

InsideRetail®

# Top 25 Retailers

Our annual ranking of the top retailers in Australia by revenue returns. Cost-of-living pressures are squeezing consumers and retailers alike – but the big players continue to thrive.

By Jared Dickson

 TEALIUM®

# Driving differentiation:

## The future of the retail connected customer experience

In a dynamic global market, consumers are firmly in control of their retail experience. The modern consumer demands convenience, flexibility, cohesion and personalisation as retail CX must-haves. As bargaining power increasingly shifts from brands to consumers, retailers that elevate omnichannel excellence can drive differentiation to yield loyalty and lifetime value.

Achieving dynamic personalisation remains elusive for many retail brands amid macroeconomic headwinds. To achieve profitable growth, retailers must harness the most valuable commodity in a digital economy – namely, data. Underpinning any effective data strategy is the consumer trust upon which data acquisition and retention are founded. Retailers that build robust consumer trust to acquire and retain data will accelerate competitive advantage through access to improved insights. Acquiring data-driven insights is only the first part of the equation. The second part involves adopting the tools to transform data into actionable intelligence for real-time omnichannel personalisation. Upon establishing a robust data foundation, retailers can embark on a CX journey to individualise every interaction throughout a customer lifecycle in a cohesive fashion.

A customer data platform (CDP) is an innovative technology that can empower retailers to unify vastly disparate data sources into enriched 360-degree single customer views. Certain CDPs, such as the one offered by Tealium, deliver the additional benefit of real-time insights activation. With a trusted single customer view, retailers can deliver experiences in line with a consumer's holistic needs and preferences.

Retailers must consider the fickle nature of consumers in a dynamic global market. With 46% of consumers switching retail brands, lifting loyalty and lifetime value requires reinventing the retail experience through improved incentivisation. Unification of omnichannel data sources is key to the delivery of a personalised rewards and offers program that is a vital differentiator amid loyalty's next frontier.

Achieving sophisticated data ambitions for omnichannel excellence remains attractive in theory, but is often met with challenges in its practical implementation. By taking the following CDP-enabled steps, retailers can masterfully modernise their martech stack to power personalisation performance: 1) disintegrate data silos 2) achieve cross-functional alignment and collaboration 3) implement an effective first-party data strategy 4) acquire technology enablement via their CDP partner. By incorporating these key considerations within a data-driven commercial strategy, retailers will be positioned to successfully navigate the path to market leadership on the basis of superior CX.

Personalisation is now imperative to commercial performance in the retail sector. Companies that excel at personalisation generate [40% more revenue](#) from individualised experiences than those that are average in this endeavour. In driving differentiation, retailers can benefit from a highly versatile and infinitely scalable CDP that enables agile CX transformation. Amid macroeconomic volatility, an agile approach to CX transformation can streamline costs and accelerate returns to boost bottom-line growth. In turn, retailers can transform disruption into innovation for improved omnichannel and operational excellence.

To delve deeper into driving differentiation in retail, read our [APAC CDP Starter Kit](#) to learn how to implement a robust data foundation for CX excellence.



**Marie-Louise Dalton**  
VP marketing APJ  
Tealium

# Eyes on the titans of the industry

Understanding the dynamics of the retail industry and how major players shape the landscape is essential in today's fast-paced environment. Amid the hustle and bustle and the daily grind, *Inside Retail's* annual ranking of the top 25 retailers by revenue serves as an invaluable resource, offering comprehensive and holistic insights into how these industry giants navigate challenges, seize opportunities, and maintain their dominance in a concentrated market.

In the face of immense challenges, including rising cost of living and disruptive impact of the Covid-19 pandemic, retailers have had to adapt their strategies to meet changing consumer needs and preferences. This report showcases the retailers that are doing so effectively, while also remaining top of mind when consumers make purchasing decisions.

Moreover, the report provides in-depth analysis of standout performers and their strategies for maintaining strong revenue figures, and sheds light on strategic moves, acquisitions, and the external factors influencing their FY23 earnings. Next year's earnings will likely be affected by the ongoing impact of cost-of-living pressures, but for now, it's evident that the major players are mostly becoming richer.

For anyone interested in Australia's retail scene, this is a must-read report. I hope you enjoy perusing this year's ranking, and come away with plenty of practical insights to consider and implement.



**Aron Lewin**  
Features & premium editor,  
*Inside Retail*

## TOP 25 RETAILERS

### Australia's Top 25 Retailers\*

RANK	RETAILER	2023	2022
1	<b>Woolworths Food</b>	\$46.91b	\$45.46b
2	<b>Coles Food</b>	\$36.40b	\$34.62b
3	<b>Bunnings Warehouse</b>	\$18.42b	\$17.75b
4	<b>Aldi (Australia)</b>	\$11.82b	\$11.31b
5	<b>Endeavour Group</b>	\$10.24b	\$10.09b
6	<b>Wesfarmers (Kmart, Target, Catch)</b>	\$10.12b	\$9.64b
7	<b>JB Hi-Fi Group</b>	\$9.98b	\$9.60b
8	<b>Harvey Norman</b>	\$9.73b	\$9.56b
9	<b>Chemist Warehouse</b>	\$5.50b	\$4.90b
10	<b>McDonald's (Australia)</b>	\$5.30b	\$5.14b
11	<b>Super Retail Group</b>	\$4.75b	\$3.55b
12	<b>Big W</b>	\$4.53b	\$4.43b
13	<b>Domino's Pizza</b>	\$3.92b	\$3.84b
14	<b>Costco</b>	\$3.90b	\$3.68b
15	<b>Coles Liquor</b>	\$3.75b	\$3.61b
16	<b>Officeworks</b>	\$3.40b	\$3.17b
17	<b>Myer</b>	\$3.36b	\$2.99b
18	<b>Spotlight Group</b>	\$2.70b	\$2.59b
19	<b>Apple (Australia)</b>	\$2.69b	\$2.50b
20	<b>Cotton On Group</b>	\$1.97b	\$1.94b
21	<b>TerryWhite Chemmart</b>	\$1.80b	\$1.70b
22	<b>Ikea (Australia)</b>	\$1.75b	\$1.70b
23	<b>David Jones</b>	\$1.75b	\$2.05b
24	<b>Premier Retail</b>	\$1.56b	\$1.50b
25	<b>Accent Group</b>	\$1.50b	\$1.13b

\*The list of the top 25 retailers is based on a moving annual turnover calculation that adds first-half 2023 percentage growth or decline to full FY22 revenues.

The data is derived from market share reports, analyst estimates and published figures. The Woolworths and Wesfarmers chains have been separated into different businesses based on the scale of their operations.



Despite a sluggish retail market pre-Covid and the effects of the pandemic, the top 10 Australian retailers will likely report revenues around \$40 billion higher than five years ago.

With one exception, Chemist Warehouse (no. 9), the same retailers have occupied the 10 highest spots on *Inside Retail's* Top 25 Australian Retailers list for that five-year period. There have, however, been some changes in the order of the top 10, with JB Hi-Fi (no. 7) and Harvey Norman (no. 8) swapping places after JB Hi-Fi's acquisition of The Good Guys.

The rankings are determined on a moving annual turnover basis and drawn from company results and trading updates as well as industry data, including Australian Bureau of Statistics data and IBISWorld published rankings of all Australian companies from 2022. The sales compiled in the list are indicative of current trading expectations, which were relatively strong in the first half of FY23, but reportedly have eased in the second half across some, if not all, retail categories.

The remarkable increase in sales for Australia's largest retail companies has been driven substantially by the supermarket retailers. *Inside Retail's* ranking of the Top 25 Retailers by revenue indicates relatively strong sales gains across the board at the top end of the industry. When retailers lodge their FY23 results with the Australian Securities Exchange and regulatory authorities, they will reflect price inflation, government stimulus-driven consumer spending and structural change in the industry. The structural change includes the closure of many smaller independent stores, particularly through the pandemic period, and the rapid growth of online sales for the largest retailers.

Sales have been affected by pandemic lockdowns,



government stimulus, supply-chain disruptions and inflation, but the nation's biggest retail companies are expected to have increased sales in the last year. Most retailers will lodge their preliminary and final audited FY23 results with regulatory authorities over the next few months.

*Inside Retail* has ranked the nation's largest retail companies for more than a decade and has incorporated several changes for 2023. For instance, the latest list has dropped 7-Eleven because most of its revenue is generated from fuel sales rather than convenience stores. 7-Eleven is currently seeking a buyer for its operations, following previous divestment of the fuel and convenience hybrid retail models by Coles, Woolworths and Peregrine. Also delisted in 2023 is Reece Plumbing, on the basis that most of its revenues are generated from trade rather than consumer sales and include substantial overseas networks.

Target has lost its own ranking and is now part of Kmart Group, in line with the reporting of results by no. 6 Wesfarmers. Also at Wesfarmers, the revenue for the Priceline Pharmacy group is subject to the integration of the former Australian Pharmaceutical Industries business into Wesfarmers' new health division.

The new entrants in the 2023 Top 25 are Apple Australia, Ikea Australia and ▶





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Accent Group, at no. 19, no. 22, and no 25, respectively. Australia's grocery goliaths, Woolworths and Coles and no. 1 and no. 2 again; they have topped every ranking of the Top 25 Retailers since *Inside Retail* began publishing the list. In 2023, they are expected to report sales of around \$47 billion and \$37 billion, respectively.

In the past five years, Woolworths has increased its sales in Australia by more than \$10 billion, while Coles has lifted its revenue by around \$8 billion. Unlike most retailers, the two supermarket goliaths were able to keep trading during the pandemic lockdowns while also gaining in headline sales from price inflation.

Their sales gains have been realised despite lower new store growth than in previous periods and reflect improved productivity of shelfspace and market share gains at the expense of independent retailers. Woolworths and Coles have seen off online competitors that emerged during the pandemic with rapid delivery grocery business models. In relative terms, they have also kept Aldi, Costco and the Metcash independent supermarket banners at bay.

Aldi (no. 4) has added more than \$2 billion in sales in the past five years, retaining its ranking in the Top 25. The German discount supermarket chain is the highest-ranked private company and

foreign-owned retailer in the Top 25. It has increased its sales by an estimated \$2 billion in the past five years and developed a new 'corner store' format among its initiatives to further boost market share and revenue.

Costco has added around \$2 billion in sales over that five-year period and has rocketed up the list, from 25 in 2018 to no. 14 in the 2023 rankings. In fact, the

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total supermarket sector has performed well over the past five years, and while Metcash retail shops are predominantly owned individually or in small groups, its Ritchies and Drakes chains have revenues that place them just outside the Top 25.

The Victoria-based Ritchies Supa IGA chain and the South Australia-headquartered Drakes IGA chain and related retail entities both have multi-state store networks and

generate annual sales above \$1 billion. Woolworths and Coles are unassailable as Australia's two biggest retail companies and look to be well positioned for further growth due to new and continuing operational transformation, albeit both have indicated reduced sales momentum in the second half of FY23.

The no. 3 retail company in Australia is the Wesfarmers-owned Bunnings Warehouse, with annual sales of around \$18 billion. Bunnings has added almost \$5 billion in sales over the past five years, boosted by do-it-yourself pandemic projects, new stores and acquisitions. The chain has recently expanded into new categories and is focused on store upgrades and potentially further acquisitions after buying Beaumont Tiles.

Bunnings has also seen off two key corporate rivals in Hardware House and the failed Woolworths' chain Masters Home Improvement, and continues to gain market share against the Metcash-owned independent Mitre 10 banner group.

Ranked 5th by revenue is Endeavour Group, a public company listed on the Australian Securities Exchange that was formerly a Woolworths subsidiary. Endeavour Group has increased its sales by more than \$2 billion in the past five years, successfully transitioning from Woolworths to a stand-alone business

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underpinned by the leading retail liquor brand, Dan Murphy's, and BWS.

Divested by Woolworths in 2021, Endeavour Group's sales are three times higher than the Coles Liquor chain's, which has had limited success with large-format stores, compared with Dan Murphy's. With annual sales of around \$3.75 billion, Coles' liquor business is ranked 15th, compared with Endeavour Group's 5th. *Inside Retail* has included only the retail liquor store sales for Endeavour Group, which has other business channels, including ALH Hotels.

As with the supermarkets, hardware and liquor retailers, JB Hi-Fi and Harvey Norman were among the winners during the pandemic. Furniture and whitegoods retailers posted solid sales increases and entertainment product categories boomed.

Boosted by the acquisition of The Good Guys, JB Hi-Fi has lifted its sales in the past five years by more than \$4 billion. JB Hi-Fi retained the 7th position on the Top 25 as a result of the acquisition, which has increased annual sales to close to \$10 billion. Harvey Norman's sales are also approaching \$10 billion, representing a more than \$2 billion increase in the past five years. Harvey Norman slipped in the rankings from 6th place to 8th, overtaken by JB Hi-Fi.

Wesfarmers is ranked 6th in 2023, with annual sales of more than \$10 billion as a result of the inclusion of Target and Catch. The company has restructured its discount department store operations in a bid to improve the sales and earnings performance of Target over several years. Kmart has lifted revenues by only around \$1 billion over five years after including Catch and Target, which had its store network pruned.

Category expansion, densification of selling space and other initiatives by JB Hi-Fi are likely to help that company overtake Wesfarmers within the next two years. Harvey Norman could also overtake Kmart Group but is less likely to pass JB Hi-Fi.

Chemist Warehouse has jumped from no. 12 to no. 9 in the past five years, with its annual sales now around \$5.5 billion. In the five-year period, Chemist Warehouse has added more than \$1 billion in turnover. It is the dominant retail pharmacy brand and has examined a listing on the Australian Securities Exchange, a move hampered by regulatory restrictions.

The pharmacy sector is likely to see changes in the near future, to the



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advantage of Chemist Warehouse, Wesfarmers and its Priceline Pharmacy brand, TerryWhite Chemmart. TerryWhite Chemmart is ranked (no. 21) on the list, with sales approaching \$2 billion.

In 10th place, behind Chemist Warehouse, is McDonald's, with sales of more than \$5 billion across its corporate and franchise store networks. McDonald's is one of four foreign-owned retail companies in the Top 25. The others are Aldi, Ikea and Apple. David Jones' (no. 23) department stores were owned by the South African retail group, Woolworths Holdings, until March of 2023 when the Australian private equity group Anchorage Capital Partners acquired the business.

Four Australian retail companies in the Top 25 have significant overseas store networks outside Australia

and New Zealand – Harvey Norman, Domino's Pizza Enterprises (no. 13), Cotton On Group (no. 20) and Premier Retail (no. 24).

Alongside Costco and Chemist Warehouse, Domino's Pizza Enterprises and Officeworks have jumped up the rankings in the past five years. Domino's has climbed from 19th position to 13th, with sales of around \$3.9 billion, depending on some restructuring of overseas store networks.

Officeworks has jumped from no. 24 five years ago to no. 16 in 2023, with annual sales turnover now around \$3.4 billion. Conversely, Myer has slipped over the past five years, from no. 15 to no. 17, with sales in 2023 of around \$3.3 billion, as the department store seeks to rebuild its fortunes. Ranked no. 12, Big W has also been an under-performer and

remains a potential divestment option for Woolworths.

Three of the multi-brand retail companies to watch are Super Retail Group, Spotlight Group and Accent Group. The three retail companies are ranked no. 11, no. 18 and no. 25, respectively, but all have growth prospects within their existing businesses and potentially through acquisitions.

Premier Retail has been in and out of the Top 25 over the years and narrowly made the 2023 list after a reported resurgence in the last financial year repaired some of pandemic damage, particularly in overseas stores.

Among the retail companies just outside the Top 25 are Collins Foods, Country Road Group, BB Retail Capital, Greenlit Brands and Kogan.com. ■





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