

## How loneliness creates economy

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**Keywords:** lonely economy, consumption mode, lonely group

**Abstract:** In the development of urbanization, the proportion of the population living alone and empty nest is increasing year by year, and the change of population structure will inevitably cause the change of demand structure. The resulting lonely economy is not only the consumption preference and embodiment of individual groups, but also the change of consumption mode and economic structure of the whole society. The lonely economy has been implemented in different industries, and different consumption patterns have been derived, from healing economy, self pleasing economy to mini economy. These economic models promote the upgrading of consumption and the diversified development of contemporary youth demand. At the same time, it also creates market opportunities. How to seize the new market segments, tap business opportunities, and realize the sustainable and healthy development and innovation of the industry has become the subject of continuous thinking and Practice for business operators.

### 1. Background of the topic

The term "lonely economy" rose quietly in China in 2015, but this concept can be traced back to the "single economy" put forward by American economist McCarthy in the economist in 2001. Today, the lonely economy not only aims at the single groups such as the empty nest youth and the empty nest elderly, but also extends to the single people, the married and unmarried cohabitant people who are eager to live alone, the DINK family and the families who have lost their independence. With the change of social concept, this kind of economy is more and more accepted by people, and even becomes an attribute of the times. At the same time, the lonely people pursue high quality, improve the sense of ceremony, and change the consumption mode from "the basic necessities of life" to "the goods to meet the spiritual and delicate needs", which also promotes the development of lonely economy.

In fact, the emergence of an economy is also the reflection of a social phenomenon, and also the result of the birth of a part of individual living conditions. For example, in Sweden, Norway, Finland and Denmark, nearly 45% of the households are single; at present, more than one third of the 53 million households in Japan are "single households"; the proportion of single apartments in the UK has doubled from 1960 to 2019. Similarly, China's single population has gradually expanded, and the data released by the State Civil Affairs Bureau shows that the number of single adults in China has already exceeded 200 million. It can be seen that the proportion of single people in society is gradually increasing. When it is large enough, it becomes a group effect, that is, the so-called lonely economy.

As single people, without children's education expenditure and family's large expenditure, they will be more arbitrary in consumption and use more income to pursue enjoyment and improve the quality of life. An average Italian family consumes 187 euros per month for food and drink, compared with 320 euros for singles. Similarly, "China empty nest youth atlas" also shows that China's single people are mostly distributed in the high wage class, with strong consumption ability. The busy life in the city makes young people pay more attention to self-expression and spiritual healing in leisure. Therefore, the business forms for lonely groups are becoming more and more rich. From traditional industries to emerging online industries, lonely economy has driven the

development of diversified consumption.

## **2. The significance of lonely economy research**

### **2.1 Economic significance**

There are many driving factors for the development of lonely economy, among which the level of disposable income of consumer groups is the decisive factor. With the rapid development of modern economy, the income of urban youth is on the rise. The proportion of young people's monthly income in the first tier and second tier cities is larger than 10000 yuan, and the income of the younger generation in other lower tier cities is generally optimistic. At the same time, with the promotion of consumer credit and the popularization of credit, the behavior of early consumption is more and more common. The convenience loan of Internet financial platform also stimulates the consumption desire and purchasing power of the younger generation.

Due to the lack of the burden of family expenditure, the amount of consumption and the restriction of their use are relatively small, and the proportion of funds invested in the tertiary industry is relatively large.

This not only poses problems for the existing business model, but also provides the current business opportunities. As the Japanese economist said, "the biggest consumption proposition of one's life is to buy what one likes even if it is not cheap. Among the young people, most of them buy a way of life." This kind of consumption preference, which focuses on preference and reduces price sensitivity, will inspire researchers to take diversification, refinement, novelty and detail as the primary goal of R & D. Advertising marketing will also pay attention to lonely groups and adopt new marketing strategies, which is also one of the economic impacts of lonely economic development.

For the lonely people, the need for the added value of goods often exceeds its core value. What people need is not only the visible material function, but also the spiritual enjoyment brought by goods. Therefore, in order to really promote the upgrading of lonely economic consumption, enterprises should pay attention to the cost performance of product appearance and added value.

There are more and more lonely groups, and the proportion of related consumption is increasing year by year. The impact on China's consumption trend and industrial development has been expanding year by year, and the empowerment of the lonely economy on the overall economy has been further enhanced. Therefore, actively catering to the consumption needs of contemporary young groups is also one of the development trends of future economic transformation. Identify the actual needs of lonely people, create new business forms, promote the common development of online Internet consumption and offline real consumption, and launch more humanized services and more applicable products and services.

### **2.2 Social significance**

Lonely economy is a group effect, a group consumption mode. It is because the total number of lonely people has reached a certain scale. Loneliness includes active loneliness and passive loneliness, among which active loneliness is the main driving force. Many factors, such as the life pressure of fast-paced cities, the shortening of offline social time, the change of love concept, the increase of social inclusion and the improvement of social security system, lead to the increase of the proportion of urban youth who choose to live alone actively.

Combined with the development and progress of modern society and economic prosperity, their consumption direction has gradually changed to improve themselves and please themselves. The resulting lonely economy has also had a positive impact on society. The independence of young people has been enhanced and they are willing to develop themselves, which is conducive to improving the quality of the people, and also drives the development of emerging industries.

In other words, recognition and tolerance of lonely people is also one of the signs of social progress. The birth of the lonely economy also provides comfort and consolation for the young people struggling in the city. Businesses follow the development trend and provide more applicable

and effective products and services to the lonely people. To meet their needs for enjoying the fun alone and avoid the embarrassment that is incompatible with the group consumption environment. At the same time, it also meets their pursuit of variety and fashion style. The application of lonely economy products and services more in line with their consumption characteristics makes the life of lonely people more comfortable and more ritualistic.

However, we should also pay attention to the fact that although active loneliness is an individual choice, when the scale is large enough, its social impact can not be underestimated, especially when it is inconsistent with the traditional mainstream concept. In fact, loneliness also represents a certain degree of instability, which is not conducive to social stability. Therefore, the society can use the lonely economy to placate the lonely people in a subtle way, guide the young people out of the lonely predicament by economic means, adjust and avoid the negative mentality. In addition, single people tend to have high marginal consumption, insufficient willingness to save and high debt ratio. It is easy to impulsive consumption, blind purchase and super ability expenditure, and at the same time, it is also easy to be deceived by false propaganda or fake and inferior products. The government should strengthen the protection, the society should strengthen the guidance of public awareness, and the laws and regulations should be actively improved. Many measures should be taken to ensure the safety of consumption and the healthy development of the lonely economy.

### **3. Derived model of lonely economy**

#### **3.1 Healing economic model**

Healing needs belong to the level of love and sense of belonging in Maslow's theory of needs. When people's physiological and security needs are met, they will start to seek for love and sense of belonging to cure their loneliness. Healing lonely economy is a consumption model with emotional sustenance as its purpose, which is divided into social healing economy and virtual healing economy.

##### **1) Social healing Economy:**

The society is becoming more and more estranged, the life style with tense rhythm also makes people's communication scope narrower and narrower, online entertainment crowd out a lot of offline communication time, and people form a relatively isolated daily form. On the other hand, the increasing number of DINK families and bereaved families indicates the expansion of empty nest youth and old people. In order to pursue spiritual and emotional sustenance, more and more people choose to keep pets. People regard pets as a member of the family, so they are willing to pay for the consumption of pets. From the basic pet living consumption, it has evolved into the common development of upstream pet medical, middle and high-end pet food and downstream pet services such as insurance, beauty, training, photography, foster care and funeral. According to the white paper on China's pet industry in 2019, the overall scale of pets in China's cities and towns reached 202.4 billion yuan in 2019, an increase of 18.5% year on year. By 2020, it is expected to exceed 220 billion yuan. Capital is no longer excessively focused on pet medical and food fields, but the emerging pet service and pet supplies industries have attracted more capital attention. Such a complete industrial chain reflects the driving force of lonely economy to social economy.

Pets can be comforting, but more people choose to travel to relieve their worries. In 2019, the number of group tourists reported by a person on Qixi in Ctrip increased by 48% year on year, greatly exceeding the growth rate of group tourism reported by couples. For the passengers who travel alone, the number of people who rent through the short-term rental platform has also increased significantly. This kind of travel can not only relieve the pressure of work and life, but also expand the scope of communication, contact with different life styles, and get spiritual healing. Such an economic model also inspired travel agencies to develop one-man travel routes and attractions. With the improvement of the business model of healing travel, the service will become more flexible and humanized, and the relief of loneliness will become more obvious. The development of new business models and the needs of lonely groups promote each other and complement each other.

Apart from the two classic social healing economies of pets and travel, emotional products are also one of the products launched for lonely people in recent years. For example, answer tea, lovelorn Museum and so on.

#### 2) Virtual healing Economy:

The focus of virtual economy is mobile games. In the lonely group, many people take mobile games as their preference, especially in recent years, the popular healing mobile games in the market are more social and communicable, which causes the emotional resonance of the lonely people. "Travel frog", "love and producer" and "cat's backyard" are all created for healing. They use emotional ties to resonate with players, render healing atmosphere, and create spiritual sustenance with the social alliance of virtual reality. This cure by hand tour is to grasp the loneliness of contemporary youth and activate the new market of cure economy.

It's not just hand walking, people will be keen to live in a false world to avoid loneliness. Rewarding network hosts, watching short videos, and recharging virtual characters are all covered up virtual healing economies.

There are also various kinds of chat audio devices equipped with intelligent voice system, which meet people's desire to talk in various occasions, and create a sense of social friendship for one person alone. These intelligent entertainment ways of science and technology still become the main way for people to get rid of loneliness.

In addition, the fan economy of increasing profits is also a virtual healing economy. Under the influence of the Internet, the younger generation's pursuit of stars deepens, which is not only a spontaneous emotional choice behavior, but also a psychological self comfort behavior. The booming fan economy and star industry are also a reflection of loneliness.

### 3.2 Pleasant economic model

Living alone doesn't mean being lonely or lazy. On the contrary, single people may pay more attention to the improvement of their own value and the feeling of consumption. Self pleasing consumption is a kind of lonely economy, which requires the coexistence of internal and external pursuit. The external pursuit includes the consumption of clothing, cosmetics and other perfect appearance, as well as the consumption of products with beautiful appearance. The internal pursuit includes the consumption of nutritious diet and fitness for health and temperament improvement, as well as the consumption of skills improvement and self-worth realization.

In different economic times, people's values and consumption concepts are different. The concept of modern society is becoming more open, and the pattern of people's pursuit is gradually open. It is also an effective way to get rid of loneliness.

### 3.3 Mini economic model

One of the most striking manifestations of the rise of the lonely economy is the mini economy. This kind of consumption of nearly one person has been noticed and accepted by the market. Many enterprises have specially developed Mini products, and even some stores target single consumer groups.

Food is the most important thing for the people, so the catering industry is the first one to be affected by the lonely economy. The living habits of lonely people make taking out the main way to solve the problem of eating. In the take out list records, one person food consumption has become the mainstream. Similarly, this personal food consumption also derives to the offline, and the catering industry's Hall food has also become a special adjustment for the lonely people, and is no longer fully covered by the multi person package. Some restaurants will also meet their private and quiet environment needs when eating, to avoid the discomfort of lonely groups. For example, Haidilao also develops some business strategies such as doll accompaniment and mascot gift. There are also stores such as Yilan ramen and Sipu Sipu, which are specially created for one person to eat. Lonely economy also brings new development opportunities to the catering industry.

Catering and real estate are two industries closely related to people's life. Catering industry has begun to change, and real estate is naturally impossible to be complacent. The small apartment with an area of about 40 square meters and the single apartment specially built can help young people

reduce the monthly housing consumption pressure in the big cities with high house prices. On the other hand, in the field of leasing, according to shell's single tenant survey report, more than 70% of the rental groups are single tenants, which are the main tenants. Compared with the previous generation, the younger generation is more receptive to the rental lifestyle, and is more willing to use their income to improve the quality of life than to retain the house purchase savings.

The miniaturization of housing and the popularity of renting have naturally driven the demand change of home appliance industry. In order to cater to the mini apartment, home appliances have opened up a branch of mini products suitable for one person, which is different from the original large-scale family type; in order to meet the needs of young people to move easily and pursue appearance value, home appliances have opened up a branch which is different from the original heavy quality light appearance with novel and beautiful appearance and relatively short service life. The fastest-growing mini appliances are mini washing machines and mini microwave ovens. These designs make the scale and characteristics of home appliances more in line with the living alone group. Smaller scale and fashionable appearance packaging make the life of the living alone group more comfortable.

In addition to the above-mentioned necessary daily expenses, young people have invested a considerable amount in entertainment and cultural and sports industries. However, large-scale entertainment places and fitness centers will make people feel lonely alone, and can not meet the self consumption and the fun of solitude. In the traditional sense, the entertainment industry, which serves group customers, has also begun to open up a new path for individual customers. Mini KTV, single viewing seat or isolated seat, individual gym, etc. get rid of the weak trend of traditional market, and open the market with lonely economy and fragmented consumption.

In fact, mini economy has penetrated into many industries, unconsciously changing the consumption mode of society, meeting the consumption demand of one person and reducing the waste of social resources.

#### **4. Summary**

The prosperity of modern economy and the change of social public idea gave birth to "lonely economy". This is not a morbid condition, but the characteristics of the times when the single, single, empty nest population reaches a certain proportion. It is the embodiment of social form in the field of market economy. This kind of embodiment also shows the change of the demand and consumption structure of the contemporary young people for the private space that is not disturbed by the outside world and others. The society respects the pursuit of the young generation, and its economic model also gives the young people space for diversified development. On the contrary, this feature also creates new market opportunities and provides new market segments. This lean operation of population segmentation not only meets the personalized needs of users, but also develops the potential of consumers, and promotes the development of new formats. It is also one of the directions that business operators should explore in the future.

As mentioned above, "lonely economy" is just a symbol of the times, an economic model. We cannot guarantee its long-term nature and stability. This kind of business model is restricted by many factors. The national population policy will directly affect the population structure of the society and weaken the population dividend. The imbalance of the regional distribution of capital and economic development also makes the lonely economy mainly concentrated in the first and second tier cities, and the sinking speed and scale are not enough to quickly cover more areas. The imperfection of laws and regulations is likely to become the collapse of the lonely economy The fuse of.

What's more, the lonely economy originates from human beings, and is naturally restricted by human beings. People's consumption habits and consumption concepts will constantly change, resulting in different consumption behaviors. At this time, people 's active loneliness and passive loneliness may be disgusted in the future, and people return to group life and reunion economy. Therefore, in the face of lonely economy or other emerging economies, it is the foundation of social and economic stability to keep vigilance and avoid blindly following the trend.

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