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HAPPY HOLIDAYS

From all of us here at Empire Marketing Strategies, we wish you and your loved ones a very happy holiday season and an excellent 2026!

Kroger expects to reach e-commerce profitability in 2026

Grocer saw digital sales rise 17% during the third quarter, but overall sales were up less than 1%

Grocery Dive

Sam Silverstein

Dec 4th, 2025

- Kroger expects its online business to turn a profit next year as it logs improvements related to its closure of automated fulfillment centers and ramped-up partnerships with third-party e-commerce providers, the retailer said Thursday.
- The supermarket chain saw [digital sales rise 17%](#) during its third quarter. Identical sales were up 2.6% compared with the [same period last year](#), but the company saw overall sales increase by less than 1%, to \$33.9 billion.
- Kroger is making “good progress” toward selecting a new CEO and expects to appoint someone to the role during the first quarter of 2026, interim CEO Ron Sargent said during an earnings call on Thursday.

Kroger’s projection that its e-commerce sales will reach profitability next year reflects the company’s calculation that it will net \$400 million in savings related in part to its decision to [close three robotic fulfillment facilities](#) early next year, CFO David Kennerley said during the earnings call.

The grocer also believes its stepped-up focus on store-based fulfillment — including its partnerships with [Instacart](#), [DoorDash](#) and [Uber](#) — will contribute to its ability to make money through its digital operations, Kennerley said.

While those deals will contribute only incrementally to Kroger’s online sales and ability to attract new digital customers, the arrangements will bolster the company’s retail media business, which will help Kroger generate a profit online, said Kennerley. “You’ve got the media business that we expect to continue to grow, and importantly, the media sharing opportunities that we have with our new partners, and when you put all that together that allows us to expect we will make money in e-commerce next year,” Kennerley said.

Sargent said Kroger plans to begin constructing 14 new stores during the fourth quarter and expects to “accelerate capital investment” in fleet expansion going forward to improve its competitiveness. He added that the company’s investments in the automated fulfillment network held back its ability to devote money to new stores. “[O]ne of our biggest challenges over the last few years is we haven’t allocated enough capital to growing stores, because we have allocated a lot of capital in other areas, like fulfillment centers,” Sargent said.

Kroger’s optimistic outlook for its digital sales comes as the supermarket operator deals with pressure stemming from the federal government shutdown, the pause in SNAP benefit distribution and skittishness among shoppers, Sargent said. Those headwinds put pressure on the company’s financial results toward the end of Q3, which ended Nov. 8, he said, adding that Kroger stepped up promotions during the quarter in response to the challenges consumers faced.

“We invested in what we believed was an appropriate way and also a very responsible way, with our margins, to bring the cost of a Thanksgiving dinner down, as well as lower prices through promotions on a number of critical items for households,” Kennerley said.

[Read more...](#)

8 surprises from Kroger's third-quarter earnings

Middle-income shoppers struggle, DoorDash gives a boost, new-store pace picks up & more
Supermarket News
Heather Lalley

Dec 8th, 2025

[Kroger last week reported sluggish third-quarter earnings](#), taking an operating loss of \$1.3 billion, while working to cut costs as it lowers prices for inflation-weary shoppers. The Cincinnati-based grocery giant attributed much of that loss to the [closure of three ecommerce facilities](#), which significantly increased its expenses.

Key takeaways from Kroger's third-quarter call with analysts:

Middle-income shoppers are starting to look more like lower-income shoppers:

Higher-income shoppers continued to keep a strong pace with Kroger, but middle-income consumers are feeling the heat, Interim CEO Ronald Sargent told analysts, according to a transcript on financial services site AlphaSense. "They're making smaller, more frequent trips to manage budgets and they are cutting back on discretionary purchases," Sargent noted.

The SNAP shutdown hit Kroger hard: Uncertainty around funding of the Supplemental Nutrition Assistance Program (SNAP) added incremental pressure to Q3 same-store sales, especially during the final weeks of the quarter, Sargent said. Lower-income households continued to pull back, reducing their shopping tips and basket sizes. This prompted Kroger to boost its promotional activity during the quarter, which helped consumers put further pressure on the grocer's bottom line.

Third-party delivery is a bright spot: Kroger recently expanded its relationships with delivery platforms Instacart, DoorDash and Uber Eats, with the expectation that its ecommerce segment will become profitable in 2026. Ecommerce sales increased 17% during the third quarter, led by delivery. In the first month of the DoorDash partnership, Kroger fulfilled 1 million orders and saw increased business from new customers.

Kroger is making a major ecommerce strategy shift: The grocer is moving away from its large, automated fulfillment centers and shifting its focus to store-based fulfillment, which it said does a better job of meeting consumer demand for speed and flexibility.

Corporate workers head back to office: Kroger's corporate employees are now expected to be back to the office five days a week.

New-store growth is ramping up: After years of limited expansion, Kroger now has a solid focus on new stores. The grocer said it plans to break ground on 14 new stores during its fourth quarter and that it expects to increase new store builds by 30% in 2026. Harris Teeter will open its first store in Jacksonville, Fla. Plus, Kroger said it remains open to other methods of growth. "We also have opportunities to grow through acquisition," Sargent said. "We haven't ruled that out despite our last few years ..."

Private label continues to outpace national brands: Kroger's store brands continue to outpace national labels, with Simple Truth and Private Selection ranking as the strongest performers. The products are central to Kroger's strategy of driving sales, building loyalty and improving profitability, the grocer said.

Retail media becomes a major profit engine: Kroger reported another quarter of double-digit growth in retail media and said that business segment is accelerating into the fourth quarter. Partnerships with the third-party delivery platforms gives the grocer further avenues to grow its retail media channel, one that offers higher margins than its traditional grocery business.

Giving Back



So many of our Empire Divisions are involved with local charities, non-profits and helping our associates, we can't possibly feature them all! Above is a recent pic from the Houston Division.

And our Fred Meyer division secured free product and coupons to reward the entire Empire team with a Holiday Box



Thanks for all you do to make your corners of the world great!

Louisville Re-Grand Opening



Kroger Store #361
Lexington, KY
Re-Grand Opening 11/13/25



Kroger Store #361
Lexington, KY
Re-Grand Opening 11/13/25



Kroger Store #361
Lexington, KY
Re-Grand Opening 11/13/25

Store and Leadership Updates

011 Atlanta
Store 640 North Augusta, GA
Re-Grand Opening 11/12

Store 463 Woodstock, GA
Re-Grand Opening 11/21

016 Columbus
Store 570 Powell, OH
Grand Opening 11/14

024 Louisville
Store 361 Lexington, KY
Re-Grand Opening 11/13

026 Nashville
Store 502 Nashville, TN
Grand Opening 11/12

035 Dallas
Store 541 Dallas, TX
Grand Opening 11/21

Leadership Announcements

Jenny Wickline Announced as Empire's future Division President for Cbus

Jenny Wickline was announced on December 1st as our future Division President for Columbus. She'll be working closely with Donna Hill during the transition ahead of Donna's retirement.

Jenny has dedicated her entire career to Kroger, with the past eight years focused on the Columbus market, building deep expertise and strong relationships throughout the region. Her experience spans multiple leadership roles, most recently as Division Deli Bakery Merchandiser, where she oversaw key categories and drove market share growth.

Jenny is recognized for her strategic thinking and customer focus. She's led teams to ambitious goals, developed operational processes that became company standards, and managed multimillion-dollar budgets. Her leadership style is collaborative and forward-thinking—she's passionate about developing talent, fostering partnerships, and creating an environment where people feel empowered to succeed.

Outside of work, Jenny enjoys spending time outdoors and cheering on her four children at their sporting events with her husband, Ryan. Fun fact, she 5 dogs - 3 Bostons, a mini Australian shepherd and Staffordshire Terrier.

Please join us in welcoming Jenny!



Kroger, Ocado said to proceed with Phoenix warehouse

Retailer to pay British automation partner \$350M as it shuts three facilities

Supermarket News
Mark Hamstra

Dec 8th, 2025

Kroger said on Friday that it will pay automated warehouse technology provider Ocado Group \$350 million in cash as the retailer closes some facilities and revamps its ecommerce strategy.

In addition, reports said Kroger [will cancel plans](#) for the development of an automated warehouse in Charlotte, N.C., but will proceed with the construction of a facility in partnership with Ocado in Phoenix. That location, which had originally been scheduled to open by early this year, is now slated for a 2026 opening, according to reports. It will be the first to include Ocado's new robotics technology developed specifically for freezer environments, the reports said.

Kroger last month announced that it had completed a review of its ecommerce operations and would shutter three automated facilities in Pleasant Prairie, Wis.; Frederick, Md; and Groveland, Fla., in January, and take an impairment charge totaling \$2.6 billion. On Friday Kroger filed an amendment to that impairment charge highlighting the \$350 million payment to Ocado.

Neither Kroger nor Ocado could be reached for further comment.

"We're evolving our hybrid fulfillment model by using automated fulfillment in geographies where customer demand supports it and also leveraging store-based fulfillment through our pickup business and relationships with well-established third-party delivery partners," said David John Kennerley, executive VP and chief financial officer for, Kroger, in the company's Q3 call with analysts last week.

Exclusivity of partnership in question

As previously reported, Hatfield, England-based Ocado could [end its exclusive partnership](#) with Kroger in the U.S. under certain conditions. The two companies in 2018 launched an exclusive partnership to open highly automated distribution facilities in the U.S., and at the time they identified 20 potential locations. They have since opened eight such facilities, including the three that are slated for closure.

The exclusive agreement between the two companies could be terminated if development moves too slowly, according to reports, which would allow Ocado to work with other retailers in the U.S.

Last year, Canadian supermarket retailer Sobeys said it had canceled the planned opening of an Ocado warehouse in Vancouver and ended its exclusive technology partnership with the company.

Automated freezer technology

Frozen-food warehouses such as the one Kroger and Ocado are building in Phoenix represent a significant opportunity for automation, according to some reports.

Ocado's automated freezer solution will [automatically load empty totes](#) into the freezer and place them in a waiting area for picking by its robots, the company explains on its website. The filled totes can then be kept frozen in a waiting area until delivery.

This will contribute to energy savings and minimize the need for workers to spend time in a challenging freezer environment, the company said.

Ocado Shed in Morrow, OH



Kroger Store #541
Dallas, TX
Grand Opening 11/21



HT Continues Expansion



Harris Teeter announces continued growth with new stores in key markets

Harris Teeter Expands Across the Southeast

Grocer grows presence in Florida, South Carolina and North Carolina communities with 5 new stores

*Progressive Grocer
Marian Zboraj*

Nov 11th, 2025

Wholly owned [Kroger](#) subsidiary [Harris Teeter](#) has revealed its plans to open several new store locations across its operating region, which include expansion into new markets for the company.

The new stores – slated to open over the next couple of years – will serve communities in Jacksonville, Fla.; Clemson, S.C.; Kannapolis, N.C.; Lake Wylie, S.C.; and Fort Mill, S.C.

"This expansion represents an exciting chapter for Harris Teeter as we extend our reach to serve more neighbors across the Southeast," said Danna Robinson, director of corporate affairs and customer relations for Harris Teeter. "We've seen incredible support from our customers, and this growth allows us to meet rising demand while continuing to deliver the exceptional experience our brand is known for."

Following are more details on each store location:

Jacksonville, Fla.

After years of serving the Fernandina Beach community, Harris Teeter will expand its presence to Jacksonville. In addition to the fresh, high-quality products and customer service that Harris Teeter is known for, shoppers will benefit from Harris Teeter Fuel Points. For every dollar spent in-store, customers earn points that can be redeemed for savings of up to \$1 off per gallon at the pump.

- **Location:** Atlantic Boulevard and Kernan Boulevard North
- **Retail jobs created:** Estimated between 100-200
- **Construction start date:** Spring 2026
- **Store size:** 61,000 square feet
- **Store amenities:** Full-service wine and beer bar; [Starbucks](#); Harris Teeter Pick Up shopping; new décor package; expanded produce and meat/seafood departments; full-service floral department; expanded deli and bakery department to include fresh pizza, Murray's Cheese island, Asian hot bar, convenient meal solutions, fresh cakes and bread program.

Clemson, S.C.

Harris Teeter has plans to develop its first store in Clemson, S.C., expanding its presence in the Upstate region.

- **Location:** 501 Old Greenville Highway
- **Retail jobs created:** Estimated between 100-200
- **Construction start date:** Spring 2026
- **Store size:** 53,000 square feet
- **Store amenities:** Starbucks; Harris Teeter Pick Up shopping; new décor package; expanded produce and meat/seafood departments; full-service floral department; expanded deli and bakery department to include fresh pizza, Murray's Cheese island, Asian hot bar, convenient meal solutions, fresh cakes and bread program.

Kannapolis, N.C.

While this new store will be the only current Harris Teeter in Kannapolis, it represents a homecoming for the company. In 1960, Harris Food Store and Teeter's Food Mart merged to form Harris Teeter, and the company's first store built under the new name was in Kannapolis. The new store is being built at the former Cannon Mills site as part of revitalization efforts in downtown Kannapolis.

- **Location:** North Main Steet and Loop Road
- **Retail jobs created:** Estimated between 100-200

[Read more...](#)