

News Release

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Top global retailers sustain year of revenue growth Digital divide to challenge retail industry according to Deloitte Global

New York, Moscow, 18 January 2016 – The top 250 global retailers generated aggregated revenues of US\$4.5 trillion in fiscal year 2014, representing a steady growth of 4.3 percent compared with 4.1 percent in 2013, according to the [Global Powers of Retailing 2016: Navigating the new digital divide](#) from Deloitte Touche Tohmatsu Limited (Deloitte Global). This is a positive signal for the industry which had not so long ago witnessed revenue declines in 2011. However, the picture is uneven by region with retailers in North America and Africa/Middle East enjoying revenue growth, while those in Asia Pacific, Europe, and Latin America enduring declining growth.

“Slower economic growth in several markets, lower inflation, falling oil prices, and a stronger US dollar, were among dynamics which generated mixed fortunes for retailers across different regions,” explains Dr. Ira Kalish, Deloitte’s Chief Global Economist. “For US retailers the strength of the US dollar meant increased purchasing power for US consumers, helped also by better economic growth and improving employment conditions in the US. The Chinese economy on the other hand slowed considerably during this time, mainly due to weak exports and weakening investment. Nevertheless, consumer spending held up fairly well, although the luxury sector faltered.”

Vladimir Biryukov, partner at Deloitte CIS: “The aggregate revenue of the top 250 global retailers amounted to US\$ 4.5 trillion in 2014, up 4.1 percent from the year before. All six Russian players (“Magnit”, “X5 Retail Group”, “Dixy”, “Lenta”, “M.Video” and “O’key”) retained their positions in the top retailer list despite the difficult economic situation in the country. Moreover, Russian retailers improved their positions among the top 50 fastest growing global retailers: for example, “Dixy” moved up from 9th place to 8th.”

The impact of digital technology

Global Powers of Retailing 2016 also highlights the impact of technology on in-store shopping, indicating the rapidly increasing digital connectivity of shoppers. Digital behaviors and expectations of consumers are evolving faster than retailers are delivering on those expectations, says the report, creating a “digital divide.” Three important trends are identified:

- **No single path toward digital adoption.** While all markets are moving toward widespread digital adoption, some are taking somewhat different routes. Some emerging markets, for example, are entirely skipping adoption stages previously experienced by developed markets.
- **One digital "size" does not fit all customers.** Digital behavior varies depending on demographic factors such as age and income, and also by the product type being sought.
- **Consumers are demanding better digital tools.** Digital tools and channels can both extend a retailer's reach and increase revenue, but customers are currently feeling unsatisfied and underserved by many retailers' current digital offerings.

“There is a gap between what consumers expect and what retailers are currently delivering in terms of the consumer’s evolving desire to incorporate digital into their in-store shopping experience,” says Vicky Eng, Deloitte Global Sector Leader, Retail. “Some retailers may underestimate the digital influence, while others recognize the real opportunity to capitalize on this digital divide.”

To read the report, visit www.deloitte.com/globalpowersretailing.

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About the study

The *Global Powers of Retailing 2016. Navigating the digital divide* is a report from Deloitte Touche Tohmatsu Limited (Deloitte Global). It identifies the 250 largest retailers around the world based on revenues through the analysis of publicly available data for fiscal year 2014 (including companies with fiscal years ending June 2015). The report analyzes 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, an analysis of market capitalization in the retail industry, as well as an introduction to key findings of the forthcoming Deloitte report on *Navigating the New Digital Divide: A global summary of findings from nine countries on digital influence in retail*.

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