The power of one

Single-person households represent a significant — and growing — demographic for retailers to pursue on the own-brand side.

By Kathie Canning

As the U.S. population continues to live longer and marry later, the average U.S. household size keeps shrinking. According to the U.S. Census Bureau, the decline — to only 2.59 people in 2010 — is the result, in part, of the rise in one-person households. Single-person households accounted for 27 percent of households in 2010, compared to 25 percent in 2000.

That's a significant demographic — and one that retailers certainly will want to target when it comes to own-brand product development and marketing. But to find success here, retailers will first need to understand the needs and behaviors of the single-person household demographic.

Financially challenged

In its April "American Lifestyles 2015: The Connected Consumer — Seeking Validation from the Online Collective" report, global market research firm Mintel notes that smaller households generally are lower-income households. And that's not necessarily because they are older adults living on fixed incomes.

"Although a relatively large share of those aged 75-plus live alone, the low-income status of single-person homes is more likely to be driven by younger adults," Mintel notes. "Seniors are less likely to be impoverished, are more likely to own their home and [more likely to] have a net worth that far exceeds that of under-35s."

What's more, Susan Viamari, vice president, thought leadership for Chicago-based Information Resources Inc. (IRI), notes that more than half of single-household respondents (52 percent) in the quarter-two 2015 IRI MarketPulse Survey said their financial situation has "remained largely unchanged" in the last year.

"Multi-person households are more likely to be noting improvement during the past year," Viamari says, adding that 27 percent of them indicated improvement versus 17 percent of single-person households.

List-makers

More than half of people living in single-person households (58 percent) also make a shopping list

before they visit a store, Viamari states. Although this percentage is slightly lower than that for multi-person households, it is still significant.

Viamari notes that 36 percent of list-makers use the store circular to create a list, and 35 percent detail specific purchase categories. A third of these list-makers (33 percent) make a list based on required recipe ingredients. Only 14 percent of them, meanwhile, list specific brands to purchase, and even fewer — 7 percent — detail specific store brands.

"Thirty-seven percent will make additional purchases upon seeing deals/specials in the store," she adds, "and 30 percent will purchase store brands to save money."

Retailers will want to engage these shoppers, therefore, with product-related communications through the moment of purchase, Viamari suggests.
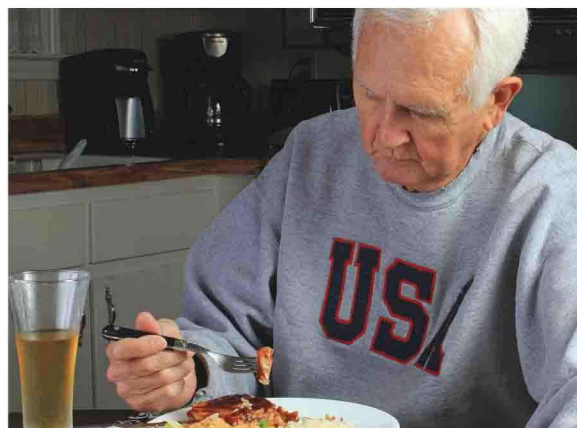
Snacking at meals

According to "Snacking in America," a 2015 report from The NPD Group Inc., Port Washington, N.Y., the growth in snack foods being consumed at meal time is largely being driven by people who are eating those meals by themselves.

"Single-person households in the U.S. are 38 million strong and growing," NPD states, "which stands to reason why this group has an impact on snacking in terms of eating behaviors, packaging and marketing."

NPD says annual per-capita eatings of snack foods consumed at meal times among solo diners reached 191 in 2014, a significant increase from 167 in 2011. And healthful snacks in convenient packaging increasingly are important to the single-person household.

"Similar to larger households, health and weight management is among the key motivations to eat snack foods at meals for solo diners, particularly better-for-you snack foods," NPD says. "Tying into the rise of single-person homes, the most common over-indexing motivator cited across the better-for-you categories was the fact it came in a single-serving package."

When it comes to snacking occasions, single-person households are similar to the majority of other households in their planning.

"Single-person households plan the snack foods that they will be eating at meals ahead of time, typically more than a day before," NPD says. "A significantly smaller [number] of eating occasions include a snack food that was planned less than an hour before."

And supermarkets tend to be the favored outlets when these consumers are shopping for snack foods to consume as a meal, NPD adds.

"Smaller household sizes and eating alone are among the growing factors with snacking," says Darren Seifer, food and beverage industry analyst for NPD. "Food manufacturers and retailers should think about the unique needs of the solo consumer when developing products and packaging, and marketing messages should be crafted to be relevant to them and their snacking behaviors."

Tailor own-brand offerings

Going forward, retailers could attract shoppers from single-person households to their store brands by considering their needs and behaviors, not just in product development, but also in packaging and marketing.

"Store brand marketers need to tailor their product offerings at a store level, ensuring each store offers an assortment — size, form, etc. — benefits, price points, etc., tailored to key shoppers and key trip missions," Viamari states. "Communication programs need to take pre-planning into account, reach[ing] out to consumers before they enter the store, and they also need to continue throughout the purchase process to keep their brands top of mind." *SB*

Top 10 U.S. locations according to percentage of single-person households

Rank	City/area	Percentage of total households
1	Atlanta	44.0%
2	Washington, D.C.	44.0%
3	Cincinnati	43.4%
4	Alexandria, Va.	43.4%
5	St. Louis	42.6%
6	Pittsburgh	41.7%
7	Arlington CDP, Va.	41.3%
8	Seattle	41.3%
9	Cambridge, Mass.	40.7%
10	Denver	40.6%

Source: U.S. Census Bureau. Based on the 2010 Census — 282 places in the United States with 100,000 or more in population, including incorporated areas and census designated places (CDPs).