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CREMATION & CANA PRE CONVENTION

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Strategies to Increase Preneed Sales in the Era of Cremations

by *Bill Williams*

The landscape of final disposition in the United States has undergone a dramatic shift, with cremation rapidly emerging as the preferred choice for many Americans. This trend, driven by multiple factors including cost-effectiveness, changing religious traditions and evolving consumer preferences, has been steadily gaining momentum. According to the National Funeral Directors Association (NFDA), cremation rates surpassed the 50% mark as early as 2017, and this percentage has continued to climb. Projections indicate that by 2045, a staggering 81.4% of Americans will opt for cremation, signaling a profound transformation in how we approach end-of-life rituals and memorialization.

For deathcare providers, this change in preferred final disposition can be viewed as either a threat to the traditional funeral service industry or a significant opportunity to increase revenue through preneed sales. Forward-thinking professionals will recognize this as an unmistakable opening to boost preneed sales efforts and considerably grow profits.

INCREASING REVENUE THROUGH PRENEED SERVICES

Funeral homes generally attribute 20% to 40% of revenue to preneed contracts. Ideally, a funeral home's preneed contracts should represent 50% of revenue. That goal is certainly attainable, particularly if the funeral home has a scalable preneed program in place that reflects changing consumer preferences.

Here are three strategies to help boost preneed services in this era of rising cremation rates:

1 EDUCATE CONSUMERS ABOUT MEMORIALIZATION OPTIONS

Many consumers (57%) are simply unaware of the memorialization options that exist for cremations. In fact, Foresight research indicates that, while nearly 93% of deathcare professionals believe customers are knowledgeable about memorialization services, the reality is that just less than half are sufficiently aware of their choices. Furthermore, just over three-quarters of consumers indicated that they “would like some type” of remembrance service when cremated, but more than half said they “don’t know enough” about the products and services being offered. Funeral professionals can now better bridge this gap and educate consumers about the options that exist within cremation.

Providing educational resources on your website about options for memorialization can help the consumer choose between a variety of services. This is also key because memorialization is often overlooked when a cremation is selected, particularly when the sale is at-need. Many times, loved ones realize that a physical marker to remember the decedent was not planned, and they miss this important step.

Clearly providing a robust variety of options and services could, in these cases, prevent subsequent customer dissatisfaction both with at-need and preneed sales.

2 OFFER ONLINE PRENEED PLANNING AND PURCHASING

To meet changing consumer demands for convenience, firms should make it easy for families to pre-plan and purchase cremation services online and, further, enable online payments without requiring in-person meetings.

Think of this as your virtual storefront. Here, consumers can learn more about what your firm offers, how the process works, what options are available to them, and most importantly, they can confidently navigate the purchase process independently if they choose.

Firms can provide transparency and ease-of-use by combining informational resources with convenient online purchasing. It's a win-win for both you and your customers.

3 DIFFERENTIATE FROM COMPETITORS THROUGH PERSONALIZED SERVICES

Remember that now is the time to think creatively and differentiate your business from competitors. Many venture-backed industry disruptors are aggressively marketing non-traditional service options to meet the demands of today's consumers.

To compete with them, you should highlight modern celebration of life package offerings on your website and include them as part of the pre-need process. As nearly one-third of people are reported to prefer off-site remembrances, and that number is projected to grow, firms are smart to incorporate non-traditional service options into the pre-need process.

Further, this can be a significant driver of revenue growth, as direct cremation can cost as little as \$1,000 while celebration of life packages can be sold at nearly ten times that price, while providing a service that family members will remember and cherish.

In the journey to update offerings for consumers, it also provides an opportunity for funeral homes to include more popular "green" cremation choices, as 60% of people have shown a growing interest in having a diverse selection of environmentally friendly options.

The bottom line is that as the cremation rate continues to climb, the firms that will thrive are the ones that adapt quickly and strategically. By welcoming this shift in consumer preference, firms can offer services that better meet the needs of the families they serve, both through enhanced online options and more convenient online purchasing. To ensure your firm is positioned to meet this demand and boost revenue in the long term, it's time to adapt — and profit.



Bill Williams is president and CEO of Funeral Services Inc., a leading deathcare trust administrator and subsidiary of deathcare trustee and fiduciary wealth management firm Argent Financial Group. Under Bill's leadership, FSI has expanded to offer services in more than two dozen states across the country.

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