



BrandSensitize™ – Brand Research Desk

Smart Stores, Smarter Supply: Kroger's AI Blueprint for Faster, Fresher, Fairer Food

Kroger is redefining retail by implementing AI systems within an operating structure designed to protect data and adhere to responsible protocols.

Kroger reported total revenue of **\$147.12 billion** for its fiscal year 2025 (ended February 1, 2025), reflecting a 1.94% decline from the prior year. The company employs approximately **409,000 people** globally as of early 2025, supporting its extensive grocery retail operations across the U.S.

Kroger anchors its entire business to the purpose **"Feed the Human Spirit™,"** the idea that providing fresh, affordable food can lift customers, associates, and communities alike.

That philosophy is expressed through:

- A customer-led **mission** "to be a leader in the distribution and merchandising of food, health and personal-care items ... and to earn long-term loyalty".
- A forward-looking **vision** "to serve America through food inspiration and uplift," tying everyday retail decisions to broader societal impact.
- Six guiding **values**—honesty, integrity, respect, diversity, safety, and inclusion—that shape how Kroger innovates, partners, and treats people inside and outside the company.
- The consumer promise **"Fresh for Everyone™"** reinforces that quality food should be universally accessible, not a privilege.
- A signature ESG commitment, **Zero Hunger | Zero Waste**, channels the brand's scale toward ending hunger and eliminating food waste in every community it serves.

Together, these elements make Kroger's brand philosophy a blend of food accessibility, ethical conduct, and community uplift, guiding both day-to-day operations and long-term strategy.

From providing personalized insights and dynamic valuation to implementing robot-assisted processes, the company improves operational efficiency and customer satisfaction. AI-driven visual solutions detect transaction anomalies in real-time, digital simulations enhance store layouts, and advanced labor platforms boost staffing accuracy. Through data-accurate targeting in commerce media, Kroger monetizes first-party data responsibly, demonstrating that next-generation automation and evidence-based strategies can enhance the shopping experience.



Kroger's customer experience strategy combines technology, consumer intelligence, and personalized service to address shopper requirements in real-time. Leveraging in-store traffic analytics, advanced insights, and multi-channel customer input systems, the retailer optimizes floor plans, aligns product portfolios with regional preferences, and harmonizes self-checkout with attended checkout stations.

Facility improvements, faster order fulfillment, and customized promotions boost engagement. Meanwhile, strategic investments in staff and mission-driven efforts focused on hunger relief and waste reduction build brand trust and encourage lasting customer loyalty.

Kroger is successful because it offers a variety of store types, features popular store brands, and combines online and in-store shopping to make things easy for customers. Its vertically integrated supply system ensures efficiency, while insight-driven personalization boosts customer engagement. Strategic cost optimization, disciplined market footprint management, and sustainability initiatives further enhance brand credibility and foster long-term loyalty.

Kroger differentiates itself through vertical integration, advanced insight-driven personalization, and a resilient loyalty program, allowing for precisely targeted campaigns and strong quality control. It combines a nationwide presence with a solid digital foundation and boosts its brand through mission-driven initiatives, blending operational efficiency with social responsibility to stand out in the retail industry.

However, Kroger faces intense competition, rising operating costs, and supply chain disruptions that limit profitability. Growing e-commerce increases fulfillment expenses, while shifting shopper expectations around sustainability and omnichannel shopping demand continuous innovation. Regulatory oversight, Technology capitalization and balancing efficiency optimization with brand pledges further challenge its ability to sustain expansion in a saturated retail landscape.

Kroger is balancing portfolio management and market growth by closing about 60 underperforming stores, opening roughly 30 new locations, and reallocating savings to enhance the customer experience.

BrandSensitize™'s research indicates that Thoughtworks is supporting Kroger across five business units on more than 30 initiatives. Thoughtworks is also helping Kroger build an omnichannel presence by backing programs like e-commerce, pick-up, delivery, and ship-to-home. Tangentia assists businesses in establishing their EDI connectivity with Kroger/Payton Group and ensures ongoing compliance with their EDI requirements.