



The US Top 100 Retailers

First Look Insights

February 2024

Retail
CITIES



Retail Cities – About Us

Predict, Map and Capture The Next \$10 Trillion In Global Retail Growth

- Fact-based
- Global
- Practical
- Provocative

Simple Content Platforms

Service	Description	List Fee	Retail Cities Membership
Retail Cities US Virtual Workshops	A series of live virtual workshops that map the next \$3 trillion of retail growth that will take place in the next 5 years, covering the Macro, architectural and people strategies required to win the US commerce market.	\$3,995	Plus 10% savings on any additional services
Retail Excellence Insights Packs North America	Monthly updates on the latest developments in the US and Canadian retail landscape, with a major focus on trends, customer, channel, and macro overviews.	\$2,995	
The Next \$10 Trillion Video Series	Over the next 5 years, there will be \$10 trillion of retail growth globally, with \$3 trillion coming from the US alone. This video series explores what will drive that growth, where it will come from, and how you should capture it.	\$2,495	
TOTAL		\$9,485	\$7,995

Retail Cities Memberships

- Retail Cities provides ongoing insights and support through a flexible membership model, where you select the services you need, and bundle them under one of our membership levels.
- Each membership component serves a distinct purpose in helping our members be continuously educated and updated on the latest trends and developments in retail.

Membership Levels

NAVIGATOR

Investment Level: USD 5K – 20K

Retail Cities' Discount: 10% savings on additional services, including advisory

Membership Period: 12 months

EXPLORER

Investment Level: USD 20K - 40K

Retail Cities' Discount: 15% savings on additional services, including advisory

Membership Period: 12 months

VOYAGER

Investment Level: USD 40K +

Retail Cities' Discount: 20% savings on additional services, including advisory

Membership Period: 12 months

US Retail 2023 Growth Summary

February 2024 First Look

- US consumers spent an additional USD197.1 billion in 2023, resulting in a growth rate of 3.0% in 2023*
- The Top 100 US Retailers dominated this growth, expanding by USD227.6 billion – 7.0% growth – taking 115% of all additional consumer spending
- Growth above inflation was achieved by large-scale retailers in all classes-of-trade (COT), *except* “Expert” retail (which includes non-Softline category specialists such as DIY chains, electronics specialists, sporting goods, furniture and home decoration stores)
- The US Top 100 retailers now represent 51.5% of all consumer spending in retail – expanding from 49.5% in 2022
- The Top 10 market share gainers largely grew via Mergers & Acquisitions (M&A)



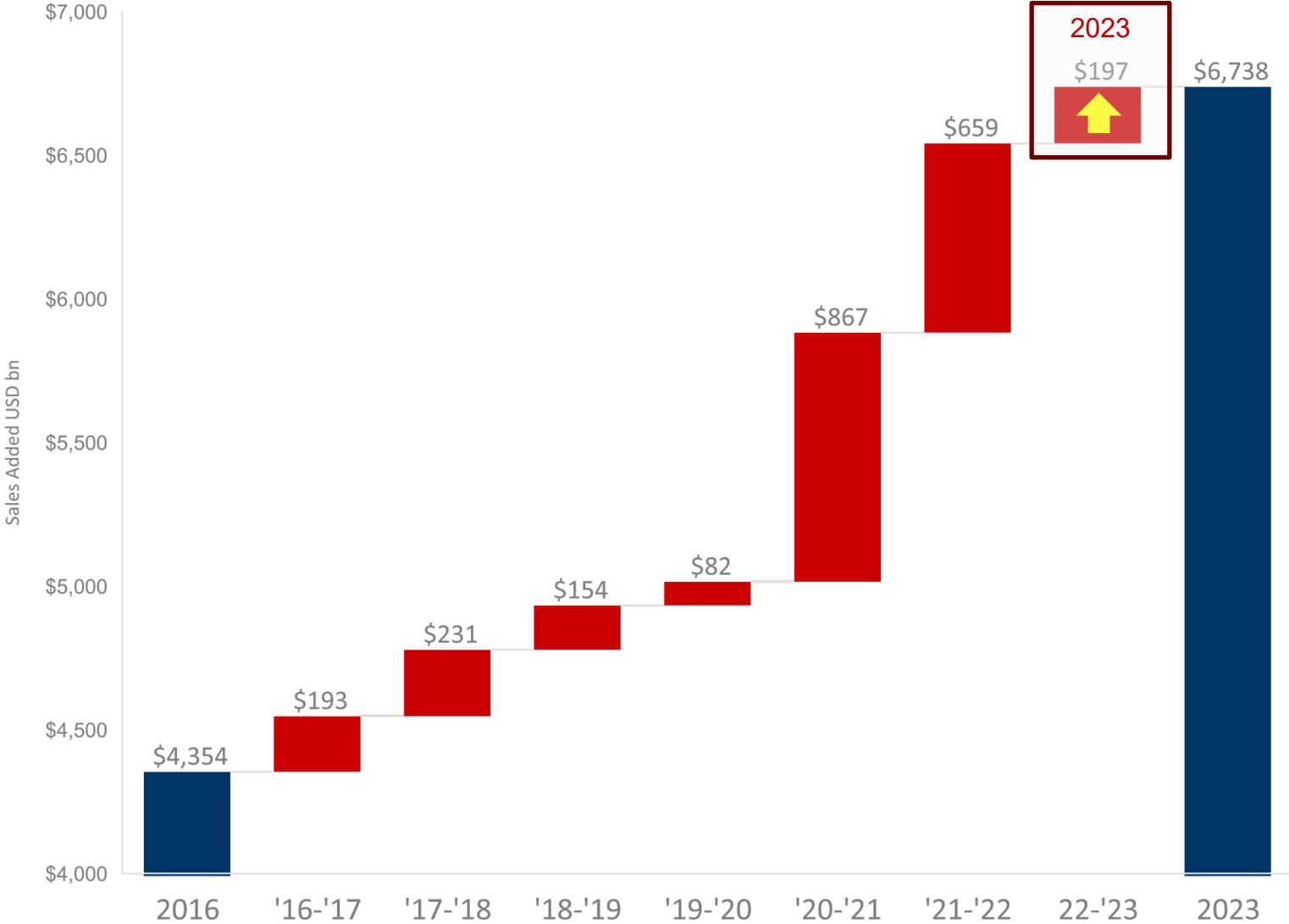
How Did 2023 Compare?

2023's consumer spending expansion was one of the smallest in the past seven years – with just 2020, 2019, and 2017 growing in smaller total dollars.

This 'slow growth' environment enabled large-scale retailers to use assets & cash, built-up via 2021 & 2022's record expansion, to acquire or merge with rivals.

The result is that we saw wild movements in the Top 100 in 2023.

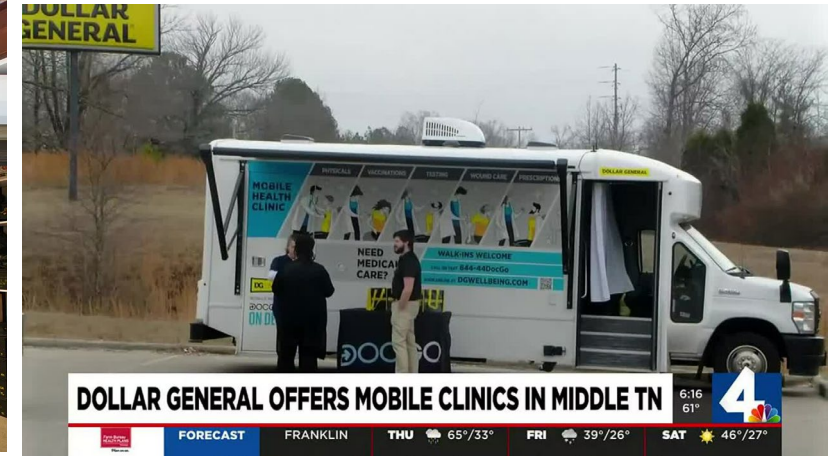
Sales Added (2016-2023)



The Consumer/Macro world

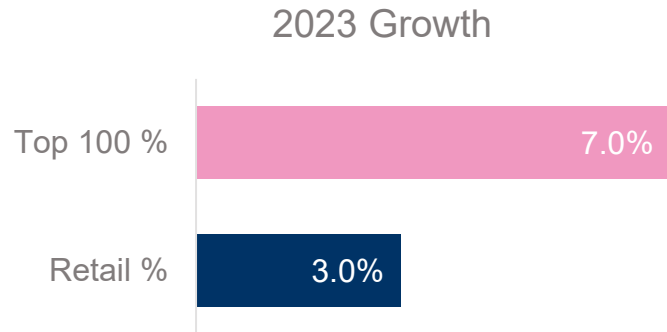
Core Polarizing Issues For The World's Largest Emerging Market

- Income polarization
- Ethnic fragmentation
- Regional variance at massive scale
- Primary care healthcare gap



The US Top 100: How Did Retailers Perform in 2023?

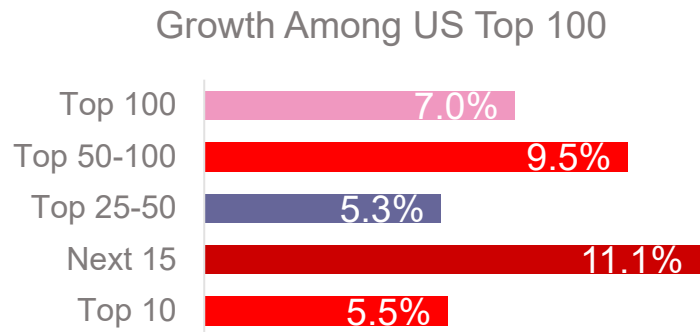
Strong growth, led by M&A, with Amazon & Restaurants outpacing others



The Top 100 grew by 7.0% - however, the average US Top 100 retailer had 2023 sales of USD35bn and grew by 12% in the 52 week trading cycle.

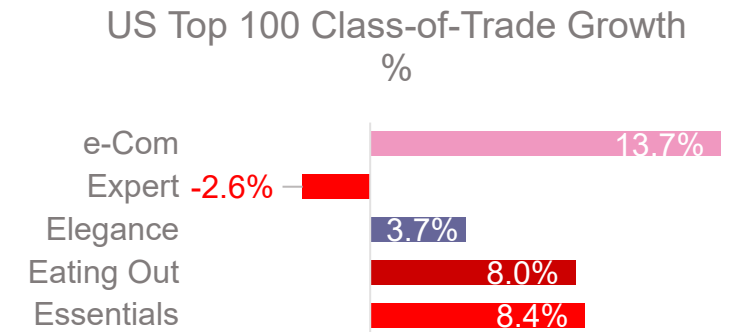
A retailer such as Starbucks fits the 'average' description – ranked #20 with \$35bn in sales, growing 12%.

The 'standard' is set high.



The fastest growing segment of retailers were retailers ranked 11-25. This was a result of three acquisitions to grow scale.

- 7-Eleven acquired Speedway
- Aldi acquired Southeastern Grocers
- RaceTrac acquired Gulf Oil



The fastest growing class of trade was 'e-Com' (eCommerce Pureplayers), followed by Essentials (retailers selling a wide range of products but mainly focused on food, beverage, and personal care)

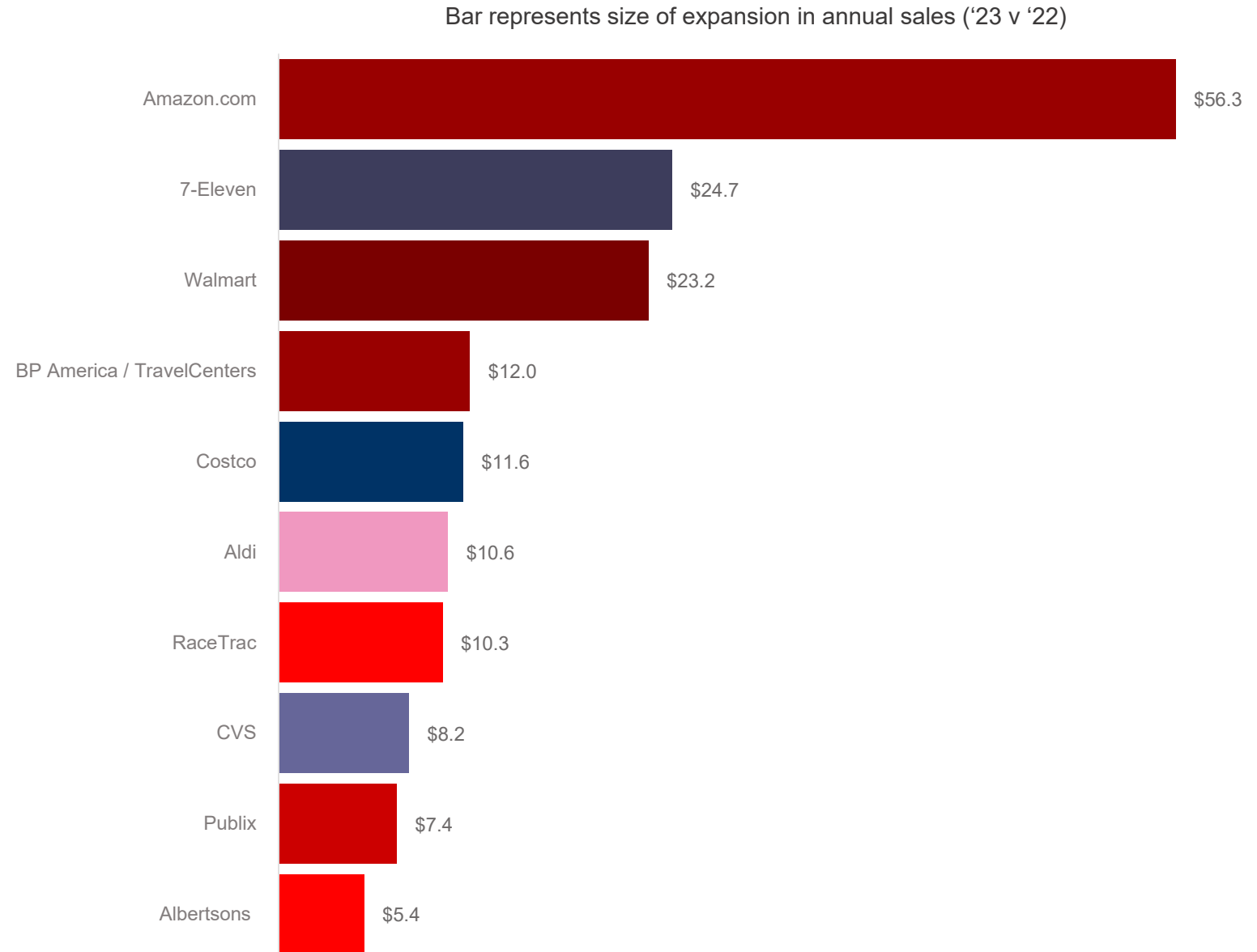
The main reason for e-Com's growth was Amazon's continued success as the country's #1 expansionist

The US Top 10 Expansionists

America's largest retailers expanded sales in 2023 in two ways

- **eCommerce expansion** – largely via improved online retail investments
- **Acquisitions** – four retailers made bold bets in 2023 (7-Eleven, BP America, Aldi, and RaceTrac)

These top 10 retailers, collectively, expanded by USD169 billion – 86% of all new consumer spending in 2023



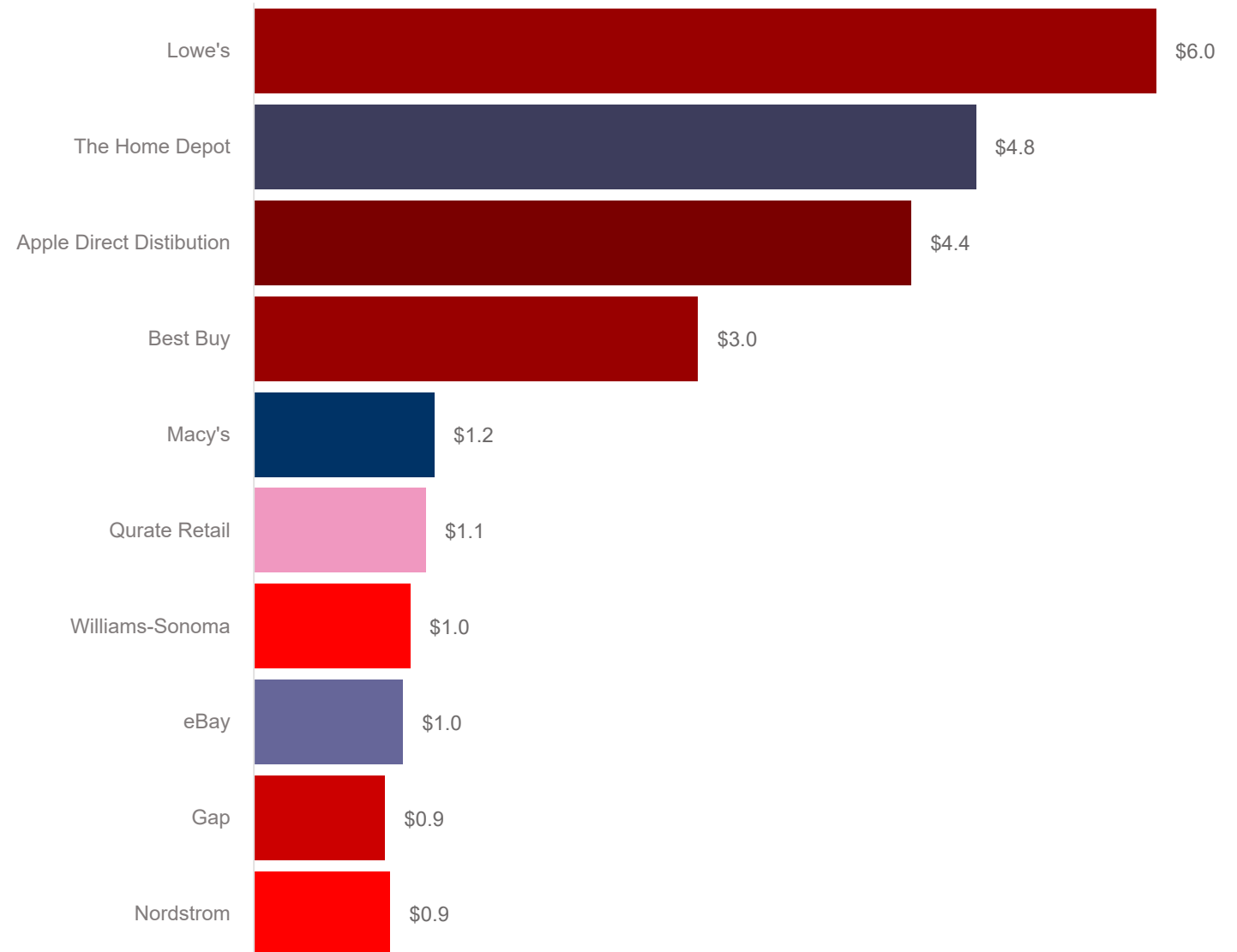
The US Top 10 Contractionists

Several very large retailers had sizable contractions in sales in 2023 – led by America’s DIY giants, Home Depot & Lowe’s.

The majority of the retailers facing tough trading conditions in 2023 were typically category specialists selling durable goods, fast-fashion, or affordable discretionary luxuries.

It should be noted that both Lowe’s and Home Depot achieved record sales in 2021 and 2022 – so some might consider 2023 a ‘correction’ or ‘back-to-normal’.

Bar represents size of contraction in annual sales ('23 v '22)



Classes of Trade

Retail Cities groups retailers into classifications using our “Five E’s” framework: Essentials, Eating Out, Expert, Elegance, and e-Com.

Essentials is made up of mass/club/drug/value/grocery retail.

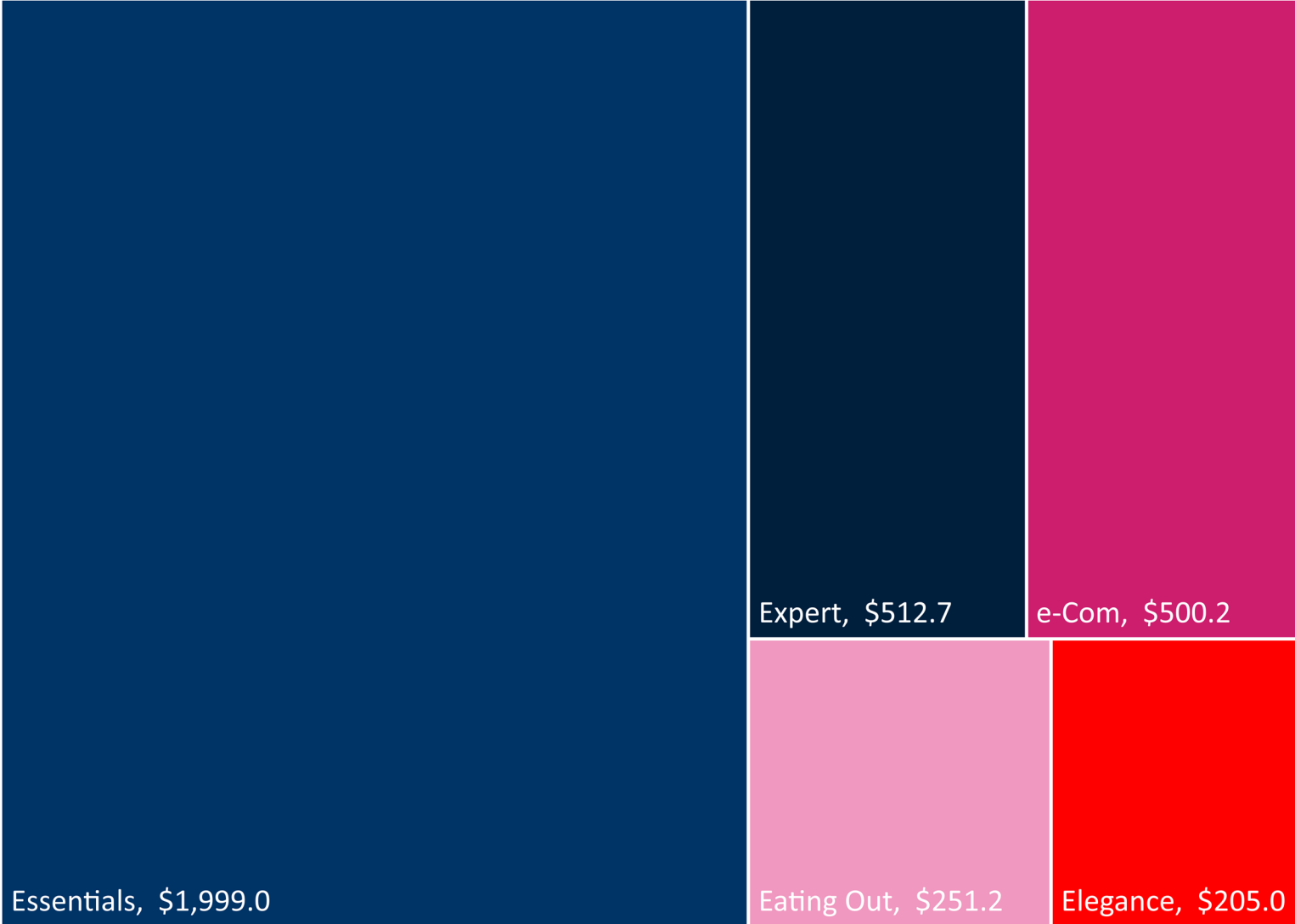
Eating Out groups restaurants & catering franchises. The combined “Essentials & Eating out” segment accounts for 65% of all large-chain retail.

Elegance is made of apparel, department stores, beauty specialists, and accessory specialists.

Expert is made of non-Softline category specialists such as DIY chains, electronics specialists, sporting goods, furniture and home decoration stores

E-Com is made of eCommerce and quick delivery specialists.

The Shape of America's Top 100 Retailers



Industry Sub-Group Performance

Three sub-groups of retailers dominate the T100 by number of operators – Grocery retailers and C-stores both have 14 operators each in the Top 100 and Quick Service Restaurants (QSR) has 13 enterprises in this year’s Top 100.

In total, these three sub-groups have 41 operators in the T100.

Despite strength in numbers, the Mass-Club and e-Com channels combine for 12 operators with 39.5% of all T100 sales and 51.3% of all new consumer spending in 2023.

Type	COT	# Retailers in T100	Sales 2023	Sales 2022	Sales Added ('22-'23)↓	Growth '22-'23 %	Share of Sales Added	% T100 Sales '23
C-Store	Essentials	14	\$ 241.7	\$ 181.0	\$ 60.7	33.5%	30.8%	7.0%
e-Com	e-Com	6	\$ 500.2	\$ 439.8	\$ 60.4	13.7%	30.6%	14.4%
Mass-Club	Essentials	6	\$ 869.2	\$ 828.4	\$ 40.7	4.9%	20.7%	25.1%
Grocery	Essentials	14	\$ 498.4	\$ 472.9	\$ 25.5	5.4%	12.9%	14.4%
QSR	Eating Out	13	\$ 251.2	\$ 232.5	\$ 18.7	8.0%	9.5%	7.2%
Value	Essentials	5	\$ 126.8	\$ 111.9	\$ 14.8	13.2%	7.5%	3.7%
Drug	Essentials	3	\$ 245.4	\$ 235.5	\$ 9.9	4.2%	5.0%	7.1%
Off-Price	Elegance	3	\$ 71.1	\$ 66.2	\$ 5.0	7.5%	2.5%	2.1%
Auto	Expert	3	\$ 38.9	\$ 35.5	\$ 3.4	9.7%	1.7%	1.1%
Beauty Spec.	Elegance	2	\$ 20.0	\$ 17.1	\$ 3.0	17.4%	1.5%	0.6%
Pet	Essentials	2	\$ 16.9	\$ 14.4	\$ 2.4	16.8%	1.2%	0.5%
Apparel	Elegance	8	\$ 76.7	\$ 75.1	\$ 1.6	2.1%	0.8%	2.2%
Food Specialist	Essentials	1	\$ 6.3	\$ 5.5	\$ 0.8	14.6%	0.4%	0.2%
Furniture	Elegance	1	\$ 6.3	\$ 5.9	\$ 0.4	6.6%	0.2%	0.2%
Hobby/Crafts	Expert	1	\$ 8.1	\$ 7.9	\$ 0.2	2.6%	0.1%	0.2%
Jewelry	Elegance	1	\$ 7.3	\$ 7.3	\$ 0.0	0.3%	0.0%	0.2%
Homegoods	Expert	1	\$ 6.9	\$ 7.2	\$ (0.3)	-4.0%	-0.1%	0.2%
Office	Expert	1	\$ 6.2	\$ 6.4	\$ (0.3)	-4.5%	-0.1%	0.2%
Homewares	Expert	1	\$ 7.6	\$ 8.7	\$ (1.0)	-12.0%	-0.5%	0.2%
Dept	Elegance	4	\$ 51.6	\$ 53.5	\$ (2.0)	-3.7%	-1.0%	1.5%
Cons. Elect.	Expert	2	\$ 99.9	\$ 107.3	\$ (7.3)	-6.8%	-3.7%	2.9%
DIY	Expert	8	\$ 311.4	\$ 320.4	\$ (9.0)	-2.8%	-4.6%	9.0%
Top 100 Totals		100	\$ 3,468	\$ 3,240	\$ 228	7%	115%	100%

Top 7 retail landscape mistakes

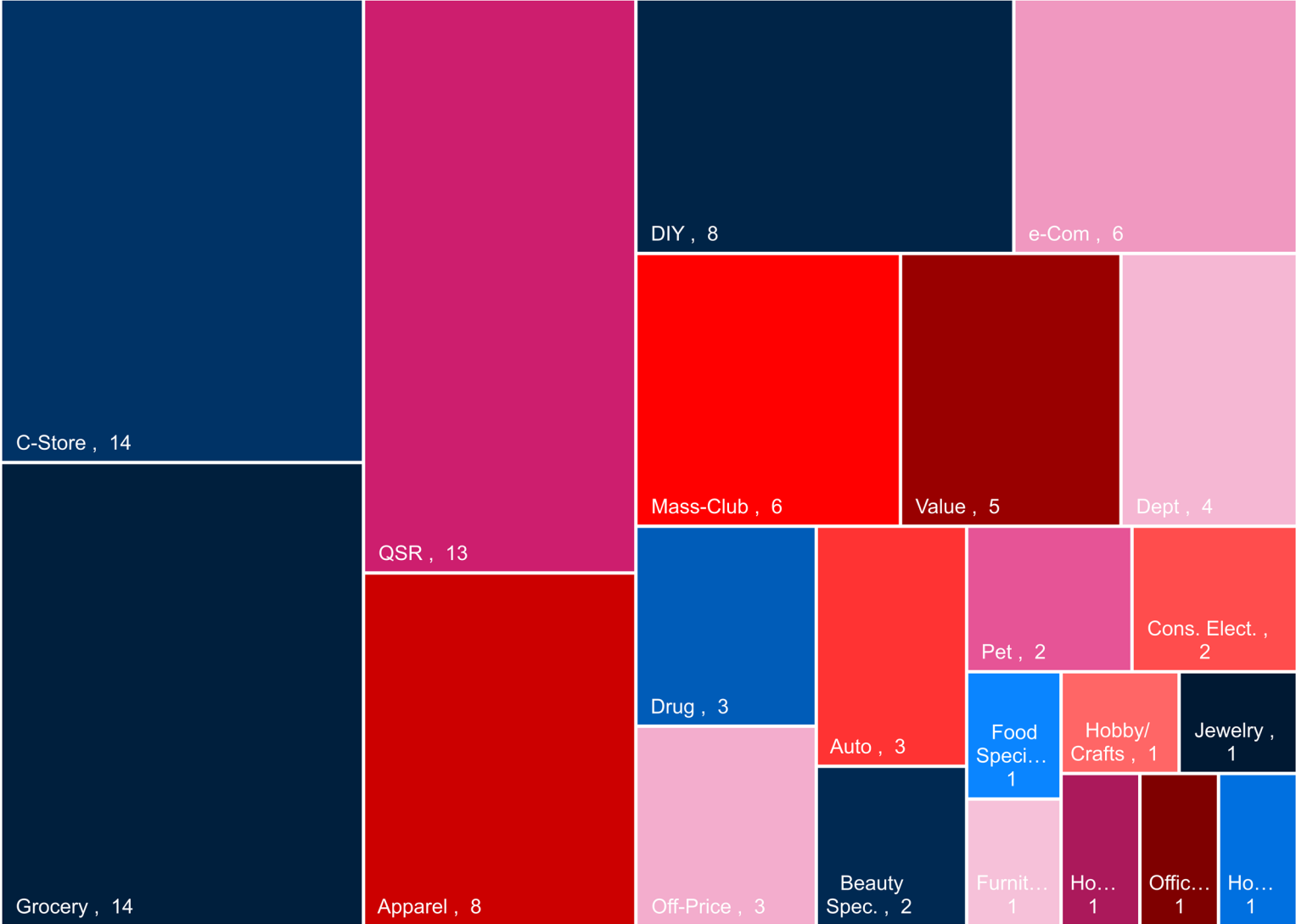
- Over-focusing on growth rates – eCommerce and Amazon’s growth rate will slow down off of a much larger base but they may be posing more commercial opportunity and risk
 - In particular, need to get Amazon right – it’s what Walmart was 10 years ago in brick and mortar – if you fall behind on Amazon everything else isn’t big enough to make it up
- Underfocusing on eCommerce within the retailer – smaller % of the business but a very high percentage of growth
- Not embracing the fragmentation of growth – everyone in this room is more important
- Muscle-memorying drug – Benjamin Franklin’s definition of insanity
- Over-emphasizing value short-term – the cash flow statement shopper is battling
- Treating grocery as one thing – it’s not
- Ignoring Instacart because it’s complicated

The Top 100: Number of Operators by Industry Sub-Group

More than half of the T100 retailers do business in highly competitive sectors of retail where there is a long tail of small and medium sized operators – C-stores, Grocery stores, QSR’s, Apparel, and DIY chains.

One trend in this year’s T100 update has been industry consolidation, particularly in the C-store sector, where leading c-store operators are acquiring big, medium and small competitors.

The Top 100 by Industry Sub-Group



The Top 100: Share of Sales Industry Sub-Group

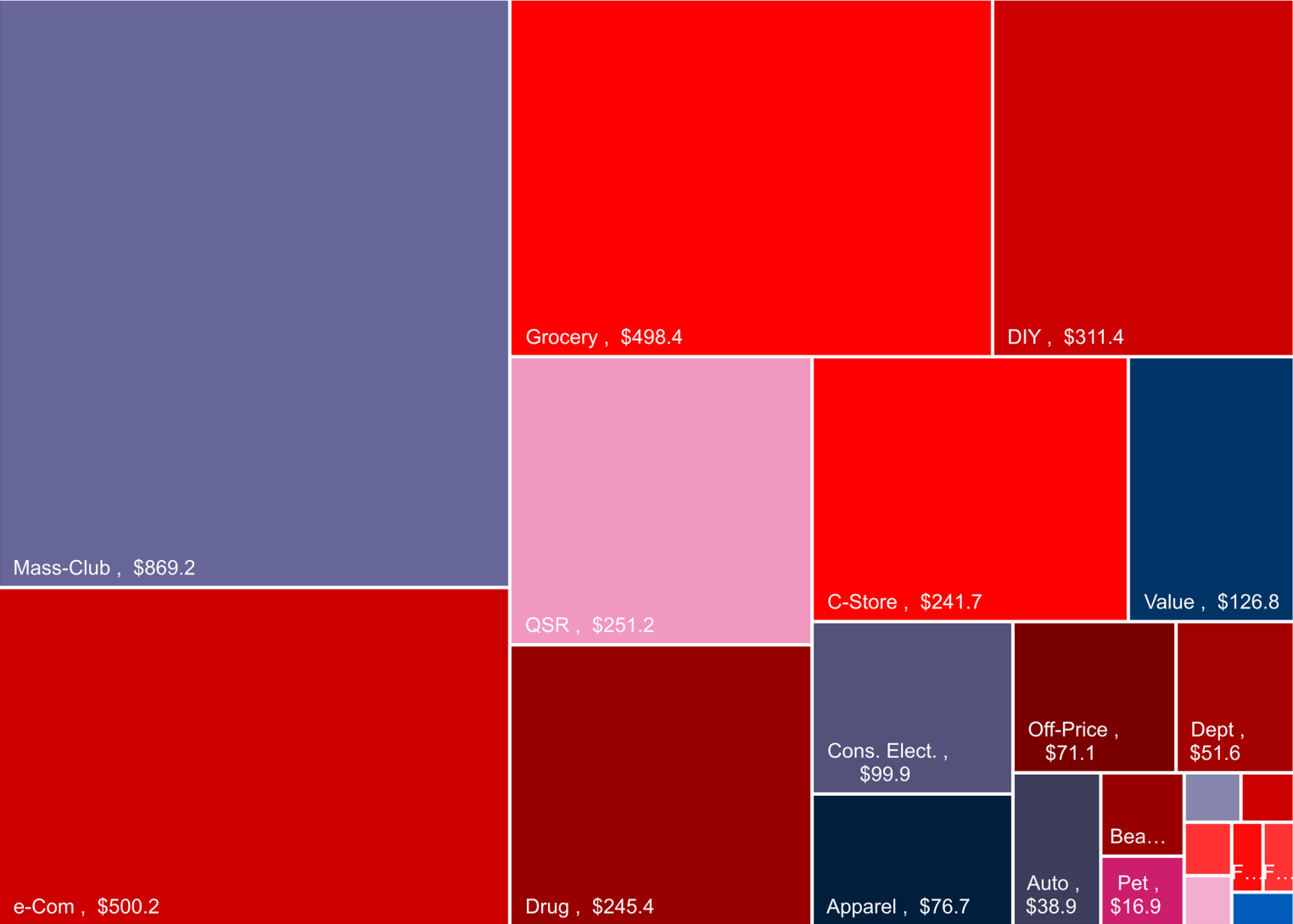
Three channels stand-out as “XXL” or “Super-sized” in the US Retail Landscape where just a few operators control an enormous share of overall consumer spending.

The Mass-Club Channel – led by Walmart, Costco, Target – is quickly approaching USD\$1 trillion in annual revenues.

E-Commerce and Grocery, led by Amazon and Kroger – will both exceed USD500bn in 2024.

The combined sales of these ‘mega-retailers’ totals just under USD\$1.9 trillion which would make it the world’s 3rd largest retail market in its own right – behind China but ahead of all other countries.

Top 100 Share of Sales by Industry Sub-Group



Essentials Class-of-Trade in 2023

Overall 2023 Performance

Growth Rate	Expansion	Share of T100
8.4%	USD155bn	58%
Fastest growing retailer	Largest expansion	Share of T100 Growth
BP America (+325%)	7-Eleven (\$25b)	68%

Multi-category essentials retailers dominated growth in 2023, aided by strong levels of inflation in the first-half of 2023.

Part of 2023's success was down to large retailers acquiring other large retailers. Will we see more M&A in 2024?

Top 5 Performers

Essentials COT	Sales Added	Top 100 Rank '23	Ranking Up/Down
7-Eleven	\$ 24.7	14	6
Walmart	\$ 23.2	1	-
BP America / TravelCenters	\$ 12.0	44	56
Costco	\$ 11.6	3	-
Aldi	\$ 10.6	22	4
Top 5 Total	\$ 82.1		
Others	\$ 73.0		
Top 5 Share of COT Growth	53%		

Consolidation in US c-stores produced the biggest movers in the rankings with RaceTrac moving from #36 to Top25 and 7-Eleven going from 20 to #14 and BP America surging onto the list at #44.

Aldi's acquisition of Southeastern Grocers rounded out the F&E's year of consolidation. At this moment in time we are unable to combine Kroger & Albertsons pending regulatory review.

Eating Out Class-of-Trade in 2023

Overall 2023 Performance

Growth Rate	Expansion	Share of T100
8.0%	USD19bn	7%
Fastest growing retailer	Largest expansion	Share of T100 Growth
Darden (17%)	Starbucks (\$4b)	8%

Restaurant chains grew 8% primarily by franchise expansion and solid same-restaurant sales growth

Panda Express entered the T100 with a strong 11% growth rate in 2023

Top 5 Performers

Eating Out COT	Sales Added	Top 100 Rank '23	Ranking Up/Down
Starbucks	\$ 3.8	20	1
Chick-fil-A	\$ 2.6	31	-
McDonald's	\$ 2.1	15	(1)
Restaurant Brands International	\$ 1.8	26	(1)
Darden	\$ 1.8	57	-
Top 5 Total	\$ 12.1		
Others	\$ 18.7		
Top 5 Share of COT Growth	39%		

Despite a good year for restaurants, the majority of restaurants lost ranking positions as a result of consolidation in the grocery and c-store industries

Starbucks moved up a position to enter the Top 20

Elegance Class-of-Trade in 2023

Overall 2023 Performance

Growth Rate	Expansion	Share of T100
3.7%	USD7bn	6%
Fastest growing retailer	Largest expansion	Share of T100 Growth
Lululemon (30%)	TJX (\$2.6b)	3%

Top 5 Performers

Elegance COT	Sales Added	Top 100 Rank '23	Ranking Up/Down
TJX	\$ 2.6	17	-
Sephora	\$ 2.0	74	9
Lululemon	\$ 1.7	83	11
Burlington	\$ 1.2	67	3
Ross Stores	\$ 1.1	32	-
Top 5 Total	\$ 8.7		
Others	\$ 7.4		
Top 5 Share of COT Growth	54%		

Beauty specialists – Sephora and Ulta Beauty – helped the Elegance sector have one of its strongest years in recent memory.

Those two, with Lululemon, demonstrate how to win in the full-price sector of the Elegance class-of-trade as other growth retailers focus on off-price retailing.

Off-price fashion stores performed strongly in 2023, offsetting otherwise weak growth from well-established large players, particularly the large department stores.

Expert Class-of-Trade in 2023

Overall 2023 Performance

Growth Rate	Expansion	Share of T100
-2.6%	-USD13.9bn	15%
Fastest growing retailer	Largest expansion	Share of T100 Growth
Discount Tire (21%)	Sherwin-Williams (\$1.5b)	-6%

The Expert segment suffered a setback in 2023, with Expert retailers in the US Top 100 contracting by -6%.

The contraction was led by The Home Depot and Lowe's who faced difficult year-on-year comparatives having achieved record-setting growth rates from 2019-2022.

Top 5 Performers

Expert COT	Sales Added	Top 100 Rank '23	Ranking Up/Down
Sherwin-Williams	\$ 1.5	49	-
Discount Tire	\$ 1.3	80	10
O'Reilly Auto	\$ 1.2	45	(1)
AutoZone	\$ 0.9	43	-
Bass Pro	\$ 0.5	72	(3)
Top 5 Total	\$ 5.4		
Others	\$ (13.9)		

Automotive parts retailers performed well and at least one DIY-chain, Sherwin-Williams, defied the slowdown in growth.

Outdoors sporting goods specialists continue to draw crowds – like Bass Pro.

e-Com Class-of-Trade in 2023

Overall 2023 Performance

Growth Rate	Expansion	Share of T100
13.7%	USD60bn	14%

Fastest growing retailer	Largest expansion	Share of T100 Growth
Shein (40%)	Amazon (\$37b)	27%

The e-Com segment, which focuses on digital commerce pureplayers and delivery companies, saw Amazon outgrow Walmart, closing the gaps between the #1 and #2 US retailers.

Our analysis of T100 excludes companies such as UberEats and DoorDash as they primarily deliver items from other T100 retailers.

We will provide an update on this segment in the next slide, noting they do not qualify as T100 retailers.

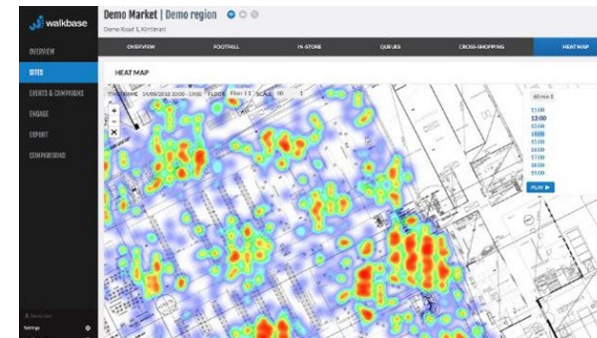
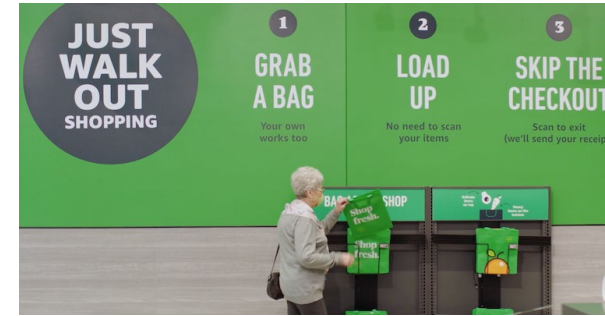
Top Performers

e-Com COT	Sales Added	Top 100 Rank '23	Ranking Up/Down
Amazon.com	\$ 56.3	2	-
Shein	\$ 5.1	38	12
Chewy.com	\$ 1.2	60	1
Wayfair	\$ 0.0	63	(5)
Top 4 Total	\$ 62.5		

Amazon continues to outgrow all other online pureplay challengers – although Shein has grown impressively in '23.

5 essential store concepts

- What's In Store For Retail Media
- "Wow, Right, Now"
- "3D Vending Machines"
- "Walkstream Analysis"
- "DiStoreBution Center"



Fast COT

The \$30bn Club

A number of marketplace retailers – primarily fast delivery operators, joined what we at Retail Cities call the \$30bn club in 2023.

The \$30bn refers to the retail value, including tips, of the services they provide, largely fast food delivery.

UberEats, DoorDash, and Instacart all joined the \$30bn club in 2023.

Shein also joined the club, challenging Ebay to rethink and reinvent, a company that has been part of the \$30

<i>FAST COT</i>	Retailer	2023 Cons. 1P Revenue	2023 GMV	2023 Website Traffic
1	Amazon.com	\$ 193.3	\$ 418.2	2,500
2	Shein.com	\$ 17.6	\$ 30.0	173
3	UberEats	\$ 14.2	\$ 30.7	65
4	Wayfair	\$ 11.0	\$ 10.5	110
5	Chewy.com	\$ 11.2	\$ 11.0	41
6	Qurate Retail	\$ 8.4	\$ 8.4	114
7	DoorDash	\$ 8.9	\$ 30.2	65
8	eBay	\$ 4.6	\$ 35.3	740
9	Asus.com	\$ 3.8	\$ 3.8	51
10	Instacart	\$ 4.1	\$ 28.5	34
11	Etsy	\$ 3.0	\$ 7.4	505

“I’LL BE YOUR SAVIOR...STEADFAST AND TRUE”

Promotional Intensity – prices are going up without the Monday phone calls

But...promotions aren’t just about discounting – thinking about promotions more comprehensively will be critical



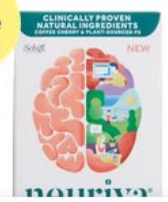
RETAILERS LIKE WALGREENS HAVE UPPED PROMOTIONAL CADENCE...

DON'T GO BACK TO PRE-2020 PROMO STRATEGY

Retailers, desperate for unit growth, are going to push you into, well, silly ideas....

BOGO FREE*
with myWalgreens
Nature Made Vitamins and Supplements
Select varieties.

Deal of the Week



BOGO 50% off*
with myWalgreens
Neuriva Supplements
Earn \$5 In-store rewards
when you buy 2**



BOGO 50% off*
with myWalgreens
Prevagen Supplements
[Shop products](#)

- View all
- Weekly Ad Home
- Deals of the Week
- W Cash Rewards
- Vitamins & Supplements**
- Medicines & Treatments
- Home Health Care



+ \$3 off 2 online coupon

+5% Cash rewards



BOGO FREE*
with myWalgreens
Walgreens Probiotics, Vitamins and Supplements
[Shop products](#)

25% off
with myWalgreens
Life Extension or Reservenge
Select Vitamins and Supplements.

[Shop now](#)



BOGO 50% off*
with myWalgreens
Ocuvite or PreserVision Vitamins and Supplements
Select varieties.
Earn \$5 In-store rewards
when you buy 2**

BOGO FREE*
with myWalgreens
Nature's Bounty Optimal Solutions Vitamins and Supplements
Select varieties.
[Shop now](#)

VALUE IS CONTEXTUAL... “THERE’S A CRACK IN EVERYTHING – THAT’S HOW THE LIGHT GETS IN” – LEONARD COHEN



USING PROMOTIONS TO DRIVE PREMIUM

Violife vegan cheese gets to a price point lower than the list price for the national brand, as the price of both has escalated dramatically in recent years



Rollback Popular pick for "vegan cream cheese" ♥

Violife

Violife Just like Cream Cheese, Original, Vegan, 7.05 oz Tub

★★★★★ (4.4) 144 reviews

Now \$3.97 ~~\$4.48~~ ⓘ \$9.01/lb

You save \$0.51

Price when purchased online ⓘ

[Add to cart](#)

🚗 Pickup, **tomorrow** at [Kearny Supercenter](#)

📍 Aisle A34

📦 Delivery from store [Check eligibility](#)

EBT EBT eligible

♥ [Add to list](#) | 📺 [Add to registry](#)

Best seller Popular pick for "philadelphia cream cheese spread" ♥

Philadelphia

Philadelphia Original Cream Cheese Spread, 8 oz Tub

★★★★★ (4.8) 2038 reviews

\$3.98 49.8 c/oz

Price when purchased online ⓘ

[Add to cart](#)

🚗 Pickup, **tomorrow** at [Bellevue Neighborhood Market](#)

📍 Aisle A19

📦 Delivery from store, **today** to [Bellevue, 98007](#)

ⓘ Heads up – an outside link brought you to this item. Check the store location before adding to cart.

EBT EBT eligible

♥ [Add to list](#) | 📺 [Add to registry](#)

CONCLUSIONS

1. “Pole” position – niches in the US are the size of European countries
2. Cities – unique consumers and route to market
3. Channel Fragmentation - eCommerce less than half of forecasted growth BUT major ecommerce customers are critical to achieving growth targets
4. The “5 Es” – Essentials Drove 2023 even more than eCommerce
5. Retail Media Network powered retailers more than 100% of retail media growth...”double jointed” planning will be critical between marketing and sales
6. Promotional Rescue – don’t got back to where we were pre COVID
7. Cracked Category Management – opportunities exist at all tiers of value

Retail Cities – Insights on North American Retail

Good luck and stay in touch, we welcome your feedback and questions

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Retail
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The logo for Retail Cities features the word 'Retail' in a smaller font above the word 'CITIES' in a larger, bold font. To the right of the text is a stylized graphic of a mountain range with three peaks.