

TOP 100 RETAILERS

Open to opportunities, clear-headed merchants are driving innovation **by DAVID P. SCHULZ**

Call it the “Amazon effect.” Retailers, long fixated on physical location and inventory, are now focusing time, energy and capital on the processes of selling and distributing goods.

Physical stores are still formidable at selling merchandise, owning about 90 percent of market share. Bricks-and-mortar’s share of total sales has been in decline for the better part of two decades, though, and “will continue to lose sales until the distinction between [physical shopping and digital commerce] becomes indistinguishable,” says Bryan Gildenberg, chief knowledge officer at Kantar Retail.

Consumers appear to favor services and experiences over merchandise: Kantar research indicates that by 2020, consumers will be spending \$2 on services for every \$1 they spend on “stuff,” Gildenberg says.

Also putting pressure on physical stores are digital retail marketplaces such as eBay, Etsy, Google Shopping and Amazon’s own Marketplace that enable smaller merchants to reach broader swaths of consumers. Such online marketplaces, the Internet itself and mobile commerce have enabled marketing opportunities for manufacturers, wholesalers and importers, creating vertical pipelines that bypass retailers altogether.

Social media platforms have been agents of change in so many ways that it is surprising they haven’t made more impact. Pinterest and Instagram have added “buy” buttons, but social commerce has yet to gain any real traction.

“Few retailers say that social media networks are a great customer acquisition tool,” says Sucharita Mulpuru, principal analyst for Forrester Research, which tracks digital retailing. “There is so much content on Pinterest and Instagram and other discovery engines, so any individual piece of content gets very little visibility and even less conversion.”

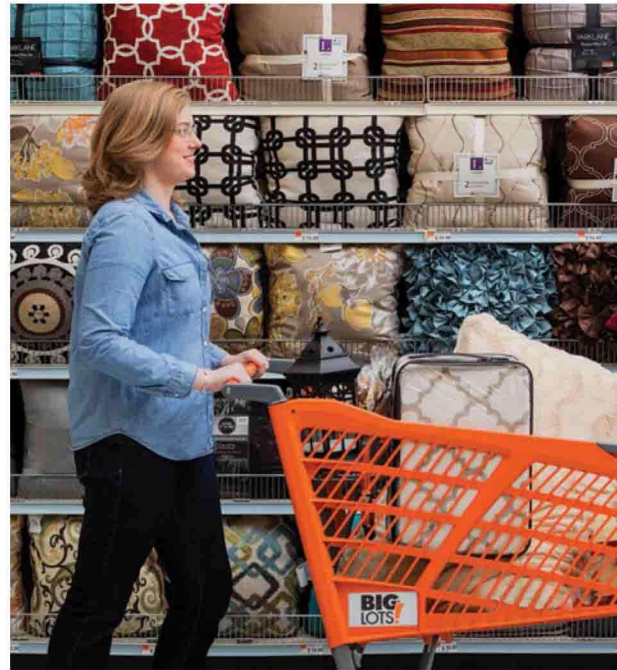
In the near-term, “Social media will remain



Have a comment about this year's Top 100 Retailers? Tweet us at @STORESmedia and use #STORESTop100 to join the conversation!



Bonus Power Player content and charts are available at nrf.com/stores



Toys “R” Us 58



Best Buy 12

more marketing, but the line between market and selling will become blurry,” Gildenberg says. “It is relatively easy to move from social marketing to social selling.”

EXPLORING OPTIONS

In addition to enhancing omnichannel efforts, many retailers are rethinking merchandise offerings, which consumers to target (and how best to reach them) and the ideal number of stores.

Nothing illustrates this better than the efforts
(continued on page S6)



Big Lots 75



19



Publix 14



Lowe's 10



68



Belk 95

A relatively stolid sector in the retail industry, the automotive aftermarket segment was roiled during the past year by a major bidding war between activist investor Carl Icahn and Japanese-owned tire and rubber company Bridgestone. The prize: Philadelphia-based Pep Boys.

Though Pep Boys was not performing particularly well, it is the only major player in all four segments of auto aftermarket retailing: do-it-yourself, do-it-for-me, replacement tires and buy-for-resale. Pep Boys boasts some 800 stores in 35 states and Puerto Rico with more than 7,500 service bays. The bidding war was sparked last October when Bridgestone Retail Operations announced an \$835 million offer for publicly held Pep Boys. After several escalating offers, the deal was clinched by the end of the year when Icahn's publicly held Icahn Enterprises said it was willing to lay out just over \$1 billion for Pep Boys, which joins the 270-location Auto Plus chain Icahn acquired in June 2015.

Last year the U.S. Department of Transportation said consumers were keeping their cars and other vehicles 18 months longer than they did in 2007, when the average age of a family vehicle was 10 years.

"The fact that these oldest vehicles are growing in number is a great trend for the aftermarket repair business," IHS Automotive notes. "In fact, by 2020, there will be approximately 76 million vehicles in operation that are 16 years or older, up from 35 million in 2002."



POWER PLAYERS **AUTO AFTERMARKET**

Company	2015 USA Retail Sales (000)	Sales per Store (000)	Comp-store Change % Sales	USA Stores
AutoZone	\$8,483,000	\$1,700	3.8%	5,082
O'Reilly Automotive	7,967,000	1,700	7.5	4,571
Advance Auto Parts	4,116,000	1,000	N.A.	4,257
Pep Boys	2,038,000	2,500	N.A.	809
TBC Corp. / Tire Kingdom	1,919,000	900	N.A.	2,118

Source: Kantar Retail
 Includes online sales related to respective retailers.



(continued from page S4)
being made up and down the list of STORES' Top 100 Retailers. No. 1 Wal-Mart Stores is investing \$2 billion in e-commerce technology and logistics over the next several years. Plans include using its network of warehouses and perhaps selected stores to fulfill online orders delivered by regional carriers.

Walmart has tapped Federal Express to deliver small parcels to its online customers; its buy online, pick up in store service has doubled over the last year and is now available in more than 30 markets.

No. 2 Kroger is spending a large chunk of its \$4 billion-plus capital budget to expand its ClickList program, launched less than two years ago. Now operating in more than a dozen markets, ClickList allows consumers to order goods online with curbside pickup at the closest store. Kroger is also testing a service in the Denver area where shoppers can order online for home delivery.

Department stores continue to feel pressure

in their ubiquitous mall settings, though No. 15 Macy's is making great strides online: Web sales grew 15 percent last year to approximately \$6 billion.

"The customer wants personalization, not necessarily in-store, but online," Karen Hoguet, Macy's chief financial officer, told investors a few weeks ago. Mobile commerce is a growing part of Macy's digital retail effort, with sales made via mobile devices more than doubling last year.

"I very strongly believe that consumers are not only going to shop online, they're going to start their journey on their phones, they're going to enter our stores, they're going to interact with our sales associates, learn more about product, try product on, feel the fabric," Macy's CEO Terry Lundgren told *Fortune* magazine last fall. "They may not buy it in store that day, but without that store interaction, it's likely the sale would not occur."

Suffering along with a lot of other apparel

(continued on page S8)

POWER PLAYERS SMALL-FORMAT VALUE



Dollar Tree 23

Kantar Retail projects small-format value will be the fastest-growing bricks-and-mortar segment over the next five years, expanding 6.6 percent annually through 2020.

Segment leaders Dollar General and Dollar Tree, which is currently digesting its acquisition of Family Dollar Stores, have been adding more coolers and freezers to their stores to better compete with traditional supermarkets. "Dollar stores' consumable goods now represent over two-thirds of their total SKUs," says Richard J. George, professor emeritus of food marketing at St. Joseph's University's Haub School of Business. "The dollar store phenomenon will only continue to grow."

George's research indicates that 38 percent of Millennials shop for groceries in dollar stores. He also says that in the post-recession era of value shopping, "frugal fatigue" hasn't occurred in food shopping. In the first quarter of this year, both Dollar General and Dollar Tree saw same-store sales increase 2.2 percent.

Dollar General expects to grow to 20,000 stores by 2020, and is focusing its merchandising efforts on traditional supermarket categories like perishables and health and beauty care. In June the company opened its 13th distribution center, located near San Antonio, Texas, to serve 800 stores in that state as well as Louisiana and New Mexico. Dollar General has introduced a smaller (roughly 6,000 square feet) format for deeper penetration into densely populated urban areas. After a pilot program involving 30 stores, the company plans to open approximately 80 more this year.

"Sales productivity and returns based on the early results are very encouraging," says Todd Vazos, Dollar General's chief executive. "By eliminating less-productive product segments and adding or expanding product departments to meet the needs of our urban customers, we believe this smaller-format store will allow us to have a higher capture rate per site selection."

While Big Lots is larger than most of the players in this category, with stores averaging 30,000 square feet, their size is not large enough for inclusion in the Mass Merchants category.

Company	2015 USA Retail Sales ('000)	Sales per Store ('000)	Comp-store Change % Sales	USA Stores
Dollar General	\$20,369,000	\$1,600	2.8%	12,483
Dollar Tree	19,943,000	1,500	2.5	13,626
Big Lots	5,191,000	3,600	1.8	1,449
Fred's	2,121,000	3,300	0.0	642

Source: Kantar Retail
Includes online sales related to respective retailers.

2016 TOP 100 Retailers

Rank	Company	Headquarters/ U.S. Headquarters	2015 Retail Sales (000)	USA Sales Growth ('15 v '14)	Worldwide Retail Sales (000)	USA % Worldwide Sales	2015 Stores	Growth ('15 v '14)
1	Wal-Mart Stores	Bentonville, Ark.	\$353,108,000	2.8%	\$500,138,000	71%	5,182	1%
2	The Kroger Co.	Cincinnati	103,878,000	0.8	103,878,000	100	3,747	0
3	Costco	Issaquah, Wash.	83,545,000	4.8	116,671,000	72	476	3
4	The Home Depot	Atlanta	79,297,000	6.9	88,621,000	89	1,965	0
5	Walgreens Boots Alliance*	Deerfield, Ill.	76,604,000	6.0	92,670,000	83	8,052	0
6	Target	Minneapolis	73,226,000	0.8	73,226,000	100	1,774	-1
7	CVS Health	Woonsocket, R.I.	72,151,000	6.2	73,546,000	98	9,659	23
8	Amazon.com	Seattle	61,619,000	23.1	104,060,000	59	N.A.	N.A.
9	Albertsons	Boise, Idaho	58,443,000	4.8	58,443,000	100	2,311	-5
10	Lowe's Companies	Mooresville, N.C.	57,486,000	4.9	59,051,000	97	1,805	1
11	McDonald's	Oak Brook, Ill.	35,837,000	1.1	82,714,000	43	14,259	-1
12	Best Buy	Richfield, Minn.	35,148,000	4.0	39,455,000	89	1,412	-2
13	Apple Stores / iTunes	Cupertino, Calif.	34,949,000	23.1	41,020,000	85	268	3
14	Publix Super Markets	Lakeland, Fla.	32,633,000	6.8	32,633,000	100	1,314	1
15	Macy's	Cincinnati	27,002,000	-3.7	27,079,000	100	868	6
16	Rite Aid	Camp Hill, Pa.	26,866,000	1.3	26,866,000	100	4,561	0
17	Ahold USA / Royal Ahold**	Carlisle, Pa.	26,350,000	1.4	47,044,000	56	788	3
18	TJX	Framingham, Mass.	23,557,000	8.0	31,020,000	76	2,662	4
19	Aldi	Batavia, Ill.	22,781,000	7.9	99,558,000	23	1,903	6
20	Sears Holdings	Hoffman Estates, Ill.	22,129,000	-14.1	23,019,000	96	1,611	-3
21	H-E-B Grocery	San Antonio, Texas	20,523,000	3.6	21,931,000	94	313	-1
22	Dollar General	Goodlettsville, Tenn.	20,369,000	7.7	20,369,000	100	12,483	6
23	Dollar Tree	Chesapeake, Va.	19,930,000	137.6	20,168,000	99	13,626	164
24	YUM! Brands	Louisville, Ky.	19,363,000	-1.8	54,051,000	36	17,392	0
25	Kohl's	Menomonee Falls, Wis.	19,204,000	1.0	19,204,000	100	1,164	0

* Walgreens acquisition of Rite Aid pending approval, to be reflected in FY2016

** Revenues reported for the 53-week reporting period

N.A. Not available or not applicable

Notes on methodology:

USA = 50 States and District of Columbia. Sales in Puerto Rico, the U.S. Virgin Islands and Guam have been estimated and removed if reported as part of the U.S. business segment for that company.

All retail sales estimates exclude wholesale and non-retail services (not sold at stores) but include online retail sales.

Fuel sales are included, except where revenues of fuel exceed 50% of average store revenues; in this case sales are reported exclusive of fuel sales.

All figures are estimates based on Kantar Retail research and company reports.

KANTAR RETAIL

POWER PLAYERS
HOME GOODS



It may be the result of increased activity in the housing market, but home goods retailers are on a roll. New home sales posted double-digit increases this spring and there's still "a shortage of shelter," says Ivy Zelman, chief executive of Zelman Associates.

"The U.S. is at a 30-year low of inventory available for sale," she says. "We are predicting double-digit housing starts growth this year, next year and in 2018."

Home goods retailers are benefitting as people change residences and add furniture, housewares and home décor when they do. Wall Street stock touter Jim Cramer credits retailer HomeGoods for the increase in parent TJX Cos.' stock this year. HomeGoods registered a billion-dollar sales quarter in the first three months of this year, boosted in part by 9 percent same-store sales gains.

HomeGoods is the bricks-and-mortar counterpart to Wayfair, which sells home furnishings and décor items online at sharp discount prices. In May, Wayfair announced the opening of the Wayfair Next research and development laboratory "dedicated to accelerating the shift to online shopping by improving the visualization of products through first-party technologies." The company says it is exploring novel 3D scanning techniques to digitize Wayfair's vast catalog for use with augmented reality, virtual reality and 2D rendering.

The new Wayfair Next lab hosts a virtual reality experience described as a hands-on demonstration that allows users to transform a room by customizing the model, material, color and layout of furnishings and décor.

"Technology innovation has always set us apart from every other player in the home space," says Steve Conine, co-founder and co-chairman of Wayfair. "Wayfair Next represents our commitment to constantly raising the bar to create the best possible shopping experience for the home, adapted to how consumers shop today and in the future."

Company	2015 USA Retail Sales (000)	Sales per Store (000)	Comp-store Change % Sales	USA Stores
Bed Bath & Beyond*	\$11,820,000	\$8,300	1.0%	1,431
Ikea North America Svcs.	4,759,000	116,100	N.A.	41
Williams-Sonoma	4,757,000	8,100	3.7	589
TJX (HomeGoods)**	3,871,000	7,400	5.0	520
Wayfair	1,943,000	N.A.	N.A.	N.A.
Pier 1 Imports	1,805,000	1,800	0.7	985
Overstock.com	1,658,000	N.A.	N.A.	N.A.
Nebraska Furniture Mart	1,399,000	349,700	N.A.	4

Source: Kantar Retail

Includes online sales related to respective retailers.

Sales per Store metrics excludes sales of online retailers that do not have stores.

* Bed Bath & Beyond excludes Harmon.

** TJX equals HomeGoods banner only and estimated value of home goods category at TJMaxx.

(continued from page S6)

sellers, No. 37 Gap Inc. is exploring selling its clothing via Amazon. "To not be considering Amazon and others would be, in my view, delusional," Gap CEO Art Peck told investors recently. "We are always considering all of the opportunities beyond our traditional mix of channels and stores. Amazon is certainly one, and there are others as well."

Gap uses third-party platforms to sell goods in China and Europe; those efforts are nothing on the scale that would likely come through

a collaboration with Amazon, where approximately a third of all U.S. retail e-commerce transactions take place.

"To not acknowledge that and what it means to our strategy would be to have our head in the sand," Peck said, "and we do not have our head in the sand."



Amazon 8

'RELENTLESS' COMPETITION

Amazon is doing so much on so many fronts, it is not surprising that store-based retailers are having a difficult time keeping up. Amazon continues to be "relentlessly innovating," says Gildenberg. "Amazon Prime is a legitimate game changer."

Five years ago, about 10 percent of U.S. households had a Prime subscriber; that figure is now somewhere north of 30 percent, Gildenberg says. In addition, more than two-thirds of Prime users say they tend to check Amazon before buying anything, anywhere.

At the annual shareholders meeting this spring, CEO Jeff Bezos indicated that many more benefits are in store for Prime members. "Our goal with Amazon Prime, make no mistake, is to make sure that if you are not a Prime member, you are being irresponsible," he said.

Amazon is pressuring all its retail rivals — online and off — by intensely expanding its distribution network. This benefits the third-party merchants selling on Amazon Market-

(continued on page S10)

2016 TOP 100 Retailers

Rank	Company	Headquarters/ U.S. Headquarters	2015 Retail Sales ('000)	USA Sales Growth ('15 v '14)	Worldwide Retail Sales ('000)	USA % Worldwide Sales	2015 Stores	Growth ('15 v '14)
26	Delhaize America	Salisbury, N.C.	\$17,461,000	2.3%	29,169,000	60%	1,288	-5%
27	Verizon Wireless	New York	16,924,000	54.4	\$16,924,000	100	7,145	2
28	Meijer	Grand Rapids, Mich.	15,963,000	1.7	15,963,000	100	222	4
29	Wakefern / ShopRite	Keasbey, N.J.	15,400,000	4.8	15,400,000	100	337	2
30	Ace Hardware	Oak Brook, Ill.	15,343,000	7.3	16,677,000	92	4,311	1
31	Whole Foods Market	Austin, Texas	14,849,000	8.7	15,409,000	96	412	8
32	BJ's Wholesale Club	Westborough, Mass.	14,406,000	5.2	14,406,000	100	211	2
33	Starbucks	Seattle	14,124,000	12.8	19,163,000	74	12,521	5
34	Nordstrom	Seattle	13,972,000	5.4	14,098,000	99	312	10
35	7-Eleven	Dallas	13,957,000	4.3	93,082,000	15	8,363	3
36	Subway	Milford, Conn.	13,901,000	3.8	26,699,000	52	27,464	1
37	A&T Wireless	Dallas	13,868,000	7.0	13,868,000	100	2,099	-3
38	Gap	San Francisco	12,604,000	-3.6	16,629,000	76	2,403	-3
39	J.C. Penney Co.	Plano, Texas	12,548,000	3.0	12,625,000	99	1,014	-5
40	Ross Stores	Pleasanton, Calif.	11,930,000	8.1	11,940,000	100	1,446	6
41	Bed Bath & Beyond	Union, N.J.	11,919,000	1.8	12,104,000	98	1,482	1
42	SUPERVALU	Eden Prairie, Minn.	11,647,000	1.3	11,647,000	100	1,586	2
43	L Brands	Columbus, Ohio	10,967,000	6.5	11,721,000	94	2,721	1
44	Burger King Worldwide	Miami	10,342,000	21.4	25,823,000	40	7,776	9
45	Menard	Eau Claire, Wis.	10,217,000	3.6	10,217,000	100	294	2
46	Bi-Lo	Jacksonville, Fla.	10,054,000	-1.6	10,054,000	100	756	-5
47	Wendy's**	Dublin, Ohio	8,949,000	0.7	9,504,000	94	5,722	0
48	Health Mart Systems	Omaha, Neb.	8,669,000	6.9	11,541,000	75	3,996	10
49	AutoZone	Memphis, Tenn.	8,483,000	8.8	9,867,000	86	5,082	3
50	Hy-Vee	W. Des Moines, Iowa	8,254,000	4.3	\$8,254,000	100	242	3

** Revenues reported for the 53-week reporting period

N.A. Not available or not applicable

Notes on methodology:

USA = 50 States and District of Columbia. Sales in Puerto Rico, the U.S. Virgin Islands and Guam have been estimated and removed if reported as part of the U.S. business segment for that company.

All retail sales estimates exclude wholesale and non-retail services (not sold at stores) but include online retail sales.

Fuel sales are included, except where revenues of fuel exceed 50% of average store revenues; in this case sales are reported exclusive of fuel sales.

All figures are estimates based on Kantar Retail research and company reports.

KANTAR RETAIL

(continued from page S8)

place as well as Amazon itself when delivering its own merchandise to customers.

The company has more than 160 distribution facilities scattered across the country, 42 of which are Prime Now hubs near metropolitan areas that handle two-hours-or-less deliveries, according to supply chain and logistics consulting firm MWPVL.

Amazon also has 20 fulfillment centers and redistribution centers in the works, along with four sorting centers, MWPVL says, and already offers one-hour delivery service to Prime Now members in 30 metropolitan areas worldwide.

Other initiatives include expansion of its Amazon Fresh grocery delivery service to Boston. The \$299-a-year Prime Fresh service is also available in Amazon's home base of Seattle, parts of California and New Jersey, and the Philadelphia and New York City metropolitan areas.

Groceries are such an important merchandise category for Amazon that the company "will be a Top 10 player" in the approximately \$795

billion U.S. food and beverage grocery market by 2019, according to analysts at Cowen and Co., a Wall Street financial services firm.

"We are encouraged by Amazon's growing footprint in this category, which we see as ripe for potential disruption given [Millennials] increasingly purchasing food and beverage grocery items via digital channels," wrote lead analyst John Blackledge.

The company has confirmed that it is launching a chain of bricks-and-mortar stores to sell books and proprietary electronics such as the Kindle and Fire tablets. The 7,400-square-foot flagship is in Seattle's University Village shopping center; a second store about half that size is located in San Diego.

Apparel is also getting a higher profile: Amazon's original Apparel and Accessories store featured goods from the likes of Nordstrom, Gap, Lands' End and Foot Locker, all of which subsequently left Amazon Marketplace to sell online through their own websites. The rebranded Amazon Fashion now features such

(continued on page S12)

POWER PLAYERS GENERAL APPAREL

Much is happening in the apparel sector, not a lot of it positive for some familiar names found in malls across America. "Apparel [retailing] is structurally changing," says Bryan Gildenberg, chief knowledge officer with Kantar Retail. "TJX is now the biggest apparel seller in the country — more apparel than Macy's, more than Walmart, more than any other specialty chain."

TJX, parent of TJ Maxx and Marshall's, rang up corporate sales growth of 6 percent last year. After posting a 7 percent same-store sales increase in the first quarter of this year, CEO Ernie Herrman declared, "We are convinced that we are growing our customer base and gaining market share." Herrman, who replaced longtime leader Carol Meyrowitz earlier this year, credits strong marketing efforts for boosting positive results.

Company	2015 USA Retail Sales (\$000)	Sales per Store (\$000)	Comp-store Change % Sales	USA Stores
TJX *	\$18,107,000	\$8,500	5.0%	2,142
Gap	12,604,000	5,200	-4.0	2,403
Ross Stores	11,930,000	8,300	4.0	1,446
Burlington Coat Factory	5,036,000	9,100	0.7	555
H&M	3,938,000	9,500	N.A.	415
American Eagle Outfitters	3,076,000	3,400	7.0	904
Abercrombie & Fitch Co.	3,030,000	4,000	-3.0	752
The Men's Wearhouse	2,996,000	1,900	4.9	1,603
Ralph Lauren Corp.	2,773,000	9,200	N.A.	300
Urban Outfitters	2,713,000	5,500	2.0	492
J.Crew Group	2,416,000	4,600	-8.2	520
Forever 21	2,365,000	4,700	N.A.	500
Express	2,243,000	3,500	6.0	636

Source: Kantar Retail

* Includes online sales related to respective retailers.

* TJX excludes sales related to HomeGoods banner and estimated value of home goods category at TJMaxx.

Urban Outfitters is fashion-

oriented but still pays attention to nuts and bolts, metaphorically speaking. The quirky

retailer — which operates eponymous stores as well as the Anthropologie and Free People chains — has invested in technology infrastructure and enhancing inventory management. Merchandise turns over about 6.5 times annually and stays in inventory just over 56 days; averages for its peers are around 4.9 turns and closer to 80 days in inventory.

The technology effort has focused equally on in-store and digital commerce. "Our brands were early direct-to-consumer adopters," says Richard Payne, UO's chairman and chief executive. "While we continue to invest more in electronic shopping capabilities, we also strongly believe that bricks is synergistic with clicks, and that a well-conceived and executed store strategy is a powerful competitive advantage."



2016 TOP 100 Retailers

Rank	Company	Headquarters/ U.S. Headquarters	2015 Retail Sales (000)	USA Sales Growth ('15 v '14)	Worldwide Retail Sales (000)	USA % Worldwide Sales	2015 Stores	Growth ('15 v '14)
51	Dunkin' Brands Group	Canton, Mass.	\$8,206,000	6.3%	\$10,170,000	81%	10,934	3%
52	O'Reilly Automotive	Springfield, Mo.	7,967,000	10.4	7,967,000	100	4,571	5
53	Wegmans Food Market	Rochester, N.Y.	7,814,000	5.5	7,814,000	100	90	6
54	Alimentation Couche-Tard	Tempe, Ariz.	7,717,000	33.8	11,678,000	66	5,684	32
55	QVC	West Chester, Pa.	7,618,000	25.8	10,104,000	75	N.A.	N.A.
56	Staples	Framingham, Mass.	7,571,000	-4.9	12,191,000	62	1,302	-5
57	Army / Air Force Exchange	Dallas	7,455,000	1.8	7,455,000	100	1,100	7
58	Toys "R" Us	Wayne, N.J.	7,373,000	-2.9	13,032,000	57	1,031	-9
59	Dick's Sporting Goods	Coraopolis, Pa.	7,257,000	6.5	7,257,000	100	741	7
60	Office Depot	Boca Raton, Fla.	7,246,000	-7.9	10,929,000	66	1,528	-12
61	DineEquity**	Glendale, Calif.	7,230,000	1.3	8,003,000	90	3,482	1
62	Giant Eagle	O'Hara Township, Pa.	7,123,000	2.7	7,123,000	100	431	1
63	Sherwin-Williams	Cleveland	7,014,000	-0.5	7,650,000	92	3,812	1
64	Darden Restaurants**	Orlando, Fla.	6,738,000	7.6	6,764,000	100	1,530	-30
65	GameStop	Grapevine, Texas	6,513,000	4.7	8,766,000	74	4,089	-3
66	Dillard's	Little Rock, Ark.	6,389,000	-1.6	6,389,000	100	297	0
67	Hudson's Bay/Saks Fifth Ave.	Ontario, Canada	6,293,000	21.2	13,309,000	47	178	8
68	PetSmart	Phoenix	6,270,000	3.2	6,641,000	94	1,341	4
69	WinCo Foods	Boise, Idaho	6,267,000	6.7	6,267,000	100	103	5
70	Tractor Supply Co.	Brentwood, Tenn.	6,227,000	9.0	6,227,000	100	1,488	8
71	Chick-fil-A	Atlanta	6,139,000	6.2	6,139,000	100	1,984	5
72	Good Neighbor Pharmacy	Chesterbrook, Pa.	5,952,000	-7.2	5,952,000	100	2,925	-6
73	Foot Locker	New York	5,573,000	5.6	7,675,000	73	2,314	-2
74	AVB Brandsource	Tustin, Calif.	5,344,000	1.5	5,507,000	97	3,054	1
75	Big Lots	Columbus, Ohio	5,191,000	0.3	5,191,000	100	1,449	-1

** Revenues reported for the 53-week reporting period

N.A. Not available or not applicable

Notes on methodology:

USA = 50 States and District of Columbia. Sales in Puerto Rico, the U.S. Virgin Islands and Guam have been estimated and removed if reported as part of the U.S. business segment for that company.

All retail sales estimates exclude wholesale and non-retail services (not sold at stores) but include online retail sales.

Fuel sales are included, except where revenues of fuel exceed 50% of average store revenues; in this case sales are reported exclusive of fuel sales.

All figures are estimates based on Kantar Retail research and company reports.

KANTAR RETAIL



CVS 7

(continued from page S10)

brands as Kate Spade, Calvin Klein, Lacoste, Levi Strauss and Nicole Miller selling directly through Amazon.

Amazon.com's apparel offerings — both its own inventory and that of third-party merchants — grew 91 percent last year, according to investment bank R.W. Baird, Cowen and Co. forecasts Amazon's total apparel sales will reach \$27.8 billion next year and \$52 billion by 2020.

"Do I think Amazon will overtake Macy's in 2017?" asks Marshal Cohen of industry-tracker NPD Group. "No. Will it be close? Yes."

In March, Amazon launched a live daily fashion show called Style Code Live, similar in format to segments offered by television and Internet home-shopping retailers. A venture announced this spring to offer luxury merchandise from elite designers includes a link to fashion retailer Moda Operandi's site, so the goods won't be sold directly via Amazon's site.

"Structural changes" in the apparel industry are affecting everyone from specialty chains to promotional stores to traditional department stores, Gildenberg says. "The range of partici-

pants is completely different from 10 years ago."

The turmoil in apparel retailing manifests itself in the negative year-over-year sales performances of such apparel-dependent retailers as Macy's, Gap and No. 67 Dillard's, while Target (No. 6), Kohl's (No. 24) and Ascena Retail Group (No. 87) saw gains of 1 percent or less.

SPECIALIZED LEADERS

A number of Top 100 retailers operate in specialized niches with few head-to-head rivals or with fragmented competition from smaller regional chains. Chief among these, based on current performance, is No. 71 Tractor Supply Co. with nearly 1,500 locations. Coming off a year in which sales increased 9 percent, Tractor Supply opened 2016 with a 10.2 percent sales boost in the first quarter.

The company is forecasting that sales could reach or surpass \$7 billion this year with same-store sales gains in the 3.5 to 5 percent range. Tractor Supply plans to open between 115 and 120 new stores this year, as it continues to convert Del's Feed and Farm Supply stores to the TSC banner.

(continued on page S14)

POWER PLAYERS SUPERMARKETS

With a marriage of their corporate parents taking place in Europe, Dutch-controlled Ahold U.S.A. and Belgian-owned Delhaize America are combining to create a unique network of grocery stores along the East Coast.

The chains include Ahold's Stop and Shop in New England and eastern New York State, two Giant chains and the more recently acquired Martins in Virginia. Ahold also operates Internet grocer Peapod. The Delhaize holdings straddle Ahold's like bookends, with Hannaford Brothers in New England and Food Lion in 10 mid-Atlantic and Southeast states.

The European merger will take place, having received shareholder approval, but the Federal Trade Commission could throw a monkey wrench into the deal. It remains to be seen how many stores Ahold and Delhaize will have to shed and when — perhaps even if — the merger first advanced in June 2015 will be completed.

Publix is one of those supermarkets with a cult-like following that has propelled to the top of the list of retailers rated for customer experience in the annual rankings by Temkin Group. With a calling card like that, Publix has been able to keep pushing northward from its Florida base and is heading for the nation's capital.

Publix unveiled its initial thrust into Virginia with stores slated to open in Bristol and Glen Allen as early as next year. The company is scouting for sites throughout the commonwealth, including northern counties near Washington, D.C.



Delhaize America 26

Company	2015 USA Retail Sales (\$000)	Sales per Store (\$000)	Comp-store Change % Sales	USA Stores
The Kroger Co.	\$102,895,000	\$30,100	N.A.	3,424
Albertsons	58,443,000	25,300	N.A.	2,311
Publix Super Markets	32,633,000	24,800	4.2	1,314
Ahold USA / Royal Ahold	26,350,000	33,400	-1.3	788
Aldi	22,781,000	12,000	N.A.	1,903
H-E-B Grocery	20,245,000	66,200	N.A.	306
Delhaize America	17,461,000	13,600	2.2	1,288
Wakefern / ShopRite	15,400,000	45,700	N.A.	337
Whole Foods Market	14,849,000	36,000	N.A.	412
Wal-Mart Stores (Neighborhood Market)	12,761,000	19,700	N.A.	648
SUPERVALU	11,647,000	7,300	-2.0	1,586

Source: Kantar Retail
Includes online sales related to respective retailers.

2016 TOP 100 Retailers

Rank	Company	Headquarters/ U.S. Headquarters	2015 Retail Sales (000)	USA Sales Growth ('15 v '14)	Worldwide Retail Sales (000)	USA % Worldwide Sales	2015 Stores	Growth ('15 v '14)
76	Burlington Coat Factory	Burlington, N.J.	\$5,036,000	5.8%	\$5,099,000	99%	555	5%
77	Jack in the Box	San Diego	5,030,000	5.2	5,030,000	100	2,910	1
78	Neiman Marcus	Dallas	4,972,000	2.8	5,095,000	98	91	5
79	Signet Jewelers	Akron, Ohio	4,964,000	-5.5	5,947,000	83	2,909	1
80	Panera Bread Company	St. Louis, Mo.	4,959,000	6.4	4,959,000	100	1,972	5
81	Speedway	Enon, Ohio	4,879,000	8.5	4,879,000	100	2,766	1
82	Domino's Pizza	Ann Arbor, Mich.	4,810,000	16.9	9,901,000	49	5,200	3
83	Ikea North America Svcs.	Conshohocken, Pa.	4,759,000	5.7	41,432,000	11	41	2
84	Defense Commiss. Agency	Fort Lee, Va.	4,758,000	-2.7	4,758,000	100	177	-1
85	Williams-Sonoma	San Francisco	4,757,000	5.2	4,913,000	97	589	2
86	Ascena Retail Group	Suffern, N.Y.	4,721,000	0.0	4,843,000	97	3,820	0
87	Save Mart Supermarkets	Modesto, Calif.	4,719,000	0.7	4,719,000	100	227	1
88	Academy Ltd.	Katy, Texas	4,513,000	16.9	4,513,000	100	209	10
89	True Value Co.	Chicago	4,500,000	3.2	4,618,000	97	4,466	0
90	Michaels Stores	Irving, Texas	4,479,000	4.7	4,919,000	91	1,186	1
91	Chipotle Mexican Grill	Denver	4,450,000	9.4	4,501,000	99	1,987	13
92	Exxon Mobil Corp.	Irving, Texas	4,371,000	2.7	11,108,000	39	3,356	-1
93	Sonic	Oklahoma City, Okla.	4,367,000	8.3	4,367,000	100	3,526	0
94	Shell Oil Company	Houston	4,313,000	1.4	6,651,000	65	4,667	-1
95	Belk	Charlotte, N.C.	4,175,000	1.6	4,175,000	100	296	0
96	Advance Auto Parts	Roanoke, Va.	4,116,000	-2.1	4,144,000	99	4,257	5
97	Barnes & Noble	New York	4,035,000	-31.4	4,035,000	100	638	-53
98	Roundy's Supermarkets	Milwaukee, Wis.	4,007,000	4.0	4,007,000	100	151	2
99	Stater Bros. Holdings	San Bernardino, Calif.	3,971,000	1.6	3,971,000	100	167	0
100	H&M	New York	3,938,000	47.5	28,492,000	14	415	17

N.A. Not available or not applicable

Notes on methodology:

USA = 50 States and District of Columbia. Sales in Puerto Rico, the U.S. Virgin Islands and Guam have been estimated and removed if reported as part of the U.S. business segment for that company.

All retail sales estimates exclude wholesale and non-retail services (not sold at stores) but include online retail sales.

Fuel sales are included, except where revenues of fuel exceed 50% of average store revenues; in this case sales are reported exclusive of fuel sales.

All figures are estimates based on Kantar Retail research and company reports.

KANTAR RETAIL

POWER PLAYERS
DEPARTMENT
STORES



Premature or not, it seems the obituaries for players in this segment are dusted off with every quarterly earnings report: Off-price retailers and superstores, combined with online and mail-order shopping, are knocking the stuffing out of department stores.

To be sure, first-quarter results weren't rosy: JCPenney's sales were down 0.4 percent, Nordstrom's were off 1.7 percent, followed by Kohl's (-3.9 percent), Macy's (-5.6 percent) and Sears Holdings (-8.3 percent). But these venerated industry stalwarts aren't ready to fold the tent and steal away silently.

"We are absolutely not pulling back our commitment to digital and omnichannel retailing. Mobile remains a very high priority and we continue to invest," Macy's CFO Karen Hoguet said to investors and analysts recently.

"We are continuing to see double-digit year-over-year sales increases in online sales. While we have already somewhat downsized our fleet of stores, we continue to see value and opportunity in physical locations that sync with desktops, websites, apps and mobile in giving customers choices and meeting demand in new and different ways."

One strategy is to offer merchandise not readily available anywhere else. "One of the things we're all focusing on is having more exclusive merchandise that you could only get at Macy's and you can't price-compare easily," Hoguet said, "but also giving the customer just a better experience so that she's more likely to come in and buy from us at regular price."

While Macy's wasn't very optimistic about the outlook for its department stores through the end of this year, the company did say it was going to try to offset that by accelerating the expansion of its Backstage off-price stores. Fitch Ratings views Macy's as well-positioned in the mid-tier department store space as it continues to benefit from the My Macy's localization initiative, omnichannel and other growth strategies.

Company	2015 USA Retail Sales (000)	Sales per Store (000)	Comp-store Change %	USA Stores
Macy's	\$26,755,000	\$33,800	-2.5%	791
Kohl's	19,204,000	16,500	0.7	1,164
Nordstrom	13,972,000	44,800	2.7	312
Sears Holdings	12,619,000	18,100	-9.2	696
J.C. Penney Co.	12,548,000	12,400	4.5	1,014
Dillard's	6,389,000	21,500	-2.0	297
Hudson's Bay / Saks Fifth Ave.	6,293,000	35,400	N.A.	178
Neiman Marcus	4,972,000	54,600	5.3	91
Belk	4,175,000	14,100	N.A.	296
The Bon-Ton Stores	2,718,000	10,200	-1.3	267

Source: Kantar Retail
Includes online sales related to respective retailers.

(continued from page S12)

Longtime Top 100 stalwart PetSmart is a strong player in a segment driven, in part, by a rising demand for senior, weight management and special needs pet products, which approached \$4 billion last year, according to Packaged Facts.

There was not much change at the top of the chart, with the first seven retailers holding the same positions they did in 2015. Lowe's dropped two places to 10th, with Amazon moving up a notch to eighth and Albertsons — bulked up with supermarket acquisitions — vaulting into the No. 9 slot.

Aldi, the German-owned limited assortment grocer, jumped from No. 36 last year to No. 19, bumping Texas-based grocer H.E. Butt out of the top 20.

Among the changes to this year's rankings is listing non-U.S.-based retailers by their home country headquarters locations, though rankings continue to be based on U.S. sales. Because some companies make leap-year accounting adjustments, some fiscal years include a 53rd week of sales. Kantar's numbers reflect

the figures used by companies in their regulatory filings.

There has also been some tweaking of the Power Player groups, with pure-play e-commerce merchants now listed with the bricks-and-mortar retailers that have similar merchandise offerings. Amazon, with its broadline assortments, is listed with mass merchants, warehouse clubs and supercenter operators; Overstock.com joins home goods retailers. To qualify for the power player rankings, a retailer must have merchandise sales equal to or greater than 10 percent of the category leader.

As a congregation, this year's group of power players generated sales of more than \$1.9 trillion while operating 306,011 physical stores. Of those bricks-and-mortar retailers, the highest sales per store were generated by the mass merchant-warehouse club-supercenter group, followed in order by supermarkets, department stores and the hardware/home improvement group. **STORES**

David P. Schulz has been writing for STORES since 1982 and is the author of several non-fiction books.



POWER PLAYERS
RESTAURANTS

All-day breakfasts boosted some fast food chains, as did the bundled promotions of the four-or-five items for \$4 or \$5 variety. But a fickle public looked elsewhere to satisfy its hunger once the weather started turning warmer, with customer traffic increases slowing to less than 1 percent, according to some industry trackers.

For the restaurant industry as a whole, year-to-date comparable sales growth peaked in February at 3 percent. Things aren't very hot at pizza joints, either, where deliveries slid from \$11.9 billion in 2004 to \$9.7 billion last year, reports Statista.

"Dramatic increases in labor costs have a significant effect on the restaurant industry, where profit margins are pennies on the dollar and labor makes up about a third of total expenses," says Andrew Puzder, chief executive of CKE Restaurants. "As a result, restaurants are looking to reduce costs while maintaining service and food quality."

CKE is the corporate parent of the Carl's Jr. and Hardee's chains, where the complex menus make automation implementation more difficult, Puzder says.

Another Power Player, Chipotle Mexican Grill, faces an entirely different challenge: winning back customers and public favor after a series of food-related illnesses hit the company, which prides itself on fresh and natural ingredients.

"It will take some time to rebuild trust with customers," co-CEO Steve Ells says. There is some evidence that is already happening: Negative vibes about Chipotle hit their low point in February and are now trending positive, according to YouGov BrandIndex, which measures consumer attitudes toward companies and brands. Wall Street analysts anticipate Chipotle's comparable sales should turn positive by the fourth quarter.

Company	2015 USA Retail Sales (000)	Sales per Store (000)	Comp-store Change % Sales	USA Stores
McDonald's	\$35,837,000	\$2,500	0.5%	14,259
YUM! Brands	19,363,000	1,100	N.A.	17,392
Starbucks	14,124,000	1,100	7.0	12,521
Subway	13,901,000	500	N.A.	27,464
Burger King Worldwide	10,342,000	1,300	N.A.	7,776
Wendy's	8,949,000	1,600	3.3	5,722
Dunkin' Brands Group	8,206,000	800	1.4	10,934
DineEquity	7,230,000	2,100	N.A.	3,482
Darden Restaurants	6,738,000	4,400	N.A.	1,530
Chick-fil-A	6,139,000	3,100	N.A.	1,984
Jack in the Box	5,030,000	1,700	N.A.	2,910
Panera Bread Company	4,959,000	2,500	N.A.	1,972
Domino's Pizza	4,810,000	900	N.A.	5,200
Chipotle Mexican Grill	4,450,000	2,200	N.A.	1,987
Sonic	4,367,000	1,200	7.3	3,526
Bloomin' Brands	3,849,000	3,000	0.5	1,283
CKE Restaurants	3,713,000	1,200	N.A.	2,991
Brinker International	3,652,000	2,800	N.A.	1,308

Source: Kantar Retail
Includes online sales related to respective retailers.