

# [ CREMATION COLUMN ]

## 3 Practical Strategies Cremation Facilities Can Use to Jumpstart Preneed Sales

By Paul White, senior vice president, Funeral Services Inc., an Argent Company

The number of families choosing cremation continues to rise, and ceterians and cremation providers can capitalize on the trend to generate incremental sales and lock in future revenue with a robust preneed trust program.

**T**he cremation rate in our country is expected to increase from 60.5% in 2023 to 81.4% by 2045, according to the National Funeral Directors Association. With preneed contracts generally representing 20% to 40% of funeral home revenue, the death-care profession is well positioned to boost sales if they have a scalable, preneed trust program in place.

The growing appeal of cremation has been well documented, but the reasons bear repeating because they will not change for the foreseeable future.

- **Cost has become a significant factor.** Two years of elevated inflation have eroded consumer purchasing power, and families are looking for ways to save

money. The median cost of a cremation (excluding embalming and related fees, a cemetery plot and gravestone) in 2023 was \$5,141, according to the NFDA. That is nearly 40% less than a traditional burial (\$8,300, including a casket, but excluding a plot and marker).

- **Families are demanding more choice.** Families are seeking alternatives to traditional services. Many of the memorial options feature celebration-of-life services at locations that are not conducive to having a viewing and casket. The Foresight Companies' "2023 Funeral and Cemetery Consumer Behavior Study" backs that up. It found that 31% of consumers "said they would prefer a remembrance off-site."

- **More consumers want green options.** Do not discount this trend as temporary. Green funerals continue to grow in popularity. NFDA's "2023 Consumer Awareness and Preferences Report" shows that 60% of consumers are interested in green funeral options for environmental reasons, compared to 56% in 2021.

Changing consumer behavior has reshaped the death-care profession. Venture capital-financed newcomers have attracted hundreds of millions of dollars and are spending it freely to grab market share by offering contemporary, non-traditional memorials and environmentally friendly cremation services. Ceterians and cremation providers can mitigate

that competitive risk, but it takes a new mindset, one that focuses on education and making it easy for families to plan and purchase services from their desktop, tablet, or smartphone.

## DEMONSTRATING VALUE BEYOND CREMATION

Families often do not think about memorialization when choosing cremation, particularly if the sale is at-need. Here is a typical example: A loved one dies, a family member or someone close to the decedent works with a crematory or funeral home to handle cremation, and then that person organizes a small memorial service (usually with immediate family) in a location of their choosing (which is often not a funeral home or a cemetery).

Our industry needs to do more to help families with end-of-life preparations and memorial services, both at-need and preneed. Death-care profes-

sionals think we are doing a good job, but consumers have a different take. Foresight researchers estimate that 93% of industry professionals believe that consumers are aware about cremation memorialization services. The reality, however, is that actual consumer awareness is less than half of that (43%).

Here are two more data points from the Foresight study to ponder:

- 77% of consumers “would like some type” of memorial/remembrance service when cremated; but
- 42% of consumers “don’t know enough” about products and services provided by crematoriums and funeral homes.

## LEVERAGING YOUR WEBSITE TO BOOST PRENEED SALES

The Foresight data highlights the disconnect between our industry and consumers. To bridge that gap, cremation providers and cemeteries must step up their marketing efforts, and it begins

with your website.

If your website does not offer educational information to help families with preneed planning and cremation and memorialization options, now is the time to start. Your business should offer families the ability to pre-plan services online – and to pay online without having to call or meet with a cremation professional.

It’s a win-win for the families you serve and your business. With a pre-need trust contract, families can plan and purchase services from the comfort of their homes. •



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