

# Inspiration Funds: A Strategy to Increase Preneed Sales

by Bill Williams

Two things are practically a given in our industry these days: More families are choosing non-traditional services to celebrate the lives of loved ones and they want peace of mind by having arrangements in place before they die. Savvy funeral home directors and owners can tap into both trends by offering families what we call “inspiration funds,” money set aside in a pre-need contract to cover the cost of those services.

Consumer behavior research validates that families want inspirational, non-traditional services and that they are willing to pay for them in advance. Families today are shying away from holding the kind of services held for their parents or grandparents, and the data backs it up.

- 72% of consumers said that making advanced end-of-life planning is a priority, a huge increase from 41% before the pandemic hit, according to the Foresight Companies’ 2022 “Funeral and Cemetery Consumer Behavior Study.”
- 58% of consumers said they have “attended a funeral at a nontraditional location, such as an outdoor setting, cemetery, personal residence and/or a public venue, according to the National Funeral Directors Association’s “2022 Annual Consumer Study Findings” report.

## **Borrowing a page from the travel and hospitality industry**

In my previous article for Southern Funeral Director Magazine, I discussed how the travel and hospitality industry has leveraged new technology to make it easy for consumers to purchase customized vacation packages. But there’s more to it than that.

Travel and hospitality companies have expanded their service offerings to cater to the growing number of families who want something different when they go on vacation.

A recent study by Hotels.com, for example, found that 53% of Americans “are seeking wellness breaks” but

cite boredom for traditional retreats and want to experience something more exciting in 2023.”

Sound familiar? It should. The families purchasing those pre-packaged deals to travel to exciting destinations are often the same ones who eventually will buy funeral services. Foresight Companies’ survey showed that 59% of respondents are “looking at alternative venues where they can celebrate, searching primarily for a more relaxed atmosphere.”

## **What are “inspiration funds” and how do they work?**

Here’s how I describe inspiration funds: Consider it as cash set aside specifically to pay for memorial services. The funds are trusted as a cash advance item and are released to the family to cover the cost of services when the contract turns at-need.

Inspiration funds open the door to heartfelt discussions with families about how they want to memorialize loved ones. The funds can be used to pay for the use of a unique venue, catering and other things that make the service something everyone will remember.

I highlighted in my previous article several examples of non-traditional celebration of life services that caught my attention over the years. Those included a family service at the decedent’s favorite bar; a memorial at the favorite winter resort for a skiing enthusiast; and one of my favorites, a service at the loved one’s favorite bowling alley.

Here’s an important point: Funeral directors excel at planning and managing an emotional and complex process when families are at their most vulnerable. They help families heal, gain closure and honor (and celebrate) the lives of loved ones. The event planning that is part of a non-traditional service? That is the domain of expert event planners you can subcontract to manage all the logistics.

Here’s another point that I have stressed before, but it

bears repeating: Selling a \$995 direct cremation can still make business sense when a \$9,000+ non-traditional service is included.

### **Differentiating your funeral home from new competitors**

Changing consumer demand has dramatically altered the competitive landscape in the deathcare industry. Venture capital-financed newcomers such as Cake, Empathy, Everplans, and Lantern have millions of dollars in the bank and are spending it to attract families in your community by offering contemporary, even fun, end-of-life planning services. Large deathcare corporations also have moved aggressively into this space and ramped up hiring full-time celebration of life event planners (if you are curious, check out the listings on job board websites like Indeed.com).

The travel and hospitality industry learned a long time ago that most consumers are not shelling out their hard-earned money just to stay in a hotel room – they are paying for experiences. Funeral homes can take the same approach and highlight the superior range of services families can purchase to make the memorial a truly unique experience.

### **Leveraging technology to simplify preneed purchasing and recordkeeping**

After decades of managing business the old-fashioned (think paper contracts, minimal investments in information technology, treating your website like a brochure), the deathcare industry has slowly but surely started embracing today's digital technology.

Funeral directors should make it a priority to make sure their websites are updated to provide consumers with plenty of non-traditional service choices. They also should have robust preneed recordkeeping and administration technology seamlessly integrated with their website so that with a few clicks of a mouse, families can select and purchase an end-of-life celebration befitting their loved ones.

The technology supporting the website and record-keeping/administration go hand in hand because it helps each family and the funeral director make sure there is enough money in the “inspiration funds” bucket to cover expenses. But there is an added benefit to

that integration: The data obtained when families visit and purchase services on your website provides you with invaluable data that will help you fine-tune your marketing and product/service portfolio instead of relying on educated guesses.

Over the next several years, I believe our industry will undergo significant transformation in the depth and breadth of services we provide families. Our country's 65-and-older population stands at around 56 million (and will nearly double by 2060), and the 65–84-year-old demographic accounts for about 42% of revenue – and many of those individuals are moving on from traditional services.

Funeral directors can have the best of both worlds: Maximize preneed sales by marketing inspiration funds and non-traditional celebrations and provide the kind of caring service families in their communities have come to rely on for generations.

## **Your Solution to Today's Marketing Challenges**

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