

E-commerce | Food

Second online grocery site to launch in Metro Detroit

More Web services expected in 'top market'



Charles V. Tines / The Detroit News

Francie Black, president of GroceryStreet.com, talks with Thom Welch, manager of Hollywood Market in Birmingham. GroceryStreet will hold a trial run of online shopping service with 500 consumers on Tuesday.

By Charles E. Ramirez / The Detroit News

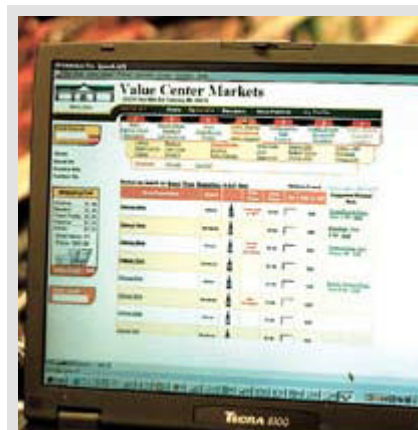
DEARBORN -- Check this out: Metro Detroit is a ripe market for online grocery services.

The Web site Priceline.com rolled out a WebHouse Club program in Metro Detroit earlier this year that lets customers bid online for discounted pantry items from Farmer Jack, Kroger and Meijer stores.

And now GroceryStreet.com., an Internet start-up based in Birmingham, plans to launch a service that will select and bag groceries for pickup by customers who order over the Internet. Several Metro Detroit stores will participate.

Time-starved and budget-conscious shoppers like Sharon Higgins welcome the options.

"I use the Priceline WebHouse Club every week when I shop," said the



38-year-old part-time sports official and mother of two from Dearborn. "For working parents, (grocery shopping online) is a great way to save money and time."

Other online grocery services are following. For example, Foster City, Calif.-based Webvan.com plans to offer its online grocery shopping and delivery service in Metro Detroit as soon as 2001. Webvan launched service in Chicago earlier this month.

"The (Metro Detroit) area is among the top markets we want to be in," said Bud Grebey, a spokesman for the Webvan Group Inc., the dot-com's parent company. "It's possible in the near future that we provide service in Metro Detroit from our facilities in Chicago. But we haven't announced anything definite."

GroceryStreet.com., like Priceline and Webvan, lets consumers shop online to stock their larders. But, the dot-com's retailing partners will gather the groceries from their shelves and have them ready for shoppers to pick up. Its Web site also lets users shop for foods by meal planners, nutritional requirements, recipes and retailers' special promotions.

GroceryStreet will hold a trial run with 500 consumers on Tuesday. The company -- which expects to roll the service out to the general public two weeks later -- will offer its service through the four Hollywood Supermarkets, the Value Center Markets in Livonia and Warren as well as Shopper's Market in Centerline and Vegas Market in Warren.

"There's a real need for GroceryStreet.com," said Francie Black, GroceryStreet.com's founder and president. "And it's not just about convenience -- it's also about adding value for online shoppers."

Black got the idea for creating the electronic grocer from her own personal experience -- she hates grocery shopping and, as a working mother, is always pressed for time.

Black is no e-commerce novice. Before GroceryStreet, she worked for e-Chemicals, the Ann Arbor-based electronic marketplace for the chemical industry.

Priceline.com's WebHouse Club isn't worried about Black or Webvan.

"We think there is room for everybody in the market," said Caroline Mendoza, a WebHouse Club spokeswoman. "But what separates the WebHouse Club from everybody else is we bring consumers real savings."

Analysts say online grocery services will capture a small fraction of the market. Jupiter Communications Inc., the New York Internet commerce research firm, estimates that less than 2 percent of groceries -- about \$6.6 billion -- will be sold online by 2002.

PricewaterhouseCoopers LLP, the Columbus, Ohio-based consultant, projects the overall demand for groceries will rise only 2.4 percent annually for the next five years.

"The margins are slim and it's just not something that lends itself to the

Groceries online

► **Priceline WebHouse Club** at www.priceline.com. The site lets consumers name their price for grocery items at Farmer Jack, Kroger and Meijer supermarkets.

► **GroceryStreet.com** at www.grocerystreet.com. Although the service won't be offered to the general public for another month, consumers can still get information about the new service and see how the service works.

Source: The Detroit News

Internet," said Geoff Wissman, a consultant for PricewaterhouseCoopers. "Compared to other merchandise categories on the World Wide Web, grocery retailers are much slower to get a presence online."

For consumers like Higgins, though, online grocery services are a blessing.

"GroceryStreet.com sounds like it will be a great thing," she said. "If it was at a store close enough to my house, I'd use it."

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