# The Impact of Corporate Concentration on the Canadian Retail Economy

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*Canada's retail landscape is increasingly being controlled by major corporations and foreign capital. This paper provides an analysis of corporate restructuring and associated locational imprints within the Canadian retail sector. It addresses the reorganization of retail capital emerging from ongoing processes of globalization, consolidation and organic growth in Canada's Top 95 retail conglomerates. The paper focuses on three aspects of the country's leading retailers: their economic profiles, market concentration, and the emerging location strategies. The paper highlights the dominance of major corporation retail chains, estimates market share for these companies and the associated high degree of market concentration by sector, and provides evidence of the growth strategies employed by a number of the leading retailers in Canada. The paper concludes by identifying a number of key areas for future research.*

***Keywords:*** *Retail Structure, Corporate Ownership, Locational Strategies.*

This paper provides an analysis of corporate restructuring and associated locational imprints within the Canadian retail economy. It addresses the reorganization of retail capital emerging from ongoing processes of globalization, consolidation and organic growth in Canada's Top 95 retail conglomerates. Although the popularity of the merger process as a corporate growth strategy reached its height in the1990s and has since slowed, it continues to be an important component of Canada's retail economy. In order to shed some light on the reorganization of retailing in Canada during fiscal 2004, this paper focuses on three aspects of the country's leading retailers: their economic profiles, market concentration and location strategies. The paper is based on a longitudinal data series of corporate retail activities of major retail conglomerates maintained at the Centre for the Study of Commercial Activity (CSCA), Ryerson University.

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## CLASSIFYING RETAIL ACTIVITIES

The classification of firms as Canada's leading retailers is based primarily on the total sales of the retail conglomerates. The CSCA considers a conglomerate or business to be one of Canada's leading retailers when the total retail sales of that company within Canada are greater than 100 million dollars. A series of financial and locational information on each company has been systematically collected for these companies since 2000 using a variety of sources ranging from corporate annual filings, industry reports, company rankings, and newspaper articles. The financial information contained in this paper pertains to the fiscal 2004 year, being the year beginning on January 1st 2004 and ending on December 31st 2004. This distinction is an important one to make because many companies use varying definitions for their fiscal year. Some companies will refer to their information as belonging to the year in which it is reported, whereas other companies will report the information as belonging to the year in which the majority of their reporting period takes place.

Information stated in this paper that was taken from annual reports is included where the majority of the reporting period occurs during the January 1st to December 31st 2004 time period. For private companies, the most recent information available from industry reports, company rankings, and newspaper articles are used where the majority of the year preceding the publication date of the information source lies within the indicated reporting period. For example, if a company released an annual report which they referred to as their 2005 annual report, but the reporting period was from February 1st 2004 to January 31st 2005, then the information found in that report could be used to determine the numbers included in this 2004 report. Similarly, if a company ranking was published in one of the major business industry magazines containing yearly information on one of the private retail companies, and the article was released in October of 2004, then the information found in that article could be used to update the numbers for that company in this paper.

Another important distinction to make in this paper is the transition from the Canadian Standard Industrial Classification (SIC) to the North American Industrial Classification System (NAICS). In 1997, Canada, the United States, and Mexico developed a common industrial classification system called NAICS that was meant to simplify industrial comparisons of the three countries after they signed the North American free trade agreement. In March 2004, Statistics Canada officially adopted NAICS as a replacement to the SIC system developed in 1980, essentially retail sales data released by Statistics Canada is now reported by NAICS (this data is key to defining the market share for retailers operating in Canada).

In the original SIC system, the retail categories are split between wholesale and retail trade based on the class of the customer. This meant that businesses that sold products to the public for personal or household use were considered "Retail." Those businesses that sold products to retailers, manufacturers, dealers, public institutions, farmers, professionals and other wholesalers were considered to be "Wholesale" under the SIC system. With the NAICS codes, wholesale and retail are defined based on whether or not the products are sold in a store. As a result of this fundamental difference between the two systems, some stores have experienced a change in sector from wholesale in the SIC system to retail in the NAICS system. For example, computer stores, sellers of building materials (including home centres) and office supply and stationery stores, which were wholesalers under SIC, have become retailers under NAICS. Establishments whose principal activity is installation and repair, which belonged under retail trade in SIC, are now part of the service sector in NAICS. This results in a crossover of approximately 6 percent of businesses from the wholesale sector to the retail sector under NAICS.

## LEADING RETAILERS' PROFILES AND STRATEGIES

The data for 2004 retail sales indicate that 95 corporations, controlling approximately 373 chains, contribute over 68 percent of the non-automotive total sales as is shown in Table 1 (increasing from 67 percent in fiscal 2003). Canada's leading retailers do the bulk of the retail activity and serve a variety of regional markets and social niches. Most of their networks continue to focus on the country's major markets where innovative and more efficient store formats can easily reach their critical mass of customers (Jones and Hernandez, 2006; Jones and Simmons, 1993). Canada's leading retailers tend to concentrate their operations in the four provinces that include the largest cities: Ontario, Quebec, British Columbia and Alberta (Simmons and Kamikihara, 2005). The list of the top 20 leading retailers, shown in Table 2, illustrates that the top three corporations in Canada control approximately 23 percent of the retail market, or 52.7 billion dollars, with over 3,100 retail locations between the three combined. There are 29 different companies operating in Canada that have at least one-billion dollars in total retail sales, controlling a combined 14,718 store locations and approximately $140 billion in total retail sales. This represents 88.1 percent of total sales by the retailers covered in this paper, 60.7 percent of total non-automotive retail sales in Canada, and 40.4 percent of total retail sales in the Canadian market.

**Table 1:** Distribution of 2004 NAICS based retail sales.

| Sector | Sales | % |
|---|---|---|
| Automotive | 116,064.0 | |
| All Others | 230,657.0 | |
| Top 95 retailers | 158,862.73 | 68.87% |
| Other retailers | 71,794.27 | 31.13% |
| Total | 346,721.0 | |

Source: Data obtained from Statistics Canada, Retail Trade 63-005-XIE.

**Table 2:** Canada's top 20 leading retailers, 2004.

| Corporate Ownership (Capital Control) | Selected Chains (Total Banners) | Sales CDN$(Mil.) | Cumulative % Sales | Footage sqft(000) | Employees Total No. | Activity NAICS* | No. Loc | HQs Loc. |
|---|---|---|---|---|---|---|---|---|
| Weston Group (CDN) | Loblaw, No Frills, RCS (17) | 26,209 | 11.36 | 51343 | 130000 | 445, 452 | 1577 | ON |
| Wal-Mart Inc. (USA) | Wal-Mart, Sam's Club (2) | 14,335 | 17.58 | 30,554 | 54,554 | 452 | 262 | ON |
| The Sobeys Group (CDN) | Sobeys, Price Chopper, IGA (13) | 12,189 | 22.86 | 25,047 | 34,652 | 445, 446 | 1310 | NS |
| Costco Co. Inc. (USA) | Costco (1) | 7,918 | 26.30 | 9,765 | 12,000 | 452 | 63 | ON |
| Hudson's Bay Co. (CDN) | The Bay, Zellers, Home Out (6). | 7,070 | 29.36 | 47,351 | 69,694 | 442, 448, 452 | 547 | ON |
| Metro Inc (CDN). | Metro, Super C, Loeb (10) | 5,999 | 34.48 | 10,434 | 28,644 | 445, 446 | 629 | QC |
| Sears-Roebuck & Co. (USA) | Sears, Sears Whole Home (4) | 5,815 | 31.88 | 20,600 | 41,962 | 442, 452, 454 | 187 | ON |
| Safeway Inc. (USA) | Safeway (1) | 5,247 | 36.76 | 9,919 | 30,677 | 445 | 218 | AB |
| Canadian Tire Corp. Ltd. (CDN) | Canadian Tire, Mark's Work Wearhouse (3) | 5,164 | 39.00 | 16,582 | 48,000 | 448, 452 | 790 | ON |
| The Home Depot Inc. (USA) | The Home Depot (1) | 4,752 | 41.06 | 12,402 | 20,004 | 444 | 117 | ON |
| Shoppers Drug Mart Inc. (CDN) | Shoppers Drug Mart, Home Health Care (2) | 4,723 | 43.10 | 7,000 | 38,779 | 446 | 964 | ON |
| Home Hardware Stores Ltd. (CDN) | Home Hardware, Home Building Centre (3) | 4,263 | 44.95 | 8,871 | 27,378 | 442, 444 | 1159 | ON |
| Tengelmann (GER) | Food Basics, A&P, Dominion (5) | 4,210 | 46.78 | 9,452 | 23,778 | 445 | 250 | ON |
| Rona Inc. (CDN) | Rona, Reno Depot, Botanix (13) | 3,680 | 48.37 | 12,790 | 21,487 | 444 | 550 | QC |
| Katz Group Canada Ltd. (CDN) | IDA, Pharma Plus, Rexall Drug Store (7) | 3,531 | 49.90 | 4,270 | 9,945 | 446 | 1086 | AB |
| Best Buy Enterprise (USA) | Best Buy, Future Shop (2) | 3,225 | 51.30 | 3,147 | 9,822 | 443 | 144 | BC |
| Holding 29527 Canada Ltee. (CDN) | Jean Coutu Pharmacy, PJC Sante Beaute, PJC Clinic (3) | 2,735 | 52.49 | 2,821 | 12,813 | 446 | 320 | QC |
| The Jim Pattison Group (CDN) | Save On Foods Overwaitea A&G (13) | 2,681 | 53.65 | 5,206 | 15,619 | 445 | 163 | BC |
| McKesson Corp. (USA) | Clinique Sante, ARP Ph. (5) | 2,198 | 54.60 | 2,657 | 6,397 | 446 | 498 | QC |
| Tim-Br Marts Ltd. (CDN) | Tim-Br Mart, BMR (3)) | 1,869 | 55.41 | 4,340 | 10,107 | 444 | 434 | AB |

* See Table 4 for definition of NAICS codes.

## MARKET CONTROL AND MARKET CONCENTRATION

Canadian capital remained a strong influence in the Canadian retail sector as a whole during 2004. As can be seen in Table 3, Canadian retailers controlled approximately 20,000 stores and 63 percent of total retail sales. The influence of American retailers can be seen with US firms operating 5,177 stores in Canada and 32 percent of total retail sales (Boyle, 2003; Hernandez, Jones and Maze, 2003), with many US retailers (e.g., Home Depot, Wal-Mart) choosing to develop hierarchically across Canada's major urban markets, more often than not using Toronto as a testing ground for store concepts. An important development that significantly influences the distribution of retail sales in this table is the Capital Control assignment given to Shoppers Drug Mart Inc. In late 2003, the American investor group led by Kohlberg, Kravis, Roberts Co. that bought Shoppers Drug Mart in 1999 sold their majority stake in the company on the Toronto Stock Exchange (TSX), making Shoppers Drug Mart a widely held public company. The investor relations department at Shoppers Drug Mart Inc. believes that approximately 90 percent of the investors holding Shoppers Drug Mart shares are Canadian investors and it is for this reason that the capital control designation for Shoppers Drug Mart is now listed as Canadian. It is interesting to note the impact that one or two major retailers can have on the national concentration levels (Guy, 1994). The total sales per store of Canadian retailers continued to be lower than those of foreign retailers, with Canadian stores averaging just 5 million dollars per store compared with 10 million and 6.5 million per store in American and other foreign retailers respectively. This largely reflects differences in the size of store formats operated by foreign firms, specifically the large format (big-box) concepts that were introduced across retail sectors by US operated firms.

**Table 3:** Leading retailers' market control by origin of capital, 2004.

| Origin | 2004 Sales (Millions) | Number of Stores | Millions/Store |
|---|---|---|---|
| Canada | $100,308.19 | 19,968 | $5.0 |
| Foreign | $58,554.55 | 6,233 | $9.4 |
| USA | $51,675.38 | 5,177 | $10.0 |
| Other Foreign | $6,879.16 | 1,056 | $6.5 |
| Total | $158,862.74 | 26,201 | |

The concentration ratio (CR4), shown in Table 4, for each of the major retail trade categories, depicts the sum of the market shares of the four largest corporations in a given industry. The CR4 is an important measure of market concentration as it gives a good indication of the relative size of the four largest corporations in relation to the market as a whole. For example, if the top four companies in a given sector each produced ten percent of the total sales for that sector, the CR4 would be 40 percent. In most nations, when the CR4 for a particular industry reaches 40 percent, oligopolistic behavior becomes likely in the marketplace (Scherer and Ross, 1990). The Canadian market typically experiences higher levels of market concentration than other nations in many sectors due to the somewhat more relaxed approach to the merger and acquisition process taken in the Canadian regulatory environment as is evidenced by the Canadian Competition Act enacted by the Federal government in 1986 (see, for example, Wen, 2001 for a discussion of concentration in the Canadian grocery sector). The Competition Act introduces the idea that efficiency gains can outweigh the costs of a reduction in competition because the smaller Canadian economy requires greater market concentration in order to achieve economies of scale and to be competitive in the world economy (Wrigley, 2000). The end result of this policy can be seen in Figure 1, where concentration ratios of 40 percent or more can be seen in five out of the nine retail sectors covered in this report. The NAICS sector with the highest CR4 continues to be the General Merchandise sector with a CR4 of 80.6 percent, followed by Home Improvement (68.2 percent), Grocery (59.4 percent), Pharmacy (57.9 percent), and Electronics & Appliances (42.5 percent).

**Table 4:** Market concentration, 2004.

| Sector Desc. (NAICS) | Sales ($CDN Millions) | % Top 4 Retail Conglomerates/Corporations (Market Share %) | | | |
|---|---|---|---|---|---|
| | | 1st | 2nd | 3rd | 4th |
| Furniture and Home Furnishing (442) | 12,945 | The Brick (11.97) | IKEA AB (8.26) | Sears Co. (7.2) | BMTC Gr. (6.19) |
| Electronics & Appliances (443) | 11,024 | Best Buy (29.25) | Hart Group (5.7) | InterTAN Inc. (5.07) | Sony Corp. (2.5) |
| Home Improvement (444) | 20,970. | Home Depot (22.66) | Home Hard. (19.17) | Rona Inc. (17.55) | Tim-Br Mart (8.91) |
| Grocery (445) | 82,357 | Weston Gr. (31.82) | Sobeys Gr. (14.59) | Metro Inc. (6.69) | Safeway Inc. (6.37) |
| Pharmacy and Personal Care (446) | 22,769 | Shop. D.M. (20.74) | Katz Gr. (15.51) | Jean Coutu (12.01) | McKesson (9.65) |
| Clothing and Footwear (448) | 20,188 | TJX Co. (6.55) | GAP Inc. (4.76) | Reitman Gr. (4.52) | Cdn Tire (3.26) |
| General Merchandise (452) | 42,123 | Wal-Mart (34.03) | Costco (18.80) | Hud. Bay Co. (16.18) | Sears Co. (11.59) |
| Hobby Stores (451) | 8,831 | Forzani Gr. (12.45) | Indigo Inc. (8.92) | Toys 'R' Us (8.58) | Bata Ind. (4.34) |
| Miscellaneous (453) | 9,446 | Staples (15.96) | Office Depot (2.94) | Grand & Toy (2.14) | Pet Valu (1.56) |

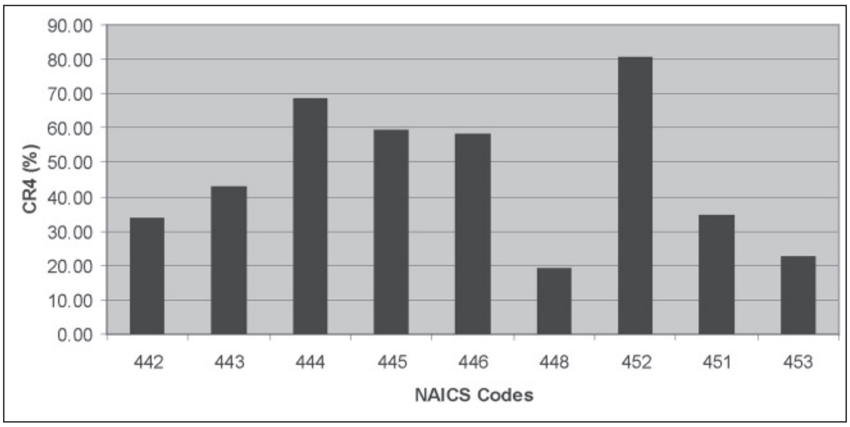


**Figure 1:** Concentration ratio (cr4) by NAICS codes, 2004.

## EMERGING LOCATION STRATEGIES

Table 5 provides a breakdown of the store portfolios for five major chains operating in Canada between 2001 and 2004: namely, Future Shop, The Home Depot, Loblaws, Shoppers Drug Mart and Wal-Mart (with their respective conglomerates controlling 23 percent of total retail sales in 2004). The store portfolios are subdivided by year and location type (ICSC, 2004; Davies and Clarke, 1994), providing a way to differentiate between strategies in terms of the number of free-standing, power centre and mall locations (with malls further subdivided by traditional hierarchy ranging from small community sized centres (30,000 to 100,000 square feet of retail space) to major super-regional centres (over 750,000 square feet of retail space). The five selected chains are leading retailers within their respective retail sectors, operating larger format stores (Jones et al., 1994), often in clustered locations – termed 'power centres' (see Hernandez and Simmons, 2007; Hahn, 2000; Thorne, 1999; Bodkin, 1997). All of the chains increased the size of their store portfolios over the 2001 to 2004 period.

*Future Shop*, Canada's largest electrical and appliance retailer focused growth on power centres locations with 15 of the 17 stores added to their portfolio within this category, opting to close a small number of stores within small shopping malls. The *Home Depot* continued their aggressive expansion across Canada (see Figure 2), almost exclusively focused on power retail locations (Hernandez, 2003), with Gerrard Square in Toronto's eastern suburbs the only shopping mall location that they operate from. The Gerrard Square location highlights the company's willingness to experiment with location types in order to in-fill within major urban markets where land availability and planning controls limit the potential for free-standing store development. *Loblaws*, an Ontario-based chain that is part of the Weston Group--

Canada's leading grocery conglomerate, increased their store count by 14, with some minor rationalization in the portfolio in 2004. Loblaws growth has primarily been in free-standing locations, largely reflecting the nature of their retail offer (grocery with some general merchandise lines). Grocery retailers traditionally have acted as their own anchor stores, not needing to rely on the externalities that accrue from co-location with competitors, often favoring locations with a mix of complimentary personal and household services (Jones and Simmons, 1993). *Shoppers Drug Mart* added 61 stores to their portfolio across a range of location types (see Figure 3). Their growth within power centres was based around the development of their signature 17,500 sq. ft. store blueprint, substantially larger than the average pharmacy that one can find located on the typical retail strip in Canada.

**Table 5:** Change in store portfolios by selected major chain, 2001-2004.

| Chain | Location Type | No. of Stores | | | | Change |
|---|---|---|---|---|---|---|
| | | 2001 | 2002 | 2003 | 2004 | 2001-2004 |
| Future Shop | FS | 20 | 19 | 19 | 21 | 1 |
| (Electronics & Appl.) | PC | 48 | 59 | 61 | 63 | 15 |
| | SC – C | 12 | 11 | 11 | 11 | -1 |
| | SC – N | 3 | 3 | 1 | 1 | -2 |
| | SC – R | 5 | 9 | 9 | 9 | 4 |
| | SC – SR | 3 | 3 | 3 | 3 | 0 |
| | Total Stores | 91 | 104 | 104 | 108 | 17 |
| The Home Depot | FS | 22 | 24 | 26 | 31 | 9 |
| (Home Imp.) | PC | 53 | 62 | 66 | 75 | 22 |
| | SC – C | | 1 | 1 | 1 | 1 |
| | Total Stores | 75 | 87 | 93 | 107 | 32 |
| Loblaws | FS | 32 | 36 | 47 | 47 | 15 |
| (Grocery) | PC | 14 | 15 | 17 | 16 | 2 |
| | SC – C | 23 | 22 | 24 | 22 | -1 |
| | SC – N | 10 | 8 | 8 | 8 | -2 |
| | SC – R | 5 | 5 | 5 | 5 | 0 |
| | Total Stores | 84 | 86 | 101 | 98 | 14 |
| Shoppers Drug Mart | FS | 355 | 359 | 376 | 394 | 39 |
| (Pharmacy) | PC | 14 | 15 | 23 | 29 | 15 |
| | SC – C | 228 | 231 | 228 | 225 | -3 |
| | SC – N | 146 | 148 | 153 | 156 | 10 |
| | SC – R | 50 | 51 | 51 | 51 | 1 |
| | SC – SR | 26 | 25 | 25 | 25 | -1 |
| | Total Stores | 819 | 829 | 856 | 880 | 61 |
| Wal-Mart | FS | 19 | 23 | 24 | 37 | 18 |
| (General Merchandise) | PC | 83 | 100 | 109 | 123 | 40 |
| | SC – C | 55 | 52 | 51 | 42 | -13 |
| | SC – N | 4 | 2 | 2 | 1 | -3 |
| | SC – R | 26 | 26 | 25 | 23 | -3 |
| | SC – SR | 9 | 7 | 7 | 7 | -2 |
| | Total Stores | 196 | 210 | 218 | 233 | **37** |

Note: FS - Freestanding ; PC - Power Centre; SC-C - Community Shopping Centre; SC-N - Neighbourhood Shopping Centre; SC-R - Regional Shopping Centre; SC-SR - Super Regional Shopping Centre

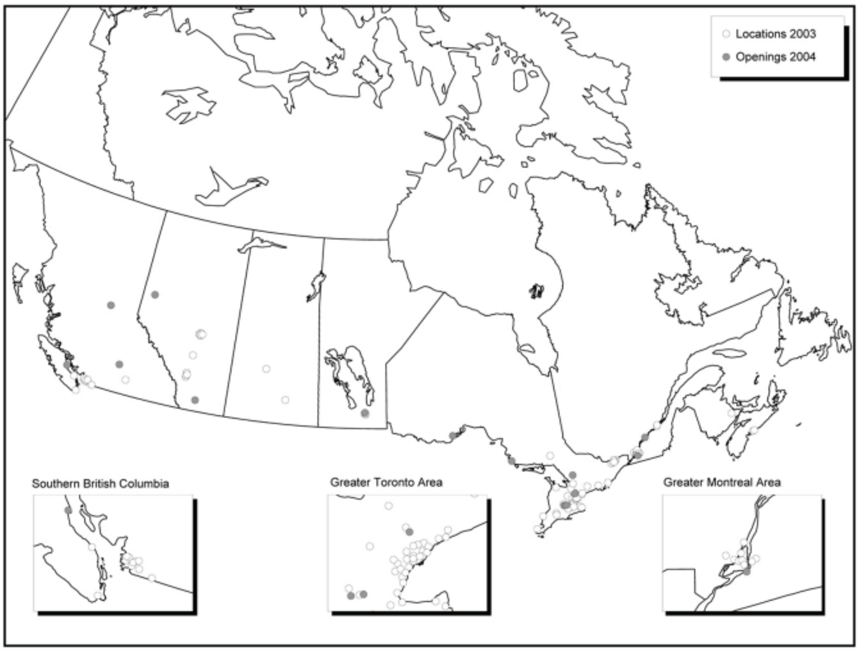


**Figure 2:** Store Portfolio - The Home-Depot, 2003-2004.

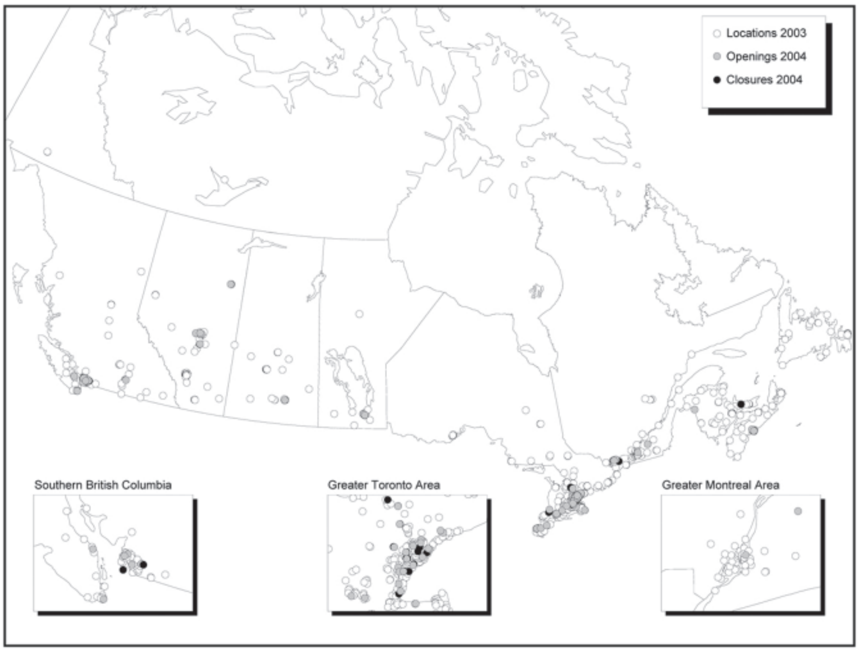


**Figure 3**: Store portfolio: Shoppers Drug Mart, 2003-2004.

The growth of the larger footprint store reflects Shoppers Drug Mart's diversification across retail lines, now offering a wide range of products from cosmetics to greeting cards, food and household cleaning products (in addition to the core prescription side of the business). Finally, *Wal-Mart* Canada Inc. continued their domination of the general merchandise sector, adding 37 new stores (see Figure 4). Of particular note was their exodus from mall locations, many of which the company had inherited after their acquisition of Woolco and entry into Canada in 1994 (Simmons and Graff, 1998). Their location strategy clearly stated to mall owners and competitors alike that they are not willing to pay high lease rates and will 'go-it-alone' (as can be seen by the number of store closures in Figure 4). Essentially, Wal-Mart calls the shots when it comes to choosing locations, and their growth in free-standing locations underlines their ability to serve their own market, unhindered by competitors or other retail parasites.

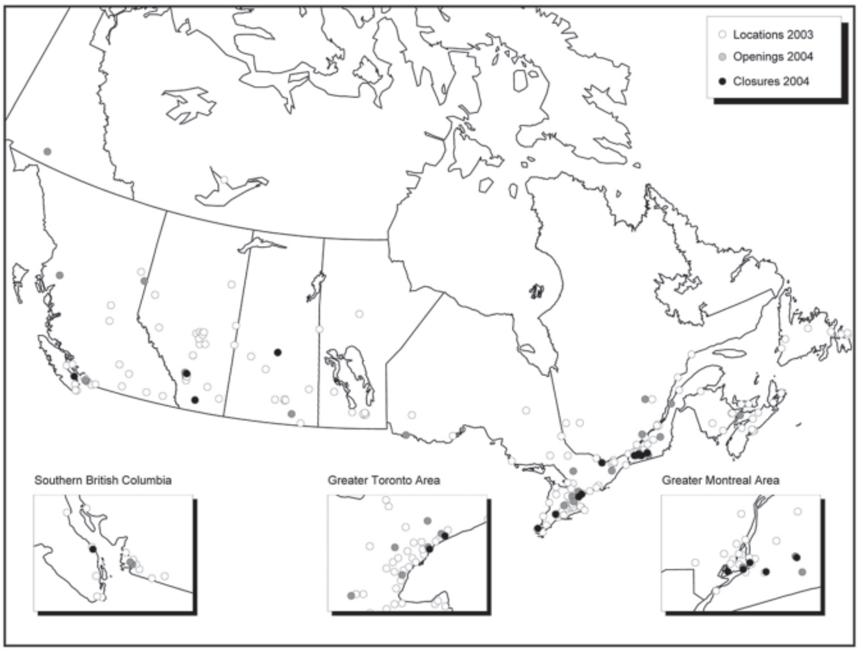


**Figure 4:** Store portfolio: Wal-Mart, 2003-2004.

Despite operating across different sectors the five selected chains share a number of factors in common: (i) *growth strategies* – each of the chains experienced corporate pressures to continue their growth across Canada; (ii) *preference for big-box formats* – the warehouse style of shopping has been the dominant form of development, mirroring a trend across much of the Canadian retail system; (iii) *suburban markets*

– the chains have focused growth on suburban markets surrounding Canada's major cities, highlighting a preference for readily-available relative low-cost and auto-dependent locations embedded within large pockets of suburban consumers; (iv) *development throughout the urban hierarchy* – the major cities have attracted most of the new store development, but there is evidence of a movement down the hierarchy into small town markets (e.g., Wal-Mart operating a store in Digby, Nova Scotia – 8,200 resident population in the municipal district in 2001) and in-fill development back in the downtown and inner urban markets (e.g., Home Depot's purchase of land in the inner urban Toronto Dockland area).

## CONCLUSION

This paper has highlighted the increasing level of corporate concentration within Canada's retail sector. In 2004, Canada's leading 95 retail conglomerates controlled over 68 percent of the non-automotive retail sales in Canada, an increase of 0.62 percent from the previous year. Canadian retailers continue to be a strong influence in the Canadian retail economy with 63 percent of non-automotive retail sales, however, foreign ownership has been increasing, largely driven by cross-border pursuits of US retailers. In terms of retail categories, five out of the nine NAICS-defined retail sectors exhibited CR4 values of higher than 40 percent, with the general merchandise CR4 over 80 percent (highly concentrated). Within this environment, mergers and acquisitions continue to play an important role in reshaping the structure of Canada's leading retailers, with large acquisitions taking place in 6 of the 9 retail sectors. Of note, competition increased dramatically in the grocery sector in advance of the arrival of the Wal-Mart Supercenter general merchandise/grocery format (by mid-2007 Wal-Mart had opened 7 Supercenters in Canada, with store sizes up to 180,000 sq. ft.).

Five major companies were selected to provide store portfolio vignettes to flavor the key trends within Canadian retail. Overall, the location strategies of these selected major retailers reflect the widespread development of large format (or 'big-box') retail in the Canadian market. This has taken the form of clusters of large format retailers in a range of power centre configurations; and increasingly, the trend to operate from free-standing locations, with dedicated parking, and control over the retail pad (Jones and Doucet, 2000). The challenge for the retailers within such a highly concentrated retail market is in finding new growth markets to exploit and in so doing avoid the perils of saturation. The mall owners are also left with the dilemma of how to meet the needs of these mega-chains whilst not totally undermining their leasing models (they too have to make a profit). The response from the mall owners and developers has been variable, some of the smaller malls have experienced significant increases in vacancy rates, some have been part-demolished and re-developed (often seeing retail land-uses shifting to residential), and a handful have been demolished. The larger regional and super-regional malls have invested in meeting the needs of the mega-chains, redeveloping existing space, adding new wings to the malls for the large footprints required, and developing pads on former parking lot space (Lorch and Hernandez, 2007). The message is clear – corporate concentration creates a significant locational imprint, with 'bigger is better' the prevailing wisdom for retailers.

Further research is however required to provide objective measures of the impact of corporate concentration upon Canadian consumers. With a smaller number of major chains controlling an increasing share of retail sales in Canada--what has this meant for consumers in terms of price, selection and access to goods and services? What impact are the corporate chains having on traditional 'Main St.' retail environments in small town Canada? Can corporate retail effectively be used as a means to redevelop and revitalize urban markets? How has the proliferation of corporate chains in new suburban subdivision markets impacted urban sprawl and associated auto-dependent travel behaviors? These in turn raise questions with regard to the role of government in regulating the retail sector (e.g., legislating against merger and acquisition activities or strengthening land-use planning policies) to protect the consumer from the potential risks associated with an overly concentrated and an uncompetitive retail marketplace. The challenge lies in further understanding the interplay in simultaneously meeting consumers' demands for low prices and access to a broad selection of products, maintaining the vibrancy of the existing retail structure, promoting the development of sustainable urban form and realizing the corporations' needs to generate profits.

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