

# Kroger Fulfillment Network Expands in Indianapolis Area

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### Grocery delivery service powered by high-tech center begins fulfilling customer orders this holiday season in Central Indiana

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INDIANAPOLIS, Dec. 16, 2021 /PRNewswire/ -- The Kroger Co. (NYSE: KR), America's largest grocery retailer, today announced an expansion of its [Kroger fulfillment network](#). The addition of a delivery "spoke" brings innovation and modern e-commerce to the Indianapolis area, extending the grocer's reach and ability to provide its customers anything, anytime, anywhere.



"We're proud to welcome the Kroger fulfillment network to Indiana," said Colleen Juergensen, president of Kroger's Central Division. "The new service is a wonderful addition to the expanding digital experience available to Kroger customers. The network's delivery spoke will provide unmatched customer service and improve access to fresh food in areas eager for the variety and value offered by Kroger."

Located at 9222 E. 33<sup>rd</sup> Street in Indianapolis, the 48,000-square-foot facility will collaborate with the ["hub" in Monroe, Ohio](#) to connect customers with fresh food.

## **Customer Experience and Coverage Areas**

At launch, Hoosiers in 35 Central Indiana ZIP codes, mostly in the Indianapolis area, can experience Kroger Delivery. Richmond, which is near the "hub" in Ohio, is also part of the coverage area. After placing an order via [Kroger.com](https://www.kroger.com) or the Kroger app, customers in participating areas will have their groceries delivered by a knowledgeable Kroger Delivery associate in a temperature-controlled van. The Kroger Delivery associate will deliver industry-leading customer service, including ensuring order freshness and satisfaction, managing order changes, and informing customers of their loyalty membership benefits like earned fuel points and digital coupon savings. The delivery network will also continue to leverage stores and third-party partners to deliver certain orders.

As part of Kroger's commitment to provide a differentiated and affordable grocery delivery experience for customers, Kroger Delivery will offer variable delivery fees that do not require customers to provide a tip and are influenced by several factors like a customer's loyalty, delivery window popularity, route optimization and the lead time of an order.

"This fulfillment center is another example of how Kroger is transforming e-commerce in the grocery industry using a vertically integrated network to provide a reliable and consistent delivery service that repeatedly receives favorable customer feedback like a best-in-class Net Promoter Score. Our expansion in Indiana represents our commitment to delivering fresh, affordable food in both existing and new geographies," said Bill Bennett, Kroger vice president and head of e-commerce. "As our e-commerce business accelerates, we're excited to continue expanding our reach and loyalty by delivering our customers an exceptional service for as little as \$6.95 powered by high-tech facilities."

The opening of the Indianapolis fulfillment center follows another e-commerce achievement for the grocer in the area, the recent launch of the [Boost by Kroger Plus](#) annual membership program. For either \$59 or \$99 per year, Boost provides customers access to benefits like free delivery and the opportunity to earn up to \$1 off per gallon of fuel twice as often.

## **Kroger Delivery Career Opportunities**

The Indianapolis fulfillment center will create up to 150 jobs and is currently hiring associates for various roles, including delivery drivers, with a starting wage of \$19 plus benefits like healthcare and retirement.

State and local agencies welcome the new enterprise and the jobs it will create. "We're excited by Kroger's commitment to continue investment in our community," said Mayor Joe Hogsett. "This expansion not only promises more jobs for the Indianapolis economy, but also brings the benefits of cutting-edge technology to the local residents who use these inclusive delivery services."

"Indiana's pro-business ecosystem is an easy sell for companies like Kroger," said Brock Herr, senior vice president of business development for the Indiana Economic Development Corporation. "We're delighted to see Kroger continuing to grow with Indiana, working toward delivering innovative, technology-driven solutions to meet ever-evolving customer needs and producing even more opportunities for Hoosiers."

The IEDC has committed to invest in Kroger (dba Kroger Fulfillment Network LLC) in the form of performance-based tax credits based on the company's job creation and investment plans.

"We're excited to be part of the announcement of Kroger's new delivery facility," said Portia Bailey-Bernard, Vice President, Indianapolis Economic Development, Develop Indy. "This accelerates us toward our goal of a more equitable, accessible, nutritious, healthier food system for Indianapolis."

Providing greater accessibility to fresh food without relying on personal transportation creates neighborhood equity in Indy through fresh, grocery delivery."

### **Kroger Delivery Explained**

The expansion in Indianapolis represents an extension of a partnership between Kroger and Ocado (LSE: OCDO), 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.

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" sites to make deliveries. Associates at the "spoke" will deliver orders within their service area, adding ZIP codes as demand grows.

Kroger unveiled the Monroe fulfillment center earlier this year in April, its first, followed by another in Groveland, FL. The fulfillment network plans additional sites in California, Dallas, TX, Forest Park, GA (Atlanta), Frederick, MD, Phoenix, AZ, Pleasant Prairie, WI, Romulus, MI (Detroit), as well as South Florida and the Northeast.

### **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](#).



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