

ISSUES AMPLIFIED

A CONSUMER AWARENESS AND PREFERENCES SURVEY COMMENTARY.

BY DANIEL M. ISARD



I will begin my commentary with a quote from Alphonse Karr, which was stolen by George Bernard Shaw, who said, “The more things change, the more they stay the same.”

As I pore over the 2019 NFDA consumer survey and compare and contrast it with my memory of earlier versions, I’m amazed and saddened by what I see. Allow me to shed light on five more illuminating and condemning issues amplified this year.

Before I start, the pollsters are very clear that this survey reflects a younger age than previous surveys. About 36.1% of respondents are between 40 and 54. Is this important?

Keep in mind that almost 80% of all deaths take place after age 65, with the average life expectancy in this country being 78.7 years. That percentage has declined over the past two years, which could be attributed to the opioid epidemic. Regardless of the reason, it remains that we are dying well beyond our historic life expectancy. Therefore, we even now refer to a service for an older person as a “celebration of life” and not a “funeral.”

Knowing that the average age of death is about 79, I next look at the age difference between the deceased and the child. Today, women are giving birth for the first time at an average age of 26 (up from 21.4 in 1970). Therefore, I can conclude that the age of a child dealing with the death of a parent is 53 years or younger! I think it’s important we learn from this data. If anything, we’re getting a look further into the future and still getting relevant information.

POINT 1 THE PERCENTAGE OF RESPONDENTS WHO FEEL IT IS VERY IMPORTANT TO HAVE RELIGION AS PART OF A FUNERAL HAS CONTINUED TO DECREASE – FROM 49.5% IN 2012 TO 35.4% IN 2019.

If you trace your roots back thousands of years to a fledgling Europe, Rome was the center of your society. When death

occurred, Roman society had its own version of undertaking, which helped bring the soul of the deceased to the nether regions. This was an early form of religion that guaranteed that your predecessors would make a living.

Fast-forward to 1960, when your grandparents had the aid of our modern-day clergy to guarantee their livings. Today, you have just 35% embracing religion as part of a funeral, and the number continues to decline sharply.

We can also learn from parallel studies, such as Pew Research Center’s “Religion in America,” which shows that the country is becoming less aligned with formal religions and more aligned with either no religion or “being spiritual.”

Religion has been a great aid to funeral homes’ success. We built our buildings to look churchlike and designed our interiors with pews. We call our meeting rooms chapels. How are you amending your business, marketing, physical plant and staff to deal with people who are in need but are not ritual driven?

POINT 2 A SIGNIFICANTLY HIGHER PERCENTAGE OF RESPONDENTS (54.6%) HAVE ATTENDED A FUNERAL AT A NONTRADITIONAL LOCATION IN 2019, COMPARED TO 2017, WHEN THE NUMBER WAS 48.3%.

It’s difficult to move a 200- to 400-pound casket, and this difficulty keeps gatherings from taking place offsite, unless it is the day of the interment. But it’s easy to move a 10-pound urn. Thus, we will continue to see more nontraditional locations for our events of funeral service.

My advice is to get ahead of this trend. Identify where a gathering can take place. Have pictures of gatherings at these sites. Allow families to decide where to hold a gathering, including locations other than your facility.

This leads to a discussion on food and beverages at a gathering. If your state law forbids this, work to change the law. You have enough competition – you don’t need local hotels competing with you for these gatherings. If I don’t need a casket present and I want refreshments served at a meeting

of friends and family, are there better places to meet than at the funeral home?

A related question to these points is one that asked, “Have you ever planned or attended a funeral where someone other than a member of the clergy presided over the service?” The respondents replied in the affirmative 47.9%! We’ve aligned ourselves with churches, but how many times have you heard a minister give a canned eulogy? How many times are you in your office on the phone with the intercom in the background, and you hear the minister say, “Life is like a circle...” and have to tell the caller that you need to go because the service is almost over? A quarter of all people surveyed have no idea what a celebrant is, but almost 34.1% would consider using one.

POINT 3 CONSUMERS ARE EVENLY SPLIT WHEN IT COMES TO DONATING THEIR BODY FOR MEDICAL RESEARCH – 34.3% WOULD BE VERY INTERESTED OR INTERESTED, AND 37.3% ARE NOT VERY INTERESTED OR NOT AT ALL INTERESTED.

This is the scariest statistic I see in this 2019 research. We are now up to more than 1 in 3 people who may be interested in a medical donation rather than a private disposition. I remember when study results asking people about medical donation were less than 1%! This has gone mainstream suddenly, but most people don’t really understand that the “body harvesters” of today are for-profit companies and not “medical” students.

A question I think is aligned to this is, “How confident would you feel in planning and executing a funeral/memorial service without the help of a funeral director?” It seems that 53% would feel some degree of confidence planning a funeral themselves.

Ultimately, we will need to redefine the meaning of “funeral.” If 53% are choosing cremation, many are interested in donating for medical research and people feel they don’t need to follow rituals for comfort, then what is a funeral?

My fear is that someone outside funeral service will define this for the public rather than those who are experienced in providing for both the dead and the living.

POINT 4 OF THE 16.8% OF RESPONDENTS WHO VISITED OR CALLED MORE THAN ONE FUNERAL HOME WHEN PLANNING A FUNERAL, 58.4% DID SO TO COMPARE PRICES, 32.7% DID SO TO CHECK AVAILABLE SERVICE OPTIONS AND 29.7% TO CHECK AVAILABILITY.

I interpret these results as showing that those people who did not shop for a funeral are the ones who visited just one firm or do not remember. This year, 83.2% of respondents acknowledged that they didn’t shop more than one funeral home, which is down from 85.7% just three years ago. I can remember when that number was 90% or more!

Do you have a plan in place to make it easy for staff to address the needs of shoppers and facilitate them? Remember, while shoppers often inquire about price, that doesn’t automatically mean price is the most important factor in their choice of a funeral home.

Other outside studies have shown that consumers are not necessarily looking for the lowest price when they ask about cost. They’re looking for “value.” The rise in cremation has shown that even cremation shoppers look for value and not necessarily the lowest price.

How do we show our “value equation”? We must be prepared to discuss our levels of service versus the levels of cost. The problem in funeral service is directors give the same high-quality level of care to the body regardless of the choice of cremation or burial. You also give the same high level of care to the living when they meet with you. If you weren’t afraid of losing the call, how would you set your prices for burial versus cremation? Shouldn’t they be the same?

POINT 5 MORE THAN HALF OF RESPONDENTS (59.2%) SAID THEY WOULD PREFER A CREMATION FOR THEIR OWN FUNERAL. ONLY 16.1% OF THESE RESPONDENTS SAID THEY WOULD HAVE A COMPLETE FUNERAL SERVICE WITH A VIEWING AND VISITATION PRIOR TO CREMATION (DOWN FROM 26.6% IN 2015).

These stats should scare the profession! We have gone from 1980, when about 80% of people wanted a complete funeral service with a viewing and visitation, to this group’s vision in the next few years of 16.1%. And during that same time period, we have gone from about 5% wanting cremation to almost 60% forecasted for the near future!

The changes to the profession based on our witnessing of the increase in consumers choosing cremation has to be foretelling in many ways. The most obvious to me is that, according to most state laws, most funeral homes must have a prep room but are not allowed to have a crematory.

Related to this question is, “If you were planning a cremation service, how important is it to use a funeral home that has a crematory onsite?” Almost 45% felt it was important or somewhat important. I am not troubled by this conclusion. The statistic has not really changed much over the past three years; in fact, it is down from about 47%. However, after witnessing several horrific crematory mass screw-ups, I would think if the public understood the issue, they would deem it more important.

I contend that this survey and like surveys of the past decade have the ability to predict the future. The data contained here is literally like consumers telling us the future. We must wake up and change our business plans. We must conform to consumers because if we don’t change, they will find another provide that will help them as they deem they want to be helped.

I ask this question in many of my seminars: “If your funeral home burned down yesterday, would you rebuild it just as it is now?” Most say they would not.

Remember, your building is just one part of your business. Don’t wait for a fire – rebuild your business now.

Dan Isard, MSFS, is president of The Foresight Companies, a business and management consulting firm specializing in mergers and acquisitions, valuations, accounting, financing and customer surveys. He can be reached at 800-426-0165 or danisard@theforesightcompanies.com.