



KANTAR

Kroger

The Five Slides You Need

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REGION: USA

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Kroger SWOT analysis

Strengths

- Large multibanner footprint enabling regional price and assortment tailoring
- Our Brands portfolio driving margin resilience and signaling value across banners
- Ecommerce growth resuming after pivot to store-based fulfillment
- Loyalty scale supported by shared data backbone across banners
- Retail media and alternative profit streams expanding contribution margins
- Personalized pricing and promotions supported by 84.51° advanced analytics
- Broad third-party delivery partnerships extending banner reach beyond core trade areas

Opportunities

- Harmonizing loyalty offers and UX while preserving banner differentiation
- Accelerating Our Brands penetration in value and premium tiers
- Tying retail media more directly to loyalty-funded promotions
- Remodeling underperforming banners to lift trip quality
- Increasing digital order frequency with AI-driven basket building
- Expanding pharmacy and health services as trip anchors across banners
- Adding stores selectively in high-growth suburban markets

Weaknesses

- Inconsistent banner-level store conditions and execution
- Uneven value perception versus Walmart and Aldi in key regions
- Fragmented loyalty experience across banners despite shared infrastructure
- Modest core identical sales growth relative to mass competitors
- Complex operating model increasing costs and slowing decision-making
- Ecommerce reset requiring significant impairment and network rationalization
- Aftermath of failed merger with Albertsons adding legal, leadership, and strategic distraction

Threats

- Walmart's aggressive price investment pressuring regional banner share
- Rapid expansion of Aldi and value-focused regional discounters
- Shopper trip fragmentation reducing basket size across traditional banners
- Labor and wage inflation impacting store economics unevenly by market
- Regulatory environment constraining future large-scale consolidation options
- Volatile supplier costs putting pressure on fresh margins and pricing stability

Kroger shopper profile



Percent of US shoppers who shopped Kroger¹

30%

Top retailers cross-shopped outside of channel

Amazon.com	78%*
Walmart/WMSC	57%
Target	47%
Dollar Tree	42%
The Home Depot	38%

* Read as: 78% of Kroger shoppers also shop at Amazon.com.

Top retailers cross-shopped within channel

Walmart Neighborhood Market	37%*
Aldi	36%

* Read as: 37% of Kroger shoppers also shop at Walmart Neighborhood Market.

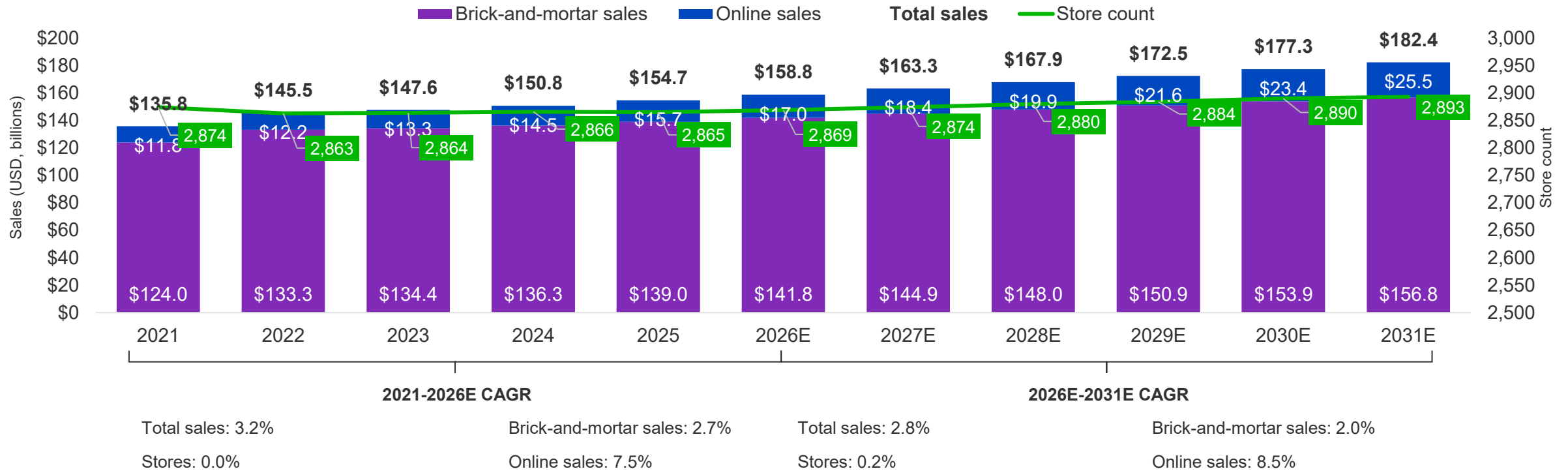
¹ Includes Dillons, Fry's, Harris Teeter, King Soopers, Kroger, Mariano's, Pick 'n Save, QFC, Ralphs, and Smith's

Shopper profile	All shoppers	Past four-week Kroger shoppers
Age		
18-34	29%	29%
35-44	17%	17%
45-54	16%	16%
55+	39%	38%
Household income		
<\$25K	12%	11%
\$25K-\$49.9K	20%	19%
\$50K-\$74.9K	15%	16%
\$75K-\$99.9K	13%	14%
\$100K+	39%	41%
Presence of children <19 in household		
Yes	38%	40%
No	62%	60%

Note: Bolding/highlighting indicate a significant difference between column percentages (95% confidence level).

Kroger financial performance and outlook

Kroger Sales and Stores



Note: Segments may not add to total due to rounding. Data is as of May 2026.

Kroger strategy

Elevated experience

- Kroger's Q1 2025 sales were led by fresh, with the retailer tying momentum to stronger store execution, sharper focus, and improved shopping experience. Second-quarter sales were again led by fresh, with Kroger also pointing to improving grocery volumes as execution started landing more consistently.
- Kroger introduced more than 900 new Our Brands items in 2024, including 370 fresh items, while produce growth outpaced company sales.
- Savings from store closures and the ecommerce reset are being reinvested into lower prices, better store conditions, and a stronger experience.

Our Brands momentum

- Kroger planned to release more than 1,100 new Our Brands items in 2025, adding trend-driven options that improve differentiation beyond price.
- The retailer launched Simple Truth Protein with 80 new items, combining a wellness positioning with affordability and faster line extension cadence.
- It also expanded Private Selection with premium convenient meals that target time-pressed shoppers and keep trading up accessible.
- Kroger intensified sourcing by renegotiating agreements and going direct so cost savings flow into lower prices and stronger Our Brands value.

Dialed-in personalization

- Efforts continue to unify 84.51° with media, insights, and loyalty marketing under Kroger Precision Marketing to understand how data informs activation and measurement.
- Kroger is refreshing rewards and the Kroger credit card to increase engagement and shopping frequency across stores and ecommerce.
- Kroger has agentic AI shopping plans in place to personalize discovery and build meaningful baskets while helping shoppers plan meals and stay on budget.
- Alternative profit businesses delivered \$1.5 billion in operating profit in 2025. The company expects double-digit media growth in 2026.

Optimizing ecommerce

- Kroger created a new ecommerce unit headed by Yael Cosset to accelerate online growth.
- The retailer expanded its Instacart, DoorDash, and Uber Eats partnerships for 30-minute delivery reach, while closing some automated facilities.
- In 2026, Kroger plans to shift more orders to store fulfillment and third-party providers, targeting about \$400 million in ecommerce profitability improvement.
- Kroger sold Vitacost and closed its Florida fulfillment center to simplify the portfolio and reduce sales headwinds from noncore assets.

What do Kroger's initiatives mean for suppliers?

Build plans that win the in-store trip, not just the weekly ad.

Kroger is funding more price investment and store labor as it accelerates remodels and new store growth. Prioritize availability, display-ready packaging, and labor-light merchandising that keeps fresh full through peak hours.

Treat remodels and new markets as relaunch moments.

Kroger completed 29 major projects in 2025 and plans a higher opening pace with new regions and format tests. Rebuild assortment, promo calendars, and local media to match the new flow and protect items from being reset out.

Defend against Our Brands with sharp differentiation, then rebuild your price-pack ladder.

Kroger is pushing more than 1,100 new Our Brands items and extending lines like Simple Truth and Private Selection. Tighten benefit claims, upgrade cues that matter at shelf, and reset pack sizes so value remains credible.

Assume tougher sourcing asks and faster item churn in key aisles.

Kroger is renegotiating supplier agreements and going direct while expanding Our Brands cadence. Prepare margin scenarios, offer supply flexibility, and pitch exclusive or limited-time items that earn space against new Our Brands launches.

Plan connected activation that links trip triggers to measurable outcomes.

Efforts are underway to unify 84.51°, media, insights, and loyalty marketing under Kroger Precision Marketing for cohesive integration and measurement. Build audience plans with clear KPIs, preapproved creative variants, and closed-loop tests that run on-site, off-site, and in store.

Design loyalty offers that work across rewards, credit, and baskets.

Kroger is updating rewards and revamping the credit card to drive frequency across stores and ecommerce. Create offer stacks that reward repeat missions, fund them with mix shift, and align item lists to the highest value segments.

Rework ecommerce content and fulfillment assumptions for store-based picking.

Kroger is shifting more orders to stores and third-party partners while closing some automated facilities. Fix item setup, pick friendliness, and substitution rules so top items survive store-pick realities.

Win Kroger convenience baskets before the channel scales.

Kroger expanded 30-minute delivery reach with Instacart, DoorDash, and Uber Eats and is leaning into faster delivery growth. Build small basket bundles, protect in-stocks at the closest stores, and fund search and placement tied to quick-trip terms.

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