

Kroger Fulfillment Network Expands to Central Ohio

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Grocery delivery service powered by high-tech center begins fulfilling customer orders in Central Ohio

CINCINNATI, May 25, 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 Central Ohio powered by the Ocado Group (LSE: OCDO). The addition of a delivery "spoke" brings innovation and modern e-commerce to the Central Ohio area, including Columbus, and will extend the grocer's reach and ability to provide fresh and friendly services to its customers.



"We're proud to expand the Kroger fulfillment network in our home state," 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. Our delivery business continues to accelerate with the growth of fulfillment and spoke facilities. This expansion will further our commitment to create career opportunities and serve shoppers fresh food fast through interconnected, automated, and last-mile solutions across America."

The 61,000-square-foot facility located on Shook Rd in Lockbourne will collaborate with the fulfillment [hub in Monroe, Ohio](#) and serve as a last-mile cross-dock location that efficiently extends the fulfillment network reach to customers up to 200 miles away from the hub. At full capacity, customers in more than 250 Central Ohio ZIP codes can experience Kroger Delivery. The facility will employ up to 200 associates.

"When our customers think of food, they think of Kroger, continued Arreaga. "The addition of a spoke facility in the Columbus division is one more state-of-the-art example of how Kroger is fulfilling its commitment to providing our customers anything, anywhere, anytime."

The opening of the Columbus area 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 2 Fuel Points for every \$1 spent on groceries and general merchandise purchases through Delivery, Pickup and In-Store at your local Kroger.

"We are proud that the nation's largest grocery retailer is headquartered in Ohio, where Kroger continues to evolve its national growth strategy," said J.P. Nauseef, Jobs Ohio president and CEO. "This new, cutting-edge spoke facility in the Columbus region will connect more people to fresh food, create hundreds of jobs, and bolster efficiencies for Kroger customers in Ohio."

Kroger Delivery Explained

The expansion in Central Ohio 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 refrigerated 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 currently operates customer fulfillment centers in Monroe, OH, Groveland, FL, Forest Park, GA (Atlanta) and Dallas, TX with additional customer fulfillment centers slated for California, Frederick, MD, Phoenix, AZ, Pleasant Prairie, WI, Romulus, MI (Detroit), Cleveland, OH, Charlotte, NC 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.

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