



The Wants and Needs *of* Today's Consumer

Forging a Path Using Data-Driven Insights



by **Bill Williams**

As deathcare firms navigate current economic challenges, businesses would be wise to consider leveraging pre-need as a revenue driver. As a rule, firms should target attributing at least 50% of incoming revenue to pre-need contracts. But how are customers currently making decisions on the pre-need contracts they're selecting, and how much are they choosing to spend?

To answer these questions, we've analyzed our comprehensive Funeral Services, Inc. (FSI) database, which contains information on pre-need contracts from 24 states collected between 2018 and 2023. This robust dataset provides valuable insights into current trends to help inform business decisions.

Here are a few insights:

- More than two-thirds (68%) of pre-need contracts written since January 1, 2018, are currently active.
- Cremation accounts for nearly half (46%) of pre-need contracts.
- The average total pre-need contract amount is \$2,542. Services account for the highest portion of the average contract amount.

For a deeper dive into the numbers, let's review how contract information can clarify consumer preferences and help us better understand pre-need planning.

Contract Status and Disposition Preferences

Our data reveals significant insights into financial planning habits within the deathcare industry. Customers are showing a strong tendency to proactively plan for end-of-life expenses with a healthy 68.5% of contracts in active status. This demonstrates a commitment to mitigating future financial burdens on their families. The numbers show that plans have been effective, underscored by the 29% of contracts that have been fulfilled, reflecting that these pre-need plans are serving their purpose.

Meanwhile, the low cancellation rate of 1.6% suggests high customer satisfaction in their financial planning decisions. These figures would also suggest that a majority are not only making pre-emptive financial planning a priority but are following through with their commitments. (See Figure 1.)

Regarding disposition preferences, our data aligns with broader industry trends. An industry survey [projects](#) that cremation rates will top 80% by 2045, reflecting an overwhelming preference among Americans. Among identified contracts written by disposition, over half (51.55%) in our database indicate direct cremation or a cremation with services. While that's lower than the survey's future projections, a hefty 42.47% of contracts have a means of disposition that is not specified, which could tilt the scale to an even higher cremation rate.

This data seems to reinforce the current trend that customers continue to forgo traditional funeral services.

Contract Values

For a closer look at the values of these pre-need contracts, here's what the data indicates:

Figure 1. Disposition Preferences

Direct Cremation	46.05%
Not Specified	42.47%
Cremation with services	5.50%
Burial or Entombment	4.99%
Immediate burial	0.45%
Other method of disposition	0.35%
Ship the remains	0.16%
Donation of remains	0.04%

- 12.5% of contracts are within \$500 to \$1,000.
- 61.1% fall within the \$1,001 to \$2,500 total amount range.
- 13.5% are valued between \$2,500 and \$5,000.
- 12.9% exceed \$5,000.

These numbers show that, as the preference for cremation has risen, the value of contracts has trended toward the lower two ranges—but this is an area where our profession has a tremendous opportunity to better educate the consumer on additional service options, such as celebration of life services, while increasing the values of these pre-need contracts.

The trends are clear: today's consumer is not looking for the same funeral service as the generations before them—but they are also not quite sure exactly what they want. This can be attributed to the lack of educational resources available to them that guide consumers on the possible service options.



The key lies in providing clear information to guide customer decisions and creating flexible, customizable packages that resonate with today's consumers.

In fact, a survey conducted just this year by Foresight reflected that just 35% of consumers said they received education during the purchasing process, compared to 75% of deathcare professionals who said education is offered. That's far too wide of a disparity in perception between these two groups.

With a better view into what consumers are looking for, deathcare firms can use these insights to consider strategic pivots that will help guide the consumer and boost contract values.

Industry Implications and Strategies

Using a data-based approach can inform business decisions as our profession seeks to better serve families. Even as economic uncertainty continues, the data shows that consumers still find value in pre-planning. As a result, firms should use this opportunity to create educational resources for their websites and utilize social media to amplify offerings.

To emphasize this point, consider that in a recent survey, 87% of shoppers indicate that they begin their general product searches online and 88% find detailed product pages crucial for purchasing. It is vitally important for funeral homes and cemeteries to offer a robust webpage with online features, such as pricing, payment options, arrangements and the ability to navigate the pre-need purchase process.

When it comes to method of disposition and contract value, data indicates a clear trend toward cremation and low-range pre-need contract amounts, but also reveals opportunities for education and personalization.

With these insights, firms can better understand their customers, operate more efficiently, and adapt their offerings to meet contemporary needs. The key lies in providing clear information to guide customer decisions and creating flexible, customizable packages that resonate with today's consumers. ■

Bill Williams is president and CEO of Funeral Services, Inc. (FSI). In 2001, Bill became vice president of FSI, and in 2003, he was appointed president of the company and elected to FSI's Board of Directors. Under Bill's leadership, FSI has grown into the largest deathcare trust administration company in the nation. Bill is also a licensed Florida funeral director with more than 40 years of experience in the deathcare industry. Bill is a native of Pensacola, FL, where his family owned and operated several funeral homes and cemeteries. In 1988, Bill and his family sold the firms to a funeral industry consolidator where he was employed for the next 11 years. During that time, Bill had at-need, pre-need, funeral, cemetery, and crematory responsibilities for a large geographic area. In addition to his operational responsibilities, Bill served as a market director, corporate trainer, and financial analyst specializing in deathcare.

THE ANSWERING SERVICE IN A CLASS OF ITS OWN



Efficiencies for Success!

More Compassion, Fewer Headaches...

- ✓ On-Call Solutions
- ✓ Revolutionary Texting Capabilities
- ✓ Technology for Business Growth
- ✓ Web and Software Tools



ASD
1-800-868-9950




FLOWERS™ FOR CEMETERIES

Let us help you design, implement, and maintain a successful flower program.



- No Minimums
- Free Consultation
- Marketing Assistance

For more information, please contact:

- Quality Silks
- Exceptional Service
- Wholesale Prices



Ruby E. Broel, Pres.
P.O. Box 1533
Marietta, GA 30061
T: (770) 428 - 8883
F: (770) 422 - 4720

2.5-3.5 in Diameter Bronze Vase ©2016 Flowers For Cemeteries, Inc.