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Kroger expands fulfillment network to three new cities

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The Kroger Co. will offer more Americans delivery through the addition of spoke facilities in Austin and San Antonio, TX, and Birmingham, AL, powered by the Kroger Fulfillment Network and Ocado Group. As a continuation of Kroger's successful entry into Florida in 2021 without physical stores, the new Texas and Alabama facilities will serve as new geographies for the organization, bringing innovation and modern e-commerce to the cities and extending the grocer's reach and ability to provide customers anything, anytime, anywhere.

"Kroger today looks very different than it did in 1883 when we opened our first store. But the core principles that made that store successful — service, selection, value, and our commitment to our customers — remain the bedrock of our business," said Rodney McMullen, Kroger's chairman and CEO.

"I'm incredibly excited for the future of Kroger, and both thriving physical stores and digital solutions are part of it," said McMullen. "We continue to feel great about the momentum we're experiencing with Kroger Delivery and our partnership with Ocado, supporting Kroger in strategically leveraging our unique assets to expand in existing regions, including Atlanta, Cincinnati and Dallas, as well as enter into new geographies like Austin, Birmingham, Cleveland, Oklahoma City, Orlando, San Antonio, South Florida, and the Northeast through a flexible network of differently sized, high-tech facilities operated by friendly and knowledgeable associates."

"Kroger's digital investments are focused on driving expanded capacity, improving the customer experience, and developing new, innovative propositions via our strategic partnerships, including our Kroger Delivery fulfillment network powered by Ocado technologies," said Yael Cosset, Kroger's chief information officer and chief digital officer. "Kroger's growing seamless ecosystem continues to scale and allow us to reach customers who are not in the proximity of a store with delivery services, and we're committed to doubling both our digital sales and profitability passthrough rate by the end of 2023 and our continued network expansion will help us reach this target."

"We're excited to continue extending the Kroger fulfillment network, with dedicated facilities of various sizes providing added scale, reliability of experience, and benefit of automation and wide customer reach, in both current operating regions as well as in new parts of the U.S.," said Gabriel Arreaga, Kroger's senior vice president and chief supply chain officer. "This network is enabling Kroger to create thousands of technology, operations, logistics, and customer care jobs and improve access to fresh food in cities eager for the variety and value offered by Kroger that once could only be accessed through our stores."

This expansion represents an extension of a partnership between Kroger and Ocado, a world leader in technology for grocery e-commerce. In 2018, the companies announced a collaboration to establish a delivery network that combines artificial intelligence, advanced robotics, and automation in a bold new way, bringing first-of-its-kind technology to America. Through the hub-and-spoke delivery network, the organization now serves customers in Florida, as an example, without traditional brick-and-mortar stores.

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