

Leading retailers take a big bite out of the Canadian retail pie

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Just over 100 retailers control nearly 75 per cent of Canada's non-automotive retail sector, says a new report by authors Tony Hernandez (left) and Christopher Daniel (right), Ryerson University's Centre for the Study of Commercial Activity.

Canada's leading retailers take the lion's share of the nation's retail economy, according to a new report by Ryerson University's [Centre for the Study of Commercial Activity](#) (CSCA). According to the centre's 2010 report, 122 retail conglomerates, which accounts for 16 per cent of Canadian retail locations, controlled nearly 75 per cent of non-automotive retail sales in Canada, generating \$220 billion in revenue.

The Weston Group continues its firm hold as the top leading retailer in Canada, followed by Wal-Mart Stores Inc. and Empire Company Ltd. (owners of Sobey's, IGA, and Foodland). With 3,104 retail locations among them, these three companies make up 23 per cent of total retail

sales in Canada in 2010.

“Canada’s smaller market size and the dispersed nature of the Canadian urban system means that greater corporate concentration levels in the Canadian retail marketplace are necessary to ensure that we can achieve economies of scale and remain competitive in the global economy,” says Christopher Daniel, lead author of the report and a senior GIS analyst with the research centre.

Other key findings in the report include:

--- Notable rank changes for U.S. brands:

- Apple Inc. moved from 70th in 2009 to 52nd in 2010;
- Bed Bath and Beyond Inc. moved from 100th in 2009 to 87th in 2010;
- Brown Shoe Company, a new conglomerate to the list of leading retailers, placed 100th this year.

--- Market control by Canadian retailing companies fell slightly by .4 per cent to 59.5 per cent in 2010, while foreign retailers increased their share slightly to 40.5 per cent. Of the foreign retailing conglomerates, U.S. firms account for 38.6 per cent of all retail sales in Canada, up slightly from 38.1 per cent the previous year.

“The steady growth of foreign retailers, especially U.S.-based conglomerates, will provide an increasingly challenging environment for Canadian retailers,” says Tony Hernandez, director of the CSCA and co-author of the report. For example, adds Hernandez, Target Corp. is poised to enter the Canadian market in early 2013 by buying out 220 locations from Zellers, which will likely add additional pressure to the “cheap-chic” fashion sector.

The annual report, written by Daniel and Hernandez, analyzes the growth strategies carried out by the country's top retailers (companies with annual revenues of \$100 million or more). The leading [retailers](#) were selected from thousands of retailing companies in Canada based on their gross revenues, brand recognition, and industry reports among other factors. The 2010 report focuses on three key aspects of each company: economic profile; market concentration and major events in retail sectors including furniture and home furnishing, electronics and appliances, home improvement, grocery, health and personal care, clothing and footwear, hobby stores and general merchandise.

Provided by Ryerson University

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