The 70 Percent Rule Revisited:
Consumer In-store Decision Making and the Transformational Impact of Digital Signage

For as long as I can remember, I have heard the mantra that “70 percent of purchase decisions are made in the store.” Is it true?

The most often-cited support for the “70 percent Rule” is a 1995 study initiated by Point-of-Purchase Advertising International. Independent studies confirm that the majority of purchase decisions are made in-store, but not as much as 70 percent. For example, in an academic study conducted in 1967, it was found that 50.5 percent of in-store purchase decisions were unplanned. A later study, conducted in 1998, concluded that 59.1 percent of store purchases were unplanned. Thus, it has been demonstrated that 50-60 percent of in-store purchases are spontaneous.

This should support the decision by retailers and brands to invest in digital signage. This is because digital signage is unique in its ability to leverage many of the in-store elements that factor into tailored messages to convert shoppers into buyers. Stated another way, digital signage content can easily be geared to impact those factors found to have the most effect on consumer in-store decision making. Research has found the following factors influence in-store decision making (listed from the most to least impactful):

1. Number of aisles shopped.
2. Trip type.
3. Deal proneness.
4. Household size.
5. Trips per week.
6. Age.
7. Shopping party size.
8. Compulsiveness.
9. Gender.
11. Need for cognition.
12. Use of a list and feature proneness (tied).
13. Display Type.

For instance, the most important influence on in-store purchase decisions was found to be the number of aisles shopped. Thus, creative content geared
toward encouraging consumers to visit more parts of the store can increase retail sales. To illustrate, an ad that introduces, “Buy peanut butter here and get 50 percent off jelly located in Aisle 21,” may be an effective way to augment the number of aisles shopped. If this content is not, in fact, producing the desired result, it can easily and quickly be altered to find the most effective messages.

Not considered in the above-noted research, another important in-store media to be considered is, of course, mobile devices. According to its third quarter 2011 Insights Report, JiWire found that 18 percent of shoppers use their mobile devices to make purchases when inside a store, and that 28 percent comparison shop on mobile devices when in a store. The conclusions of WSL/Strategic Retail Buzz to Buy 2.0 trend report were more aggressive, finding that as many as 50 percent of smartphone owners use the devices when shopping in-store [for comparing prices (56 percent), taking pictures of products (53 percent), and finding coupons and discounts (46 percent)].

While digital signage and mobile messages cannot affect all factors that impact in-store purchases, such as household size, creative content can have an influence on many other factors. Both brands and retailers can benefit from such a content focus.