

The traditional funeral, as funeral service so lovingly defines it, is gone. And it's not coming back. In 2018, can we all finally agree on this point? Sure, there are some rural pockets of the country that have remained more stable in their practices, but are any among us honestly holding out hope that we'll see families in the future choosing *better* quality merchandise and putting *more* emphasis on memorialization? When it comes to the "traditional" funeral, I encourage us all to get to the last and most important stage of grief – acceptance.

Religion has less influence on how we memorialize our loved ones than ever before. According to the 2015 NFDA Consumer Awareness and Preferences Survey, about 67% of adults 40 and over said it was important to have a religious component in a loved one's funeral, down from 79% only three years prior. According to Pew Research Center, more than 20% of all Americans over 18 and more than 33% of young adults consider themselves to have no religious affiliation. With the decline in religion's general influence on the pop-

boot) and numerous children, some biological and some not. Depending on your state, it may take a lot of unwinding to determine who is legally responsible to decide the disposition.

Untraditional and blended family structures will become more of the norm in the coming years. The existence of a family plot in the local cemetery will no longer be a determining factor in arrangements. And as we've seen with regard to feuding family members, final arrangements are sometimes the last op-

# The Traditional Funeral Is Dead

BY STEVE ZITTE

The evolution of funeral service has presented a sea of changes over time, so we must not simply mourn the past and hang on but move forward to give today's consumers what they want.

But please don't accept that changing consumer attitudes are all your fault. While it's true that as an industry, funeral service has not been as proactive as it's needed to be, the traditional funeral did not die because you failed to push casket corners and other trinkets on the families you serve. No, the answer is much simpler than that, with a combination of several factors, none of which we could control.

As cremation has become more mainstream, the public's perception is that it is easier, more cost effective and more environmentally friendly (despite evidence to the contrary). While this may be the most obvious factor, it's only a small piece of the overall puzzle.

ulation during life, does it not stand to reason that folks will simply not see value in relying on its influence at death?

Families were once defined as husband, wife and 2.4 children. If you've not paid attention to the news at all, there is a complete social revolution occurring before our eyes. Couples cohabitating rather than marrying, same-gender parents, step-parents and adopted children have caused us to have to redefine what a family looks like.

As a result, the way decisions are made regarding disposition has changed. We've all experienced dealing with the family of a loved one who had a legally separated wife, live-in girlfriend of several years (maybe a second girlfriend to

portunity to enact a measure of power or spite.

## WE'VE BEEN HERE BEFORE

We should also consider that funeral service has undergone periods of significant change many times throughout history. Let us remember that while ancient Hebrews buried their dead in tombs exclusively, other cultures practiced cremation as a primary disposition method. During the Roman Empire, the emphasis was on the procession to the necropolis, where the body was publicly burned on a funeral pyre. The procession regularly included paid mourners, and the wealthier and more prominent the family, the louder

the procession. It was only in the mid-2nd century A.D. that burial eventually became the preferred method of disposition.

As the Catholic Church gained prominence in the Middle Ages, it became the center of funeral activity. The Church dictated the liturgy of the service and provided the grave space, often in an adjoining cemetery. The sexton and priest and various guilds handled the bodies and organized the services.

ilies could rent to host visitations, and the funeral home was born.

Incidentally, I was recently in Guayaquil, Ecuador (population 2.3 million), where I learned that wakes there all still take place in the family's home, very much like what we in America were doing in the late 19th and early 20th centuries. (So be grateful *those* traditions have gone away.)

Funeral service changed again in the mid-1900s, when buildings specifically

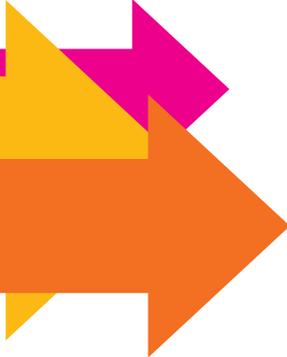
know if your current direct cremation price is adequate? What if you did nothing other than direct cremations for a year? Would you still have a profit? If not, then you may need to have your GPL evaluated by a qualified funeral business consultant.

By the 1980s, we had graduated to the anger stage. These growing cremation numbers were starting to cut into our EBITDA and something had to be done! These cremation families had to learn the value and benefit of traditional funerals (which may be where the term "traditional funeral" originated). We set out to educate the public – to help them see the error of their ways. It didn't work. The 1980s saw the cremation rate nationally rise from 9.72% to 16.39%.

The bargaining stage of grief hit in the 1990s, aided by the casket companies and other merchandisers. We resolved that we couldn't change consumers' minds about their choice, but maybe we could get some of our earnings back by pushing "trinkets." Urns were now regularly displayed in the selection room. Many redesigned selection rooms with casket cuts and special lighting to lure families to buy products.

But still we did not adjust our prices according to our overhead, which created a situation where the burial families we all so loved and admired were subsidizing the cremation families, who were not paying their fair share of overhead. Trying to make up lost service revenue with revenue from merchandise seemed to ease the pain. Funeral homes became purveyors of casket head panels, custom-painted vaults and additional choices of register books. Cemeteries figured out that they, too, could sell products.

The turn of the century saw an extension of the bargaining stage with the advent of technology. Memorial videos? Check. Unlimited register book designs? Check. Custom anything and everything? Check. But our reliance on product came back to bite us when people began using the internet to find lower prices. And all the while, cremation rates continued to rise and funeral home profit margins continued to fall. Depression set in. After all, do you



## The traditional funeral did not die because you failed to push casket corners and other trinkets.

In mortuary school, we all learned about the impact of the Civil War battlefield embalmer on American funeral customs. So many soldiers had to be prepared and transported back home for burial that instead of families caring for their own dead, an entire occupation was born. The casket industry was a natural evolution from furniture makers, many of whom saw an opportunity to not just provide merchandise but also assist families with planning and directing the service and handling the body.

Soon, more families were seeing the benefits of embalming for the purpose of viewing and visitation, which created opportunities for "traveling" embalmers to take portable embalming tables and gravity bottles into private homes, where the preparation would take place. Bodies would be "laid out" on the portable table for visitation, also in the home. On the day of the funeral, the body would be casketed and transported to the church and then on to the cemetery.

When the Industrial Revolution caused cities to swell and populations to concentrate into multi-floor apartment buildings, funeral directors realized that home funerals were becoming impractical for a growing segment of the population. Forward thinkers turned their own homes into facilities that fam-

designed as funeral homes began to be built, with modern conveniences such as air-conditioning, elevators (even if only for caskets), wide doorways and spacious parking.

I point out these events because they all represent shifts in how culture has dealt with its dead. We are currently in the middle of one of these shifts. To best navigate the current climate in our industry, we need only look at how previous generations successfully adapted to external factors.

### THE FIVE STAGES OF GRIEF

The funeral service industry has experienced the five stages of grief when it comes to the "traditional" funeral. First was denial. According to CANA, between 1939 and 1972, the cremation rate in the United States was relatively flat, between 3.21% and 4.94%. Between 1972 and 1980, the rate increased by nearly 100%, to 9.72%. We saw the evidence and did nothing to prepare.

For example, when it came to pricing, we failed to properly account for true overhead costs. Cremation was rare enough that we could just roll our eyes at the odd occurrence and, because we did not personally place value on cremation as a method of disposition, we priced it accordingly. Do you want to

have enough room to display all of the memorial products available to offer families?

My friend, may I encourage you, if you haven't already, to move to the final stage of grief over the traditional funeral and embrace acceptance? The era of two to three days of visitation and a copper casket are behind us. If you don't believe me, check your own records. What type of casket do you sell most? What type of casket was your average 20 years ago? Let's all resolve to build a bridge and get over it. There's no going back.

### ADAPT OR DIE

The bad news is that if you want to be part of the first wave of progressive funeral directors to embrace change and adapt to current market fluctuations, you're too late. But there is good news. If you're serious about letting go of "the way we've always done things" and are committed to making the changes necessary to thrive – not just survive – you still have time to be successful.

Ask yourself: Why do I do what I do? Why am I in this business? We've all used the platitude, "We're here to serve our community." If that's the case, you need to face the realization that the families you serve are the ones who killed the traditional funeral.

But what does that mean they want in its place? If you don't know, may I encourage you to find out. There are ways to survey your market to get an accurate picture of what the public wants without them knowing it's you doing the asking. Asking friends at church or the country club is not going to give you an accurate picture because people often won't tell you to your face what they're really thinking.

Find out what your target market wants and be the best at that. One of the biggest mistakes I see is the funeral home that tries to be all things to all people. Older folks may still love the desk calendars you provide each December, but millennials don't care how long you've been in business or that you were the first funeral home in your county to have a motorized hearse. Can we freshen up the marketing a bit?

I would submit that except in very

small, rural markets, funeral home owners must consider developing multiple brands for multiple market segments. We can learn a lot about this strategy from how the hotel industry has adapted to a changing marketplace. Hilton, Marriott and Sheraton have each developed entire brands to appeal to the various market segments. Often, you see multiple brands of the same parent company sitting side by side. Hotels have figured out something that funeral professionals have been slow to understand: When properly branded, these hotels do not compete with one another.

If you are in a market of any size, consider creating (or partnering with) a low-cost cremation company to appeal to a secondary target market. Mind you,

level of service as your larger, full-service brand. You and your staff must be comfortable operating within those parameters. Let each brand be the best at what it does rather than being the best at everything. Secondly, each brand must be priced correctly. By "correctly," I mean that each brand must have a GPL that will produce enough EBITDA to meet your collective goals.

A strategic business analysis would be a good place to start your planning. Even if you have an MBA or have been running your firm for years, investing in an independent analysis of your firm's finances could prove invaluable to positioning it for both the short term and the long term. (I would argue that *especially* if you've been running your firm for years and years, it is vital to



**Over time, there have been shifts in how culture has dealt with their dead. We are in the middle of one of these shifts right now.**

I'm an old-school, pro-burial guy who believes in the value of a traditional funeral. However, I also recognize that there are segments of the market willing to pay a stranger (with whom they have very limited personal contact) a significant amount of money on a credit card to handle their loved one's cremation. You are making a mistake by ignoring this growing piece of your market.

At the same time, you should take pains to not bastardize your established brand. Your firm has worked hard to be the pinnacle of caring service in your community. Use a different name, address and phone number for your second brand. It's also a good idea to have specific employees dedicated to each brand so as not to confuse the public.

When considering offering multiple brands, there are two specific mistakes that must be avoided. First, the brands must be distinct and well-defined. Your low-cost brand cannot offer the same

get an independent evaluation.) Determining true overheads, confidently setting pricing to achieve your specific financial goals, tax planning and building value in the business for the future are tasks best undertaken with the help of seasoned professionals with experience in both business and the funeral industry.

The traditional funeral, as we have understood it, may be dead, but do not despair. Our business has gone through significant periods of change before, and there are fantastic opportunities ahead for those who properly position themselves to take advantage. ☰

*Steve Zittle is a marketing development manager for The Foresight Companies, a business and management consulting firm specializing in mergers and acquisitions, valuations, accounting, financing and consumer surveys. He can be reached at 800-426-0165 or [steve@theforesightcompanies.com](mailto:steve@theforesightcompanies.com).*