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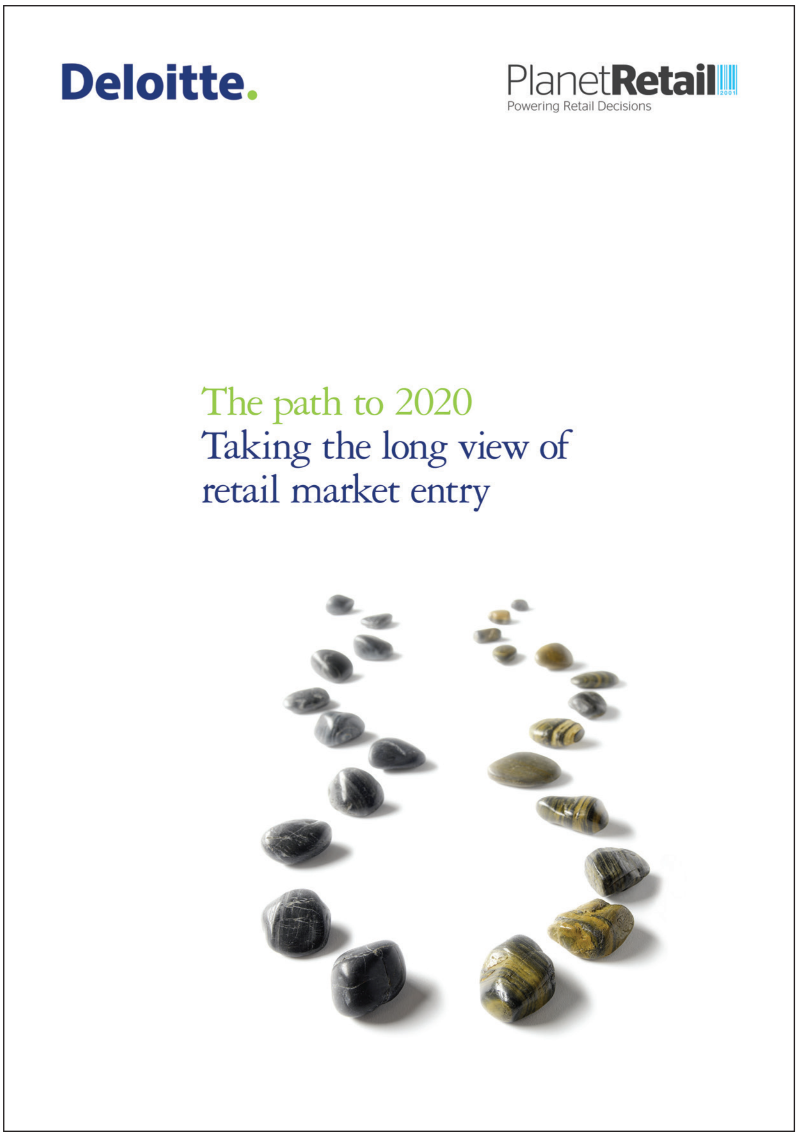
Global Powers of Retailing 2014
Retail Beyond begins

It's all about timing.



This report looks at ten markets for retailers to consider from the perspective of timing – which are of near-term interest? Which ones are likelier to offer long-term opportunities?

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Global economic outlook

Welcome to the 17th annual Global Powers of Retailing report, produced by Deloitte Touche Tohmatsu Limited (DTTL) in conjunction with STORES Media. This report identifies the 250 largest retailers around the world based on publicly available data for fiscal 2012 (encompassing companies' fiscal years ended through June 2013) and analyzes their performance based on geographic region, product sector, e-commerce activity and other factors.

This year's report focuses on the theme of "Retail Beyond"—the consumer revolution driven by converging technologies that is dramatically changing the industry. It also provides a look at the world's 50 largest e-retailers, a view on the global economy, and an analysis of retail industry market capitalization.

Changes in the political environment can wreak havoc with the economic outlook, and as of this writing, there are major political uncertainties in the major markets. These include: whether the U.S. Congress will move toward more or less fiscal restraint; when and how the U.S. Federal Reserve will shift policy; whether and how the Eurozone will implement a banking union; whether the European Central Bank (ECB) will move toward a more aggressive monetary policy; whether Japan's government will endorse a radical program of deregulation; and whether China's government will do likewise.

What follows is meant to serve as a baseline view of the economic outlook for the major markets and the potential impact on retailers and their suppliers. It should be noted that unexpected political decisions—by leaders or voters—could relegate such outlooks to the rubbish bin. Still, we hope that what follows offers a useful road map.

China

The Chinese economy grew at a rate of 7.8 percent in 2012, the slowest since 1999, and it is not likely to bounce back to the breakneck pace of the past. Rather, growth in the neighborhood of 7 to 8 percent appears to be the best that can be expected going forward. Indeed, the government says that growth in that range is desirable and that it will not take steps to stimulate faster growth. China has gone from being a poor country to being a more middle-income country. At its current level of income, growth of 7 percent would be considered good. The real question is whether, given some of China's challenges, growth of even 7 percent can be attained.

There are many problems, foremost of which is a huge level of debt, much of it accumulated through the so-called shadow banking system. Chinese authorities are concerned that rapid credit growth is not translating into economic growth, and that excessive credit growth is creating risks to the economy. For example, in the first quarter of 2013, credit was up 58 percent but real GDP growth was a very modest 7.7 percent. The authorities are worried that too much credit is flowing into things that contribute nothing to growth, including considerable speculative activity. As such, the central bank has taken steps to cool credit markets. This includes cracking down on illegal capital inflows, tightening conditions in the mortgage market and providing closer scrutiny of the shadow banking system.

The shadow banking system has developed largely because of restrictions on commercial banks, which remain state-owned and face interest rate regulation. That is, the rate they pay depositors is capped, providing the banks with a predictable and favorable profit margin. Their borrowers are mainly State-Owned Enterprises (SOEs) and local governments that get cheap credit and, as a consequence, invest excessively—often at the urging of the central government. Everyone else, including private sector businesses and households, lacks substantial access to bank credit.

In order to profit from the excess demand for credit, banks have bundled loans into "wealth management products" (WMPs) that are essentially securitized assets. They sell these WMPs in order to shift assets off the books and raise funds that can be loaned at higher interest rates through off-balance-sheet vehicles known as trust companies. The result has been an explosion of credit outside normal banking channels and the purview of regulators. Moreover, this has enabled the banks to maintain a very low non-performing loan ratio even if many of the loans they have made—especially to local governments—have gone bad.

The WMPs are like bonds in the sense that they have a maturity date—usually in less than three years, sometimes as little as six months. When they come due, banks must pay back the investors. If the loans behind the WMP have failed, the banks must somehow raise funds to service the WMPs. This has generally meant issuing new WMPs, often at even higher interest rates. To grease this market, much interbank lending has been taking place.

WMPs are not the only part of the unsupervised shadow banking system, but they are the most noteworthy. The WMPs tend to be bought by wealthy individuals who want a better return than can be obtained through banks. In any event, the whole system exists because of interest rate regulation. Absent this, there would be little need for a system outside normal banking channels.

There are two problems with this system. First, as banks accumulate troubled assets, the risk exists that they will need to be bailed out by the government in order to maintain solvency. This, in turn, could lead to slower economic growth as banks cut back on lending. The second, longer-term problem is that China massively invests in things that don't contribute to increased future growth.

What is needed is a transition from investment-led growth toward consumer-led growth, which would be more sustainable and more beneficial to retailers. The government seems to recognize the problem and intends to implement reforms aimed at suppressing investment and boosting consumer spending; the problem is that we do not yet know the details or the speed at which reforms will take place. Thus there is uncertainty about the future of the consumer environment in China.

United States

The U.S. economy has held up pretty well given some of the challenges it has faced. In 2012, the economy got hit with a recession in Europe and a slowdown in China, both of which substantially impeded U.S. growth. In 2013, a big tax increase combined with sizable cuts in government spending had a negative impact on growth once again. Going forward, there are some positive factors. These include recoveries in Europe and Japan, stabilization of growth in China and the likelihood that fiscal policy will not be any tighter. Thus, all other things being equal, growth in 2014 should be better than in 2013.

There are a number of positive signals already: Rising home prices and increased housing market activity, indications of improvement in credit market conditions; rising activity in the manufacturing sector; and continued growth of consumer spending. The latter reflects rising real incomes (especially as inflation remains so low), improvements in the labor market, declining consumer debt and debt service payments and rising wealth through the equity and property markets.

Still, there are risks, and the biggest concerns monetary policy. For the past several years, the Federal Reserve has engaged in three rounds of quantitative easing (QE)—massive purchases of assets like government bonds and mortgage-backed securities. The goal is to suppress interest rates, boost asset prices, suppress the dollar and create a bit of inflation.

The latest round of QE never had a maturity date. Therefore, investors were never certain when the policy would end. Thus when the Fed discussed in May 2013 the possibility of "tapering" quantitative easing, financial markets reacted violently. Bond yields increased, mortgage interest rates increased and emerging market currencies fell rapidly.

Then in September, the Fed said it would wait a bit longer before shifting policy—as of this writing, it has not yet acted. Still, it is expected that the Fed will change policy sometime in 2014. Over time, the Fed will ultimately stop purchasing assets; as this takes place, it is likely that interest rates will rise. If the Fed does this when the economy is already strengthening, then the shift in policy should not do too much damage. Moreover, with inflation low and likely to remain low, the Fed needn't hurry. The challenge will be to get the timing right. For now, this remains the biggest uncertainty facing the U.S. economy. Still, it is reasonably likely that Fed policy will not have a negative impact on growth.

Another risk concerns fiscal policy. Although the budget wars of 2013 are over, there remains risk that the Congress will fail to agree on budget priorities going forward. Still, given the politics of the situation, another shutdown seems unlikely, and a failure to service government debt seems even less likely. The real question is whether a meaningful budget agreement can be reached. If it happens, it could have a positive impact on business confidence and, consequently, investment.

On the retail front, a positive economic outlook likely means a good retail environment. While it is not likely that there will be a return to the rapid growth of the previous decade, moderate growth seems likely—especially given the considerable pent-up demand. Notably, household formation has been slow due to high unemployment: As the economy recovers, young adults will form new households. This will stimulate consumer spending on products for the home. Of course, the rising income inequality in the U.S. means that a disproportionate share of the growth of spending will come from upper-income households. That suggests opportunities as well as challenges for retailers.

Europe

After a long recession, the Eurozone is growing, albeit slowly. In addition, the British economy managed to avoid another downturn and is now starting to take off. This is good news for retailers who have been through a rough time in Europe. In the Eurozone, much of the growth is due to expansion of exports rather than stronger consumer spending. Investment spending is modestly rebounding, but has a long way to go; credit markets remain stifled despite a more aggressive monetary policy on the part of the European Central Bank. On the other hand, there are a number of positive factors that are beginning to drive economic growth and will be helpful going forward.

The most recent Eurozone improvement is the result of export growth to non-Eurozone countries. This reflects a weaker euro, wage restraint, productivity gains and some labor market reforms. Still, balanced growth needs a reversal of the sharp drop in investment that has been ongoing since the outbreak of the crisis.

The slight increase in investment lately could be a first signal that European firms are more bullish regarding capital spending.

One major factor that supports increased investment activity is that the euro crisis has been fading to the background. While there were no major political decisions regarding the future shape of the Eurozone—not least due to the German federal elections in September—volatility has not re-emerged. The worst of the euro crisis seems to be over. Whether this is a permanent phenomenon is far from certain, and even less certain is whether the crisis is shifting from acute to chronic. Nevertheless, the uncertainty that suppressed Europe's capital spending has been declining lately.

Another positive influence on the Eurozone economy is a shift in fiscal policy. For the past few years, European economies have been engaged in draconian austerity, raising taxes and cutting spending with the goal of fiscal probity. Although this policy has failed to achieve the desired deficit reduction, it has achieved suppression of growth. This is now changing. The social cost of this policy has led governments, with the tacit approval of the EU, to shift toward less austerity.

Europe continues to face various risks that could undermine growth, however. First, capital flight from emerging markets following the Federal Reserve's discussion about shifting its monetary policy endangers the stability of emerging markets, as well as their growth rates. Given that emerging markets have become the main export engine for the Eurozone, further instability could severely strain European exports.

Second, the recovery in Europe takes place against a background of a relaxation of the euro crisis. As many of the reasons for the euro crisis and the recession are not yet resolved—unstable banking system, over-indebted states, the architecture of the Eurozone, troubled credit markets in Southern Europe—it is far from clear that the euro crisis will not return. Indeed, borrowing costs in Southern Europe remain relatively high due, in part, to such uncertainty.

And there are still political risk factors. The most important one remains the high unemployment rates in Southern Europe, which might result in political instability and dangers to the sustainability of the Eurozone. For example, poor economic performance could lead to the election of anti-European governments. In order to substantially reduce unemployment, much higher growth rates are needed. Complicating matters is the fact that Southern European labor markets are highly regulated, so there is not a direct relationship between growth and employment.

As for retailing, the economic outlook for Europe is not promising. With slow growth—and a disproportionate share of that growth stemming from exports—the outlook for retail spending is not good. There are two potential bright spots, however. First, Germany is probably going to have to shift toward more consumer-led growth sometime in the future, as it is too dependent on exports of capital goods to emerging markets, especially China. If China shifts away from investment-led growth, Germany will need to offset this loss by stimulating consumer demand. Second, the British economy has seen unusual strength lately, including in consumer demand. After several years of declining real wages and considerable pent-up demand, Britons appear ready to spend.

Japan

Japan has embarked on a radically new economic policy, and not a moment too soon. After two decades of sub-par growth and declining prices, Japan found itself with a standard of living far below what might have been. It also found itself laden with a high level of government debt relative to GDP, an aging population and increased competition in electronics and automobiles from such countries as South Korea, Taiwan, China and the United States. It became increasingly evident that something needed to be done. Japan needed to stimulate growth to end years of deflation, to boost wealth in order to increase consumer spending and to deregulate sclerotic domestic markets in order to boost productivity growth.

Since coming to office, Prime Minister Shinzo Abe has promoted a three-pronged program designed to achieve these goals. Known as Abenomics, the program involves fiscal stimulus, aggressive monetary policy and a combination of freer trade and deregulation.

The monetary policy, which involves massive and unlimited purchases of assets (quantitative easing) until inflation of 2 percent is achieved, has been implemented on a large scale. So far, this policy has caused a sharp drop in the value of the yen, thereby boosting export competitiveness. It has led to a sharp increase in equity prices, thereby helping consumer spending, and it has begun the process of ending deflation. The latter is damaging because it leads to high real interest rates, causes consumers to delay purchases and makes life more onerous for debtors—including the government.

Overall, Abenomics has had a positive impact on business confidence. In terms of real impact, economic growth in the first two quarters of 2013 was strong. Specifically, real GDP increased at an annual rate of 3.8 percent in the first quarter and 4.1 percent in the second quarter. The strong growth was led by a boost to business investment, itself the result of strong profitability and improved confidence. Growth in the first half of the year involved strength in exports, investment and consumer spending, all influenced by Abenomics.

While the early indications are that Abenomics has been moderately successful, longer-term success will depend on the degree to which deregulation takes place. As of this writing, the details are not yet known, nor do we know how difficult it will be to shepherd reforms through the Parliament. The government has said, however, that it will postpone labor market reforms. This does not bode well for other difficult changes.

One initial problem with Abenomics is that, although prices have begun to rise, wages have not. That could be a problem going forward. As prices rise and wages stagnate, the real purchasing power of consumers will decline. The government has urged businesses to boost wages and is considering measures to stimulate wage increases. Failure on this front could derail the initial success of Abenomics.

Another uncertainty concerns the fact that, come April, the national sales tax will be increased from 5 percent to 8 percent. This was planned long ago and is intended to improve the sustainability of Japan's pension system—especially given the rapid aging of the population. The last time the tax was increased, consumers cut back on spending and a recession ensued. Therefore, the government has promised to provide considerable fiscal stimulus to offset the impact of the tax increase. It remains uncertain as to whether this will succeed. It is expected that consumer spending will spike just before the tax increase and then rapidly decline immediately afterwards.

The retail outlook for Japan is good in the short run, but uncertain in the longer term. Much will depend on the nature of the reforms that the government ultimately enacts. Included in this could be reform of Japan's distribution sector. Such change could open the door to more foreign investment in retailing and more efficiency in the industry.

Emerging markets

Brazil

Economic growth has decelerated considerably in Brazil. The country has been beset with inflation, currency depreciation, some social unrest and business pessimism. The central bank has tightened monetary policy in order to slow inflation and resist currency depreciation. Consequently, the short-term outlook is not very good. In the longer term, Brazil has many favorable attributes including good demographics, a likely dramatic increase in energy production, increased foreign interest in the manufacturing sector and increased exports of services. On the other hand, Brazil continues to have a variety of challenges that require legislation, including over-regulated labor markets, inadequate infrastructure investment and trade restrictions.

As for the consumer market, Brazil's retail industry has done well. Unfortunately, there is now a very high level of consumer debt, which bodes poorly for spending growth in the coming years. Thus, the outlook is modest.

India

India had a few years of astronomical growth that turned out to be unsustainable, leading to bottlenecks that created inflation. Plus, the growth was financed by an accumulation of debt that cannot be sustained. The central bank has tightened monetary policy in order to quell inflation and stabilize the currency. Meanwhile, the government has failed to implement many of the reforms that would boost productivity and unleash more investment and faster growth. Such changes must await the next election, which will take place in 2014. For now, India appears to be on a low growth trajectory.

Russia

Over the past two decades, Russia's economic performance was usually correlated with the price of oil. That relationship has shifted, however: Today, the price of oil is relatively high but growth is slowing.

Evidently, Russia has some fundamental weakness. There has been inadequate investment in energy, resulting in a decline in output. There has been very modest investment in non-energy industries. The population is declining, thus creating a labor shortage that has resulted in higher wages and low unemployment.

While consumer spending has been strong, debt has increased, thereby hurting potential growth. Inflation remains too high and the central bank has, therefore, not eased policy despite a slowdown in growth. Moreover, the country faces growing competition in its core energy export base. Thus, the economic outlook is modest at best.

Other markets

Many emerging markets have seen a deceleration of growth in the past year.

Going forward, the emerging world is likely to have a year or two of disappointing growth while imbalances are unwound, but the longer-term outlook remains positive.

Indeed, for those emerging markets that did not accumulate too much debt, the outlook is quite good. Among the more promising markets are Colombia, Mexico, Philippines, Turkey and much of sub-Saharan Africa. These countries and regions enjoy improved governance, competitive industries and favorable demographics and should experience strong growth in the coming decade. As this happens, the number of people in the middle class will rise rapidly, thus creating significant new opportunities for the world's leading retailers.

Retail Beyond

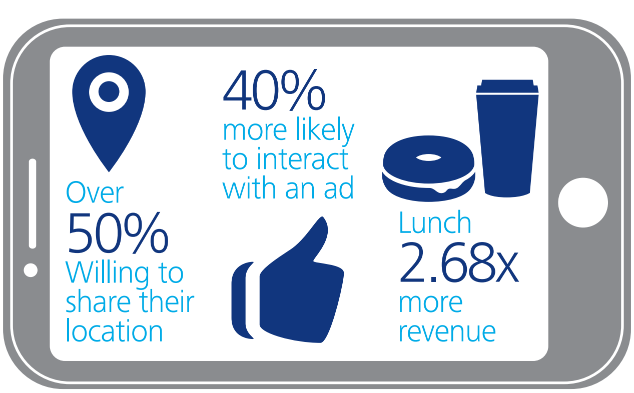
It has become clear that the retail industry is in a period of unprecedented disruption and change. The impact that mobile network access is having on customers, markets, and businesses is the most dramatic example. However, a broader set of technologies are interacting with social and economic trends to create the future of retail. The difficult question is how to usefully anticipate the ways in which business models and markets might be affected by such technologies. Granted, a relatively unknown technology could emerge to have an impact. However, it is more likely that existing technologies—some that have been around for decades—will be integrated in ways that unlock value for consumers and create significant competitive advantage.

The building blocks of the future

The technologies that we will consider have emerged in the last 10 to 100 years. We often think of them as "new" when they're actually quite mature and established: GPS, RFID, Digital Video, Biometrics, Magnetic Resonance Imaging, DNA Sequencing, Robotics, Voice Recognition, Wireless transmission, the Cloud, Smart Mobile Devices, and others. While these technical building blocks are widely available and well understood, the magic happens when they are combined in surprising and unexpected ways that act as game changers. Even older technologies like cameras and radio communication will find new life and applications when combined or modified with an emerging technology that changes the potential applications and uses of the old technology.

How convergence creates new markets and services

The recent integration of GPS and mobile phone technologies serves as a useful illustration of how a convergence can create new markets and services. GPS as a standalone capability is a phenomenon of the 1980's when global positioning satellites were deployed and activated to replace ground-based navigation systems. Mobile phone technology was also developed in the early 1980's. Up until 1997 the U.S. Federal Government used to degrade the accuracy of the Global Positioning System for security reasons. When the random error was turned off, GPS became accurate to within five meters, thus creating new market and service possibilities.



Sources: JiWire, 12 May 2010, TGDaily, 18 August 2010 MediaPost.com, 29 March 2011

Since then, GPS has found its way into numerous devices including mobile phones, tablets, computers, and cars. A large part of the planet geography has been mapped and geo-referenced. As GPS became a commonplace device capability it enabled a new set of high-value services. This coming year revenues from mobile geo-positioning services are predicted to exceed $12.8 billion! This location revolution is affecting the retail experience, with customers now receiving location-specific promotions and suggestions on their phones, while retailers can easily count and identify the active mobile devices in their stores.

Waiting for RFID

The brilliant promise of RFID has existed for 20 years, and the technology itself has been around for 60 years. Yet we have not yet realized its potential impact and value.

RFID collects and stores the energy from radio waves and then transmits back identifying information for the tagged object. The key feature is that is has no required power source to remain viable for the useful life of the object. For the manufacturer and the retailer it's an electronic serial number or stock keeping unit, and potentially a network address for any item related information. We have long since expected RFID to replace price tags and shipping labels with a single permanent and invisible identifier, but unit cost has always blocked RFID from realizing its potential.

The first step is to look beyond the cost to the value creation and the aggregated marginal cost savings opportunities throughout the supply chain and the life cycle of the product:

- RFID can enable an automated transaction without the cost of checkout.
- An RFID can act as permanent security tag for the product.
- It can also be a web address for any product information; a virtual label, assembly instructions, reviews, repair, replacement, recycling, etc.

Manufacturers and retailers have started to adopt RFID in some product categories and applications. A key to RFID value and adoption is when it is integrated with other technologies. What will be possible when RFID readers are part of every mobile phone? What's possible when there is an address in the cloud for every RFID and virtual content related to the merchandise available at the point of purchase to the consumer? Suppose that a GPS time and position record was generated when any item was scanned.

- Any item could be tracked in the supply chain and throughout its life cycle.
- The potential to leverage inventory from throughout the supply chain directly against customer demand could improve asset efficiency and margins.

i (1) Wauters, Robert. "Mobile Location-Based Services Could Rake In $12.7 Billion By 2014: Report." TechCrunch. February 23, 2010. http://techcrunch.com/2010/02/23/location-based-services-revenue/. March 30, 2011.

Past experience suggests that RFID is reaching an important threshold and will finally become a transformative technology that will completely change retail operations from the supply chain to the customer.

3D Printing

Technologies like 3D printing will even more dramatically change the nature of the supply chain. We don't expect customers to be making all their own products with their home 3D printers, but the idea of printing a product from a database or your own design on a remote printer is very real. The potential impact of 3D printing on warehoused inventory levels and the global supply chain is potentially disruptive.

3D printing, also known as Additive Manufacturing, is a technique in which products are built layer-by-layer rather than subtracting material from a larger piece. The breakthrough opportunity is that 3D printers allow retailers to reduce their investments in finished goods and to offer a far broader array of customized products. If 3D printers are networked to consumers and to a database of design specifications, this would open a number of possibilities:

- This could change the way that many products are sourced and distributed, particularly hard to stock items like spare parts.
- Products could be produced and customized to order and inventories could be reduced to zero, transforming the supply chain.
- Product development and prototyping could be vastly accelerated, changing the lead time for product development and speed to market.
- Customization and personalization could become the norm for many products. Garments could be manufactured to the exact fit or the stored fit for a consumer.
- Fast fashion could become even faster! Viral brands and trends could become commonplace, and anyone could become a designer.

MRI

Magnetic Resonance Imaging (MRI) technology enables the user to see the molecular composition of any object by causing each material to resonate at its natural frequency. This creates a composition profile of any object.

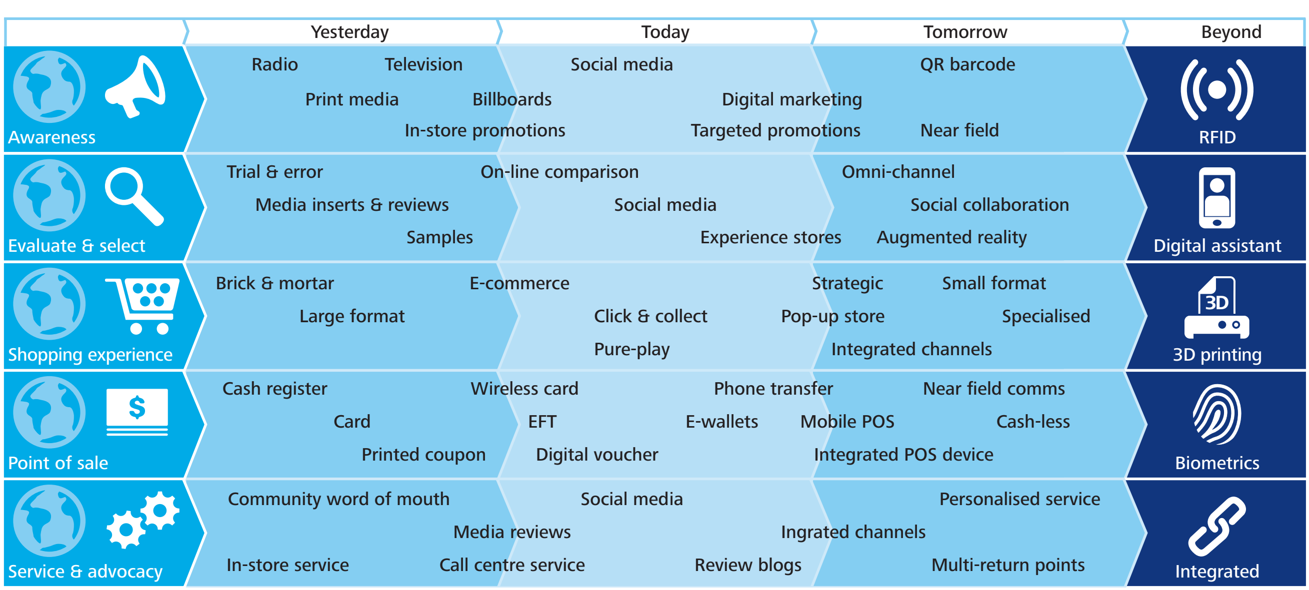
It may not seem related to the retail industry, but it could become far more useful when it is combined with other technologies. Currently MRI is being used with 3D printing to scan the joint space and surfaces so that a 3D printer can produce a perfectly fitting replacement limb. Could it also be used to custom fit and manufacture shoes and apparel? If the MRI scanning of products is integrated with RFID identification of products, it could be possible to use RFID to validate the origin and stated contents and then inspect and validate the composition with the MRI scanner. This could improve product and food supply integrity, help validate the contents of a drug prescription, find contaminants in food products, or to authenticate and quality control drug prescriptions. Once again, convergence unlocks a range of possible capabilities that change the game.

Time to reinvent

The impending changes from these technological convergences are massive and disruptive, and they're coming very, very fast. People, information, and objects will be continually networked and linked. Spontaneous mobile access to relevant information will more fully integrate the physical and virtual retail shopping experiences. This is likely to make for a reinvented and more responsive retail marketplace in which:

- Retailers and manufacturers identify and track products through their entire life cycle.
- Customers use searchable information about a product and its alternatives at the point of purchase.
- Customers collaborate directly on design with their retailers and brands.
- Consumer businesses crowd source data from customers and users.
- New mobile forms of payment and digital currencies and contracts become the norm.
- We recycle, reuse, lend, share, and resell nearly everything.

Retail Beyond will be very different from retail today. Nearly every component of the customer experience will be altered and business models will be challenged to adapt.



The challenges

While these possibilities are exciting, there are challenges that accompany them. Primary among these is the overwhelming amount of unstructured data to be managed and organized for use, and, along with it, the potential for such information to be misused. We will also need to reinvent how we humans process and use data.

- There will be continuing displacement and disruption of businesses, markets and industries.
- There will be a huge talent gap.
- There will be lots of failures and false starts.

Given the dramatic changes that are afoot, retailers will need to re-think their business approaches.

Conventional Business Approaches	Unconventional Approaches to Address Change
Hierarchical organizational structures discourage creativity.	More **dynamic, entrepreneurial organization structure**
	Flexible **teaming and collaboration**
Cultures don't reward risk-taking, e.g., throwing out the current business model.	Rich value and **contribution-based incentives**
Capital investment models **reward incremental improvement.**	Fast failure, coupled with **rapid learning strategies**
Legacy systems can't keep up when global computing power is in the pocket of the consumer.	Being **responsive and adaptive**
	Marketplaces for **crowdsourcing and sharing ideas**
Established **infrastructure and business models block innovation.**	**Listening and engaging with customers and employees**
	Innovation with focus and purpose

The technologies that ultimately converge—whether the ones discussed here or others—will bring about a single, continuous, connected customer experience. Conventional approaches to business planning and strategy will leave many businesses stranded at a competitive disadvantage. The pace of change is accelerating. Market transparency and massive amounts of data coupled with ubiquitous access to information make these changes even more possible in the near future. More importantly, they flip the economy from being driven by the supply side to being demand-driven by the consumer. Addressing these seismic economic and technological changes will require retailers to transform what they do.

The store experience transformed

What might the shopping experience look like in a decade if some of these technologies come together? Here is one possible scenario:

- You enter your favorite retailer. The store electronic monitoring system recognizes you by the devices you carry and the RF tags on your garments and triggers your personal digital shopping assistant.
- The digital assistant suggests the look for your new outfit by accessing your wardrobe from past purchases and needs from recent searches.
- The retailer's 3D printer begins production of your new outfit by leveraging MRI scanned custom fit requirements.
- You donate or recycle part of your current wardrobe to offset the cost of the new outfit.
- Finally, you pay with a secure biometric authorization, no cards or devices required.

The startling reality is that Retail Beyond is possible today. It's a matter of assembling and integrating these technical capabilities into the next generation of retail experience.

Top 250 global retailers 2012

Retail revenue rank (FY12)	Name of company	Country of origin	2012 retail revenue (US$m)	2012 parent company/ group revenue[1] (US$m)	2012 parent company/ group net income[1] (US$m)	Dominant operational format 2012	# countries of operation 2012	2007-2012 retail revenue CAGR[2]
1	Wal-Mart Stores, Inc.	U.S.	469,162	469,162	17,756	Hypermarket/Supercenter/Superstore	28	4.4%
2	Tesco PLC	U.K.	101,269	102,889	190	Hypermarket/Supercenter/Superstore	13	6.2%
3	Costco Wholesale Corporation	U.S.	99,137	99,137	1,767	Cash & Carry/Warehouse Club	9	9.0%
4	Carrefour S.A.	France	98,757	100,906	1,692	Hypermarket/Supercenter/Superstore	31	-1.3%
5	The Kroger Co.	U.S.	96,751	96,751	1,508	Supermarket	1	6.6%
6	Schwarz Unternehmens Treuhand KG	Germany	87,236 [e]	87,236[e]	n/a	Discount Store	26	6.6%
7	Metro AG	Germany	85,832	85,832	130	Cash & Carry/Warehouse Club	32	0.7%
8	The Home Depot, Inc.	U.S.	74,754	74,754	4,535	Home Improvement	5	-0.7%
9	Aldi Einkauf GmbH & Co. oHG	Germany	73,035 [e]	73,035[e]	n/a	Discount Store	17	6.0%
10	Target Corporation	U.S.	71,960	73,301	2,999	Discount Department Store	1	3.2%
11	Walgreen Co.	U.S.	71,633	71,633	2,127	Drug Store/Pharmacy	2	5.9%
12	CVS Caremark Corp.	U.S.	63,654	123,133	3,875	Drug Store/Pharmacy	2	7.1%
13	Aeon Co., Ltd.	Japan	63,100 [**]	69,588[**]	1,331	Hypermarket/Supercenter/Superstore	10	1.7%
14	Groupe Auchan SA	France	59,041	60,357	925	Hypermarket/Supercenter/Superstore	13	5.0%
15	Woolworths Limited	Australia	58,602	60,273	2,326	Supermarket	2	4.6%
16	Amazon.com, Inc.	U.S.	58,570	61,093	-39	Non-Store	11	32.3%
17	Seven & i Holdings Co., Ltd.	Japan	58,329 [**]	61,098[**]	1,859	Hypermarket/Supercenter/Superstore	18	-2.9%
18	Edeka Zentrale AG & Co. KG	Germany	55,944 [**]	57,616[**]	n/a	Supermarket	1	5.9%
19	Wesfarmers Limited	Australia	54,231	61,462	2,323	Supermarket	2	13.8%
20	Casino Guichard-Perrachon S.A.	France	53,375 [**]	53,978[**]	1,972	Hypermarket/Supercenter/Superstore	26	11.1%
21	Lowe's Companies, Inc.	U.S.	50,521	50,521	1,959	Home Improvement	4	0.9%
22	Rewe Combine	Germany	48,984 [**]	53,486[**]	126	Supermarket	11	5.8%
23	Best Buy Co., Inc.	U.S.	45,085	45,085	-420	Electronics Specialty	13	n/a
24	Centres Distributeurs E. Leclerc	France	44,807 [e**]	56,202[g**]	n/a	Hypermarket/Supercenter/Superstore	7	6.2%
25	Safeway Inc.	U.S.	43,322 [e]	44,207[**]	598	Supermarket	3	0.9%
26	Koninklijke Ahold N.V.	Netherlands	42,236 [**]	42,236[**]	1,064	Supermarket	12	3.1%
27	Sears Holdings Corp.	U.S.	39,854	39,854	-1,054	Department Store	3	-4.7%
28	J Sainsbury plc	U.K.	36,840	36,840	971	Supermarket	1	5.5%
29	ITM Développement International (Intermarché)	France	35,753 [e**]	50,286[g**]	n/a	Supermarket	8	3.2%
30	The IKEA Group (INGKA Holding B.V.)	Netherlands	35,290	36,111	4,201	Other Specialty	41	6.4%
31	Alimentation Couche-Tard Inc.	Canada	32,868 [**]	35,543[**]	573	Convenience/Forecourt Store	19	16.4%
32	Loblaw Companies Limited	Canada	30,978	31,623	650	Hypermarket/Supercenter/Superstore	2	1.1%
33	Delhaize Group	Belgium	29,242 [**]	29,242[**]	132	Supermarket	11	3.7%
34	Wm Morrison Supermarkets PLC	U.K.	28,790	28,790	1,028	Supermarket	1	6.9%
35	Publix Super Markets, Inc.	U.S.	27,707	27,707	1,552	Supermarket	1	3.6%
36	Macy's, Inc.	U.S.	27,686 [**]	27,686[**]	1,335	Department Store	3	1.0%
37	The TJX Companies, Inc.	U.S.	25,878	25,878	1,907	Apparel/Footwear Specialty	7	6.8%
38	Rite Aid Corporation	U.S.	25,392	25,392	118	Drug Store/Pharmacy	1	0.9%
39	Migros-Genossenschafts Bund	Switzerland	24,332 [e**]	26,676**	1,062	Hypermarket/Supercenter/Superstore	3	3.5%
40	Système U, Centrale Nationale	France	23,715 [e**]	29,849[g**]	n/a	Supermarket	4	6.8%
41	LVMH Moët Hennessy-Louis Vuitton S.A.	France	22,770 [e]	36,143[g**]	5,027	Other Speciality	76	10.2%
42	Mercadona, S.A.	Spain	22,536	22,536	654	Supermarket	1	6.2%
43	Lotte Shopping Co., Ltd.	S. Korea	20,978	22,289	1,030	Hypermarket/Supercenter/Superstore	6	18.0%
44	Yamada Denki Co., Ltd.	Japan	20,588	20,588	269	Electronics Specialty	7	-0.8%
45	Inditex, S.A.	Spain	20,560 **	20,560**	3,052	Apparel/Footwear Specialty	88	11.1%
46	H.E. Butt Grocery Company	U.S.	19,400 [e]	19,400[e]	n/a	Supermarket	2	7.5%
47	Kohl's Corporation	U.S.	19,279	19,279	986	Department Store	1	3.2%

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48	AS Watson & Company, Ltd.	Hong Kong SAR	19,161	19,161	n/a	Drug Store/Pharmacy	36	6.2%
49	Coop Group	Switzerland	19,000 [e]	28,525[**]	567	Supermarket	5	3.6%
50	Apple Inc./Apple Stores	U.S.	18,828	156,508[**]	41,733	Electronics Specialty	14	35.5%
51	Cencosud S.A.	Chile	17,896	18,847	521	Supermarket	5	20.0%
52	H & M Hennes & Mauritz AB	Sweden	17,800	17,800	2,485	Apparel/Footwear Specialty	49	9.0%
53	Empire Company Limited/Sobeys	Canada	17,353	17,563	393	Supermarket	1	4.8%
54	Kingfisher plc	U.K.	16,803	16,803	896	Home Improvement	8	2.5%
55	Groupe Adeo SA	France	16,725	16,725	n/a	Home Improvement	13	11.6%
56	Dollar General Corporation	U.S.	16,022	16,022	953	Discount Store	1	11.0%
57	Marks and Spencer Group plc	U.K.	15,852	15,852	724	Department Store	47	2.1%
58	X5 Retail Group N.V.	Russia	15,795	15,795	-126	Discount Store	2	24.3%
59	The Gap, Inc.	U.S.	15,651	15,651	1,135	Apparel/Footwear Specialty	47	-0.1%
60	Suning Commerce Group Co., Ltd. (formerly Suning Appliance Co. Ltd.)	China	15,608	15,608	415	Electronics Specialty	3	19.6%
61	Coop Italia	Italy	15,279 [e]	16,976[g]	n/a	Supermarket	1	1.0%
62	El Corte Inglés, S.A.	Spain	14,671	18,780	221	Department Store	4	-4.8%
63	Meijer, Inc.	U.S.	14,600 [e]	14,600[e]	n/a	Hypermarket/Supercenter/Superstore	1	1.4%
64	Isetan Mitsukoshi Holdings Ltd.	Japan	14,600	14,960	313	Department Store	9	ne
65	Open Joint Stock Company “Magnit”	Russia	14,424	14,430[**]	808	Convenience/Forecourt Store	1	31.6%
66	ICA Gruppen (formerly ICA AB)	Sweden	14,019 [**]	14,316[**]	136	Supermarket	5	3.2%
67	Jerónimo Martins, SGPS, S.A.	Portugal	13,979	13,987	471	Discount Store	2	16.4%
68	Toys “R” Us, Inc.	U.S.	13,543	13,543	39	Other Specialty	38	-0.4%
69	John Lewis Partnership plc	U.K.	13,454 [**]	13,454[**]	241	Supermarket	3	6.9%
70	Dixons Retail plc	U.K.	13,294	13,294	-265	Electronics Specialty	28	-0.3%
71	Conad Consorzio Nazionale, Dettaglianti Soc. Coop. a.r.l.	Italy	13,157 [e**]	14,027[g**]	n/a	Supermarket	2	5.9%
72	Co-operative Group Ltd.	U.K.	13,139	19,732	-823	Supermarket	1	13.4%
73	Distribuidora Internacional de Alimentación, S.A. (Dia, S.A.)	Spain	13,021 [**]	13,021[**]	203	Discount Store	7	ne
74	J. C. Penney Company, Inc.	U.S.	12,985	12,985	-985	Department Store	2	-8.1%
75	Otto (GmbH & Co KG)	Germany	12,978	16,285	185	Non-Store	54	2.0%
76	Staples, Inc.	U.S.	12,975 [e]	24,381	-211	Other Specialty	13	-3.4%
77	Louis Delhaize S.A.	Belgium	12,861 [e]	12,861[e]	n/a	Hypermarket/Supercenter/Superstore	6	-1.2%
78	S Group	Finland	12,508	15,481	273	Supermarket	5	8.4%
79	SPAR Österreichische Warenhandels-AG	Austria	12,498 [e**]	13,980[g**]	n/a	Supermarket	8	4.7%
80	Uny Group Holdings Co., Ltd. (formerly UNY Co., Ltd.)	Japan	12,398 [**]	12,610[**]	378	Convenience/Forecourt Store	2	-3.2%
81	J. Front Retailing Co., Ltd.	Japan	12,117	13,375	211	Department Store	1	2.6%
82	Gome Home Appliance Group	China	12,042 [e]	13,075[ge]	n/a	Electronics Specialty	3	5.1%
83	Metro Inc.	Canada	11,923	11,923	486	Supermarket	1	2.4%
84	Alliance Boots GmbH	Switzerland	11,821	35,422[**]	1,171	Drug Store/Pharmacy	17	7.0%
85	Fast Retailing Co., Ltd.	Japan	11,773 [**]	11,803[**]	946	Apparel/Footwear Specialty	28	12.0%
86	Nordstrom, Inc.	U.S.	11,762	12,148	735	Department Store	1	5.9%
87	Whole Foods Market, Inc.	U.S.	11,699	11,699	466	Supermarket	3	12.2%
88	BJ’s Wholesale Club, Inc.	U.S.	11,600 [e]	11,600[e]	n/a	Cash & Carry/Warehouse Club	1	5.2%
89	E-MART Co., Ltd.	S. Korea	11,290	11,290	388	Hypermarket/Supercenter/Superstore	2	ne

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90	Bed Bath and Beyond Inc.	U.S.	10,915 [**]	10,915[**]	1,038	Other Specialty	4	9.1%
91	Tengelmann Warenhandelsgesellschaft KG	Germany	10,816 [e]	14,250[g]	n/a	Home Improvement	14	-15.0%
92	Shoppers Drug Mart Corporation	Canada	10,788	10,788	609	Drug Store/Pharmacy	1	4.9%
93	China Resources Enterprise, Limited	Hong Kong SAR	10,754	16,274[**]	647	Hypermarket/Supercenter/Superstore	5	26.3%
94	Shoprite Holdings Ltd.	S. Africa	10,534 [**]	10,534[**]	411	Supermarket	17	14.2%
95	L Brands, Inc. (formerly Limited Brands, Inc.)	U.S.	10,459 [**]	10,459[**]	753	Apparel/Footwear Specialty	56	0.6%
96	Canadian Tire Corporation, Limited	Canada	10,387 [**]	11,434[**]	499	Other Specialty	1	6.6%
97	S.A.C.I. Falabella	Chile	10,269	11,312	843	Department Store	4	14.8%
98	NorgesGruppen ASA	Norway	10,221 [**]	10,681[**]	284	Discount Store	1	7.6%
99	Liberty Interactive Corporation	U.S.	10,018	10,054	1,591	Non-Store	9	5.1%
100	The Daiei, Inc.	Japan	10,007	10,175	-45	Hypermarket/Supercenter/Superstore	1	-3.7%
101	Giant Eagle, Inc.	U.S.	9,900 [e**]	9,900[e**]	n/a	Supermarket	1	4.4%
102	Bi-Lo Holdings, LLC	U.S.	9,870 [e]	9,870[e]	n/a	Supermarket	1	31.4%
103	Takashimaya Co., Ltd.	Japan	9,863	10,653	211	Department Store	4	-3.8%
104	Dairy Farm International Holdings Limited	Hong Kong SAR	9,801	9,801	453	Supermarket	12	10.7%
105	Ross Stores, Inc.	U.S.	9,721	9,721	787	Apparel/Footwear Specialty	1	10.2%
106	SHV Holdings N.V./Makro	Netherlands	9,703	25,734	918	Cash & Carry/Warehouse Club	6	12.8%
107	Dansk Supermarked A/S	Denmark	9,406	9,466	232	Discount Store	4	-0.3%
108	Beisia Group Co., Ltd.	Japan	9,355 [e]	10,113[e]	n/a	Home Improvement	1	2.1%
109	Family Dollar Stores, Inc.	U.S.	9,331	9,331	422	Discount Store	1	6.4%
110	Menard, Inc.	U.S.	9,200 [e]	9,200[e]	n/a	Home Improvement	1	2.8%
111	Army & Air Force Exchange Service (AAFES)	U.S.	9,154	9,154	206	Hypermarket/Supercenter/Superstore	30	1.0%
112	Kesko Corporation	Finland	9,152 [e**]	12,457[**]	179	Supermarket	8	1.9%
113	Oxylane Groupe	France	9,003	9,003	n/a	Other Specialty	20	9.4%
114	Jumbo Groep Holding B.V.	Netherlands	8,950 [g]	8,950[g]	n/a	Supermarket	1	40.7%
115	SuperValu Inc.	U.S.	8,931 **	17,097**	-1,466	Supermarket	1	-23.6%
116	C&A Europe	Belgium/ Germany	8,904 [e]	8,904[e]	n/a	Apparel/Footwear Specialty	20	2.5%
117	GameStop Corporation	U.S.	8,887	8,887	-270	Other Specialty	16	4.6%
118	Home Retail Group plc	U.K.	8,690	8,690	149	Other Specialty	3	-1.8%
119	AutoZone, Inc.	U.S.	8,604 [**]	8,604[**]	930	Other Specialty	3	6.9%
120	The Pantry, Inc.	U.S.	8,253	8,253	-3	Convenience/Forecourt Store	1	3.6%
121	Colruyt Group	Belgium	8,129	10,709[**]	456	Supermarket	3	7.6%
122	Esselunga S.p.A.	Italy	8,019 [e]	8,745[g]	n/a	Hypermarket/Supercenter/Superstore	1	4.7%
123	dm-drogerie markt GmbH + Co. KG	Germany	7,972	8,928[g]	n/a	Drug Store/Pharmacy	12	10.5%
124	Organización Soriana, S.A.B. de C.V.	Mexico	7,964	7,964	271	Hypermarket/Supercenter/Superstore	1	9.9%
125	Steinhoff International Holdings Ltd.	S. Africa	7,952	13,117	902	Other Specialty	21	36.3%
126	Edion Corporation	Japan	7,876 [e**]	8,290[**]	-32	Electronics Specialty	1	-4.4%
127	Grupo Eroski	Spain	7,783 [e]	8,022	-156	Supermarket	2	-2.0%
128	K's Holdings Corporation	Japan	7,714	7,714	161	Electronics Specialty	1	2.3%
129	Yodobashi Camera Co., Ltd.	Japan	7,710	7,710	n/a	Electronics Specialty	1	-2.2%
130	Reitan Group	Norway	7,695	9,018	270	Discount Store	7	16.2%

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131	Hy-Vee, Inc.	U.S.	7,682	7,682	n/a	Supermarket	1	6.3%
132	Dirk Rossmann GmbH	Germany	7,652	7,652	n/a	Drug Store/Pharmacy	6	13.5%
133	Shanghai Friendship Group Incorporated Co.	China	7,554 **	7,816**	244	Supermarket	1	15.9%
134	Dollar Tree, Inc.	U.S.	7,395	7,395	619	Discount Store	2	11.8%
135	Globus Holding GmbH & Co. KG	Germany	7,388 e	8,641g	n/a	Hypermarket/Supercenter/Superstore	4	5.6%
136	Casey's General Stores, Inc.	U.S.	7,251	7,251	111	Convenience/Forecourt Store	1	8.5%
137	Pick n Pay Stores Limited	S. Africa	7,110 **	7,110**	66	Supermarket	9	5.5%
138	Compagnie Financière Richemont SA	Switzerland	7,009	13,078**	2,583	Other Specialty	75	19.7%
139	PetSmart, Inc.	U.S.	6,758	6,758	390	Other Specialty	3	7.7%
140	Coop Danmark A/S	Denmark	6,757 **	6,976**	27	Supermarket	1	ne
141	Wegmans Food Markets, Inc.	U.S.	6,672	6,672	112	Supermarket	1	8.1%
142	Beijing Jingdong Century Trading Co., Ltd. (Jingdong Mall)	China	6,663 e	6,663e	n/a	Non-Store	82	n/a
143	Dillard's, Inc.	U.S.	6,648 e	6,752	336	Department Store	1	-2.0%
144	FEMSA Comercio, S.A. de C.V.	Mexico	6,580	6,580	n/a	Convenience/Forecourt Store	2	15.5%
145	Izumi Co., Ltd.	Japan	6,517	6,555	203	Hypermarket/Supercenter/Superstore	1	3.5%
146	Bic Camera Inc.	Japan	6,483	6,585	53	Electronics Specialty	1	-1.2%
147	The Great Atlantic & Pacific Tea Company, Inc.	U.S.	6,400 e	6,400e	n/a	Supermarket	1	0.0%
148	Wawa, Inc.	U.S.	6,385 e	9,000e**	n/a	Convenience/Forecourt Store	1	10.4%
149	President Chain Store Corp.	Taiwan	6,360 e	7,062**	259	Convenience/Forecourt Store	4	9.5%
150	Don Quijote Co., Ltd.	Japan	6,301	6,548	254	Discount Department Store	2	6.9%
151	CP ALL Public Company Limited	Thailand	6,300	6,401**	358	Convenience/Forecourt Store	1	11.5%
152	Kering S.A. (formerly PPR S.A.)	France	6,293	12,522**	1,392	Apparel/Footwear Specialty	85	-19.1%
153	QuikTrip Corporation	U.S.	6,260 e	11,000e	n/a	Convenience/Forecourt Store	1	7.3%
154	O'Reilly Automotive, Inc.	U.S.	6,182 **	6,182**	586	Other Specialty	1	19.6%
155	Foot Locker, Inc.	U.S.	6,182	6,182	397	Apparel/Footwear Specialty	30	2.6%
156	Life Corporation	Japan	6,181	6,364	36	Supermarket	1	3.3%
157	Defense Commissary Agency (DeCA)	U.S.	6,100	6,100	n/a	Supermarket	13	1.9%
158	Office Depot, Inc.	U.S.	6,070 e	10,696	-77	Other Specialty	19	-5.8%
159	Shimamura Co., Ltd.	Japan	6,011	6,011	337	Apparel/Footwear Specialty	3	3.6%
160	Advance Auto Parts, Inc.	U.S.	5,915 **	6,205**	388	Other Specialty	2	4.7%
161	Dick's Sporting Goods, Inc.	U.S.	5,836	5,836	291	Other Specialty	1	8.5%
162	Lojas Americanas S.A.	Brazil	5,835	5,835	178	Discount Department Store	1	14.6%
163	H2O Retailing Corporation	Japan	5,767	6,354	75	Department Store	1	1.6%
164	Sheetz, Inc.	U.S.	5,750 e	5,750e	n/a	Convenience/Forecourt Store	1	8.1%
165	Sonae, SGPS, SA	Portugal	5,737	6,918	185	Supermarket	10	5.7%
166	Associated British Foods plc/ Primark	U.K.	5,524	19,319	919	Apparel/Footwear Specialty	8	16.9%
167	BİM Birleşik Mağazalar A.Ş.	Turkey	5,506	5,506	184	Discount Store	2	27.2%
168	Next plc	U.K.	5,501 **	5,662**	808	Apparel/Footwear Specialty	72	2.2%
169	Bauhaus GmbH & Co. KG	Germany	5,495 e	5,495e	n/a	Home Improvement	16	7.0%
170	MatsumotoKiyoshi Holdings Co., Ltd.	Japan	5,488 **	5,521**	138	Drug Store/Pharmacy	1	3.2%
171	Tokyu Corporation	Japan	5,473	12,923	536	Department Store	1	-5.2%

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172	The SPAR Group Limited	S. Africa	5,423 *	5,423 *	132	Supermarket	7	14.7%
173	The Sherwin-Williams Company/ Paint Stores Group	U.S.	5,410	9,534 **	631	Home Improvement	8	1.8%
174	Big Lots, Inc.	U.S.	5,400	5,400	177	Discount Store	2	3.0%
175	DCM Holdings Co., Ltd.	Japan	5,312	5,315	130	Home Improvement	1	2.1%
176	WinCo Foods LLC	U.S.	5,300 e	5,300 e	n/a	Supermarket	1	12.1%
177	Arcs Co., Ltd.	Japan	5,290	5,312	101	Supermarket	1	12.7%
178	Coop Norge, the Group	Norway	5,278 **	5,333 **	6	Supermarket	1	ne
179	KF Gruppen	Sweden	5,241 e**	5,594 **	-324	Supermarket	1	ne
180	Coppel S.A. de C.V.	Mexico	5,226	5,226	742	Department Store	3	18.4%
181	Belle International Holdings Limited	Hong Kong SAR	5,213	5,213	686	Apparel/Footwear Specialty	3	23.0%
182	Lawson, Inc.	Japan	5,177 **	5,966 **	410	Convenience/Forecourt Store	4	10.2%
183	Deichmann SE	Germany	5,016	5,787 g	n/a	Apparel/Footwear Specialty	22	8.9%
184	Valor Co., Ltd.	Japan	4,959	5,218	99	Supermarket	2	5.9%
185	Groupe FNAC S.A. ***	France	4,943	5,223	-182	Other Specialty	7	ne
186	Sundrug Co., Ltd.	Japan	4,930 **	4,930 **	181	Drug Store/Pharmacy	1	10.6%
187	Darty plc (formerly Kesa Electricals plc)	U.K.	4,895	4,895	-136	Electronics Specialty	8	-9.9%
188	East Japan Railway Company	Japan	4,891	32,329	2,174	Convenience/Forecourt Store	1	0.0%
189	RONA Inc.	Canada	4,887 **	4,887 **	19	Home Improvement	1	0.4%
190	Central Retail Corporation Ltd.	Thailand	4,854 e	4,854 e	n/a	Department Store	3	16.1%
191	Grupo Comercial Chedraui, S.A.B. de C.V.	Mexico	4,821	4,868	118	Hypermarket/Supercenter/Superstore	2	13.3%
192	OJSC Dixy Group	Russia	4,752	4,752	34	Supermarket	1	32.0%
193	Dashang Co., Ltd.	China	4,684	5,054	167	Department Store	1	16.1%
194	Tractor Supply Company	U.S.	4,664	4,664	276	Other Specialty	1	11.5%
195	Barnes & Noble, Inc.	U.S.	4,568	6,839 **	-158	Other Specialty	1	-3.3%
196	Heiwado Co., Ltd.	Japan	4,562	4,805	70	Hypermarket/Supercenter/Superstore	2	-1.5%
197	Emke Group/Lulu Group International	UAE	4,560 e	4,560 e	n/a	Hypermarket/Supercenter/Superstore	9	25.3%
198	Harris Teeter Supermarkets, Inc. (formerly Ruddick Corporation)	U.S.	4,535	4,535	83	Supermarket	1	6.6%
199	Abercrombie & Fitch Co.	U.S.	4,511	4,511	237	Apparel/Footwear Specialty	20	3.8%
200	Coach, Inc.	U.S.	4,500 e	5,075 **	1,034	Other Specialty	16	12.1%
201	El Puerto de Liverpool, S.A.B. de C.V.	Mexico	4,475	5,043	548	Department Store	1	8.5%
202	Douglas Holding AG	Germany	4,465	4,465	-143	Other Specialty	18	2.8%
203	Celesio AG	Germany	4,453	28,642	-192	Drug Store/Pharmacy	9	-0.9%
204	Save Mart Supermarkets	U.S.	4,435 e	4,435 e	n/a	Supermarket	1	-2.8%
205	E.Land World Ltd.	S. Korea	4,427 e**	5,017 **	63	Apparel/Footwear Specialty	15	13.4%
206	Michaels Stores, Inc.	U.S.	4,408	4,408	214	Other Specialty	2	2.7%
207	Dell Inc.	U.S.	4,369 e	56,940 **	2,372	Non-Store	164	-6.8%
208	Neiman Marcus, Inc.	U.S.	4,345	4,345	140	Department Store	1	-0.2%
209	Chongqing Department Store Co., Ltd	China	4,340	4,461	111	Department Store	1	38.4%
210	Nike, Inc.	U.S.	4,326	25,313	2,485	Apparel/Footwear Specialty	48	n/a
211	OJSC "Company M.Video"	Russia	4,318	4,318	134	Electronics Specialty	1	22.5%
212	SMU S.A.	Chile	4,291 **	4,331 **	-88	Supermarket	2	ne

[1] Revenue and net income for the parent company or group may include results from non-retail operations
[2] Compound annual growth rate

e = estimate
g = gross turnover as reported by company
n/a = not available
ne = not in existence (created by merger or divestiture)

* Revenue reflects wholesale sales
** Revenue includes wholesale and retail sales
*** Spun off from PPR (now Kering) through an IPO in June 2013; classified by PPR as a discontinued operation in 2012.

Top 250 global retailers 2012

Retail revenue rank (FY12)	Name of company	Country of origin	2012 retail revenue (US$m)	2012 parent company/ group revenue[1] (US$m)	2012 parent company/ group net revenue[1] (US$m)	Dominant operational format 2012	# countries of operation 2012	2007-2012 retail revenue CAGR[2]
213	Joshin Denki Co., Ltd.	Japan	4,273 **	4,428 **	42	Electronics Specialty	1	1.4%
214	RadioShack Corporation	U.S.	4,258	4,258	-139	Electronics Specialty	33	0.0%
215	Arcadia Group Limited	U.K.	4,218 **	4,218 **	n/a	Apparel/Footwear Specialty	43	7.6%
216	Sugi Holdings Co., Ltd.	Japan	4,206 **	4,206 **	155	Drug Store/Pharmacy	1	6.7%
217	Nitori Holdings Co., Ltd.	Japan	4,204	4,269	439	Other Specialty	2	9.9%
218	OfficeMax Inc.	U.S.	4,185 [e]	6,920	421	Other Specialty	6	-4.6%
219	Iceland Foods Group Limited	U.K.	4,173 **	4,173 **	n/a	Supermarket	6	8.1%
220	Far Eastern Department Stores Ltd. Retail Group	Taiwan	4,172	4,275	85	Department Store	2	7.3%
221	RaceTrac Petroleum Inc.	U.S.	4,170 [e]	9,060 **	n/a	Convenience/Forecourt Store	1	9.9%
222	Burlington Coat Factory Investments Holdings, Inc.	U.S.	4,166	4,166	25	Department Store	2	4.0%
223	Nonggongshang Supermarket Group Co. Ltd.	China	4,099 [e]	4,807 [g]	n/a	Hypermarket/Supercenter/Superstore	1	6.3%
224	Tsuruha Holdings Inc.	Japan	4,091	4,092	161	Drug Store/Pharmacy	2	8.5%
225	FamilyMart Co., Ltd.	Japan	4,089 **	4,089 **	328	Convenience/Forecourt Store	8	0.9%
226	Hudson's Bay Company	Canada	4,087	4,087	-45	Department Store	2	ne
227	Williams-Sonoma, Inc.	U.S.	4,043	4,043	257	Other Specialty	7	0.5%
228	Karstadt Warenhaus GmbH	Germany	4,028 [e]	4,028 [e]	-324	Department Store	1	-4.3%
229	Groupe Vivarte	France	4,026	4,026	n/a	Apparel/Footwear Specialty	64	4.3%
230	Izumiya Co., Ltd.	Japan	4,025	4,214	7	Hypermarket/Supercenter/Superstore	2	-2.0%
231	Demoulas Super Markets, Inc.	U.S.	4,010	4,010	217	Supermarket	1	10.1%
232	Susser Holdings Corporation	U.S.	4,010	5,818 **	51	Convenience/Forecourt Store	1	19.1%
233	GS Retail Co., Ltd.	S. Korea	4,005 **	4,005 **	110	Convenience/Forecourt Store	1	10.3%
234	Woolworths Holdings Limited	S. Africa	4,001	4,001	300	Department Store	17	11.9%
235	XXXLutz Group	Austria	3,987 [e]	3,987 [e]	n/a	Other Specialty	9	6.9%
236	Signet Jewelers Limited	Bermuda	3,983	3,983	360	Other Specialty	3	1.7%
237	Daiso Sangyo Inc.	Japan	3,960 [e**]	4,258 [g**]	n/a	Discount Department Store	29	0.8%
238	Belk, Inc.	U.S.	3,957	3,957	188	Department Store	1	0.7%
239	Liquor Control Board of Ontario	Canada	3,920 [e]	4,888 **	1,710	Other Specialty	1	3.8%
240	Albertsons LLC	U.S.	3,900 [e]	3,900 [e]	n/a	Supermarket	1	-8.3%
241	HORNBACH-Baumarkt-AG Group	Germany	3,897	3,897	67	Home Improvement	9	4.1%
242	Roundy's, Inc.	U.S.	3,891	3,891	-69	Supermarket	1	0.5%
243	Marui Group Co. Ltd.	Japan	3,886	4,929	161	Department Store	2	-4.3%
244	Agrokor d.d.	Croatia	3,878 **	5,099 **	11	Supermarket	3	9.8%
245	Stater Bros. Holdings Inc.	U.S.	3,873	3,873	38	Supermarket	1	1.6%
246	Praktiker AG	Germany	3,862	3,862	-243	Home Improvement	9	-5.3%
247	Cosmos Pharmaceutical Corp.	Japan	3,856	3,856	110	Drugstore/Pharmacy	1	17.3%
248	Fuji Co. Ltd.	Japan	3,832	3,833	22	Hypermarket/Supercenter/Superstore	1	0.5%
249	The Maruetsu, Inc.	Japan	3,817	3,864	22	Supermarket	1	-1.2%
250	The Golub Corporation/Price Chopper Supermarkets	U.S.	3,800 [e]	3,800 [e]	n/a	Supermarket	1	3.7%

[1] Revenue and net income for the parent company or group may include results from non-retail operations
[2] Compound annual growth rate

e = estimate
g = gross turnover as reported by company
n/a = not available

ne = not in existence (created by merger or divestiture)
* Revenue reflects wholesale sales
** Revenue includes wholesale and retail sales

Top 250 global retailers 2012 alphabetical listing

Abercrombie & Fitch Co.	199
Advance Auto Parts, Inc.	160
Aeon Co., Ltd.	13
Agrokor d.d.	244
Albertsons LLC	240
Aldi Einkauf GmbH & Co. oHG	9
Alimentation Couche-Tard Inc.	31
Alliance Boots GmbH	84
Amazon.com, Inc.	16
Apple Inc./Apple Stores	50
Arcadia Group Limited	215
Arcs Co., Ltd.	177
Army & Air Force Exchange Service (AAFES)	111
AS Watson & Company, Ltd.	48
Associated British Foods plc/Primark	166
AutoZone, Inc.	119
Barnes & Noble, Inc.	195
Bauhaus GmbH & Co. KG	169
Bed Bath and Beyond Inc.	90
Beijing Jingdong Century Trading Co., Ltd. (Jingdong Mall)	142
Beisia Group Co., Ltd.	108
Belk, Inc.	238
Belle International Holdings Limited	181
Best Buy Co., Inc.	23
Bic Camera Inc.	146
Big Lots, Inc.	174
Bi-Lo Holdings, LLC	102
BİM Birleşik Mağazalar A.Ş.	167
BJ's Wholesale Club, Inc.	88
Burlington Coat Factory Investments Holdings, Inc.	222
C&A Europe	116
Canadian Tire Corporation, Limited	96
Carrefour S.A.	4
Casey's General Stores, Inc.	136
Casino Guichard-Perrachon S.A.	20
Celesio AG	203
Cencosud S.A.	51
Central Retail Corporation Ltd.	190
Centres Distributeurs E. Leclerc	24
China Resources Enterprise, Limited	93
Chongqing Department Store Co., Ltd	209
Coach, Inc.	200
Colruyt Group	121
Compagnie Financière Richemont SA	138
Conad Consorzio Nazionale, Dettaglianti Soc. Coop. a.r.l.	71
Coop Danmark A/S	140
Coop Group	49
Coop Italia	61
Coop Norge, the Group	178
Co-operative Group Ltd.	72
Coppel S.A. de C.V.	180
Cosmos Pharmaceutical Corp.	247
Costco Wholesale Corporation	3
CP ALL Public Company Limited	151
CVS Caremark Corp.	12
Daiei, Inc.	100
Dairy Farm International Holdings Limited	104
Daiso Sangyo Inc.	237
Dansk Supermarked A/S	107
Darty plc (formerly Kesa Electricals plc)	187
Dashang Co., Ltd.	193
DCM Holdings Co., Ltd.	175
Defense Commissary Agency (DeCA)	157
Deichmann SE	183
Delhaize Group	33
Dell Inc.	207
Demoulas Super Markets, Inc.	231
Dick's Sporting Goods, Inc.	161
Dillard's, Inc.	143
Dirk Rossmann GmbH	132
Distribuidora Internacional de Alimentación, S.A. (Dia, S.A.)	73
Dixons Retail plc	70
dm-drogerie markt GmbH + Co. KG	123
Dollar General Corporation	56
Dollar Tree, Inc.	134
Don Quijote Co., Ltd.	150
Douglas Holding AG	202
E.Land World Ltd.	205
East Japan Railway Company	188
Edeka Zentrale AG & Co. KG	18
Edion Corporation	126
El Corte Inglés, S.A.	62
El Puerto de Liverpool, S.A.B. de C.V.	201
E-MART Co., Ltd.	89
Emke Group/Lulu Group International	197
Empire Company Limited/Sobeys	53
Esselunga S.p.A.	122
Family Dollar Stores, Inc.	109
FamilyMart Co., Ltd.	225
Far Eastern Department Stores Ltd. ail Group	220
Fast Retailing Co., Ltd.	85
FEMSA Comercio, S.A. de C.V.	144
Foot Locker, Inc.	155
Fuji Co. Ltd.	248
GameStop Corporation	117
Gap, Inc.	59
Giant Eagle, Inc.	101
Globus Holding GmbH & Co. KG	135
Golub Corporation/Price Chopper Supermarkets	250
Gome Home Appliance Group	82
Great Atlantic & Pacific Tea Company, Inc.	147
Groupe Adeo SA	55
Groupe Auchan SA	14
Groupe FNAC S.A.	185
Groupe Vivarte	229
Grupo Comercial Chedraui, S.A.B. de C.V.	191
Grupo Eroski	127
GS Retail Co., Ltd.	233
H & M Hennes & Mauritz AB	52
H.E. Butt Grocery Company	46
H2O Retailing Corporation	163
Harris Teeter Supermarkets, Inc. (formerly Ruddick Corporation)	198
Heiwado Co., Ltd.	196
Home Depot, Inc.	8
Home Retail Group plc	118
HORNBACH-Baumarkt-AG Group	241
Hudson's Bay Company	226
Hy-Vee, Inc.	131
ICA Gruppen (formerly ICA AB)	66
Iceland Foods Group Limited	219
IKEA Group (INGKA Holding B.V.)	30
Inditex, S.A.	45
Isetan Mitsukoshi Holdings Ltd.	64
ITM Développement International (Intermarché)	29
Izumi Co., Ltd.	145
Izumiya Co., Ltd.	230
J Sainsbury plc	28
J. C. Penney Company, Inc.	74
J. Front Retailing Co., Ltd.	81
Jerónimo Martins, SGPS, S.A.	67
John Lewis Partnership plc	69
Joshin Denki Co., Ltd.	213
Jumbo Groep Holding B.V.	114
Karstadt Warenhaus GmbH	228
Kering S.A. (formerly PPR S.A.)	152
Kesko Corporation	112
KF Gruppen	179
Kingfisher plc	54
Kohl's Corporation	47
Koninklijke Ahold N.V.	26
Kroger Co.	5
K's Holdings Corporation	128
L Brands, Inc. (formerly Limited Brands, Inc.)	95
Lawson, Inc.	182
Liberty Interactive Corporation	99
Life Corporation	156
Liquor Control Board of Ontario	239
Loblaw Companies Limited	32
Lojas Americanas S.A.	162
Lotte Shopping Co., Ltd.	43
Louis Delhaize S.A.	77
Lowe's Companies, Inc.	21
LVMH Moët Hennessy-Louis Vuitton S.A.	41
Macy's, Inc.	36
Marks and Spencer Group plc	57
Maruetsu, Inc.	249
Marui Group Co. Ltd.	243
MatsumotoKiyoshi Holdings Co., Ltd.	170
Meijer, Inc.	63
Menard, Inc.	110
Mercadona, S.A.	42
Metro AG	7
Metro Inc.	83
Michaels Stores, Inc.	206
Migros-Genossenschafts Bund	39
Neiman Marcus, Inc.	208
Next plc	168
Nike, Inc.	210
Nitori Holdings Co., Ltd.	217
Nonggongshang Supermarket Group Co. Ltd.	223
Nordstrom, Inc.	86
NorgesGruppen ASA	98
Office Depot, Inc.	158
OfficeMax Inc.	218
OJSC "Company M.Video"	211
OJSC Dixy Group	192
Open Joint Stock Company "Magnit"	65
O'Reilly Automotive, Inc.	154
Organización Soriana, S.A.B. de C.V.	124
Otto (GmbH & Co KG)	75
Oxylane Groupe	113
Pantry, Inc.	120
PetSmart, Inc.	139
Pick n Pay Stores Limited	137
Praktiker AG	246
President Chain Store Corp.	149
Publix Super Markets, Inc.	35
QuikTrip Corporation	153
RaceTrac Petroleum Inc.	221
RadioShack Corporation	214
Reitan Group	130
Rewe Combine	22
Rite Aid Corporation	38
RONA Inc.	189
Ross Stores, Inc.	105
Roundy's, Inc.	242
S Group	78
S.A.C.I. Falabella	97
Safeway Inc.	25
Save Mart Supermarkets	204
Schwarz Unternehmens Treuhand KG	6
Sears Holdings Corp.	27
Seven & i Holdings Co., Ltd.	17
Shanghai Friendship Group Incorporated Co.	133
Sheetz, Inc.	164
Sherwin-Williams Company/Paint Stores Group	173
Shimamura Co., Ltd.	159
Shoppers Drug Mart Corporation	92
Shoprite Holdings Ltd.	94
SHV Holdings N.V. / Makro	106
Signet Jewelers Limited	236
SMU S.A.	212
Sonae, SGPS, SA	165
SPAR Group Limited	172
SPAR Österreichische Warenhandels-AG	79
Staples, Inc.	76
Stater Bros. Holdings Inc.	245
Steinhoff International Holdings Ltd.	125
Sugi Holdings Co., Ltd.	216
Sundrug Co., Ltd.	186
Suning Commerce Group Co., Ltd. (formerly Suning Appliance Co. Ltd.)	60
SuperValu Inc.	115
Susser Holdings Corporation	232
Système U, Centrale Nationale	40
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Tengelmann Warenhandelsgesellschaft KG	91
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Tractor Supply Company	194
Tsuruha Holdings Inc.	224
Uny Group Holdings Co., Ltd. (formerly UNY Co., Ltd.)	80
Valor Co., Ltd.	184
Walgreen Co.	11
Wal-Mart Stores, Inc.	1
Wawa, Inc.	148
Wegmans Food Markets, Inc.	141
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Woolworths Holdings Limited	234
Woolworths Limited	15
X5 Retail Group N.V.	58
XXXLutz Group	235
Yamada Denki Co., Ltd.	44
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Global Powers of Retailing Top 250 highlights

Retail industry continues to grow despite difficult economy

The 2012 fiscal year got off to a difficult start for the global retail industry. Much of Europe fell back into recession in 2011, a recession that continued throughout the following year. In the first half of 2012 there was considerable financial turmoil associated with the perceived risk that the Eurozone would fail. The European crisis had a negative impact on many of the world's leading economies. In China, growth slowed considerably in 2012 as European demand for imported goods declined. In Japan, economic growth was feeble despite the country's initially strong recovery from the March 2011 earthquake and tsunami.

The U.S. economy nearly stalled in late 2011, but regained a bit of momentum in early 2012 as consumer spending and the housing market began to show signs of modest improvement. Although growth remained reasonably strong in some emerging markets, the overall economic environment was weak in the major markets where the Top 250 retailers operate.

Despite difficult economic conditions throughout 2012, the world's leading retailers continued to grow, building on the rebound that began in 2010. Sales-weighted, currency-adjusted retail revenue increased 4.9 percent in 2012 for the Top 250 Global Powers of Retailing, following a 5.1 percent gain in 2011 and 5.3 percent growth in 2010. Nearly 80 percent of the Top 250 (199 companies) posted an increase in retail revenue. However, Japanese retailers continued to account for a disproportionate share of the companies that experienced a decline in revenue, as was the case in 2011 in the immediate aftermath of the earthquake and tsunami.

The vast majority of Top 250 companies that disclosed their bottom-line results—171 of 198 companies—once again operated at a profit in 2012, producing a composite net profit margin of 3.1 percent and return on assets of 5 percent. While these results show a decline from the figures reported for the Top 250 in 2011 and 2010, this is strictly due to a methodological change. Beginning with this report for fiscal 2012, the net profits for Top 250 companies that are not primarily retailers have been excluded from the composite net profit margin and return on assets calculations. Because these companies did not derive the majority of their revenue from retail operations, their consolidated profits mostly reflect their non-retail activities. This change resulted in the exclusion of nine companies in 2012 including Apple, whose unusually high profit margins skew the overall results. Readers of this report who monitor the performance of the Top 250 year-over-year should note that without this change in methodology the overall net profit margin and return on assets would have ticked up slightly in 2012.

Total retail revenue for the Top 250 Global Powers of Retailing reached nearly $4.3 trillion in 2012, and the average size of Top 250 retailers exceeded $17 billion. To rank among the Top 250 in 2012 required retail revenue of at least $3.8 billion.

Top 250 quick stats 2012

- $4.29 trillion—aggregate retail revenue of Top 250
- $17.15 billion—average retail revenue of Top 250 company
- $3.80 billion—minimum retail revenue required to be among Top 250
- 4.9%—composite year-over-year retail revenue growth
- 4.6%—2007-2012 composite compound annual growth rate in retail revenue
- 3.1%—composite net profit margin
- 5.0%—composite return on assets
- 24.3%—percent of Top 250 retail revenue from foreign operations
- 10.0—average number of countries in which Top 250 retailers operate
- 63.2%—Top 250 retailers with foreign operations

Top 10 retailers worldwide, 2012

Top 250 rank	Name of company	Country of origin	Retail revenue (US$mil)	Retail revenue y-o-y growth	Net profit margin	Return on assets	# countries of operation	% retail revenue from foreign operations
1	Wal-Mart Stores Inc.	U.S.	469,162	5.0%	3.8%	8.7%	28	29.1%
2	Tesco PLC	U.K.	101,269	0.5%	0.2%	0.2%	13	33.5%
3	Costco Wholesale Corporation	U.S.	99,137	11.5%	1.8%	6.5%	9	27.6%
4	Carrefour S.A.	France	98,757	-5.5%	1.7%	2.9%	31	54.0%
5	The Kroger Co.	U.S.	96,751	7.1%	1.6%	6.1%	1	0.0%
6	Schwarz Unternehmens Treuhand KG	Germany	87,236 e	6.6%	n/a	n/a	26	57.7%
7	Metro AG	Germany	85,832	0.1%	0.2%	0.3%	32	61.6%
8	The Home Depot Inc.	U.S.	74,754	6.2%	6.1%	11.0%	5	11.2%
9	Aldi Einkauf GmbH & Co. oHG	Germany	73,035 e	7.5%	n/a	n/a	17	59.2%
10	Target Corporation	U.S.	71,960	5.1%	4.1%	6.2%	1	0.0%
Top 10*			**$1,257,892**	**4.2%**	**2.8%**	**5.8%**	**16.3****	**32.3%**
Top 250*			**$4,287,587**	**4.9%**	**3.1%**	**5.0%**	**10.0****	**24.3%**
Top 10 share of Top 250 retail revenue			29.3%					

* Sales-weighted, currency-adjusted composites
** Average

Source: Published company data and Planet Retail

Tesco overtakes Carrefour for second place

A shakeup occurred among the world's 10 largest retailers in 2012, mostly the result of a spate of divestments. While Wal-Mart increased its lead, Carrefour—formerly the world's second-largest retailer—fell to fourth place following back-to-back years of declining sales primarily attributable to the spinoff of the Dia hard discount chain in July 2011.

Tesco, which assumed second place in the ranking, was also impacted by discontinued operations, having decided to shutter its Fresh & Easy operations in the United States. It was also a year of transformation for Metro Group. No longer Germany's largest retailer, Metro sold its Makro Cash & Carry U.K. unit to Booker and its Real Eastern Europe operations (excluding Turkey) to Auchan. As a result of these and other changes, Metro dropped from fourth to seventh place.

Meanwhile, a double-digit sales gain boosted Costco from sixth place to third in 2012. The strength of the U.S. dollar relative to the euro moved The Home Depot ahead of Aldi. And Target joined the top 10 leader board for the first time in 2012, replacing Walgreen. The drug store retailer's top line was negatively impacted by a decline in prescription sales after its contract with the Express Scripts pharmacy provider network lapsed (the companies subsequently reached a new agreement).

As a group, the top 10 grew more slowly than the Top 250 in 2012, with composite retail revenue growth of 4.2 percent vs. 4.9 percent. Profitability for the leaders also lagged that of the broader group. At 2.8 percent, the top 10 composite net profit margin was moderated by the restructuring activity that occurred in 2012.

In particular, Tesco's net result, which factors in a significant loss from its discontinued U.S. operations, had an adverse effect. Lower overall profitability also reflects the focus of most of the top 10 retailers on inherently lower-margin, fast-moving consumer goods. Despite a slimmer profit margin, the top 10 generated a higher return on assets, posting a composite ROA of 5.8 percent vs. 5 percent for the Top 250.

The leader group as a whole is much more globally active than the Top 250 retailers overall. On average, the top 10 had retail operations in 16.3 countries in 2012, compared with 10 countries for the Top 250. The world's 10 largest retailers generated almost one-third of their combined retail revenue from foreign operations in 2012; this compares with less than one-quarter of total Top 250 revenue. Notably, four of the five European companies in the top 10 derived the majority of their revenue from outside their home countries. Conversely, two of the five U.S. companies in the top 10 had no international operations.

Global Powers of Retailing geographical analysis

For purposes of geographical analysis, companies are assigned to a region based on their headquarters location, which may not always coincide with the geography from which they derive the majority of their sales. Although many companies derive sales from outside their region, 100 percent of each company's sales are accounted for within that company's region.

Another year of tough trading for European retailers

Retailers based in emerging markets continued to enjoy strong consumer demand in 2012, although the pace of growth slowed somewhat from 2011. Latin American retailers led the way with 14.7 percent composite retail revenue growth, followed by retailers in the Africa/Middle East region. "Other" Asia/Pacific retailers (excluding Japan) also posted solid gains, but not at the double-digit levels seen in the prior two years. Japanese retailers recovered from a devastating 2011 but continued to trail the other countries and regions tracked.

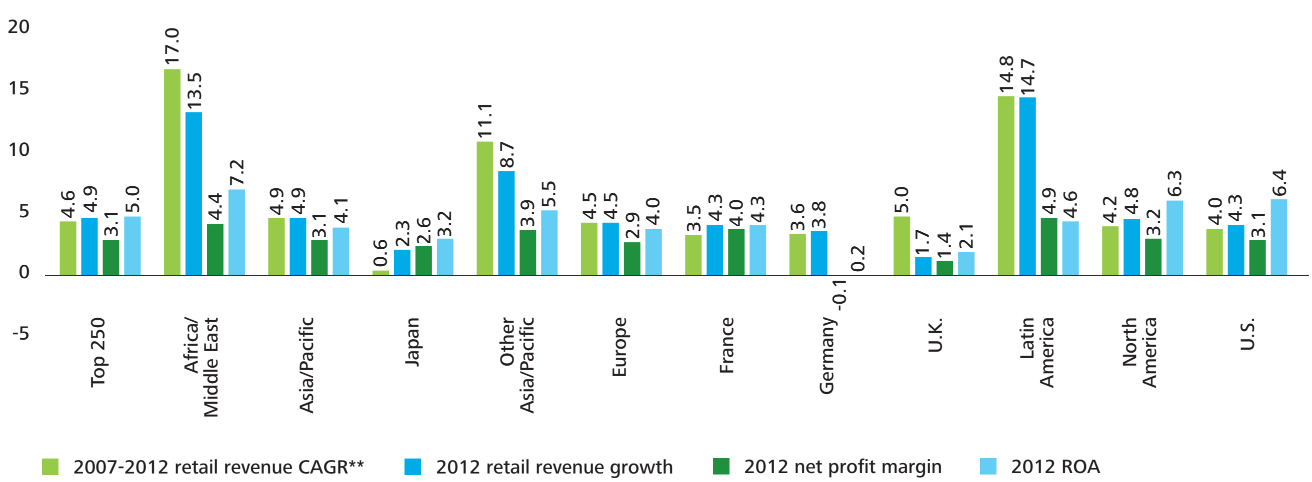
Growth cooled from 6.3 percent to 4.3 percent for the U.S. retailers in the Top 250. For the North American region as a whole, and Canada in particular, revenue growth got a boost from c-store operator and licensor Alimentation Couche-Tard. In June 2012, the company acquired Statoil Fuel & Retail, a Scandinavian retailer of fuel and convenience products, resulting in a 43 percent increase in retail revenue. At almost $33 billion, Couche-Tard is now the largest retailer based in Canada, although only 15 percent of its retail revenue is derived from Canadian operations.

Region/country profiles, 2012

	# companies	Average retail revenue (US$mil)	Share of Top 250 Companies	Share of Top 250 Revenue
Top 250	250	$17,150	100.0%	100.0%
Africa/Middle East	7	$6,441	2.8%	1.1%
Asia/Pacific	60	$10,802	24.0%	15.1%
Japan	39	$9,564	15.6%	8.7%
Other Asia/Pacific	21	$13,102	8.4%	6.4%
Europe	82	$19,398	32.8%	37.1%
France	12	$31,601	4.8%	8.8%
Germany	17	$25,239	6.8%	10.0%
U.K.	14	$19,460	5.6%	6.4%
Other Europe	39	$13,076	15.6%	11.9%
Latin America	9	$7,484	3.6%	1.6%
North America	92	$21,047	36.8%	45.2%
U.S.	83	$21,797	33.2%	42.2%
Canada	9	$14,132	3.6%	3.0%

Results reflect Top 250 retailers headquartered in each region/country

Sales growth and profitability by region/country* (%)



Results reflect Top 250 companies headquartered in each region/country
* Sales-weighted, currency-adjusted composites ** Compound annual growth rate

Source: Published company data and Planet Retail

European retailers faced another year of tough trading. The region fell back into recession when austerity measures, enacted to cope with the Eurozone credit crisis, resulted in low growth and high unemployment in many European countries. Retailers based in Germany, and particularly the U.K., underperformed on the top line compared with Europe's Top 250 retailers as a group.

Europe's big three economies account for just over half of the region's Top 250 retail companies, but more than two-thirds of its total retail revenue. French retailers—by far the world's largest, averaging $31.6 billion in retail revenue in 2012—reported stronger results than their British and German counterparts. This may have something to do with their broader global footprint, meaning more of their revenue base is located outside the slow-growing European market. However, it mostly has to do with Casino, the multi-format French supermarket group. In July 2012, Casino became the sole controlling shareholder of GPA (Grupo Pão de Açúcar), Brazil's largest retailer, whose results became fully consolidated within Casino's accounts in the second half of fiscal 2012.

Profitability also suffered for European retailers in 2012, as the composite net profit margin (2.9 percent) lagged all other regions. Slow top-line growth for U.K. and German retailers impacted their bottom lines, as well. That said, the U.K.'s slim 1.4 percent composite net profit margin was primarily the result of Tesco, the country's largest retailer, whose annual profits fell for the first time in nearly 20 years. Tesco eked out a 0.2 percent profit margin after accounting for a significant loss, primarily from its decision to exit the U.S. market. Of the 17 German Top 250 retailers, nine are privately held companies that do not release bottom-line results. Four of the remaining eight companies in this historically low-margin market operated at a loss; the other four generated net profits of less than 2 percent of revenues.

Conversely, in Latin America and Africa/Middle East, strong growth continued to yield above-average profitability. In 2012, Latin American retailers produced an industry-leading 4.9 percent net profit margin, and retailers in the Africa/Middle East region realized a 7.2 percent return on assets.

European retailers increase dependence on foreign markets

Over the years that Deloitte has been tracking the Global Powers of Retailing, the share of total Top 250 retail revenue from foreign operations has continued to grow. In 2012, nearly one-quarter (24.3 percent) of Top 250 revenue was generated from foreign markets, up slightly from 23.8 percent in 2011 and 23.4 percent in 2010. Top 250 retailers operated in an average of 10 countries, compared with 9 in 2011 and 8.2 in 2010. (Note: The 2012 figure includes Dell, which is truly global in scope. Therefore, it is not strictly comparable with figures in prior reports from which Dell was excluded. However, if Dell is excluded from the 2012 results, the average number of countries would still have increased to 9.4.)

As another indicator of increasing globalization, the share of Top 250 retailers that operated only within their domestic borders continues to decline: 36.8 percent in 2012, down from 38 percent in 2011 and 40.4 percent in 2010. While these statistics are not strictly comparable, as the composition of the Top 250 retailers fluctuates from year to year, the overall trend toward increasing globalization is clear.

Level of globalization by region/country, 2012

	% retail revenue from foreign operations	Average # of countries	% single-country operators
Top 250	24.3%	10.0	36.8%
Africa/Middle East	23.2%	11.7	0.0%
Asia/Pacific	12.6%	5.7	45.0%
Japan	7.7%	4.0	53.8%
Other Asia/Pacific	19.4%	8.9	28.6%
Europe	39.1%	15.6	19.5%
France	44.4%	29.5	0.0%
Germany	44.9%	15.4	11.8%
U.K.	22.4%	17.3	21.4%
Latin America	23.1%	2.3	33.3%
North America	16.1%	8.4	50.0%
U.S.	15.6%	9.0	48.2%

Results reflect Top 250 retailers headquartered in each region/country

European retailers remain the most global. In 2012, they operated in an average of 15.6 countries and generated nearly 40 percent of total retail revenue from foreign operations. More than 80 percent of the region's Top 250 retailers—including all of the French companies—operated outside their home country.

Japanese retailers continue to be the least global. Doing business in an average of four countries, they generated just 7.7 percent of retail revenue in foreign markets in 2012; more than half remained single-country operators. While half of the North American retailers had international operations, they accounted for a relatively small share (16.1 percent) of the region's total retail revenue.

Most Top 250 Latin American retailers have operations outside their domestic borders, but have not ventured beyond their region with the exception of Mexican hypermarket chain Chedraui, which has stores in the southwestern United States. Nevertheless, retailers based in this region derived nearly one-quarter of total 2012 revenue from international operations.

The average number of countries with retail operations includes the location of franchised, licensed and joint venture operations in addition to corporate-owned channels of distribution. Where information was available, the number of countries reflects non-store sales channels, like consumer-oriented e-commerce sites, catalogs and TV shopping programs, as well as store locations. However, for many retailers, specific information about non-store activity was not available.

Global Powers of Retailing product sector analysis

The Global Powers of Retailing analyzes performance by primary retail product sector as well as by geography. Four sectors are used for analysis: Fast-moving Consumer Goods, Fashion Goods, Hardlines & Leisure Goods and Diversified. A company is assigned to one of three specific product sectors if at least half of its sales are derived from that broadly defined product category. If none of the three specific product sectors account for at least 50 percent of a company's sales, it is considered to be diversified.

FMCG sector continues to outpace specialty retailers

Retailers of Fast-moving Consumer Goods (FMCG) outpaced the other product sectors in 2012 just as they did in 2011, with 5.3 percent composite retail revenue growth. This group also enjoyed the strongest growth over the longer term, with a composite compound annual growth rate of 5.3 percent from 2007 through 2012. This is not surprising given that food and other consumer packaged goods tend to be more recession-proof than other product sectors. FMCG is by far the largest product sector, both in number and size of companies: In 2012, it accounted for more than half of all Top 250 companies and more than two-thirds of total Top 250 retail revenue. The average size of the 137 retailers in this group was more than $21 billion.

Fashion Goods retailers have historically been the most profitable sector, and 2012 was no exception. The group posted a composite net profit margin of 7.4 percent—more than double the profitability of the Top 250 as a whole—and realized an 8.4 percent return on assets. The 42 Fashion Goods retailers averaged $9 billion in retail revenue, considerably smaller in size than the other product sectors.

With Apple excluded from the profitability ratios (see discussion of methodology change on page G19), Hardlines & Leisure Goods retailers produced a 3.2 percent composite net profit margin in 2012. This overall result disguises the difficulty faced by the sector's consumer electronics and entertainment media retailers, half which operated at a loss in 2012. Struggles with declining categories and increasingly saturated markets created a challenging operating environment.

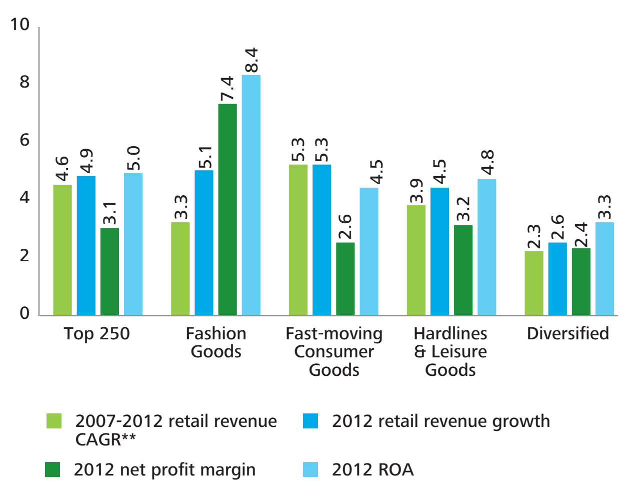
Diversified retailers—those that did not derive a majority of sales from any of the three specific product sectors—remained the weakest across all four performance measures tracked. Operating multiple formats or concepts results in increased operational and marketing complexity and may detract management attention, commitment and sustained investment from the core business.

Product Sector Profiles, 2012

	# companies	Average retail revenue (US$mil)	Share of Top 250 Companies	Share of Top 250 Revenue
Top 250	250	$17,150	100.0%	100.0%
Fashion Goods	42	$9,013	16.8%	8.8%
Fast-moving Consumer Goods	137	$21,360	54.8%	68.3%
Hardlines & Leisure Goods	52	$12,322	20.8%	14.9%
Diversified	19	$18,001	7.6%	8.0%

Source: Published company data and Planet Retail

Sales growth and profitability by product sector* (%)



* Sales-weighted, currency-adjusted composites
** Compound annual growth rate

Source: Published company data and Planet Retail

Fashion Goods retailers have biggest global footprint

The level of globalization by product sector shows that Fashion Goods retailers continue to adopt a more international profile. On average, their operations spanned 22.2 countries in 2012—more than twice the average for the Top 250 group as a whole. More than three-quarters of the retailers in this sector operated internationally, and foreign markets accounted for nearly 30 percent of the sector's total retail revenue.

As a group, retailers of Fast-moving Consumer Goods were the least global: Nearly 45 percent of Top 250 FMCG retailers were single-country operators in 2012. These retailers also operated in the fewest number of countries. Nevertheless, FMCG retailers that have expanded internationally—including most of the largest companies—have made their presence felt, as foreign operations accounted for a relatively sizeable 23.3 percent of the sector's total revenue.

Level of globalization by product sector, 2012

	% retail revenue from foreign operations	Average # countries	% single-country operators
Top 250	24.3%	10.0	36.8%
Fashion Goods	29.8%	22.2	23.8%
Fast-moving Consumer Goods	23.3%	5.1	44.5%
Hardlines & Leisure Goods	26.6%	13.1	26.9%
Diversified	22.6%	10.3	36.8%

Source: Published company data and Planet Retail

Emerging market tailwinds, acquisitions and trends power Fastest 50

The Fastest 50 is based on compound annual revenue growth over a five-year period. Fastest 50 companies that were also among the 50 fastest-growing retailers in 2012 make up an even more elite group. These retailers are designated in italicized bold type on the list.

Unlike the headwinds retailers in mature markets face, emerging market tailwinds continue to fuel aggressive organic growth. Emerging market retailers accounted for more than half (26) of the Fastest 50 in 2012, including all four Russian Top 250 companies, six of seven Africa/Middle East retailers and six of nine based in Latin America. Yet vigorous organic growth was also evident in more mature markets as retailers capitalized on high-growth product categories, consumer segments, formats and channels.

Acquisitions served as the main driver of growth for other Fastest 50 retailers, including Jumbo Groep Holding, a closely held Dutch supermarket company. Jumbo bought competitor C1000 in February 2012; this followed its purchase of Super de Boer in December 2009. These acquisitions made Jumbo the fastest-growing retailer from 2007-2012.

As a group, the 50 fastest-growing retailers increased retail revenue at a compound annual rate of 18.7 percent between 2007 and 2012, four times the rate of the Top 250. Fastest 50 retailers also outperformed the Top 250 on the bottom line, but not to the same extent as in prior years. The composite net profit margin of 3.8 percent was 0.7 percentage points higher than that of the Top 250.

50 fastest-growing retailers 2007-2012

Growth rank	Top 250 rank	Name of company	Country of origin	2012 retail revenue (US$mil)	Dominant operational format	2007-2012 retail revenue CAGR[1]	2012 retail revenue growth	2012 net profit margin
1	114	***Jumbo Groep Holding B.V.***	Netherlands	8,950 g	Supermarket	40.7%	115.2%	n/a
2	209	***Chongqing Department Store Co., Ltd***	China	4,340	Department Store	38.4%	12.4%	2.5%
3	125	***Steinhoff International Holdings Ltd.***	S. Africa	7,952	Other Specialty	36.3%	16.9%	6.9%
4	50	***Apple Inc./Apple Stores***	U.S.	18,828	Electronics Specialty	35.5%	33.3%	26.7%
5	16	***Amazon.com, Inc.***	U.S.	58,570	Non-Store	32.3%	26.0%	-0.1%
6	192	***OJSC Dixy Group***	Russia	4,752	Supermarket	32.0%	43.7%	0.7%
7	65	***Open Joint Stock Company "Magnit"***	Russia	14,424	Convenience/Forecourt Store	31.6%	26.3%	5.6%
8	102	***Bi-Lo Holdings, LLC***	U.S.	9,870 e	Supermarket	31.4%	252.5%	n/a
9	167	***BİM Birleşik Mağazalar A.Ş.***	Turkey	5,506	Discount Store	27.2%	21.0%	3.3%
10	93	***China Resources Enterprise, Limited***	Hong Kong SAR	10,754	Hypermarket/Supercenter/ Superstore	26.3%	19.2%	4.0%
11	197	Emke Group/Lulu Group International	UAE	4,560 e	Hypermarket/Supercenter/ Superstore	25.3%	7.3%	n/a
12	58	X5 Retail Group N.V.	Russia	15,795	Discount Store	24.3%	2.2%	-0.8%
13	181	***Belle International Holdings Limited***	Hong Kong SAR	5,213	Apparel/Footwear Specialty	23.0%	13.5%	13.2%
14	211	***OJSC "Company M.Video"***	Russia	4,318	Electronics Specialty	22.5%	19.4%	3.1%
15	51	***Cencosud S.A.***	Chile	17,896	Supermarket	20.0%	20.7%	2.8%
16	138	***Compagnie Financière Richemont SA***	Switzerland	7,009	Other Specialty	19.7%	16.8%	19.8%

Companies in bold type were also among the 50 fastest-growing retailers in 2012.

[1]Compound annual growth rate
e = estimate

* Revenue reflects wholesale sales
g = gross turnover as reported by company

** Revenue includes wholesale and retail sales

Source: Published company data and Planet Retail

50 fastest-growing retailers, 2007-2012

Growth rank	Top 250 rank	Name of company	Country of origin	2012 retail revenue (US$mil)	Dominant operational format	2007-2012 retail revenue CAGR[1]	2012 retail revenue growth	2012 net profit margin
17	154	O'Reilly Automotive, Inc.	U.S.	6,182 **	Other Specialty	19.6%	6.8%	9.5%
18	60	Suning Commerce Group Co., Ltd. (formerly Suning Appliance Co. Ltd.)	China	15,608	Electronics Specialty	19.6%	4.8%	2.7%
19	232	Susser Holdings Corporation	U.S.	4,010	Convenience/Forecourt Store	19.1%	10.4%	0.9%
20	180	***Coppel S.A. de C.V.***	Mexico	5,226	Department Store	18.4%	16.8%	14.2%
21	43	***Lotte Shopping Co., Ltd.***	S. Korea	20,978	Hypermarket/Supercenter/ Superstore	18.0%	12.4%	4.6%
22	247	***Cosmos Pharmaceutical Corp.***	Japan	3,856	Drugstore/Pharmacy	17.3%	18.0%	2.9%
23	166	***Associated British Foods plc/ Primark***	U.K.	5,524	Apparel/Footwear Specialty	16.9%	15.1%	4.8%
24	31	***Alimentation Couche-Tard Inc.***	Canada	32,868 **	Convenience/Forecourt Store	16.4%	42.9%	1.6%
25	67	***Jerónimo Martins, SGPS, S.A.***	Portugal	13,979	Discount Store	16.4%	12.1%	3.4%
26	130	***Reitan Group***	Norway	7,695	Discount Store	16.2%	17.2%	3.0%
27	190	***Central Retail Corporation Ltd.***	Thailand	4,854 e	Department Store	16.1%	30.1%	n/a
28	193	Dashang Co., Ltd.	China	4,684	Department Store	16.1%	4.2%	3.3%
29	133	Shanghai Friendship Group Incorporated Co.	China	7,554 **	Supermarket	15.9%	5.4%	3.1%
30	144	***FEMSA Comercio, S.A. de C.V.***	Mexico	6,580	Convenience/Forecourt Store	15.5%	16.6%	n/a
31	97	***S.A.C.I. Falabella***	Chile	10,269	Department Store	14.8%	13.4%	7.5%
32	172	***The SPAR Group Limited***	S. Africa	5,423 *	Supermarket	14.7%	12.2%	2.4%
33	162	Lojas Americanas S.A.	Brazil	5,835	Discount Department Store	14.6%	11.1%	3.1%
34	94	***Shoprite Holdings Ltd.***	S. Africa	10,534 **	Supermarket	14.2%	12.1%	3.9%
35	19	Wesfarmers Limited	Australia	54,231	Supermarket	13.8%	4.4%	3.8%
36	132	***Dirk Rossmann GmbH***	Germany	7,652	Drug Store/Pharmacy	13.5%	16.2%	n/a
37	205	E.Land World Ltd.	S. Korea	4,427 e**	Apparel/Footwear Specialty	13.4%	4.0%	1.3%
38	72	Co-operative Group Ltd.	U.K.	13,139	Supermarket	13.4%	1.3%	-4.2%
39	191	Grupo Comercial Chedraui, S.A.B. de C.V.	Mexico	4,821	Hypermarket/Supercenter/ Superstore	13.3%	11.3%	2.4%
40	106	***SHV Holdings N.V./ Makro***	Netherlands	9,703	Cash & Carry/Warehouse Club	12.8%	17.5%	3.6%
41	177	***Arcs Co., Ltd.***	Japan	5,290	Supermarket	12.7%	24.6%	1.9%
42	87	***Whole Foods Market, Inc.***	U.S.	11,699	Supermarket	12.2%	15.7%	4.0%
43	200	Coach, Inc.	U.S.	4,500 e	Other Specialty	12.1%	6.3%	20.4%
44	176	WinCo Foods LLC	U.S.	5,300 e	Supermarket	12.1%	1.9%	n/a
45	85	***Fast Retailing Co., Ltd.***	Japan	11,773 **	Apparel/Footwear Specialty	12.0%	13.2%	8.0%
46	234	***Woolworths Holdings Limited***	S. Africa	4,001	Department Store	11.9%	23.2%	7.5%
47	134	Dollar Tree, Inc.	U.S.	7,395	Discount Store	11.8%	11.5%	8.4%
48	55	***Groupe Adeo SA***	France	16,725	Home Improvement	11.6%	12.1%	n/a
49	194	Tractor Supply Company	U.S.	4,664	Other Specialty	11.5%	10.2%	5.9%
50	151	***CP ALL Public Company Limited***	Thailand	6,300	Convenience/Forecourt Store	11.5%	22.3%	5.6%
Fastest 50 sales-weighted, currency-adjusted composite						**18.7%**	**18.1%**	**3.8%**
Top 250 sales-weighted, currency-adjusted composite						**4.6%**	**4.9%**	**3.1%**

Companies in bold type were also among the 50 fastest-growing retailers in 2012.

[1]Compound annual growth rate
e = estimate

* Revenue reflects wholesale sales
g = gross turnover as reported by company

** Revenue includes wholesale and retail sales

Source: Published company data and Planet Retail

The top 50 e-retailers

E-retailing, as defined in this analysis, includes B2C e-commerce only (i.e., where the company owns the inventory and the revenue reflects e-retail sales). Companies that primarily operate as e-marketplaces are excluded from this analysis as their revenues are largely derived from fees and commissions on sales from third-party sellers (consumers or other businesses that own the inventory) rather than directly from the sale of goods.

For the first time, Deloitte has compiled a list of the world's top 50 e-retailers. Ranking the "e-50" was not a straightforward task. First, although many companies tout their e-commerce growth rates, some do not quantify their actual e-commerce sales. One reason for this, according to these companies, is that e-commerce represents an immaterial amount of their overall sales. Among multi-channel retailers, some also make the point that e-commerce sales are not independent of their other channels and, therefore, are not reported separately. When e-commerce data was not disclosed, we have relied on estimates from Planet Retail and other retail analysts.

Even when e-commerce data is reported, it is often not comparable across companies. For example, the revenue for top-ranked Amazon.com reflects the company's net product sales where Amazon is the seller of record; this excludes not only sales from Amazon Marketplace but also the fees and commissions associated with its third-party sellers. On the other hand, the net revenue figure for Jingdong Mall includes the company's direct-to-consumer retail sales as well as revenue earned from its e-marketplace activities.

Some companies—including several of the apparel retailers—report total non-store revenue, which includes catalog sales as well as e-commerce sales. In the case of Best Buy, the company reports only its domestic online sales, which means it is ranked lower on the list than it would be if its total e-commerce sales had been available.

Finally, to the greatest extent possible we have reported net B2C retail sales. For a few companies, however, gross transaction volume was the only figure available. As a result, the overall ranking for these companies is somewhat inflated. Please view the top 50 e-retailers list with these data limitations in mind.

An analysis of the data shows:

- Amazon dominates the world of e-retailing.
- The Top 250 Global Powers of Retailing dominate the e-50; more than three-quarters of the 50 largest e-retailers (39 companies) are Top 250 retailers.
- The vast majority of the e-50 (42 companies) are multi-channel retailers; only eight are non-store or web-only retailers.
- Most e-50 retailers are based in the U.S. (28), followed by Europe (17), especially the U.K. and France; only five are emerging-market companies (three in China, two in Brazil). While Asia has a number of large and rapidly growing e-commerce companies, online marketplaces tend to serve as the primary e-commerce model in this region. Companies like Alibaba Group, operator of Taobao (China's most popular consumer-to-consumer marketplace) and Tmall (an open business-to-consumer platform), as well as Japan's Rakuten derive the majority of their revenue as facilitators, not as retailers; therefore, they do not rank among the e-50.
- e-50 digital sales grew at a rapid pace in 2012, averaging nearly 29 percent.
- E-commerce accounted for a significant share of total retail revenue for the e-50 in 2012—nearly one-third of company sales, on average (including the pure-play e-retailers). However, this varies widely. E-commerce was typically a small slice of the big mass merchants' and food retailers' revenue, often just 1-2 percent; it accounted for 5-15 percent of sales for some of the big department store and specialty apparel retailers, and reached 15-20 percent for several consumer electronics retailers.

Top 50 e-retailers, 2012

Top e-retailer sales rank FY12	Top 250 sales rank FY12	Name of company	Country of origin	FY12 e-commerce sales (US$ mil)	B2C e-commerce % of total retail revenue	FY12 e-commerce growth rate	Comments
1	16	Amazon.com, Inc.	U.S.	51,733.0	100.0%	23.2%	Net Product Sales figure from income statement (where Amazon is seller of record—excludes third party sales)
2	50	Apple Inc./ Apple Stores	U.S.	8,600.0 e	31.4%	n/a	Estimated sales of Store.Apple.com
3	1	Wal-Mart Stores, Inc.	U.S.	7,500.0 e	1.6%	20.0%	
4	75	Otto (GmbH & Co KG)	Germany	7,410.6 e	57.1%	7.5%	
5	142	Beijing Jingdong Century Trading Co., Ltd. (Jingdong Mall)	China	6,663.3 e	100.0%	98.1%	Estimated total net revenue for company including direct-to-consumer sales plus revenue from e-marketplace activities; 2012 total transaction volume approximately US$ 9.5 billion
6	2	Tesco PLC	U.K.	4,761.5 e	4.7%	13.0%	
7	99	Liberty Interactive Corporation	U.S.	4,397.4	43.9%	12.4%	Includes QVC.com plus company's other e-retail subsidiaries
8	207	Dell Inc.	U.S.	4,370.0	100.0%	n/a	Estimated direct-to-consumer e-commerce sales
9	20	Casino Guichard-Perrachon S.A.	France	3,422.6 e	6.4%	11.5%	Estimated e-commerce sales for Cdiscount, Nova Pontocom, and exito.com
10	n/a	Jia.com	China	3,204.7 g	100.0%	75.7%	Founded in 2005; China's largest building materials, home improvement, and home décor e-commerce platform; Owned by Shanghai Qijia Network Information Science & Technology Co., Ltd.
11	n/a	Newegg Inc.	U.S.	2,800.0 e	100.0%	3.7%	
12	118	Home Retail Group plc	U.K.	2,734.2 e	31.5%	10.2%	
13	23	Best Buy Co., Inc.	U.S.	2,630.0 e	7.1%	12.9%	Estimate for domestic online sales only
14	76	Staples, Inc.	U.S.	2,500.0 e	19.3%	n/a	Estimated B2C e-commerce sales
15	162	Lojas Americanas S.A./B2W Digital	Brazil	2,477.4	42.5%	13.7%	B2W owns online retail websites Americanas.com, Submarino and Shoptime
16	60	Suning Commerce Group Co., Ltd. (formerly Suning Appliance Co. Ltd.)	China	2,414.0	15.5%	158.0%	
17	70	Dixons Retail plc	U.K.	2,362.8 e	17.8%	n/a	
18	3	Costco Wholesale Corporation	U.S.	2,100.0 e	2.1%	9.0%	
19	n/a	Shop Direct Group	U.K.	2,068.4	78.0%	5.2%	
20	36	Macy's, Inc.	U.S.	2,000.0 e	7.2%	41.0%	
21	59	The Gap, Inc.	U.S.	1,927.0 NS	12.3%	23.5%	
22	69	John Lewis Partnership plc	U.K.	1,919.8 e,g	14.3%	39.0%	
23	168	Next plc	U.K.	1,895.3 NS	34.5%	9.5%	Includes catalog sales

e = estimated g = gross transaction volume NS = total non-store sales n/a = not among the Top 250 in 2012

Top 50 e-retailers, 2012

Top e-retailer sales rank FY12	Top 250 sales rank FY12	Name of company	Country of origin	FY12 e-commerce sales (US$ mil)	B2C e-commerce % of total retail revenue	FY12 e-commerce growth rate	Comments
24	95	L Brands, Inc. (formerly Limited Brands, Inc.)	U.S.	1,809.0 NS	17.3%	4.0%	Includes catalog sales
25	8	The Home Depot, Inc.	U.S.	1,800.0 e	2.4%	n/a	
26	n/a	World No. 1, vente.privee.com	France	1,664.0	100.0%	22.0%	Founded in 2001; credited with pioneering the members-only, online flash sale busine ss model
27	227	Williams-Sonoma, Inc.	U.S.	1,656.3	41.0%	17.4%	
28	28	J Sainsbury plc	U.K.	1,580.9 e	4.3%	20.0%	
29	**n/a**	Systemax Inc.	U.S.	1,458.8 NS	41.2%	-14.0%	Includes sales from 42 retail stores
30	**n/a**	HSN, Inc.	U.S.	1,453.7	44.5%	13.3%	
31	10	Target Corporation	U.S.	1,400.0	1.9%	n/a	
32	47	Kohl's Corporation	U.S.	1,400.0 e	7.0%	40.0%	
33	14	Groupe Auchan SA	France	1,304.1	2.2%	21.1%	
34	4	Carrefour S.A.	France	1,286.1 e	1.3%	n/a	
35	86	Nordstrom, Inc.	U.S.	1,269.0	10.8%	39.0%	
36	24	Centres Distributeurs E. Leclerc	France	1,197.3	2.1%	123.0%	Sales through E.Leclerc Drive (order on internet and pick up from Drive)
37	n/a	L.L. Bean, Inc.	U.S.	1,100.0 e	72.3%	n/a	
38	27	Sears Holdings Corporation	U.S.	1,100.0 e	2.8%	n/a	Estimate excludes sales on Sears Marketplace
39	68	Toys "R" Us, Inc.	U.S.	1,100.0 e	8.1%	10.0%	
40	n/a	Overstock.com, Inc.	U.S.	1,099.3	100.0%	4.3%	
41	n/a	Ocado Group plc	U.K.	1,072.8	100.0%	13.4%	
42	26	Koninklijke Ahold N.V.	Netherlands	1,067.4	2.5%	82.0%	
43	7	Metro AG	Germany	1,039.2	1.2%	108.0%	
44	57	Marks and Spencer Group plc	U.K.	1,030.4	6.5%	16.6%	
45	n/a	Hermes S.A/ Comprafacil.com	Brazil	1,029.6 e	70.0%	n/a	Founded in 2003 as the e-commerce arm of Brazilian catalog and direct selling company Hermes S.A.
46	74	J. C. Penney Company, Inc.	U.S.	1,020.0	7.9%	-33.0%	
47	158	Office Depot, Inc.	U.S.	950.0 e	15.7%	n/a	Estimated B2C e-commerce sales
48	n/a	Saks Inc.	U.S.	900.0 e	28.6%	20.0%	
49	11	Walgreen Co.	U.S.	900.0 e	1.3%	9.9%	
50	208	Neiman Marcus, Inc.	U.S.	878.7 NS	20.2%	16.1%	Includes catalog sales
		Top 50 Average			**32.8%**	**28.7%**	

e = estimated g = gross transaction volume NS = total non-store sales n/a = not among the Top 250 in 2012

E-commerce activity for all Top 250 Global Powers of Retailing was also analyzed. For 2012, e-commerce retail sales figures were available for 196 companies (either reported by the company or estimated). Of these 196 companies:

- More than one-quarter (53) did not have a transactional e-commerce website in 2012. Most of these companies were food retailers: supermarkets were the dominant operational format for nearly half of those without e-commerce (24 retailers); convenience store operators and hard discount retailers were also unlikely to sell online.

E-commerce activity among the Top 250, 2012

	E-commerce sales as share of retail revenue*	E-commerce year-over-year sales growth*
Top 250	7.7%	24.8%
Asia/Pacific	6.2%	34.8%
Europe	5.2%	25.3%
Latin America	7.6%	19.5%
North America	11.7%	18.8%
Diversified	13.8%	21.9%
Fashion Goods	6.8%	24.4%
Fast-moving Consumer Goods	1.7%	26.3%
Hardlines & Leisure Goods	14.8%	23.8%

*Average for all companies in the sector with e-commerce sales

Africa/Middle East region excluded as most retailers did not report e-commerce sales or did not have e-commerce operations

- Online sales grew nearly 25 percent, on average, for Top 250 retailers with e-commerce operations. From a regional perspective, e-commerce sales grew fastest for Asia/Pacific retailers and slowest for North American retailers. The rate of growth was more consistent across the product sectors. Retailers of fast-moving consumer goods reported the highest average growth rate in e-commerce sales, albeit from a small base.
- Top 250 companies generated an average 7.7 percent of their sales online in 2012. E-commerce accounted for the largest share of revenue for North American retailers and the smallest for European retailers. From a product perspective, hardlines and leisure goods retailers derived a larger share of revenue from e-commerce operations than did the other sectors—an average of nearly 15 percent. E-commerce penetration was lowest (1.7 percent) among FMCG retailers.

As retailers in mature markets look to diversify their revenues globally, we can expect e-commerce to play an ever larger role. The e-commerce landscape, still heavily dominated by local and regional companies, especially in emerging markets, will increasingly include international players as more brands attempt to go global. But to gain acceptance with foreign consumers, e-retailers will need to localize their offers and their operations—just like their bricks-and-mortar counterparts.

Q ratio analysis for Global Powers

For the last nine years, this report has included an analysis of the Q ratios of publicly traded retailers from our Top 250 list. Before examining the results of this analysis, it is worth taking a moment to understand what the Q ratio is intended to measure.

What is the Q ratio—and why do we care?

In the business environment of the early 21st century, the world's leading retailers face intense competition, slow growth in major developed markets, volatile input prices (yet consumer resistance to higher retail prices) and excess retail capacity in many developed markets.

All of this implies that, in order for retailers to succeed, they will have to find ways to distinguish themselves from competitors. That means having strong brand identity, offering consumers a superior shopping experience and being clearly differentiated from competitors. The latter can entail unique merchandise offerings (including private brands), distinctive store formats and designs and superior customer experience. The goal is to have a sufficiently unique position in the market to generate pricing power and, consequently, strong profitability. If a publicly traded retailer has these characteristics, it is likely to be rewarded by the financial markets. That is where the Q ratio comes in.

The Q ratio—also known as "Tobin's Q" after economist James Tobin—is the ratio of a publicly traded company's market capitalization to the value of its tangible assets. If this ratio is greater than one, it means that financial market participants believe that part of a company's value comes from its non-tangible assets. These can include such things as brand equity, differentiation, innovation, customer experience, market dominance, customer loyalty and skillful execution. The higher the Q ratio, the greater share of a company's value that stems from such non-tangibles.

A Q ratio of less than one, on the other hand, indicates failure to generate value on the basis of non-tangible assets. It indicates that the financial markets view a retailer's strategy as unable to generate a sufficient return on physical assets. Indeed, it suggests an arbitrage opportunity. That is, if a company's Q ratio is less than one, theoretically a company could be purchased through equity markets and the tangible assets could then be sold at a profit.

Which companies have high Qs and low Qs?

Returning to the top spot on the list this year is apparel retailer H&M, which has been at or near the top of the Q ratio rankings each of the past nine years. Its ability to differentiate its offering and customer experience, while maintaining highly competitive prices, is noteworthy. Thus, its position on the list is no surprise. There are, however, some notable facts about some the other retailers at the top—and bottom—of the list.

Of the top 10 retailers on the list, four are principally known for discounting; three more are principally known as vertically integrated apparel specialty retailers. Hence it appears that, in the eyes of the financial marketplace, high value is obtained through significant price competitiveness and/or significant differentiation.

Half of the top 20 retailers on the Q ratio list are based in the United States, and four are based in emerging markets. On the other hand, six of the bottom 10—and 11 of the bottom 20—retailers on our list are based in Japan. Evidently, U.S.-based retailers account for a disproportionate share of those that have generated considerable value through their non-tangible assets, while Japanese retailers disproportionately represent those that have not. Still, there are notable exceptions to both of these statements. Consider the fact that Japan's Fast Retailing is among the top retailers ranked by Q ratio.

Top retailers by Q ratio

Name of Company	Country	Q ratio
H & M Hennes & Mauritz AB	Sweden	7.66
Tractor Supply Company	U.S.	5.84
Inditex, S.A.	Spain	5.82
BİM Birleşik Mağazalar A.Ş.	Turkey	5.13
CP ALL Public Company Limited	Thailand	4.98
Amazon.com, Inc.	U.S.	4.93
Dollar Tree, Inc.	U.S.	4.77
The TJX Companies, Inc.	U.S.	4.64
Ross Stores, Inc.	U.S.	4.61
Next plc	U.K.	4.54
Fast Retailing Co., Ltd.	Japan	4.34
Whole Foods Market, Inc.	U.S.	4.12
Coach, Inc.	U.S.	4.11
Open Joint Stock Company "Magnit"	Russia	4.11
Nike, Inc.	U.S.	3.90
Woolworths Holdings Limited	S. Africa	3.80
Dairy Farm International Holdings Limited	Hong Kong SAR	3.70
Compagnie Financière Richemont SA	Switzerland	3.08
L Brands, Inc. (formerly Limited Brands, Inc.)	U.S.	3.03
The Sherwin-Williams Company/Paint Stores Group	U.S.	3.02
PetSmart, Inc.	U.S.	2.97
President Chain Store Corp.	Taiwan	2.71
Apple Inc./Apple Stores	U.S.	2.66
The Home Depot, Inc.	U.S.	2.63
Shoprite Holdings Ltd.	S. Africa	2.62
The Gap, Inc.	U.S.	2.59
Bed Bath and Beyond Inc.	U.S.	2.59
AutoZone, Inc.	U.S.	2.44
Belle International Holdings Limited	Hong Kong SAR	2.40
Williams-Sonoma, Inc.	U.S.	2.36

Highlights

This year we analyzed the financial results of 159 publicly traded companies on the list of the world's top 250 retailers. The composite Q ratio for all companies was 1.297, up from 1.115 last year and higher than in each of the past four years. Yet this year's composite Q remains well below the 1.57 recorded in 2008, just before the start of the global financial crisis. Roughly half of the companies on the list have Q ratios above one, while roughly half are below one.

Interestingly, it turns out that the bigger companies seem to have higher Q ratios, and that is true whether one defines "big" as a high level of sales or high market capitalization. That is, companies with higher revenue are likely to have higher Q ratios than companies with smaller turnover. Plus, companies with a high market value are likely to have higher Q ratios than companies with low market values. In this sense, it appears, size does matter.

The retail formats with the highest composite Q ratios are apparel/footwear, electronics specialty and non-store—although this last category consists of only two companies and is dominated by Amazon.com.

Apparel retailers have become extremely important global players, with a combined market capitalization more than three times higher than that of the department store segment. The composite Q ratio of apparel retailers (3.192) is nearly four times higher than that of department stores (0.768). Yet, since last year, the Q ratio for department stores has increased much faster than that of apparel stores. Evidently, department stores have worked on improving their brand equity.

The electronics specialty segment is dominated by Apple, which accounts for 92 percent of the market capitalization of the electronics companies on our list. The lowest composite Q ratio belongs to hypermarkets, a segment that has faced considerable competitive challenges in recent years. Moreover, it is a format where clear differentiation is difficult and where price competition is brutal, so the low Q ratio is not entirely surprising.

Interestingly, the composite Q ratio for discounters is far higher than that of hypermarkets. Perhaps this reflects the strength of hard discounters like BIM and U.S.-based dollar stores like Family Dollar and Dollar Tree.

Of the four merchandise categories, the two with the highest composite Q ratios are hardlines (2.035) and fashion (2.025). Yet given the dominance of Apple in the hardlines category (accounting for nearly half the market capitalization), it is worth noting that fashion has the highest composite Q ratio when Apple is excluded from this analysis. As usual, the category of diversified retailers has the lowest composite Q ratio. Retailers specializing in fast-moving consumer goods (FMCG) have a composite Q ratio below one.

We also analyzed the composite Q ratios of countries, provided that there are three or more retailers from a given country. The weakest composite Q ratios are those of Germany and Japan; the highest are found in the U.S., Russia and Mexico.

By region, there is a stark divide between North America (1.73) and the rest, ranging from 0.9 for Asia Pacific (minus Japan) to 1.106 for Latin America. Moreover, the high score for North America is due to the higher Q ratio for the U.S., as Canada has a relatively low Q ratio.

There will likely be debate as to the reason for the relatively high Q ratio of U.S.-based retailers. Some might say it reflects strong brand equity and successful transition to online retailing; others, however, might argue that it reflects the inflated values of U.S. equities in general, itself the result of aggressive U.S. monetary policy.

Q ratio by dominant format	
Apparel, footwear, specialty	3.19
Non-store	2.96
Electronics	2.07
Home Improvement	1.85
Other specialty	1.53
Discount	1.25
Drug	1.22
Supermarkets	0.97
Convenience	0.81
Department	0.77
Hypermarkets	0.70
Q ratio by primary retail sector	
Hardlines	2.04
Fashion	2.02
FMCG	0.91
Diversified	0.65
Q ratio by country	
U.S.	1.78
Russia	1.77
Mexico	1.44
Hong Kong	1.34
South Africa	1.00
Canada	0.85
U.K.	0.83
China	0.81
France	0.76
Japan	0.49
Germany	0.36
Q ratio by sales	
Top ten	1.07
Top 30	1.08
Top half	1.32
Bottom 10	0.44
Bottom 30	0.82
Bottom half	1.19
Q ratio by market cap	
Top 10	2.25
Top 30	1.68
Bottom 10	0.18
Bottom 30	0.29

Study methodology and data sources

Companies were included in the Top 250 Global Powers of Retailing list based on their non-auto retail revenue for fiscal year 2012 (encompasses fiscal years ended through June 2013). To be included on the list, a company does not have to derive the majority of its revenue from retailing, so long as its retailing activity is large enough to qualify.

A number of sources were consulted to develop the Top 250 list. The principal data sources for financial and other company information were annual reports, SEC filings and information found in company press releases and fact sheets or on company websites. If company-issued information was not available, other public-domain sources were used, including trade journal estimates, industry analyst reports and various business information databases.

Much of the data for non-U.S. retailers came from Planet Retail, a leading provider of global intelligence, analysis, news and data covering more than 10,000 retail operations across 211 markets. Planet Retail has offices in London, Frankfurt, New York, Tokyo, Hong Kong and Qingdao, China. For more information please visit www.planetretail.net.

Group revenue reflects the consolidated net revenue of a retailer's parent company, whether or not that company itself is primarily a retailer. Similarly, the income/loss figure reflects the consolidated results of the parent organization. If a privately held company reports gross turnover only, this figure is used and footnoted accordingly as "g." Revenue figures do not include operations in which a company has only a minority interest.

The retail revenue figures in this report reflect only the retail portion of the company's consolidated net revenue. As a result, they may reflect adjustments to reported revenue figures to exclude non-retail operations. Retail revenue includes foodservice sales if foodservice is sold as one of the merchandise offerings inside the retail store or if restaurants are located within the company's stores, but excludes separate foodservice/restaurant operations. Retail revenue also includes sales of services related to the company's retail activities, like alterations, repair, maintenance and installation; fuel sales; and membership fees.

Revenue figures do not include the retail banner sales of franchised, licensed or independent cooperative member stores; they do include royalties and franchising or licensing fees. Group revenue includes wholesale sales to such networked operations—both member stores and other supplied stores. Retail revenue includes wholesale sales to affiliated/member stores but excludes traditional wholesale or other business-to-business revenue (except where such revenue is derived from retail stores) where it is possible to break them out.

In order to provide a common base from which to rank companies by their retail revenue results, fiscal year 2012 revenue (and profits) for non-U.S. companies were converted to U.S. dollars. Exchange rates, therefore, have an impact on the results. OANDA.com is the source for the exchange rates. The average daily exchange rate corresponding to each company's fiscal year was used to convert that company's results to U.S. dollars. The 2012 year-over-year growth rate and the 2007-2012 compound annual growth rate (CAGR) for retail revenue, however, were calculated in each company's local currency.

Group financial results

This report uses sales-weighted composites rather than simple arithmetic averages as the primary measure for understanding group financial results. Therefore, results of larger companies contribute more to the composite than do results of smaller companies. Because the data has been converted to U.S. dollars for ranking purposes and to facilitate comparison among groups, composite growth rates also have been adjusted to correct for currency movement. While these composite results generally behave in a similar fashion to arithmetic averages, they provide better representative values for benchmarking purposes.

Group financial results are based only on companies with data, and not all data elements were available for all companies. Top 250 companies that did not derive the majority of their revenue from retail operations were excluded from the calculation of group profitability ratios as their consolidated profits mostly reflect non-retail activities.

It should also be noted that 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 or as a result of an accounting change, such restatements are not reflected in this data.

This study is not an accounting report. It is intended to reflect market dynamics and their impact on the structure of the retailing industry over a period of time. As a result of these factors, growth rates for individual companies may not correspond to other published results.

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