

The Largest Global Retailers in the COVID-19 Pandemic Period 2020-2021

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Abstract

During its existence, the retail industry underwent profound transformations. Over the past three decades the retail industry has incorporated new technologies, namely Artificial Intelligence, Internet of Things and Big Data Analytics. All these advancements deeply intensified competition in global retailing. The COVID-19 pandemic had a significant impact on the businesses of global retailers. The purpose of the paper is to present and briefly analyse the evolution of the largest global retailers in terms of their retail revenues in the COVID-19 pandemic period 2020-2021. In this respect, a qualitative research method was used. The results of the paper show that global retailers are dominating the retail industry. They obtained impressive retail revenues even during the COVID-pandemic period 2020-2021. Walmart, the American giant, was by far the largest global retailer in that period.

Key words: global retailers, global retailing, retail revenues, retail industry, COVID-19 pandemic

J.E.L. classification: F23, M00, M16

1. Introduction

During its existence, the retail industry underwent profound transformations. The First Industrial Revolution from the late eighteenth century led to the appearance of steam engines and the rapid expansion of mechanization in numerous domains of activity. An increasing number of factories started to produce and the manufacturing of goods boosted. However, retail was dominated by small merchants with their mom-and-pop stores (e.g., grocery stores) where mostly independent family-owned businesses sold general merchandise (Smyyth LLC, 2011).

The Second Industrial Revolution from the mid-nineteenth century witnessed the emergence of electrification and the gradual transition to mass production (Cornescu *et al*, 2004). The spread of urbanization, the development of various means of transportation and the diffusion of the electric lighting imposed a superior organization of the retail industry and new forms of distribution. Thus, the first department stores, retail establishments that provided a variety of products to customers in their specialized commercial areas and announced the future consumer society, were established in Europe (e.g., Bon Marché, Harrods, Whiteleys), Japan (e.g., Mitsukoshi) and the United States of America (USA) (e.g., Macy’s, Sears). The economy of scale penetrated not only the production sector but also the distribution sector (Toma, 2013). Due to their significant growth of doing business, the department stores established chains of distribution across the countries in which they operated. Other retailers, such as the American Montgomery Ward, began selling their merchandise through mail-order catalogues as „new techniques for national marketing emerged in tandem with the mass-produced products they promoted” (Strasser, 1989, p. 6).

After the end of the Second World War, the majority of people was confronted with the lack of products and services worldwide. However, the postbelic recovery was rather rapid and many capitalist countries transformed themselves in welfare societies. As modern retail continued to develop, supermarkets and hypermarkets steadily became predominant all over the world. The significant growth of automobiles favoured the expansion of shopping malls, located mainly in the suburbs of the cities. The 1960s witnessed the opening of the big box stores in the USA (e.g.,

Walmart, Target, Kmart) that offered lower price merchandise and higher product variety (Hausman and Leibtag, 2005). The creation and expansion of Internet led to the emergence and development of e-commerce. Over the past three decades the retail industry has incorporated new technologies, namely Artificial Intelligence, Internet of Things and Big Data Analytics, specific to the Fourth Industrial Revolution (Tohănean *et al*, 2018; Toma *et al*, 2018a). All these advancements deeply intensified competition in global retailing.

The purpose of the paper is to present and briefly analyse the evolution of the largest global retailers in terms of their retail revenues in the COVID-19 pandemic period 2020-2021. The paper is structured as follows: the second section exhibits the literature review. The research methodology is illustrated in the third section of the paper. The fourth section of the paper presents the findings. The conclusions are displayed at the end of the paper.

2. Literature review

Since its emergence, modern retailing has followed a spectacular evolution. In its beginnings, the mom-and-pop stores (e.g., pharmacies, bookstores) were spreading very rapidly all over the countries. A mom-and-pope store represent „a small, family-owned, or independent business” (Bloomenthal, 2023, p. 1).

Later, the department stores became the first superior organization of modern retailing. They paved the way for the future shopping centers. The department store was defined as „a holding company for its departments” (Filene, 1937, p. 167) and characterized by several elements such as a central location, many departments under the same roof, buying and selling for cash and impressive volume of businesses (Resseguie, 1965). Especially in the USA, the department stores located in big cities (e.g., New York, Chicago) influenced more and more the life of the Americans through their generous and diversified supply. A plethora of factors contributed to their business success as follows:

- culture of continuous innovation,
- sophisticated merchandising techniques,
- eclectic assortment,
- catalogue store,
- price awareness,
- continuity of management and/or ownership,
- pleasant shopping experience,
- promotional techniques,
- inventory control procedures,
- customer services,
- credit policies etc. (Briggs, 1960; Young, 1966; Willans, 1996).

After the end of the Second World War, the appearance and rise of the shopping malls and big-box retail format changed the retail landscape. The malls provided customers the possibility to make purchasing from numerous and various merchants gathered in one location, moving from one store to another in the same place. A mall is defined as „a very large building or buildings containing a lot of stores and often restaurants, and usually with space around it outside for parking” (Cambridge Dictionary, 2024, p. 1).

On its turn, a big box retailer is „a retail store that occupies an enormous amount of physical space and offers a variety of products to its customers” (Hayes, 2021, p. 1) and, in mos cases, is part of a chain of stores (e.g., Walmart, Best Buy). A big box occuppies vast physical spaces and sells a general/specific line of merchandise. It is characterized by:

- a wide assortment of products,
- caring selection of quality merchandise,
- low prices,
- close inventory management,
- relatively rapid inventory turnover,
- one-stop-shopping experience for consumers etc. (Haltiwanger *et al*, 2009; Ailawadi *et al*, 2018; Esrar *et al*, 2023).

Supercenters (e.g., Super Target) and warehouse clubs (e.g., Sam’s Club) represent two main types of big box establishments that significantly forged the retail sector in recent decades (Hortaçsu and Syverson, 2015).

The expansion of mass-market retailers from the national level to the global level has occurred since the fall of the communist regimes. The spread of globalization (Toma, 2005), the growth of urbanization and the technological advancement sustained the deployment of this phenomenon (Toma *et al*, 2020). Thus, the birth and development of global retailing became a topic of interest for both researchers and practitioners worldwide. Global retailers have proved to highly influence the markets they enter (Alexander *et al*, 2009). In this respect, they have been the most profitable and the fastest growing retailers in the world as they achieve „low price/low operating costs while still providing high levels of service“ (Rosenbloom *et al*, 1994, p. 149). The impressive performance attained by global retailers in a changing environment (Marinescu *et al*, 2015; Toma *et al*, 2015) is based on a mixture of factors such as a global strategy (Toma *et al*, 2013a), sound business and corporate strategies (Toma *et al*, 2016a), strategic thinking (Toma *et al*, 2016b), entrepreneurial mindset (Catană, *et al*, 2020; Zainea *et al*, 2020), competitive business models (Toma *et al*, 2019), creativity (Toma *et al*, 2013b; Toma *et al*, 2018b), lean management (Naruo *et al*, 2007; Marinescu *et al*, 2008), quality management (Toma, 2006; Toma *et al*, 2009), balanced scorecard (Toma *et al*, 2010), Six Sigma (Toma, 2008a), marketing mix (Marinescu *et al*, 2010a; Catană *et al*, 2021), social responsibility (Toma, 2008b; Marinescu *et al*, 2010b). They are among the largest corporations in the world (Toma *et al*, 2016c; Grădinaru *et al*, 2018; Toma, 2019).

In essence, global retailing represents „the concept of selling products (i.e., goods and services) across the geographical boundaries of a country to the consumers available in the different parts of the world to attain global presence and recognition and to capture the opportunities prevailing in the potential overseas markets” (Prachi, 2019, p. 1). Global retailing is one of the key engines of the global economy. The COVID-19 pandemic had a significant impact on the businesses of global retailers. They faced numerous challenges such as „managing demand fluctuations, shoring up the cash reserves, protecting the people, thinking about the longer-term supply challenges, talking to customers“ (Vader, 2020, pp. 1-2). Despite the COVID-19 pandemic period, the total retail sales worldwide raised from 26.37 trillion USD in 2021 and 28.2 trillion USD in 2022 to approximately 29.29 trillion USD in 2023 and were projected to attain 30.57 trillion USD in 2024 (Sabanoglu, 2024).

3. Research methodology

The author utilised a qualitative research method in order to reach the aim of the paper. In the beginning, he identified the most relevant secondary sources of data. Then, he gathered the information and classified them. Afterwards, the author analysed a plethora of article, books and reports, mostly found in various electronic databases. In the end, he synthesised the data and concluded the study.

4. Findings

In most cases, the COVID-19 pandemic period 2020-2021 did not negatively affect the performance attained by global retailers. In 2020, the first ten largest global retailers in terms of retail revenues were from (Table no. 1):

- USA- seven corporations (Walmart, Amazon, Costco, Home Depot, Kroger, Walgreens Boots Alliance, Target);
- Germany- two corporations (Schwarz Group, Aldi);
- China- one corporation (JD.com).

Table no. 1. The top 10 global retailers at the end of fiscal year 2020

Rank	Retailer	Retail revenues (billions)
1	Walmart	559.151
2	Amazon	213.573
3	Costco	166.761
4	Schwarz Group	145.064
5	Home Depot	132.110
6	Kroger	131.620
7	Walgreens Boots Alliance	117.705
8	Aldi	117.047
9	JD.com	94.423
10	Target	92.400

Source: (Deloitte, 2022)

At the end of year 2021, the first ten largest global retailers in terms of retail revenues belonged to (Table no. 2):

- USA- seven corporations (Walmart, Amazon, Costco, Home Depot, Kroger, Walgreens Boots Alliance, Target);
- Germany- two corporations (Schwarz Group, Aldi);
- China- one corporation (JD.com).

Table no. 2. The top 10 global retailers at the end of fiscal year 2021

Rank	Retailer	Retail revenues (billions)
1	Walmart	572.754
2	Amazon	239.150
3	Costco	195.929
4	Schwarz Group	153.754
5	Home Depot	151.157
6	Kroger	136.971
7	JD.com	126.387
8	Walgreens Boots Alliance	122.045
9	Aldi	120.947
10	Target	104.611

Source: (Deloitte, 2023)

These outcomes allow the underlining of the following issues during the COVID-19 pandemic period 2020-2021:

- The global retailing market remained dominated by powerful multi- and trans-national corporations. The competition among these huge business organizations is tough all over the world.
- All the first ten largest retailers increased their retail revenues.
- That period witnessed the clear domination of the American corporation Walmart at the top of the world's largest global retailers by their retail revenues (Grădinaru *et al*, 2017). It was also the largest corporation of the world by its total revenues in the same period.
- The American corporations were highly predominant (70%) in the global retailing hierarchy.
- The top ten global retailers did not suffer profound changes in that period.

5. Conclusions

Since its emergence, the retail industry has significantly developed both qualitatively and quantitatively. On the one hand, retailing has acquired new and sophisticated forms of organization, distribution, promotion, and selling. On the other hand, the number of retailers has expanded all over the world and global retailers have appeared, especially in the developed countries. However, the COVID-19 pandemic raised multiple challenges to retailers worldwide.

The paper shows that global retailers are dominating the retail industry. They obtained impressive retail revenues even during the COVID-pandemic period 2020-2021. Walmart, the American giant, was by far the largest global retailer in the period 2020-2021. In that period, the top of the biggest global retailers in terms of retail revenues was dominated by American corporations. Further studies may address other indicators specific to retailing, such as profit and number of employees.

6. References

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