

The Kroger-Albertsons merger is on its deathbed

Article

The news: The FTC won a temporary injunction to block the **Kroger-Albertsons** merger, its second [major antitrust win](#) in less than three months.

- US District Judge **Adrienne Nelson** agreed with the FTC's argument that the deal would reduce grocery competition and lead to higher prices for consumers.
- **The decision could mark the end of the proposed merger;** attorneys for both companies said the acquisition would likely be called off if the judge ruled against the deal.

How we got here: The [merger was unlikely from the start](#), given the considerable geographical overlap between the two grocers, intense scrutiny over grocery prices, and pushback from unionized workers concerned about losing bargaining power.

While Kroger and Albertsons made overtures to regulators—including by promising [\\$1 billion in price cuts](#) and [increasing the number of stores](#) they were willing to divest upon deal approval—those efforts were ultimately not persuasive.

What happens next: Kroger is confident about its ability to carry on without Albertsons—but Albertsons is in a much more difficult position.

- Kroger doesn't need the Albertsons merger—or any other merger—to be successful, CEO **Rodney McMullen** said on the company's Q3 earnings call.
- But Albertsons needed Kroger. The grocer is losing ground to rivals due to its inability to stay competitive on pricing and lack of scale compared with companies like **Walmart** and **Amazon**. Without the merger, Albertsons may be forced to close stores and exit markets, company counsel **Enu Mainigi** said during the federal hearing.

This article is part of EMARKETER's client-only subscription Briefings—daily newsletters authored by industry analysts who are experts in marketing, advertising, media, and tech trends. To help you finish 2024 strong, and start 2025 off on the right foot, articles like this one—delivering the latest news and insights—are completely free through January 31, 2025. If you want to learn how to get insights like these delivered to your inbox every day, and get access to our data-driven forecasts, reports, and industry benchmarks, [schedule a demo with our sales team](#).