

MONTHLY E-COMMERCE NEWS BRIEF

NOVEMBER 2020



Ahold Delhaize to Acquire FreshDirect in Q1 2021

Ahold Delhaize announced a plan to acquire FreshDirect, a direct-to-consumer online platform, that is one of the original leaders in the U.S. online grocery space. Sixty percent of the FreshDirect sales represent fresh food. FreshDirect also offers unique meal solutions that prioritize direct relationships with local farmers. FreshDirect's e-commerce platform generated \$600 million in sales in 2019. The move by Ahold Delhaize aligns with recent initiatives to solidify its position as a leading omnichannel retailer with additional online capacity, supply chain and technological capabilities. (Sources: [Supermarket News](#) and [Progressive Grocer](#))

HOW WE CAN HELP

1. Activate the Quickstart Program, which provides insights into ways of working at Ahold Delhaize and phase-based implementation to kickstart a brand's e-commerce business.
2. For brands already engaging with Ahold Delhaize, leverage Advantage Digital Commerce e-grocery services that support manufacturers by uncovering ways of improving online strategies, likely incorporating FreshDirect integration in the second half of 2021.
3. Ensure brands already in distribution are supported with a strategic advertising plan. If support is needed, reach out to Beekeeper Marketing's Retail Media Network Team to manage search activations via the Quotient platform.



Kroger Expands E-Commerce With Third-Party Marketplace

Kroger continues to evolve their strategic investments in e-commerce and is responding to the increased demand for online grocery during COVID-19. At the end of September, the retailer announced an extended ship-to-home assortment through a marketplace offering of third-party sellers, which is now imbedded in their Kroger Ship platform. The third-party marketplace provides sellers the opportunity to expand product assortments and ship directly to the customer in select categories (general merchandise, breakfast, snack and coffee with more coming soon). The extension of Kroger Ship does not replace any of the current fulfillment types or change how vendors do business with Kroger. (Source: [Kroger](#))

HOW WE CAN HELP

1. Reach out to the Advantage Digital Commerce Strategy and Consulting team's Kroger expert to discuss the marketplace by further exploring and identifying if an opportunity exists outside of current offerings.
2. Grocery brands interested in expanding their assortment (i.e. new product launches, larger pack sizes) should work with the Advantage Digital Commerce team to help understand the key differences between Kroger Ship and third-party offers



Target Partners With Ulta on a New In-Store Concept

The "Ulta Beauty at Target" store-within-a-store rollout is scheduled to debut at more than 100 Target locations and online at the start of 2021. The planned collaboration looks to be a compliment to Ulta's current store footprint and further evolves Target's omnichannel strategy and unique assortment offerings. The concept will integrate digital interaction with discovery tools through virtual try-on across multiple beauty categories, as well as offering free shipping and same-day fulfillment services at participating locations. The partnership elevates Target's current beauty expertise and brings digital innovation to the channel. This will strengthen Target's deep customer loyalty with existing shoppers while welcoming Ulta Beauty loyalty members to store. (Sources: [Drug Store News](#) and Target)

HOW WE CAN HELP

1. Because of the increased importance of the HBC department at Target, work with Advantage Digital Commerce and JLB, an Advantage Sales agency for brands sold in Target store, to ensure strategic omnichannel positioning with both shopper marketing and e-commerce initiatives best suited for Target's guests.
2. For products via Ulta that are new to Target, work with Advantage Digital Commerce team to ensure the digital shelf is up to date through Target's Partners Online system and then reflected properly on Target.com, as well as Shipt and Instacart.
3. Manufacturers should be prepared to explore innovative product offerings to match the shifting marketplace and consumer base. As with this partnership between Target and Ulta, expect similar collaborations between retailers in the future that could expand the target market.



Inside the new Ulta Beauty experience at Target.
Courtesy of Target.com