

E-TAIL WAGGING

More Americans than ever are clicking "Add to Cart." Check this out: how much Chicago spends online and what all that cash buys. **BY DAWN REISS**

AS AN EVER-GROWING number of Chicagoans get connected to the Internet, their wallets are going with them.

In a 2007 survey, more than three-fourths (75.8 percent) of Chicago adults polled said they had logged on to the Internet during the past 30 days (compared with just 54.9 percent in a similar survey in 2000), according to The Media Audit, a media-research company. Of the Chicagoans responding who are online, The Media Audit says, 76.1 percent made one or more purchases in the past year, 47.6 percent made five or more purchases, and 26.5 percent made 12 or more.

What were we buying? According to Barnes Reports' 2007 U.S. Product & Retail Outlook, which tracks online shopping and mail orders together, the biggest category for the United States as a whole for 2007 was prescription drugs at \$34.4 billion, followed by \$29.3 billion in computer hardware and software.

In the Chicago area, according to Barnes' 2008 report, the highest 2007 spending category was \$1.72 billion in prescription drugs, which divides out to about \$180 per person. We also spent \$1.35 billion on computer hardware and software, \$597 million on women's clothing (\$174 million on men's), \$304 million on books, and \$98 million on CDs.

Online sales all over the country are trending upward. According to the U.S. Department of Commerce, third-quarter online sales totaled \$34.7 billion in 2007 (3.4 percent of all sales), up from \$27.5 billion in 2006 (2.8 percent) and \$22.3 billion in 2005 (2.3 percent).

Experts expect online shopping's percentage to continue to rise. "It's convenient," says Barbara Tulipane, Electronic Retailing Association president and CEO. "You can do more research than you can with a brick-and-mortar store. With time being so precious, people are looking for ways to maximize [it]."

And that's not to mention the price of gas, Tulipane says, adding, "The thought of driving in a car to a mall leaves me cold."



By the Numbers

Despite the bellyaching of the recording industry about album sales, music buying online is alive and well. Here are some national statistics, courtesy of VerveLife, a Chicago-based digital-media marketing company.

PROPORTION OF 25- TO 34-YEAR-OLDS WHO HAVE PAID TO DOWNLOAD DIGITAL MUSIC:

50%

PROPORTION OF 35- TO 54-YEAR-OLDS WHO HAVE PAID TO DOWNLOAD DIGITAL MUSIC:

53%

NUMBER OF DIGITAL TRACKS PURCHASED DURING 2006:

580 million

INCREASE OVER 2005:

65%


NUMBER OF ADULT INTERNET USERS WHO HAVE STOPPED ILLEGALLY DOWNLOADING MUSIC:

17 million

How We Compare

Americans spend a lot of money shopping while wearing pajamas. Here are amounts spent on online and mail-order purchases in the five most populous states (in descending order) and in the country as a whole.

Source: Barnes Reports' 2007 U.S. Product & Retail Outlook

	 PRESCRIPTION DRUGS (in billions)	 GROCERIES (in millions)	 SPORTING GOODS (in millions)	 BOOKS (in millions)
California	\$4.01	\$249	\$765	\$710
Texas	\$1.56	\$96.6	\$297	\$276
New York	\$2.00	\$124	\$381	\$354
Florida	\$2.60	\$161	\$496	\$460
Illinois	\$1.98	\$123	\$378	\$351
U.S.	\$34.40	\$2,130	\$6,566	\$6,090

LOCATION, LOCATION, LOCATION Chicago has the largest concentration anywhere of technology ventures how to do with real estate, according to Midwest business booster FreshwaterVenture.com. Some of the biggies are homescape.com, apartments.com, iNest, buysiderealty.com, and Katabat.