

On the Leaderboard

Despite deflationary headwinds that broke its 13-year streak of same-store sales growth earlier this year, **The Kroger Co.** is still a powerhouse, growing its sales by some \$5 billion in the past year to maintain its status as the nation's largest traditional grocer and No. 2 on *PG's* Super 50. The Cincinnati-based retailer's accomplishments speak for themselves: 12 consecutive years of market share growth; record-high unit share of its corporate brands portfolio, including a \$1.7 billion year for its Simple Truth brand; mergers with specialty pharmacy leader ModernHealth and Murray's Cheese; and the creation of 12,000 jobs.

"Kroger has always focused on executing against our long-term strategy," says Chairman and CEO Rodney McMullen. "We are lowering costs to invest those savings in our people, our business and the technologies to position Kroger to deliver the value proposition customers are seeking today and in the future."

Kroger isn't letting up on its investments to ensure its relevance against disruptors that are chipping away at traditional grocers' market share. It's aggressively expanding its click-and-collect services, adding more than 420 ClickList and ExpressLane locations in 2016, bringing its total online ordering locations to more than 640.

Kroger is staying on top of trends like health and wellness and fresh prepared foods, which will continue to be a significant focus. Regarding the former, Kroger anticipates continued growth in its Simple Truth and Simple Truth Organic lines, making its products available throughout the country online, a channel in which it's successful in markets like New York City, where the retailer has no brick-and-mortar presence — but very well could, if speculation that Kroger will next acquire Whole Foods Market proves true.

(For more on the leaderboard, read this month's Editor's Note.)

— Jim Dudlicek



Adjusting Their Swing

As it continues to enhance its multiformat strategy with an eye on maximizing costs and streamlining its supply chain, **Giant Eagle**, standing at No. 14, has been taking a series of steps. Confronting the various challenges of heightened competition, deflation and shifting consumer preferences, the Pittsburgh-based company has made some difficult but necessary decisions to help it sharpen its focus on finding new and unique ways to motivate its base.

Highlights of its recent strategic adjustments include more aggressive everyday prices on popular produce items, the use of more targeted digital communications, its click-and-collect Curbside Express, and continued investments in remodeling its stores. Honored as *PG's* 2016 Retailer of the Year, Giant Eagle has also dipped its toe into the home delivery market with the launch of the first phase of its Curbside Express Home Delivery pilot in the South Hills section of its hometown.