

Structural and regional characteristics of the world retail trade leaders

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Abstract

The state of development of world retail trade through the prism of the TOP 250 retailers functioning is considered in the article. As part of the study the main performance indicators of Top 250 retailers for 2013-2020 have been analyzed. The world's leading retail trade networks have been performing positive dynamics of their development and a slight increase in the values of indicators. This might take place due to the stabilization of the level of globalization of retail trade as the result of active development of e-commerce and m-commerce. Retailers were also affected by such negative macroeconomic factors as slow economic growth in major developed economies, high levels of debt in emerging countries, deflation or low inflation in rich countries, a protectionist backlash against globalization, troubled credit markets in some countries, and worsening demographics in many countries. The size of retail revenue in 2020 helped us define five groups of trade networks. In addition, we determined the share of Top 250 companies by region/country in 2013-2019 and their revenue. The companies from Europe and North America have shown leading positions in the structure of Top-250 retailers in terms of retail revenue share in 2013-2019. The analysis of the features of expansion policy manifestation by trade structures, depending on the region of their origin, have been conducted. The European trade networks, which in 2019 were present on average in 18.3 countries has demonstrated the largest internationalization. The structure of Top 250 companies by product sector is considered as well. FMCG companies were dominated in the structure of the Top 250 retailers. Special attention has also paid to determining the place of European retailers in the Top 250 in the framework of the European model of retail development. This model assumes an active presence of trade networks in the markets of foreign countries.

Keywords: retail trade, globalization, trade network, foreign operations, product sector.

Introduction

Globalization as one of the most significant phenomenon of modern social life is accompanied by the formation of a new socio-economic system, where the processes of expanding international operations and internationalization determine the development of retail trade in the world.

Such scientists as Bianchi C. (2004), Mena J. (2004), Burt S. L. (2004), Dawson J. (2004), Coe N. M. (2005), Hess M. (2005), Wrigley N. (2010), Lowe M. (2010), Reznikova E.N. (2010), Kozub V.O. (2017), Chernyshova L.O. (2017), Kot O.V. (2017)

paid considerable attention to the issues of globalization and internationalization of the world retail trade, increased international activity of leading retailers.

At the same time, these issues do not lose their relevance over time. Trends in the development of international trade networks during 2013-2020, their regional structure and product specialization need detailed consideration. Particular attention should be paid to the place of European trade networks in the TOP-250 retailers.

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Material and methods

For assessing the structural and regional characteristics of the world retail trade leaders the data of the studies “Global Powers of Retailing”, conducted by the Deloitte research company during 2014-2021, were used as an

information basis.

The following research methods have been used: structural and logical analysis; methods of comparison and grouping; methods of analysis and synthesis, induction and deduction.

Results and discussion

The processes of increasing activity due to expansion and entry into new geographic markets has become widespread in recent years in the world retail trade.

The role of trade networks has become more significant with the globalization of the world economy.

The key advantage of network retail structures is the effect of scale, which has primarily economic and psychological nature of the consequences of its manifestation, such as the growth in profitability of the stores and level of brand memoir.

Research company Deloitte annually allocates 250 largest leading companies, which reflect of the general tendencies of retail trade development in the context of manifestation of globalization in the world economy.

From the data of table 1, in 2013-2020 an aggregate retail revenue of Top 250 retailers was showing slight gradual annual growth. The exception took place in 2016 when the indicator decreased by 3.8%. In general, during the study period aggregate retail revenue of Top 250 retailer increased by 13%.

The dynamics of change in the average size of retail revenue of the Top 250 retailers was similar, showing cumulative increase of 13.1%. The highest growth rate of aggregate retail revenue was in 2019. Composite net profit margin did not change its value in 2020, compared with 2013. The greatest instability was demonstrated by such indicator as composite return on assets.

Direct correlation between such indicators as share of Top 250 retailers with foreign operations and share of Top 250 aggregate retail revenue from foreign operations was absent.

The share of Top 250 retailers with foreign operations on average was 65.4%, and the share

of Top 250 aggregate retail revenue from foreign operations — 23.2%.

The share of Top 250 retailers with foreign operations in 2020, compared to 2013, increased by 2.5%. And the share of Top 250 aggregate retail revenue from foreign operations for the same period decreased by 8.7%.

Direct relationship between the change in share of Top 250 aggregate retail revenue from foreign operations and the average number of countries where companies had retail operations was observed only in 2016 and 2017 years.

Fifty-five companies reported that retail revenue was higher than the Top 250 average in 2020. At the same time, “more Top 250 companies (55 companies) reported declining sales than in the previous year” (Global Powers of Retailing 2021: 17).

The level of expansion of leading international trade networks should be characterized by the fact, that “only 36 companies achieved more than half of their retail revenues from foreign operations. The vast majority (29) of these companies were based in Europe, with an internationalization strategy key to their search for growth outside their saturated home markets” (Global Powers of Retailing 2021: 17).

As stated in the report of Deloitte company study, “the economic environment for retailers continues to be challenging. It includes slow economic growth in major developed economies, high levels of debt in emerging countries, deflation or low inflation in rich countries, a protectionist backlash against globalization, troubled credit markets in some countries, and worsening demographics in many countries” (Global Powers of Retailing 2017: 10).

Table 1. Main performance indicators of Top 250 retailers for 2013-2020

Indicators	2013 ¹	2014	2015	2016	2017	2018	2019	2020
Aggregate retail revenue of Top 250, US trillion	4.29	4.35	4.48	4.31	4.4	4.53	4.74	4.85
Average size of retail revenue of Top 250, US billion	17.15	17.42	17.91	17.2	17.6	18.1	19.0	19.4
Minimum retail revenue required to be among Top 250, US billion	3.8	3.7	3.65	3.5	3.6	3.7	3.9	4.0
Year-over-year aggregate retail revenue growth of Top 250, %	-	1.4	3.0	-4	2.0	2.9	4.6	2.3
5-year retail revenue growth (CAGR), %	4.6	4.2	4.9	5.0	4.8	3.3	5.0	5.0
Composite net profit margin, %	3.1	3.4	2.8	3.0	3.2	2.3	3.0	3.1
Composite return on assets, %	5.0	5.3	4.3	4.6	3.3	5.0	4.7	4.3
Top 250 retailers with foreign operations, %	63.2	65.2	66.0	66.8	66.8	65.6	64.8	64.8
Share of Top 250 aggregate retail revenue from foreign operations, %	24.3	24.2	23.4	22.8	22.5	23.6	22.8	22.2
Average number of countries where companies have retail operations	10.0	10.2	10.4	10.1	10.0	10.0	10.8	11.1

¹ publicly available data for fiscal year from June 2012 to June 2013. It was similarly calculated for other years
Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

The active development of e-commerce leads to the fact that “stores are closing as retail spending moves online at a meteoric pace, gets overturned by spending on services, and some retailers generally lose favor with consumers. In fact, the US saw a record number of store closings in 2017, with 6,885 stores already having shut their doors by 1 December” (Global Powers of Retailing 2018: 5).

In addition, the level of retail globalization has slightly stabilized in recent years as retailers have focused on the strategy of intensive development and e-commerce business processes. 167 of the

Top 250 retailers operated outside their home country in 2017. On average, “they had retail operations in 10 countries and derived 22.5% of their composite retail revenue from foreign operations” (Global Powers of Retailing 2018: 18).

According to data for 2020, the largest share in the Top 250 retailers was occupied by companies with the size of retail revenue of more than US\$ 50 billion (41.6%), but their share in the volume of retail revenue was only 15.2%. On the other hand, the largest contribution to the total retail revenue was made by only 8% of companies that earned from US\$ 10 billion to US\$ 20 billion (table 2).

Table 2. Top 250 retail companies by size of retail revenue in 2020

The size of retail revenue	% of companies	% of retail revenue
<= US\$ 5 billion	16.4	3.8
> US\$ 50 billion	41.6	15.2
> US\$ 20-50 billion	20.4	13.9
> US\$ 5-10 billion	13.6	20.7
> US\$ 10-20 billion	8.0	46.3

Source: compiled by the author according to «Global Powers of Retailing 2021», p.18

The geographical analysis of Top 250 retail companies in 2020 revealed that the most number of retailers are in Europe and North America. The smallest number of ranking representatives is located in Africa/Middle East

(table 3). It should be borne in mind, that region of companies headquarters location may not always coincide with the place of conduction of the majority of their sales.

Table 3. Top 250 retail companies profile by region in 2020

Region	Retail revenue, US billion	Year-over-year change, %	Number of companies
North America	2,284.6	3.6	80
Europe	1,617.6	4.2	87
Latin America	90.6	6.2	11
Asia Pacific	786.3	7.1	63
Africa/Middle East	68.2	3.8	9

Source: compiled by the author according to «Global Powers of Retailing 2021», p.25

Table 4. Region/country profiles of Top 250 retail companies in 2020

	Number of companies	Average retail revenue (US\$M)	Retail revenue from foreign operations, %
North America			
United States	74	29,610	13.2
Canada	6	15,573	5.0
Total North America	80	28,557	12.8
Europe			
Germany	18	27,299	50.5
France	12	25,383	42.5
United Kingdom	14	17,109	17.8
Netherlands	5	26,701	79.6
Russia	5	12,841	-
Spain	5	16,994	35.6
Other Europe ¹	28	10,692	36.0
Total Europe	87	18,593	41.1
Latin America			
Brazil	4	5,225	-
Mexico	5	9,232	11.9
Chile	2	11,764	47.8
Total Latin America	11	8,235	18.5
Asia Pacific			
Japan	28	11,640	15.2
China/Hong Kong SAR ²	14	16,332	8.7

	Number of companies	Average retail revenue (US\$M)	Retail revenue from foreign operations, %
South Korea	8	7,903	6.6
Australia	4	22,546	6.5
Other Asia Pacific	9	8,707	3.3
Total Asia Pacific	63	12,482	10.4
Africa/Middle East			
South Africa	5	8,383	35.3
Turkey	2	5,604	6.2
United Arab Emirates	2	7,530	45.9
Total Africa/ Middle East	9	7,576	32.9

¹ The 28 'other Europe' companies are based in Austria, Belgium, Denmark, Finland, Italy, Lithuania, Norway, Portugal, Sweden, and Switzerland according to «Global Powers of Retailing 2021», p.29

² China and Hong Kong SAR are considered as a single country for this analysis

Source: compiled by the author according to «Global Powers of Retailing 2021», p.27

Leading retailers have created a European model of retail trade and distribution, which focuses primarily on the internationalization of companies, rather than the domestic market. In addition, the European model does not revolve around the supply chain, but around an integrated supply chain based on market innovation (Kozub 2017: 38).

This is confirmed by the results of the study, as "Europe again had the largest number of retailers in the Top 250 in 2020 (87 companies), ... contributing 33.4% of the Top 250 retail revenue. European companies had the highest level of internationalization, in their search for growth outside their mature home markets" (Global Powers of Retailing 2021: 29). The highest rates among all countries were in the Netherlands and Germany - 79.6% and 50.5% (table 4). And only 13 European retailers had retail operations within the national markets.

In the Asia-Pacific region, the companies from Japan and China/Hong Kong SAR became the leaders of retail trade by such indicators as average retail revenue and retail revenue from foreign operations. Their share by the number of companies was 67%. The head offices of other companies located in India, South Korea, Australia, Thailand, Indonesia, the Philippines, Taiwan and Vietnam. And "only seven companies reported

more than 20% of their retail revenue from foreign operations" (Global Powers of Retailing 2021: 28).

Two companies from the United Arab Emirates received 45.9% of retail revenue from foreign operations, which was the highest indicator in the region.

Therewith "in the coming years, with a growing young population and rapid urbanization, coupled with increasing consumer expenditure, Africa is poised to offer attractive opportunities for retailers looking to expand into new frontier markets" (Global Powers of Retailing 2021: 23).

The common retail market of the EU countries should be characterized by trends that reflect the nature of their changes at the present stage (table 5).

Currently, there are 30 large retail chains in the European market with a total share of 68.5% (in 1990 this figure was 51.5%), in the near future it will reach 80-90% due to mergers and acquisitions. Thus, in the Netherlands, Great Britain and Belgium the share of network trade in the total turnover is almost 90%, but the average European level is 50-60% (in Greece, Italy, Spain, Hungary, and the Czech Republic). In Estonia the share of networks is 60%, in Lithuania — 50%, in Latvia — 35% (Reznikova 2010: 194).

Table 5. Current trends in the EU retail market

Trends	Characteristic
The growth rates of large companies are higher than the growth rates of the sector	The growth rate of leading players significantly exceeds the industry average rate by increasing its productivity as the result of entering new markets, diversifying its supply, mergers and acquisitions (Zara, IKEA, H&M, Kaufland etc.)
Strategic approach to management decisions	Companies develop a general business strategy, which is implemented at the operational level through functional strategies
The increasing complexity of the organizational structure	The expansion of the international activities of retailers has complicated their organizational structure due to the diversification of activities. Adapting the organizational structure of their stores to the requirements of different cultures; outsourcing of individual functions; services provision
Coordination of individual processes of the value chain	Retailers are increasingly coordinating their relationships with suppliers. Thus, value creation occurs at different stages of the chain, and not only at the stage of selling a product or service to the final consumer.

Source: compiled by the author according to (Kozub 2017: 39).

As part of their research, the company Deloitte has analyzed retail performance by primary retail product sector. Four product sectors has been used for analysis. "A company is assigned to one of the three specific product sectors if at least half of its retail revenue is derived from that broadly defined product category. If each of these product sectors

accounts for less than half of a company's retail revenue, it is categorized as diversified" (Global Powers of Retailing 2020: 26).

The largest share of companies from all regions specialize in the FMCG sector (54.0%), the smallest - as diversified (8.4%). Companies from Africa / Middle East region are represented in only two product sectors (table 6).

Table 6. The structure of Top 250 retail companies by product sector within each region in 2020, %

Region	Apparel and accessories	FMCG	Hardlines and leisure goods	Diversified
Africa/Middle East		88.9		11.1
Asia Pacific	11.1	54.0	19.0	15.9
Europe	14.9	62.1	18.4	4.6
Latin America	9.1	45.5	27.3	18.2
North America	22.5	42.5	30.0	5.0
Top 250	15.6	54.0	22.0	8.4

Source: compiled by the author according to «Global Powers of Retailing 2021», p.26

The largest contribution to aggregate retail revenue in 2020 was made by companies by FMCG sector (66%), which also had the largest share of Top 250 retail companies (54%). Diversified companies showed the lowest values of these two indicators (table 7).

The largest number of companies from such product sectors as apparel and accessories (46.2%) and Hardlines and leisure goods (43.6%) is

located in North America. However, the companies of these product sectors are not represented in Africa/ Middle East region. 40% of FMCG retail companies are located in Europe. The diversified companies are characteristic structural feature of the retail trade of Asia Pacific region (table 8).

Competition in both offline and online trade remained aggressive, so many European retailers

continued continued to close stores, retreat from difficult foreign markets, refuse non-core operations and build smaller-footprint stores (Global Powers of Retailing 2016: 24). Also, the

number of Top 250 retailers based in Europe fell to 85 in 2016 from 93 the year before (Global Powers of Retailing 2017: 25).

Table 7. The structure of Top 250 retail companies by product sector in 2020

	Apparel and accessories	FMCG	Hardlines and leisure goods	Diversified
Retail revenue, US billion	467.3	3198.3	934.1	247.5
Share of Top 250 aggregate retail revenue, %	10	66	19	5
Number of companies	39	135	55	21
Share of Top 250 retail companies, %	16	54	22	8

Retailers based in China and Hong Kong and “other” Asia Pacific nations -including India, Indonesia, South Korea, and Thailand – were key

growth markets in 2017 (Global Powers of Retailing 2018: 27).

Table 8. The structure of Top 250 retail companies by region within each product sector in 2020, %

	Africa/ Middle East	Asia Pacific	Europe	Latin America	North America
Apparel and accessories		17.9	33.3	2.6	46.2
FMCG	5.9	25.2	40.0	3.7	25.2
Hardlines and leisure goods		21.8	29.1	5.5	43.6
Diversified	4.8	47.6	19.0	9.5	19.0
Top 250	3.6	25.2	34.8	4.4	32.0

Source: compiled by the author according to «Global Powers of Retailing 2021», p.32

As was shown by Deloitte company, “nearly a quarter of the companies from the Top 250 retailers in 2018 were from the Asia Pacific region. The majority (73%) of the retailers in the region were concentrated in China/Hong Kong and Japan, while the remaining retailers from the “other” Asia Pacific nations came from Australia, Indonesia, India, South Korea, Taiwan, Philippines, and New Zealand” (Global Powers of Retailing 2019: 22).

The major growth drivers of retail trade in Asia Pacific region in 2018 were “rising urbanization, growing single households, increasing disposable income and favorable exchange rates versus the US dollar” (Global Powers of Retailing 2019: 22).

As was emphasized in the report of Deloitte company, “with improvements in economic growth and growing foreign investments, an increasing influx of international brands and retailers is changing the retail scene in africa. The rising middle class has contributed to the modernization of the retailing sector, and many African economies continue to transition toward consumption-driven markets” (Global Powers of Retailing 2019: 22).

Companies from Europe and North America were dominated in the structure of Top 250 companies by the share of revenue in 2013-2019 (table 9).

Table 9. The share of Top 250 companies by region/country in 2013-2019, %

	2013	2014	2015	2016	2017	2018	2019
<i>Top 250</i>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Africa/Middle East</i>	2.8	2.8	3.2	3.6	4	3.6	3.6
<i>Asia Pacific</i>	24.0	22.0	21.2	23.6	25.2	24.0	23.2
China/Hong Kong SAR ¹	-	-	5.6	5.6	5.6	5.2	5.2
Japan	15.6	12.4	11.2	12.0	12.8	12.4	11.6
Other Asia Pacific	8.4	9.6	10.0	6.0	6.8	6.4	6.4
<i>Europe</i>	32.8	36.0	37.2	34.0	32.8	34.8	35.2
France	4.8	5.6	6.0	4.8	4.8	4.8	4.8
Germany	6.8	6.8	6.4	6.8	6.8	7.6	7.6
U.K.	5.6	5.6	6.4	6.0	4.8	5.6	5.6
Another Europe	15.6	18.0	18.4	16.4	16.4	16.8	17.2
<i>Latin America</i>	3.6	4.0	3.6	3.6	3.2	3.6	4.4
<i>North America</i>	36.8	35.2	34.8	35.2	34.8	34.0	33.6
U.S.	33.2	31.6	31.6	32.8	32.0	31.6	30.8

¹ China and Hong Kong SAR are considered as a single country for this analysis Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

It should be underlined, that “retailers from Europe’s largest markets namely Germany, UK and France, contributed twothirds of the total regional revenue in 2018. Germany has the largest companies with an average size of US\$24.7 billion, closely followed by France with an average size of \$24.2 billion, which are much higher than the average Top 250 size of US\$18.1 billion” (Global Powers of Retailing 2019: 21).

Moreover, “European retailers remain the most globally active as they search for growth outside their mature home markets. Nearly 42.3% of their combined revenue was generated from foreign operations in 2018, which is almost double the 23.6% for the Top 250 group as a whole. Eighty-three percent of the region’s companies operated internationally, expanding well beyond their home country borders with a presence in 16 countries on average. French retailers have by far the most global retail networks, with operations on average in 29 countries” (Global Powers of Retailing 2019: 21).

By the results of the study, “the average retail revenue for the 58 companies in Africa/Middle

East region was US\$12.6 billion, and they contributed 15.4% to the global Top 250 revenue in 2019. The retailers earned most of their revenue from home country operations, generating only 10.8% retail revenue from foreign countries and with a presence in just 4.3 countries on average. Retail growth in the region continues to be driven by changing shopping preferences among growing middle-class consumers, particularly young millennials and the increasing adoption of e-commerce and m-commerce by the physical retail players” (Global Powers of Retailing 2020: 23).

As for retailers from Latin America, then they “focused mainly on their home country, operating in just 2.5 countries on average and generating nearly 80% of their revenue from their domestic markets. The growth of retailing in the region continued to be driven by consumer demand for convenience, with increasing internet penetration providing a further boost to e-commerce, and the adoption of omni-channel strategies by companies” (Global Powers of Retailing 2020: 24).

Table 10. The share of Top 250 companies revenue by region/country in 2013-2019, %

	2013	2014	2015	2016	2017	2018	2019
<i>Top 250</i>	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Africa/Middle East</i>	1.1	1.0	1.2	1.4	1.5	1.3	1.5
<i>Asia Pacific</i>	15.1	14.0	13.5	14.4	15.4	15.4	15.4
China/Hong Kong SAR ¹	-	-	3.2	3.7	3.7	3.9	4.3
Japan	8.7	7.0	6.4	6.5	7.2	6.9	6.7
Another Asia Pacific	6.4	7.0	7.1	4.3	4.6	4.5	4.3
<i>Europe</i>	37.1	38.9	38.9	35.0	33.8	33.8	34.4
France	8.8	9.4	9.6	8.2	7.9	6.4	6.6
Germany	10.0	10.6	10.4	9.8	9.6	10.4	10.4
U.K.	6.4	6.2	6.4	5.8	4.9	5.1	5.2
Another Europe	11.9	12.7	12.5	11.2	11.4	11.9	12.2
<i>Latin America</i>	1.6	1.8	1.6	1.6	1.4	1.6	11.0
<i>North America</i>	45.2	44.2	44.7	47.6	47.8	48.0	46.9
U.S.	42.2	41.9	42.5	45.6	45.7	46.0	44.8

¹ China and Hong Kong SAR are considered as a single country for this analysis

Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

European companies had an average presence in 18.3 countries and earned 40.7% of their retail revenue outside their home country in 2019. It should be borne in mind that “it was much higher than for the Top 250 as a whole in 2019, where the percentage of retail revenue from foreign operations was 22.8% and the average number of countries of operations was 10.8” (Global Powers of Retailing 2020: 24).

Hard competition in the saturated markets of developed countries has forced retailers to “increase their focus on omni-channel strategies

such as self-checkout stores and e-commerce for greater consumer convenience” (Global Powers of Retailing 2020: 24).

European retailers remain the most global players and 40.7% of their retail revenue was generated from foreign operations - almost twice as much as the Top 250 group as a whole (table 11). More than 80% of the region’s companies operated internationally with a presence in 16 countries, on average. French and German retailers have the most global retail networks (Global Powers of Retailing 2018: 27).

Table 11. The share of Top 250 companies by retail revenue from foreign operations in 2013-2019, %

	2013	2014	2015	2016	2017	2018	2019
<i>Top 250</i>	24.3	24.2	23.4	22.8	22.5	23.6	22.8
<i>Africa/Middle East</i>	23.2	25.1	32.3	35.1	34.7	23.0	34.1
<i>Asia Pacific</i>	12.6	14.0	10.7	10.7	9.4	12.3	10.8
China/Hong Kong SAR ¹	-	-	17.9	17.1	13.7	16.8	9.9
Japan	7.7	9.4	10.3	10.4	8.9	12.7	15.2
Another Asia Pacific	19.4	18.9	11.1	6.4	6.7	7.8	4.9

	2013	2014	2015	2016	2017	2018	2019
<i>Europe</i>	39.1	38.6	38.1	39.6	40.6	42.3	40.7
France	44.4	43.6	45.1	46.0	45.1	47.3	42.5
Germany	44.9	45.4	43.8	47.0	47.2	47.0	49.7
U.K.	22.4	21.5	20.6	16.6	16.9	17.5	18.4
Another Europe	-	-	37.0	40.6	42.1	46.0	41.1
<i>Latin America</i>	23.1	22.9	25.2	23.7	23.8	27.1	20.9
<i>North America</i>	16.1	14.7	14.1	13.6	13.6	14.1	13.3
U.S.	15.6	15.4	14.6	13.8	13.7	14.2	13.4

¹ China and Hong Kong SAR are considered as a single country for this analysis

Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

At the same time, more than 40% retailers from the North America carry on as single-country operators (Global Powers of Retailing 2017: 26).

Asia Pacific retailers operate similarly. As the result, in 2016 “nearly 90% of the composite revenue for the region’s 59 Top 250 retailers was generated domestically” (Global Powers of Retailing 2017: 26).

In 2017 retailers in the Asia Pacific region “operated in just 3.6 countries, compared with 10.0 countries for the entire Top 250 group. Nearly half of the companies operated only within their own borders. About 90% of the composite revenue for the region’s 63 retailers in the Top 250 was generated domestically” (Global Powers of Retailing 2018: 27).

Such situation can be explained by the fact that retail trade in the Africa/Middle East region

demonstrates positive development dynamics. At the same time “the rising middle class in Africa has contributed to the modernization of the retailing sector, and many African economies are transitioning toward consumption-driven markets” (Global Powers of Retailing 2017: 26). The Middle East also remains an attractive destination for companies against the background of mature European retail markets.

We chose product specialization as another indicator to study the world retail trade leaders. According to analysis reports of Deloitte company, we can conclude that FMCG retailers dominated in the structure of Top 250 companies over the 2013-2019 years. Their share exceeded 50%. The quantitative allocation of companies from other product sectors did not change significantly during the study period (table 12).

Table 12. The share of Top 250 companies by product sector in 2013-2019, %

	2013	2014	2015	2016	2017	2018	2019
Top 250	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apparel and accessories	16.8	17.6	19.2	18.0	17.2	16.0	15.6
FMCG	54.8	52.8	50.4	53.2	54.0	55.2	54.4
Hardlines and leisure goods	20.8	20.8	21.6	20.0	20.4	20.0	21.6
Diversified	7.6	8.8	8.8	8.8	8.4	8.8	8.4

Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

As we can see from Table 13, the largest contribution to the aggregate retail revenue during 2013-2019 was made by FMCG companies, but it decreased by 1.8 percentage

points during this period. Diversified companies had the lowest share, and also fell from 8.0% to 4.9% during this period.

Table 13. The share of Top 250 companies revenue by product sector in 2013-2019, %

	2013	2014	2015	2016	2017	2018	2019
Top 250	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apparel and accessories	8.8	9.2	9.7	9.8	9.8	9.8	9.7
FMCG	68.3	67.5	66.7	66.6	66.4	66.2	66.5
Hardlines and leisure goods	14.9	15.1	15.7	16.4	17.0	18.0	18.9
Diversified	8.0	8.2	7.9	7.2	6.8	6.0	4.9

Source: compiled by the author according to «Global Powers of Retailing», 2014-2021

Conclusions

The key trend in the modern development of trade is globalization. The main feature of globalization in trade is the strategic orientation of trade networks to entrepreneurial activity in an integrated market around the world, the location of trade facilities in different countries.

During 2013-2020 and with the exception of 2016, the world's leading retail trade networks showed a positive dynamic of their development, which was manifested in a slight annual growth of aggregate retail revenue.

The greatest number of retailers in Top 250 were from Europe and North America. The least number of ranking representatives was located in Africa/Middle East.

Companies from Europe and North America also dominated in the structure of Top 250 companies by the share of revenue in 2013-2019.

The vast majority of retailers continued to follow the policy of expansion, increasing their presence during the study period over the years

from an average of 10.0 to 11.1 countries. At the same time, there was no direct correlation between share of Top 250 retailers with foreign operations and share of Top 250 aggregate retail revenue from foreign operations. In addition, the level of globalization of retail trade has recently stabilized somewhat due to the active development of e-commerce and the need to maintain its positions by leading retail trade networks.

European companies had an average presence in 18.3 countries in 2019. The largest presence in the markets of foreign countries was demonstrated by French networks with operations on average in 29 countries.

Retailers from Latin America were focused mainly on their home country, operating in just 2.5 countries on average and generating nearly 80% of revenue from their domestic markets.

The largest share of Top 250 retailers was specialized in the FMCG sector (54.0%), the smallest - as diversified companies (8.4%).

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