Frieda's shop where visitors can purchase a variety of items such as gift baskets. "We took a break from selling online for a couple of years," explains Karen Caplan, president and CEO. "We were doing a significant amount of business, but the logistics were difficult. Our new site is much more consumer oriented."

Caplan says online shops like Frieda's are winning fans because of the growing number of people buying from home. Consumers searching for gifts can visit Frieda's for a variety of gift baskets made with fruit and other food items. "So many people are concerned with healthful eating now. We're offering consumers something beyond cookies and chocolate. Plus, we can customize baskets to suit every consumer's budget."

As in traditional stores, online shops are seeing growing demand for organics and fresh-cut produce, notes Stallone of Peapod. The same is true for local produce. FreshDirect found locally grown and made products were so important to its consumers that it dedicated an entire section to local foods, as well as one to organic and another to kosher.

The average online shopper has a higher level of education than those who never shop online. According to FreshDirect's Druckman, most are between the ages of 25 and 54 and, just as in traditional stores, three quarters of them are women.

Eventually, online grocery shoppers could include just about everyone. "Look at [Cheshunt, Hertfordshire, England-based] Tesco in the United Kingdom. It has a huge set of retail stores, but it has a massive online section as well," says Druckman. "I can imagine online orders getting to be up to a quarter of shopping eventually."

For now, "Busy families are our biggest customers," says Stallone, who notes items marketed to children sell especially well online. "Those are really, really big for us."

"Families are really the sweet spot,"

"Families are really the sweet spot," agrees Druckman. "Families who have more mouths to feed, who are time-starved — they are the core group that we go after."





Web retailers offer produce that meets the demands of picky consumers.

Acme's Pieciuk sees potential with senior citizens and people who are unable to leave their homes. "A lot of people have asked for call-in services, but a lot of senior citizens are online," notes Pieciuk. Many of the people who lack computer skills "use friends and family to place the order for them from their computers." Pieciuk often fields calls from consumers himself, helping those who are not Internet-savvy learn to use the system.

Some shoppers — people who are uncomfortable with the Internet or simply enjoy their trips to the supermarket— may never buy their groceries online. But as baby boomers age and a new generation of shoppers looks to buy their groceries, most will eventually do at least some shopping online. "Generation Y — that's what they were brought up on. That's the way they know life," says Druckman.



