

Retail in Brazil

March 2024

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Retail in Brazil

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Convenience Retailers in Brazil

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OXXO moves to open more stores Supermercado Hirota makes changes across its brands AMPM installs street stores, stores in business condominiums, and in residential condominiums

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Speculation that the cash and carry business model will be reinvented, and stores converted back to hypermarkets Carrefour set to remain dominant in hypermarkets, followed by a few regional competitors Low growth in the number of stores expected, with higher growth in value sales over the forecast period

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KEY DATA FINDINGS

2023 DEVELOPMENTS

Restructuring of Dia %, including reducing franchises and closing loss-making stores Todo Dia also reduces its number of stores, but maintains a presence in the Northeast and South regions

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The strength of private label within discounters likely to ensure some growth The Spanish player Dia plans to sell its operations in Brazil

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PROSPECTS AND OPPORTUNITIES

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Americanas will depend on regaining the trust of suppliers and consumers for its restructuring plan to be successful Compact stores likely to become an increasing trend in general merchandise stores

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PROSPECTS AND OPPORTUNITIES

Value growth set to continue in the forecast period

Apparel and footwear specialists will continue to face competition from e-commerce for younger fashions More apparel and footwear specialists are expected to face difficulties, with store closures and bankruptcy filings in 2024

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National group Magazine Luiza faces challenges in 2023

PROSPECTS AND OPPORTUNITIES

With the prospect of increasing employment and an improvement in family income, growth is expected over the forecast period Climate change, with drought in the north and floods in the south, and the prospect of more intense summer heat signal strong sales of fans and air conditioners

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PROSPECTS AND OPPORTUNITIES

Approval of tax reform and confidence that the economic environment will heat up will be triggers for growth Mergers and acquisitions expected in home improvement and gardening stores, as well as homewares and home furnishings stores Petz, Cobasi, and Petlove likely to lead pet shops and superstores over the forecast period

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PROSPECTS AND OPPORTUNITIES

Expansion plans set to continue, which will help drive growth Despite a return to growth, beauty specialists will struggle to recover to its pre-pandemic level of sales The chained stores of large retailers will take share from independent retailers in health and beauty specialists

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Retail e-commerce set to return to a stronger growth curve in the forecast period Americanas remains in the minds of consumers, and is expected to generate good sales via e-commerce Amazon will further intensify the competition with MercadoLibre, while some consumers will move away from marketplaces

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