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**Deloitte Global report finds retailers achieve steady growth despite challenging global economy**

- *US\$4.3 trillion in revenues generated by top 250 global retailers*
- *We are now living in the customer-driven economy*

**NEW YORK, Moscow, 17 January 2017** - The top 250 global retailers generated aggregated revenues of US\$4.31 trillion in fiscal year 2015, representing composite growth of 5.2 percent, according to the Global Powers of Retailing 2017: The art and science of customers report from Deloitte Global.

"Slow economic growth in major developed economies, high levels of debt in emerging countries, deflation or low inflation in rich countries and a protectionist backlash against globalization were among dynamics which contributed to a challenging economic environment for retailers," explained Dr. Ira Kalish, Deloitte Global Chief Economist. "And yet people still need to shop, so the industry carries on. In some places and with some cohorts of shoppers, the outlook for retailers is favorable."

"Russian food retailers have strengthened their positions among the world's 50 fastest growing retailers. This time two Russian companies - Dixy and Magnit - hit the top 10, ranking at eighth and ninth respectively, while Lenta, which is eleventh, is only a footstep away. Such high rankings are a tribute to the successful growth demonstrated by Russian retailers from 2010 through 2015", says Vladimir Biryukov, Retail, Wholesale & Distribution Leader at Deloitte CIS.

**Global Powers of Retailing Top 250**

For the third year in a row, revenue growth for the Top 250 apparel and accessories retailers outperformed other product sectors. Historically, this category of retailers has also been the most profitable, and fiscal year 2015 was no exception. However, retailers of fast-moving consumer goods<sup>1</sup> (FMCG) are, by far, the largest companies (average retail revenue of nearly US\$21.6 billion) as well as the most numerous (133 retailers accounting for just over half of all Top 250 companies and two-thirds of Top 250 revenue).

The level of retail globalization appears to be at the same level as the previous year. Two-thirds of Top 250 retailers operated outside their home country borders and on average, they had retail operations in more than 10 countries and derived nearly one-quarter of their composite retail revenue from foreign operations.

**The art and science of customers**

Global Powers of Retailing 2017 also discusses the art and science of customer engagement to help retailers design fresh experiences, enabled by the right technology, and strengthen customer loyalty. What was once considered futuristic is now table stakes. Retail innovators know technology is no longer supplemental to the shopping experience, it is fundamental. Technology alone, however, is not enough. Customers are seeking new and surprising products and experiences.

**The five trends identified in the report are:**

- **Less is more.** Customers are defining themselves less by how many things they own and more by how curated their lives are in terms of possessions and experiences.

- “Following” economy. Customers are seeking experiences and products that reflect the personal brand they promote on social media.
- “Retailization” of the world. The maker movement, the sharing economy, and other factors have made it increasingly difficult to define what a retailer is and does - non-traditional retailers are developing new business models to serve customer needs, such as subscription services and flash-sales.
- On-demand shopping and fulfillment. Relevancy will be determined by the ability of retailers to meet the on-demand mindset of the modern customer.
- Exponential living. Exponential technologies, like artificial intelligence, robotics and virtual reality are changing how we live and how we will shop.

“Over the last 20 years we have seen a seismic shift in retail and the customers that retailers serve” says Vicky Eng, Consumer Business Retail Sector leader, Deloitte Global. “We are living in an era where customers are in the driver’s seat more than ever before and they are craving authenticity, newness, convenience, and creativity. We are living in the customer-driven economy.”

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

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