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PR Newswire

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OKLAHOMA CITY, Feb. 17, 2022 /PRNewswire/ -- The Kroger Co. (NYSE: KR), America's largest grocery retailer, today announced it will offer more Americans delivery through the addition of a spoke facility in Oklahoma City powered by the Ocado Group (LSE: OCDO). As a continuation of Kroger's successful entry into Florida in 2021, Oklahoma will serve as another new geography for the company, bringing innovation and modern e-commerce to the area, extending the grocer's reach and ability to provide its customers anything, anytime, anywhere.



"We're excited to extend the Kroger fulfillment network to Oklahoma City, a new geography for our operation and an integral part of our strategy to achieve the doubling of our digital sales and profitability rate by the end of 2023," said Gabriel Arreaga, Kroger's senior vice president and chief supply chain officer. "This grocery delivery service is an innovative addition to the expanding digital shopping experience available to our customers. The spoke facility will provide unmatched, impeccable customer service and improve direct access to fresh food in areas eager for the variety and value offered by Kroger."

"We are excited to welcome the country's largest supermarket to Oklahoma that will further showcase our state's impressive distribution infrastructure," said Governor Kevin Stitt. "Kroger's new e-commerce model is innovative, creates new fresh grocery opportunities for the Greater Oklahoma City region and paves the way for improving health and quality of life for Oklahomans."

The 50,000-square-foot spoke facility located on 8801 North I-35 Service Rd. in Oklahoma City will collaborate with the [hub in Dallas, Texas](#), serving as a last-mile cross-dock location that efficiently expands Kroger's grocery delivery services and extends its reach to customers up to 200 miles from the hub. The facility is expected to become operational later this year and will employ up to 191 full-time associates.

"We are thrilled to welcome Kroger to the Oklahoma City market," said Mayor of Oklahoma City David Holt. "This is a true win-win that will provide more grocery options for our citizens and good jobs for our community. We look forward to working with Kroger to ensure their success in Oklahoma City."

Kroger Delivery Explained

The expansion in Oklahoma City 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](#). Kroger Chairman and CEO Rodney McMullen said Kroger Delivery "underpins the permanent shift in grocery consumer behavior and elevates our position as one of America's leading e-commerce companies." Through the delivery network, the company now serves customers in Florida, as an example, without traditional brick-and-mortar stores.

"We continue to be pleased with the rollout of our customer fulfillment centers in Groveland, FL and Monroe, OH, which are both exceeding internal expectations, and our most recent facility opening in Forest Park, GA," continued Arreaga. "We've experienced incredible Net Promoter Scores™, and our customers tell us they love our friendly, professionally trained drivers and their refrigerated delivery vans that bring the freshest food directly to their doorsteps. We're eager to continue expanding our fulfillment network and entering into both existing and new geographies through hub and spoke facilities."

The delivery network relies on highly automated fulfillment centers. At the hub sites, more than 1,000 bots whizz around giant 3D grids, orchestrated by proprietary air-traffic control systems in the unlicensed spectrum. The grid, known as *The Hive*, contains totes with products and ready-to-deliver customer orders.

As customers' orders near their delivery times, the bots retrieve products from *The Hive* and are presented at pick stations for items to be sorted for delivery, a process governed by algorithms that ensures items are intelligently packed. For example, fragile items are placed on top, bags are evenly weighted, and each order is optimized to fit into the lowest number of bags, reducing plastic use.

After being packed, groceries are loaded into a temperature-controlled delivery van, which can store up to 20 orders. Powerful machine learning algorithms optimize delivery routes, considering factors such as road conditions and optimal fuel efficiency. Vans may travel up to 90 miles with orders from the hub and spoke facilities respectively to make deliveries. Associates at the spoke facility will deliver orders within their service area, adding ZIP codes as demand grows.

Kroger unveiled its Monroe, Ohio customer fulfillment center in April 2021, its first, followed by centers in Groveland, FL and Forest Park, GA (Atlanta). The Dallas fulfillment center is slated to open this spring with additional customer fulfillment centers slated for California, Frederick, MD, Phoenix, AZ, Pleasant Prairie, WI, Romulus, MI (Detroit), as well as South Florida and the Northeast and West.

Media Assets

To download Kroger Delivery photography and video, visit [here](#).

About Kroger

At The [Kroger Co.](#) (NYSE: KR), we are Fresh for Everyone™ and dedicated to our Purpose: To Feed the Human Spirit®. We are, across our family of companies, nearly half a million associates who serve over 11 million customers daily through a seamless shopping experience under a variety of [banner names](#). We are committed to creating #ZeroHungerZeroWaste communities by 2025. To learn more about us, visit our [newsroom](#) and investor relations [site](#).

About Ocado Group

Ocado Group is a UK based technology company admitted to trading on the London Stock Exchange (LSE: OCDO). It provides end-to-end online grocery fulfilment solutions to some of the world's largest grocery retailers and holds a 50% share of Ocado Retail Ltd in the UK in a Joint Venture with Marks & Spencer. Ocado has spent two decades innovating for grocery online, investing in a wide technology estate that includes robotics, AI & machine learning, simulation, forecasting, and edge intelligence.



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