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Surfing for the hand that feeds you

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First there were TV dinners. Then there were microwave dinners. Now Net dinners are coming, and a growing number of firms are angling to cash in on the trend.

Offline the market for take-out is a meaty one--analysts value it at more than \$100 billion per year. So it's no surprise that e-commerce firms are testing some novel strategies to capture their piece of the pie.

Some, like [Food.com](#), are piggybacking directly on the existing take-out and delivery market, offering a nationwide network of brick-and-mortar restaurants that accept online orders.

Others are donning aprons and preparing the food to sell via the Web, going head to head with the national pizza chains and local Chinese restaurants that feed a growing number of time-strapped Americans.

Of these, [Webvan](#), whose primary business is in grocery delivery, is delivering precooked meals that the consumer reheats. [Cook Express](#), by contrast, designs, prepares, and delivers ingredients and instructions, leaving the final 20 minutes or so of preparation to the consumer.

Cook Express is the brainchild of the type of modern worker the service hopes to serve, in this case a former Microsoft product manager whose long workdays left him little time to shop and cook.

"I had just taken a sabbatical from Microsoft and had some time to think about everyday life," said Cook Express chief executive Darby Williams. "I realized that as busy as my wife and I were we were relegated to doing take-out food. But when we did have a chance to cook, we had a much better-quality experience."

Williams used as his model the restaurant food preparation process, in which an executive chef plans the meal; sous chefs slice, dice, and marinate the ingredients; and the final product can come together roughly 20 minutes after it is ordered.



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Cook Express is banking on users' wanting to put those extra 15 or 20 minutes into the process for the "better-quality experience."

But analysts say the gimmick is not a sure bet.

"Even though the price point is comparable, they're still going to be at a bit of a disadvantage because it will require some preparation," noted Ken Cassar, analyst at Jupiter Communications. "I would assume the vast majority of restaurant delivery goes to people who just want to eat and don't want to do any work. That may negate access to a large portion of the market that just wants to be fed."

Most Cook Express entrees cost between \$14 and \$26 for two. Delivery costs another \$5 but is free for orders of more than \$60. So far, the service is available only in the San Francisco Bay Area, but a nationwide offer of next-day meals delivered by Federal Express is on tap for August.

Cook Express is positioning itself between two more crowded online food niches. On one side are media sites such as [Epicurious](#) that focus on recipes and other dietary information. On the other are sites such as [Peapod](#), [Streamline](#), [HomeGrocer](#), whose primary business is in delivery of groceries and other items.

Williams anticipates breaking even in discrete geographical areas when the number of people who use the service in those areas tops 10,000.

"We have huge operating economies over the individual who buys ingredients, as well as significant production economies in the quantities that we can buy things," Williams said. "Eventually we're going get to scale to the point where the additional cost of labor is really very small."

Cook Express's labor force, which currently numbers a mere 20 employees, is divided among chefs, technical engineers, delivery network employees, and administration. Food preparation and distribution takes place in a centralized San Francisco Bay Area location.

Investors include venture capital firm Draper International and a variety of angel investors, many of whom are Williams's former Microsoft coworkers.

Webvan, which launched three weeks ago, said both its grocery and prepared food delivery have surpassed expectations, though the company declined to disclose numbers of customers so far.

Webvan is a much larger operation than Cook Express, with 250 employees and investors including Benchmark Capital, Sequoia, CBS, and Knight-Ridder. Only a fraction of the company is devoted to the prepared meals side, however.

All the online prepared meal providers face a vast market but a significant challenge, according to Jupiter's Cassar.

"It's going to be a challenge to sever consumers' relationships with local restaurants," Cassar said. "I can't think of an industry where the product is more highly differentiated than in the food industry. But the price point is low enough that they may be able to make a go of it."

Highly differentiated products, like meals, are those that vary from one provider to

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