

# Business

By Daniel M. Isard

## A Polaroid Picture of Funeral Service Post Covid-19

*Editor's Note: This is the first article in a two-part series on the results of a survey The Foresight Companies commissioned on the effect COVID-19 has had on how consumers think of funeral service.*

On Jan. 1, we all thought Corona was a beer. Now, it is the virus that has killed so many, sickened so many more and indelibly struck at all aspects of our lives and livelihoods. It is a moment in our history more impactful than the Battle of Concord, the attack on Pearl Harbor and the multiple attacks on Sept. 11, 2001, all rolled up together.

Funeral service stood tall during the initial outbreak. Many went into the hot zones to help the living care for their dead. Many worked long days for numerous weeks under conditions that were a risk to their own safety. This profession has lived up to the requirements of this pandemic.

Funeral attendance has been down since the outbreak, not because people do not want to attend, but because it is not safe for them to attend. We have all seen articles where a funeral was a point

of viral distribution.

This loss of gatherings for visitation, wake and ceremony has reduced revenue for your business. I contend this has changed the social construct of a funeral. Families have been unwilling to meet in mass events or have been regulated away from being able to by law. Many funerals have become a direct burial or direct cremation. Gatherings have been replaced with online gatherings with video replacing hugs and audio from your speaker replacing the hushed banter spoken into a person's ear.

So how will this virus affect the profession moving forward? Rather than looking at anecdotal results, we undertook a comprehensive, nationwide study to understand this. We call it **The Foresight Companies' 2020 Funeral and Cemetery Consumer Behavior Study**.

We wanted to understand what

consumers see differently in their needs from funeral homes and cemeteries. We wanted them to give us their impressions based upon three time periods:

- Before COVID-19.
- During the sequestration caused by COVID-19.
- Their perceptions of the period after COVID-19.

We commissioned Los Angeles-based SOCAL Approach Marketing and Consulting Group to survey more than 2,500 consumers from around the country, concentrating on a random sample of men and women age 45-plus with an annual personal income of more than \$35,000. We asked them a myriad of questions about their thoughts (before and during the pandemic) on funerals, mourning, cemeteries, memorialization options, cremations, and planning for end-of-life arrangements.

We conducted this survey on May 2 and 3, 2020. On or about Feb. 1, 2020, the United States became aware of a viral pandemic that had traveled throughout the world, including the United States. Psychologically this began the “during COVID-19 period” in most people’s minds. The “pre-COVID-19” period was any time prior to Feb. 1, 2020. Incidents of infection were exponentially increasing daily, leading to deaths from the novel coronavirus that were not anticipated just days earlier. People in the United States started to amend their social behavior by choice and by governmental requirements. As more deaths were recorded during this time, social gatherings affected the way we deal with all aspects of death.

By early March, many parts of the United States began to self-isolate, leading to business shutdowns and gatherings restricted or outlawed. This clearly was the “during period” in people’s minds. Thoughts and actions were changed. Most people spent the next 45 to 60 days in self-isolation. Many people were working from home and about 15% of the working population was out of work.

A gregarious country like the United States was living separate and apart from family and friends. All of us were aware of the benefit of socially distancing from each other. Most citizens did not gather for social gatherings either to pray or to mourn. During this 90-day period, many media outlets were focusing on

death and dying as a result of the disease. Each day the large numbers of infections, and especially deaths, were rising histrionically. Death of an immediate family member, neighbor, church member or public person was felt intimately by almost all people in a town. Yet, people could not gather in person to say goodbye or communally support survivors.

On or about May 4, 2020, President Donald J. Trump started to promote the idea that the self-isolation period should end. About 30 states relaxed their mandated social isolation regulations on business operations and personal behavior. The federal government and many state governments were signaling it was time to get the economy and society moving again, to the relief of many. People began thinking about the concept of living with COVID-19. Now, we were all thinking about how to deal with everything, including death, post COVID-19. This allowed consumers to construct in their minds, how they would be dealing with matters. Our survey was conducted on the cusp of the “post COVID-19” period.

We chose to work with SOCAL Approach Marketing and Consulting Group, which has considerable experience with consumer attitudes, having come from the J.D. Powers Co. and having worked with a large funeral home operator previously.

Why should any funeral home manager, employee and especially owner care about the survey results?

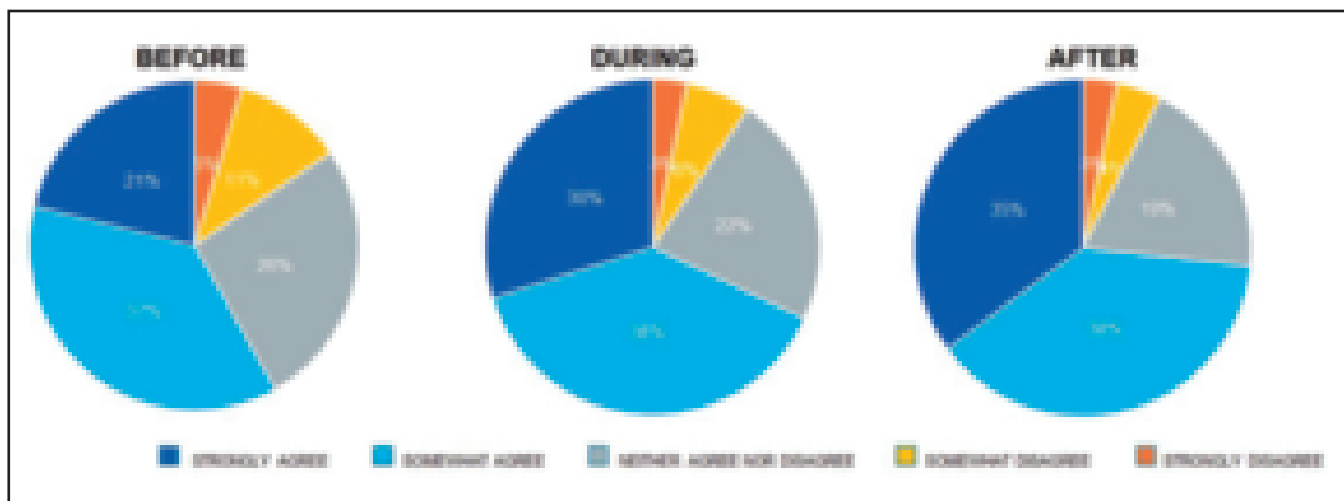
Simple. We have discovered, with 95% certainty, what consumers want in the future. Our survey proved that you are facing a complete change in the way consumers are going to make decisions related to funerals. Is it important to you to be ahead of the curve on their thoughts and needs? Obviously! You can be as stodgy as you want. You can be waiting for bronze caskets to come back. However, to survive, you better be ahead of the curve and understand the expectations of consumers.

In presenting this data to you, I want to highlight some of the key findings:

**Preneed**

**Survey Question: *It is/was/will be very important to have funeral arrangements IN PLACE for myself and my loved ones in advance of illness or death.***

Before COVID-19, we know the typical funeral home would write about 20% of their total calls as new preneed contracts. Before the outbreak, the typical funeral home had about 140% of their annual case count in total preneed contracts. Our study confirmed that before COVID-19, 21% of the respondents strongly agreed having funeral arrangements made was important. During the period of COVID-19 that number went up to 30%. That is not an increase of 9 percentage points, that is an increase of 43%. Post COVID-19, the result increased to 35%. Again, a significant jump not by just



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another 5 percentile points, but that jump is literally an increase of 15%. This result went from 21 to 35, which is an increase of 66%.

The study offered people five options to most questions ranging from strongly agree to strongly disagree. Rather than strongly agree, they could have chosen somewhat agree. Somewhat agree is still a positive assertion.

Pre-COVID-19, 37% chose somewhat agree to having funeral arrangements in place. Therefore, the total positive result in having funeral arrangements in place was 57%. That is a good result in and of itself. However, during COVID-19 the somewhat agree went to 38%, therefore the positive side of the equation went to 68%. The affirmative went up by 11 percentile points. This is an increase of 20%. Post COVID-19, the somewhat agree was again 38%, so the total positive result was 73%. In an eight-week span (pre to post), consumer belief in the importance of having funeral arrangements made in advance went up from 57% to 73% – an increase of 28%.

**What does this mean for you?**

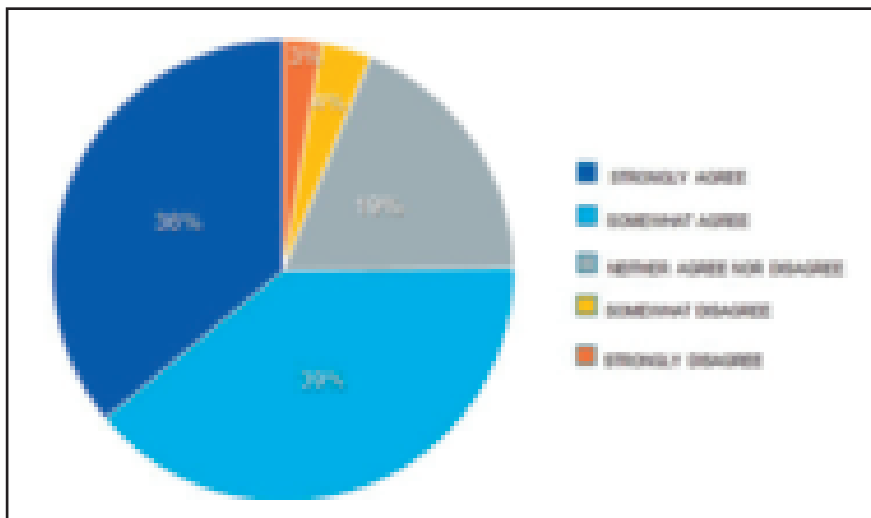
It means you must capitalize upon a preneed initiative now. As tough as making sales appointments are, the public wants the chance to prearrange. Find the way to get the message and the solution out. Can preneed be done via technology rather than face-to-face sales? Absolutely! But you must make the investment. In reality, the investment is less than one month of a salesperson’s draw. Make this a priority.

**What are the long-term implications to your business model?**

Preneed is no longer a nice to do or something that is a passive offering. It must be presented and worked. Preneed has many benefits for consumers, but it has incredible benefits for the funeral provider. These benefits include:

- Added market share.
- No bad debt.
- Higher casketed rate.

The state laws might need to be changed to give you more marketing



opportunities or to be able to use technology. However, you must be aggressive in this area in the future.

**Online Pricing**

**Survey Question: I will be able to view online prices and selections for services and merchandise.**

The next big fight with the Federal Trade Commission will govern the mandatory demonstration of a funeral home’s prices online. The FTC, aided by a group of state attorneys general, think this is another means of protecting the consumers from making mistakes about their funeral spending.

Consumers want transparency when it comes to funeral prices. Almost three out of every four people (75%) strongly agree or somewhat agree with this. Let me explain the magnitude of this vast majority’s request. If I told you that 75% of all consumers wanted to

purchase a bronze casket, how many would you have on your showroom floor? The inverse is just as important, only 7% either strongly disagreed or somewhat disagreed with this need. If you do not have a way to help families understand your pricing online, you are catering to the 7% instead of the 75%. Do not translate this into “people want cheap funerals.” They just want to know the costs.

Most funeral homes do not offer their pricing or offer arrangement software on their website. We are going to have to change as 52% of consumers agree they would be more likely to only do business with companies that provide more pricing data. So, in summary, 75% want transparency in pricing and 52% won’t do business with those that are not transparent.

What has not changed is the amount that families are expecting to spend on their final expenses

I expect the Total Cost of my Final Expenses to be:	Before COVID-19	During	After
Not Sure	19%	19%	19%
\$0 to \$1,000	13%	13%	13%
\$1,000 to \$2,000	17%	20%	18%
\$2,000 to \$3,000	18%	19%	19%
\$3,000 to \$7,000	13%	11%	11%
\$7,000 to \$9,000	11%	9%	10%
More than \$10,000	9%	7%	8%

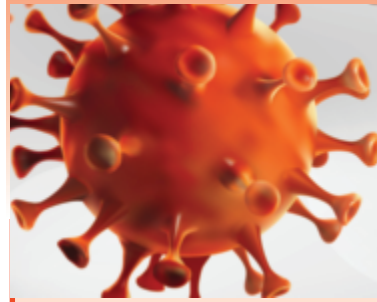
(funeral, cremation, burial, entombment). We have broken this down on a granular basis, comparing the consumer's expected spending on their final expenses to their household income, location, and religion, but in a general overview more people are thinking about final expenses but their spending did not change.

Furthermore, spending on caskets will not be increasing in the future. Only 3% strongly agree that a more expensive casket demonstrates how much someone cared about the deceased. The inverse is telling as well, in that the strongly disagree went from 33% pre-COVID-19 to 44% after.

*What does this mean for you?*

You must be prepared to have a solid online presence and allowing families to find prices online is a key part of the future. Promote it. Your social media should focus on your online component. Studies (other than this one) have shown families will travel farther than you might expect when pricing is offered as part of an online presence.

You should be focused on service



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**[www.katesboylston.com/covid-19/](http://www.katesboylston.com/covid-19/)**

fees for the future. If pre-COVID-19, you balanced the recovery of your overhead on merchandise, service fees and facility charges, then post-COVID-19 you should be more modest on your merchandise mark-ups, place less emphasis on facility charges, and place more emphasis on service fees. This must be done for both burial and cremation consumers.

*Look for more insights from this study in next month's issue. •*