

Kroger Fulfillment Network Expands to Louisville, Kentucky

Kroger Fulfillment Network Expands to Louisville, Kentucky

PR Newswire

LOUISVILLE, Ky., Jan. 27, 2022

LOUISVILLE, Ky., Jan. 27, 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 Louisville, Kentucky powered by the Ocado Group (LSE: OCDO) and combining vertical integration, machine learning, and robotics to provide an affordable, friendly, and fast fresh food delivery service as part of the company's seamless ecosystem.



"We're proud to expand the Kroger fulfillment network to Louisville," said Gabriel Arreaga, Kroger's senior vice president and chief supply chain officer. "The new service is an innovative addition to the expanding digital shopping experience available to Kroger customers. The network's delivery spoke facility will provide unmatched customer service and improve access to fresh food in areas eager for the variety and value offered by Kroger direct to their homes."

"I want to thank leaders at Kroger not only for this announcement, but also for their continued commitment to the commonwealth over many years," Kentucky Gov. Andy Beshear said. "Kroger has long been a vital part of Kentucky's growing economy, and this new location helps ensure that will continue to be the case for years to come. I'm grateful for the company's expanding presence in our state."

The 50,000-square-foot spoke facility located on Robards Lane in Louisville will collaborate with the [hub in Monroe, Ohio](#) and serve as a cross-dock to connect customers with fresh food. The facility is expected to become operational later this year and will employ up to 161 full-time associates.

Louisville Mayor, Greg Fischer, said of this new investment, "Today's announcement is the latest way that Kroger is showing its commitment to the Louisville market. Kroger has long been a valued partner in our community, providing jobs, reinvesting in our city through continued growth, and giving back through its charity. Thank you to the Kroger team!"

Kroger Delivery Explained

The expansion in Louisville 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.

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

Kroger unveiled the Monroe customer fulfillment center in April of 2021, its first, followed by another in Groveland, FL and Forest Park, GA (Atlanta). The fulfillment network plans additional customer fulfillment centers in California, Dallas, TX, 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](#).

About Ocado Group

Ocado Group is a UK based technology company admitted to trading on the London Stock Exchange (Ticker 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.

 View original content to download multimedia:<https://www.prnewswire.com/news-releases/kroger-fulfillment-network-expands-to-louisville-kentucky-301470035.html>

SOURCE The Kroger Co.