250 together. Retailers of fast-moving consumer goods¹ (FMCG) are by far the largest companies (average retail revenue of nearly USD 21.7 billion) as well as the most numerous (135 retailers accounting for 54% of all Top 250 companies and two-thirds of Top 250 revenue).

Not only Europe's share of Top 250 revenues dropped, but also the number of the European Top 250 companies with only 82 retailers based in Europe (85 in FY2015, 93 in FY2014). However, despite dropping share, European retailers remain the most globally active as they search for growth outside their mature home markets. Nearly 41% of their combined revenue was generated from foreign operations—almost twice as much as the Top 250 group as a whole.

“Europe's sinking share of the global retail market during the last ten years can be explained by the delayed recovery of the European economies after the global financial crisis, the insecurities caused by the discussions around Brexit and the specifically weak performances of some big European-based retailers in recent years. The future looks more positive with a steadily growing global economy and positive indicators for European retailers,” explained Konstantin von Radowitz, Head of Consumer & Industrial Products at Deloitte. “For Swiss retailers, the stronger economic growth is most welcome. Yet they must also face the negative consequences of rising income inequality, protectionist actions, and the potential impact and opportunities digital technology holds for traditional retailing in Switzerland.”

Swiss retailers withstand international competitiveness

Swiss retail market leaders Migros and Coop both moved up in the top ranks of the 250 largest retailers worldwide: Migros (with retail sales of USD 24.1 billion) at number 39 – two position up from previous year – and Coop (with retail sales of USD 22.4 billion) at number 43, also two up. The Swiss travel retailer Dufry grew sales far above the region's average and ranked at 127 (last year: rank 152). The Basel-based company expanded successfully during the last years with retail sales of 7.7 billion in 2016 and an average of 24.4% growth since 2011. The Geneva-based luxury goods holding company Richemont also gained three positions up and ranked at number 138.

Transformative change, reinvigorated commerce

[Global Powers of Retailing 2018](#) also discusses how the rules of retailing are being rewritten in this time of transformative change. Innovation, collaboration, consolidation, integration, and automation will be required to reinvigorate commerce, profoundly impacting the way retailers do business now, and in the future.

* encompassing companies with fiscal years ending June 2017

The four trends identified in the report are:

- **Building top-notch digital capabilities.** From the consumer perspective, shopping is not about bricks versus clicks or one channel versus another. Instead, consumers do not care much about the channel, but about convenience: The shopping journey and pre-shopping research is a fluid process with consumers bouncing between online and offline along the path to purchase.
- **Combining bricks and clicks makes up for lost time.** Many players that may have initially been on the sidelines, failing to keep up with digital trends, are now making up for lost time in a big way.
- **Creating unique and compelling in-store experiences.** Physical retail stores are not going away; 90% of worldwide retail sales are still done in physical stores. But to compete with the convenience and endless aisle assortment offered online, meaningful customer experiences and brand engagement is crucial.
- **Reinventing retail with the latest technologies.** Few times in history have rapid advancements in technology and breakthrough innovations had the ability to disrupt retail business models in such fast and all-encompassing ways. The Internet of Things (e.g. self-ordering machines), artificial intelligence (e.g. ordering supports like Amazon Echo, or Google Home), augmented / virtual reality and robots should be on every retailer's radar.

The Top 10 retailers worldwide and the Swiss companies in the Top 250

The top five largest retailers maintained their positions on the leader board. A combination of organic growth, acquisitions, and exchange rate volatility shuffled the rest of the Top 10—which now accounts for 30.7% of the overall Top 250's retail revenue (compared to 30.4% last year). Still seven of the top global retailers are based in the US, two in Germany.

Top 250 rank	Δ in rank	Company	Country of origin	2016 retail revenue (USD mil)
1	↔	Wal-Mart Stores, Inc.	US	485,873
2	↔	Costco Wholesale Corporation	US	118,719
3	↔	The Kroger Co.	US	115,337
4	↔	Schwarz Group	Germany	99,256
5	↔	Walgreens Boots Alliance, Inc.	US	97,058
6	↑ +4	Amazon.com, Inc.	US	94,665
7	↓ -1	The Home Depot, Inc.	US	94,595
8	↔	Aldi Einkauf GmbH & Co. oHG	Germany	84,923e
9	↓ -2	Carrefour S.A.	France	84,131
10	↑ +2	CVS Health Corporation	US	81,100
39	↑ +2	Migros-Genossenschafts-Bund	Switzerland	24,152e*
43	↑ +2	Coop Group	Switzerland	22,401e*
127	↑ +25	Dufry AG	Switzerland	7,736
138	↑ +3	Compagnie Financière Richemont SA	Switzerland	7,007

e = estimate

* Revenue includes wholesale and retail sales

"It is a transformative time in retail. The shopper is clearly in the driver's seat, enabled by technology to remain constantly connected and more empowered than ever before to drive changes in shopping behavior", said Karine Szegedi, Partner Consumer & Industrial Products. "Across the retail industry, disruption of traditional business models has given way to unprecedented and transformative change — change required online and offline to better serve more demanding shoppers and redefining customer experience. The rise of new technologies, such as mobile payment and self-checkouts, is changing the Swiss retail landscape rapidly, and these are increasingly becoming the shopping tools of choice for Swiss consumers."

¹Fast-moving consumer goods: Products that are sold quickly and at relatively low cost.

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- You can learn more about the annual [Deloitte Global Powers of Retailing report](#) on our website.
- You can find our study "[Goodbye wallet, hello smartphone?](#)" on our website. Also have a [look at our video](#) for a summary of the main results.

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About the Global Powers of Retailing 2018 report

The Global Powers of Retailing 2018 report from Deloitte identifies the 250 largest retailers around the world based on revenues through the analysis of publicly available data for fiscal year 2016 (encompassing companies with fiscal years ending June 2017). The report analyses performance based on geographic region, primary product sector, e-commerce activity, and other factors. It also provides a look at the world's 50 largest e-retailers, an outlook for the global economy, and an analysis of market capitalization in the retail industry.

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