

Business

By Daniel M. Isard

Part Two A Polaroid Picture of Funeral Service Post Covid-19

Editor's Note: This is the second 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.

Last month, I began to share my thoughts about the future of funeral service, based on facts collected from a nationwide survey of more than 2,500 consumers.

In case you either don't remember or did not read last month's article, we surveyed people throughout the United States and asked them to tell us their thoughts on more than 80 points of interest dealing with consumers' expectations of the funeral and cemetery professions. We asked them to tell us what their thoughts were before COVID-19, during their self-isolation period, and what they perceived would be their expectations post COVID-19. We asked them this on the weekend just before the stay-at-home restrictions were to be lifted in 30 states, with five more being lifted the following week.

These are their opinions. This is not my speculation. This is impartial analysis. I share it with you because

the funeral profession is going to go through massive changes. Rather than try and educate families about what you believe, we think the winners are going to be made up of the business owners and managers that listen to the consumers and amend their business practices to what consumers want.

Attendance At Funerals

Survey Question: *"Importance of PHYSICALLY attending a visitation at a funeral home/chapel prior to a friend's or loved one's funeral service."*

For as long as we have recorded history, people have gathered at the time of a death. People gather to support each other, and to find support for their own loss and as a community. Regardless of the reason, we have gathered in person. During this pandemic, we have been unable to be by the bedside of those dying due to this virus and unable to

gather due to fear or state laws. How will this impact the future?

Our study reveals that the physical gathering will change going forward. Before COVID-19, about 69% agreed it was important to attend a visitation or funeral, while only 11% did not agree. During the self-isolation period, those that agreed fell to only 30%. Those disagreeing with the importance of physically attending rose to 47%, which was almost a 400% increase from before the outbreak. The survey reveals that post COVID-19, those surveyed who thought physically attending a gathering rebounded back up to 58%, but the people that did not think physically gathering was important was now 20%. Those who thought physically attending was important declined, and those who thought it was not important increased. The key term in this question was the "physically attending."

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<i>If I were to pass, I expect my service to be held?</i>	Before	After
Funeral home or Place of Worship	32%	29%
Graveside	9%	10%
Someplace other than Traditional Funeral Home or Place of Worship	28%	31%
Not Sure	31%	31%

Traveling to attend a funeral service in the future is at risk based on the survey results. Before COVID-19, 55% agreed it was important to travel to a funeral and only 20% disagreed. As you can imagine, during COVID-19, this fell to only 25% agreed while 54% disagreed. However, we see a rebound to some degree post COVID-19 as 46% agreed and 29% disagreed.

Along the same lines, we asked about a post funeral gathering reception: *“Having a celebration of life (event/food/etc.) with lots of friends and family IS very important.”* Before the pandemic, 68% agreed and after, only 59% agreed. Those disagreeing went from 12% before and 16% after. You might think this change is slight, but it is a 33% increase.

When we modify the question to be *“I could demonstrate how much I cared about the deceased and family by participating in an online/livestreaming webcast of a service”* results changed dramatically. Before COVID-19, only 25% agreed and

after, 43% are agreeing! Most funeral homes do not offer webcasting. There was a push for this a decade ago but that seems to have subsided. In a pandemic, people want to participate but may be afraid or restricted. Most attendees at funerals are over age 60 and they may be a higher risk person.

Ultimately, the ability to hold a service somewhere is not going to change. We asked, *“If I were to pass, where do I expect my service to be held?”* Funeral homes were the choice 32% before COVID-19 and 29% after.

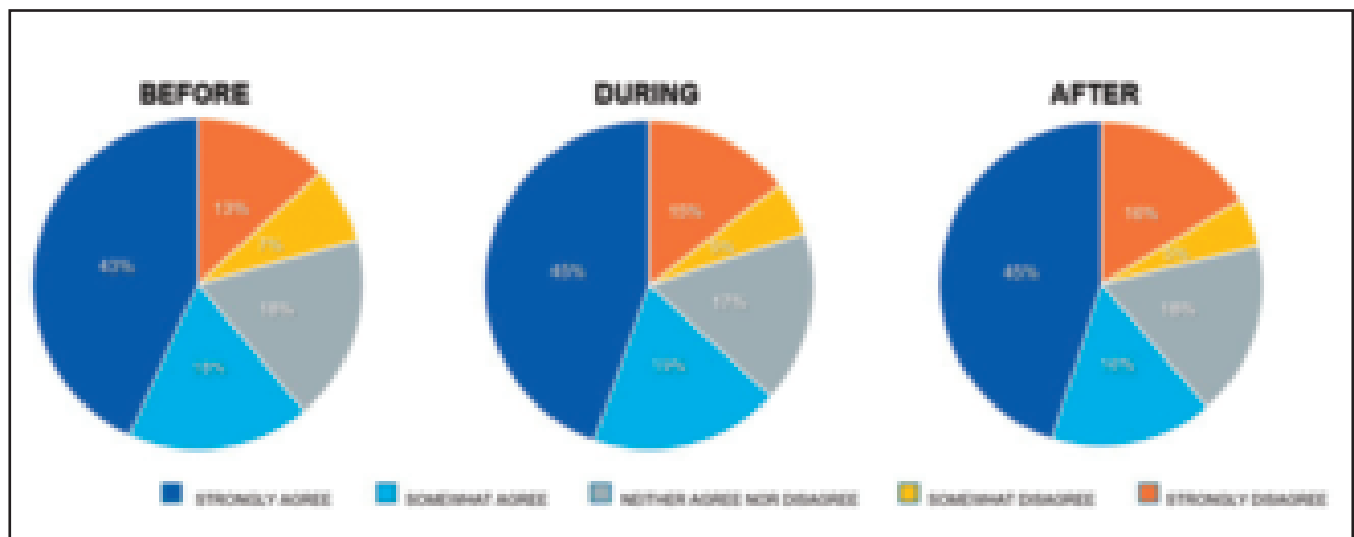
The “Not Sure” group holds the greatest promise. Almost one out of three people are not sure. You, as funeral professionals, have a chance to demonstrate what your value equation is to these people that are seeking solutions. If a funeral costs \$X, is it worth it? What is the value today, now that someone cannot have a visitation? What is the loss when someone cannot say goodbye to a loved one? What is the value of seeing a loved one, one last time, that

has been restored?

What does this mean for you in your business? It is clear that people are telling you a few things about the funeral of the future.

- A post event celebration is being done someplace. Is there a market to offer that as a service for the future? Consumers say yes.
- Fewer people will be traveling to funerals long distance in the future.
- More people are willing and desirous of participating in online livestreaming of services.
- 40% of those studied expect services to be made available by webcast permanently in the future.
- However, only 21% would be willing to pay for the online broadcasting.

We in this profession have always wrestled with setting prices for services and merchandise. Some have been more intellectually honest than others. The Federal Trade Commission and the Funeral Rule changed our pricing from a merchandise package model to a



Prefer to have loved one cremated (Future)	Strongly Agree	Somewhat Agree
\$0 - \$1,000	20%	14%
\$1,000 - \$3,000	27%	21%
\$4,000 - \$5,000	15%	23%
\$6,000 - \$7,000	7%	10%
\$8,000 - \$9,000	6%	10%
\$10,000 or more	4%	4%
I'm not sure how much my total funeral/ final disposition wishes will cost	12%	19%

blended service fee and merchandise model. Over the years, as cremation has prompted more people to focus on services rather than merchandise, the model has shifted to more of a service fee with merchandise for the minority.

Consumers may shop for a funeral once or twice during their lifetime. Our grandparents, due to larger families and nuclear familial relationships, may have participated in five to 10 funeral planning sessions in their lifetime. Therefore, cost and benefit are not as clear today – and funeral service has done little to shed light on that. Consumers clearly want transparency, and about half will not do business with a firm that does not show pricing online.

What are the long-term implications to your business model? Imagine the funeral home of 100 years ago. Some had pianos and organs. Some had people playing music during visitations. Then along came recorded music, and many started to adopt recorded music into their visitations and services.

As the amplification of recorded music increased, funeral homes invested in stronger amplification and speakers to improve the quality and experience of the music. The same will have to be done for videostreaming.

We may need to go from one fixed camera to several cameras. No longer can we hold up an iPad and Facetime or Facebook Live a service.

We will need better technology. This is a huge benefit as this means more services will need to take place in your building. Just as you did not charge for the right to use the sound systems in your building, the future of video production will be a service that is a differentiator between two nearby funeral homes.

Cremation or Burial

Survey Question: “If I were to pass, I would prefer to be cremated.”

No subject has dominated funeral service during my lifetime as much as cremation. This is because funeral directors originally misunderstood the mindset of those choosing cremation. Most funeral home owners and managers think a consumer’s choice for cremation is primarily price driven. The pricing model adopted by funeral homes in their serving cremation consumers has been and continues to be offering lower prices for the same services than are charged to burial consumers.

The study is clear that a consumer’s choice of cremation is not affected by the coronavirus. Cremation was a strong preference if someone was making decisions about their own disposition. Consumers studied said 61% agreed with cremation before and 61% after. Those not inclined to elect cremation were 20% before and 21% after.

Religious Identification	Percentage
Christian Protestant	39.6
Christian Catholic	25.7
Mormon	0.7
Muslim	0.4
Jewish	4.9
Hindu	0.7
Buddhist	1.0
Other	8.4
I consider myself non-religious	17.1
I prefer not to answer	1.8

While there are answers for or against any question, sometimes the “neutral” replies are important. There was no change in those that did not know whether they would choose cremation for themselves. This result stayed 18% both before and after.

Cremation was a preference if someone had to decide for a loved one’s disposition by 48% of consumers before and 51% after. Those not wanting to choose cremation were 23% before and 21% after.

We have not seen a significant change in consumer sentiment about other cremation-related matters, including:

- Scattering cremated remains before and after (38% versus 35%).
- Interring cremated remains before and after (39% versus 36%).
- Retaining the cremated remains before and after (24% versus 21%).

When we look at the study results blending consumers’ conclusions about price (in Findings 2 and 3) and those choosing cremation, we see an interesting takeaway for the future.

Of those that agree to have a loved one cremated (either strongly or somewhat agree), about 25% are focused on spending the lowest amount whereas 8% are expecting to spend the most. I find this inter-

esting as the quantity of consumers willing to spend the most, regardless of burial or cremation choice, was 10%.

Therefore, there are many cremation consumers that are prepared to spend throughout the gradation of pricing we have asked about. It is just that more cremation consumers are focused on spending the least amount.

One last point to review in this area is why people are changing their attitudes. In the past, we felt that religion was the key to funeral customs. Now we know it is not. We asked, “*My thoughts on my funeral and cemetery arrangements are influenced by my religious beliefs.*” Forty-five percent of those surveyed felt religion influenced their choice in funeral choices while 39% did not.

What does all this mean for you in your business? This is simple. The consumer of the future is focused on cremation for themselves and their family. This is not a condemnation of funeral homes. They still want other service offerings as part of the funeral. COVID-19 did not change the desire to use cremation versus burial.

What are the long term implications to your business model?

You should establish your prices without prejudice for or against burial or cremation. You need to change laws that reduce the funeral directors’ limits on owning crematories because more families want you to cremate the body than want to embalm the body (we did not study the consumer’s choice to have a loved one embalmed, this is a conclusion based upon a reduced desire to bury a loved one’s body).

What are the takeaways from the study?

The biggest is that there will be winners and losers. The winners will listen and change. The losers will wait for the old days to come back. The weighted points made to us by consumers were:

- The pandemic has accelerated the rate of change and forever changed the model of the funeral and cemetery industry – how business is conducted in the future will not be the same.
- There will be winners and losers in the coming years. Only those funeral and cemetery operators that embrace change and respond to evolving consumer preferences will prevail.
- A fear of large gatherings may very well be a hangover of the pandemic – with implications for memorial services into the future, at least for some extended time period.
- Funeral homes need to adapt and evolve. This is an opportunity and a catalyst to create the new modern funeral home and interment experience for the 21st century.
- Consumers are willing to provide for a greater emphasis on preneed at all ages.
- There is an increase in perceived value of “services over products.” The scope and nature of what funeral professionals are called upon to provide, and how they provide it, will need to change.
- Technology at all levels is desired.
- Pricing must be more transparent.



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