



# **Augmented Reality to improve the customer's shopping experience**

**Kroger**  
**Siddique Consulting Group**

# Agenda

**01** Current Situation

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**02** Recommendations

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**03** Timeline

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**04** Risks & Mitigations

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**05** Conclusion

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# Kroger must leverage augmented reality to transform their in-store shopping experience

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Kroger is a major grocery chain that invests heavily in technology aimed at improving the customer experience.

Traditional and emerging competitors are reshaping grocery shopping by focusing on digital convenience and personalized experiences. These shifts risk pulling customers away from Kroger's stores and damaging its competitive advantage in delivering a premium in-store experience.

How can Kroger use AR technology to create a competitive advantage surrounding the customer experience?

# Leverage AR to display real-time nutrition and product details via mobile app

## How it Works

Customers scan a product (box, label, or barcode) in the app → AR overlay displays nutrition facts  
. The overlay appears in real time, directly on top of the product within the camera view.

- ✓ **Reduces friction:** no need to flip or pick up items to read panels
- ✓ Helps **health-conscious shoppers** compare items quickly and make better decisions
- ✓ Enhances **trust and transparency:** consumers increasingly expect easy access to ingredient and nutrition information
- ✓ Drives **differentiation:** customers may prefer stores with augmented access to data

AR is technically viable >> Minimal hardware needed >> Digital nutrition labels already exist

- Phase 1 (0–6 months): Pilot in select stores with a limited set of product categories
- Phase 2 (6–12 months): Expand to all categories, refine UI/UX based on user feedback
- Phase 3 (12–18 months): Market broadly, integrate with loyalty program and promotional campaigns

AR usage in retail leads to ~17% increase in purchase intent and strong preference for retailers offering AR experiences

61% of consumers said they prefer retailers that provide AR features



Forbes, Reydar



# Digitize deals and campaigns with AR to boost engagement and traffic by offering coupons, deals, and experiences

## How it Works

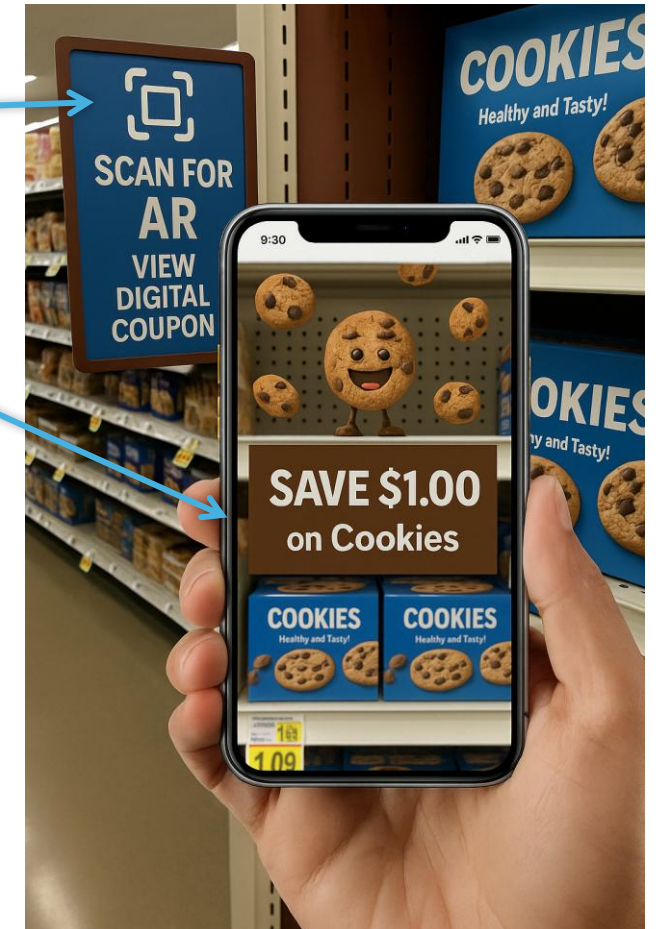
QR codes, AR markers, or floor decals placed next to products, on shelves, or on signs. Customers scan trigger and an interactive experience launches.

- ✓ Turns **deal hunting** into an engaging experience
- ✓ Rewards adult shoppers with **coupon convenience** and families with **playful interaction**
- ✓ **Increases emotional connection** to the brand through **unique, fun, and innovative experiences**

- Phase 1 (0–6 months): Pilot QR-based AR coupon experiences in a few stores
- Phase 2 (6–12 months): Expand to seasonal campaigns (holiday, back-to-school) and loyalty tie-in
- Phase 3 (12–24 months): Chain-wide rollout, integration with AR markers, brand-sponsored campaigns.

Start with low-cost QR codes and simple AR overlays

Integrate with coupon systems, Kroger's app, and eventually loyalty systems



“AR coupons and interactive features strengthen brand affinity and create memorable experiences.” *(EasterCapital)*

*Credence Research, EMarketer*

# Invest in AR navigation to make in-store shopping more streamlined and efficient

## How it Works

Shopper enters an item or shopping list in the Kroger app. AR overlays appear on the camera view, guiding customers to the correct aisle and shelf.

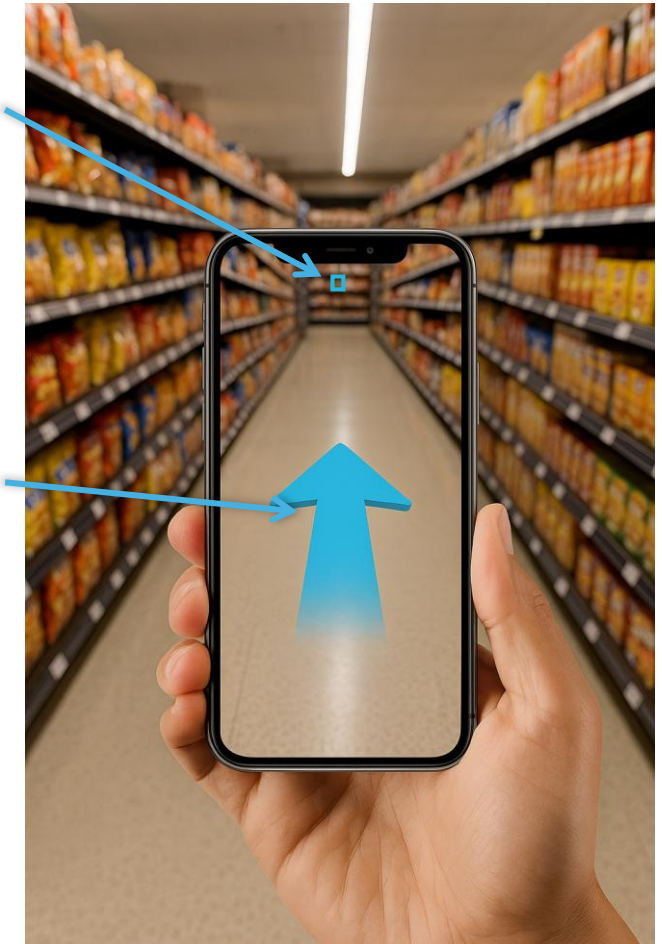
- ✓ **Reduces confusion:** useful in large stores or if products are relocated
- ✓ **Saves time for shoppers** who do not have time to wander Appeals to unfamiliar visitors, those with long lists, or those who want a structured experience
- ✓ **Enhances perception of Kroger** as a modern, oriented and innovative retailer
- ✓ Encourages deeper store exploration by **simplifying navigation**
- ✓ Will drive **incremental sales** by directing customers past **high-margin or promotional items**

- Phase 1 (6–12 months): Feasibility and pilot in a limited number of stores
- Phase 2 (12–24 months): Broaden pilot across varying store formats, refine UI, test reliability
- Phase 3 (24–36 months): Full rollout and integration with loyalty and promotional systems

“AR can make the shopping experience more immersive and efficient ... and could help save brick-and-mortar stores.”

Leverage Kroger's existing product location and shelf mapping data

AR arrows and visual markers are used to guide customers in stores

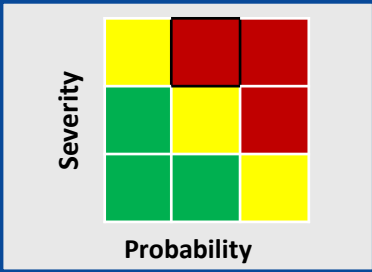
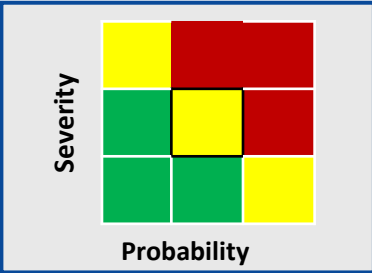
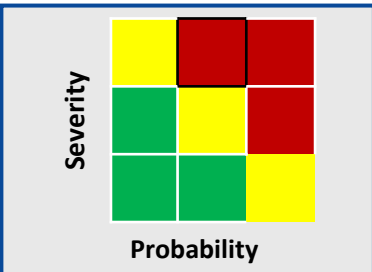


*BizTech, IoT for All, RetailNext, Reydar*

# A roadmap that balances AR testing, roll-out, and speed

3-year project scope, shown by quarter		Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
AR Product Info	Development												
	Piloting												
	Rollout												
AR for interactive deals and campaigns	Development												
	Piloting												
	Rollout												
AR-guided navigation	Development												
	Piloting												
	Rollout												

# Planning risk management early ensures that risks can be avoided

Risk	Degree	Mitigation
Customer adoption is lower than expected		<ul style="list-style-type: none"><li>• Launch pilots with clear UX and marketing (e.g., in-store signage, staff promotion)</li><li>• Offer immediate, tangible value (e.g., \$1 off, clear nutrition info)</li><li>• Collect early feedback to refine UI/UX</li></ul>
Technology does not meet expectations		<ul style="list-style-type: none"><li>• Start with simple, low-cost pilots (QR codes before full AR mapping)</li><li>• Leverage existing databases and tech partners to minimize internal build burden</li><li>• Phase rollout to fix bugs before full launch</li></ul>
Competitors replication AR technology quickly		<ul style="list-style-type: none"><li>• Move fast with pilots and scale before rivals</li><li>• Differentiate wit specific angles: health-focused positioning, loyalty program integration</li><li>• Form exclusive brand partnerships around AR campaigns</li></ul>



With a structured and meticulously planned AR rollout time, Kroger can deliver a superior in-store experience

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- ✓ **AR Product Insights** – empower customers with instant, transparent nutrition and product information to optimize their shopping experience
- ✓ **Interactive AR Deals & Campaigns** – create innovative promotions to drive traffic, engagement, and brand partnerships
- ✓ **AR Guided Navigation** – create frictionless and time-saving shopping journeys to lock in loyalty and keep customers coming back

**These initiatives position Kroger as the most innovative and customer-centric grocery chain, driving higher foot traffic, larger baskets, and ultimately financial performance**

**Start small with pilots, measure impact, and scale quickly to seize first-mover advantage before competitors close the gap.**

# Appendices

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[AI Disclosure](#)

[Alternative Solutions](#)

[In-Depth Timeline](#)

[Elaborated Risks & Mitigations](#)

# AI-usage disclosure

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## **How it was used**

AI was used to research, draft, and create visual mockups for this proposal. It sped up analysis and design but did not replace idea creation or development.

- AI served as a search engine to find sources
- AI helped organize ideas into a structured consulting slide deck
- AI served as a spell & grammar checker, and helped refine text on the slides

## **What I did:**

- Independently developed the challenge, solution, and recommendations
- Validated research and ensured data was reasonable and relevant
- Designed slide deck, the presentation structure, and speaking part of the presentation

## Alternative AR solutions

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### **AR Recipe Integration**

- Allows customers scan products to instantly see recipe ideas.
- This could grow basket size by prompting complementary purchases.
- Not chosen because it overlaps with meal-kit competitors and requires heavy recipe management.

### **AR Shelf Stock Transparency**

- Enables shoppers to scan shelves and see stock levels or restock timing.
- This would reduce frustration from out-of-stock items.
- Not chosen because inventory accuracy is unreliable and the value is greater for employees than customers.

### **AR Personalized Loyalty Offers**

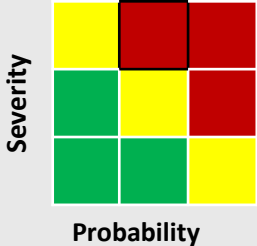

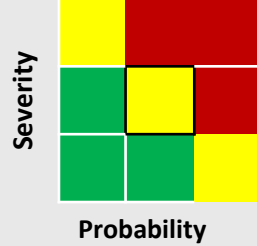
- Shows tailored discounts when customers scan items through the app.
- This could boost loyalty engagement and targeted upsell.
- Not chosen due to privacy concerns and lack of clear differentiation from competitors.

## Detailed timeline

[illegible]



## Elaborated risks & mitigations

Risk	Degree	Mitigation
Customer Privacy Concerns		<ul style="list-style-type: none"><li>• Keep AR features opt-in and transparent</li><li>• Focus messaging on “helping customers” (health, convenience), not “tracking customers.”</li><li>• Provide clear privacy assurances and avoid over-personalization in early stages.</li></ul>
Overwhelming in-store experience		<ul style="list-style-type: none"><li>• Curate AR touchpoints carefully — prioritize high-value areas like seasonal displays, new products, or health categories</li><li>• Rotate campaigns instead of running everything simultaneously</li><li>• Test store layouts for usability before scaling.</li></ul>
Brands/partners do not align		<ul style="list-style-type: none"><li>• Start with Kroger’s private label brands to ensure baseline content</li><li>• Build sponsorship packages with clear ROI metrics for CPG partners (scan rate, redemption, sales lift)</li><li>• Demonstrate early wins in pilots to attract more brand buy-in.</li></ul>