

Cooperative Funeral Fund Inc.

New Year, New Decade, New Preneed
Strategies

as seen in:



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NEW YEAR NEW DECADE NEW PRENEED STRATEGIES

A strong preneed program has always been an essential part of a robust strategy for funeral homes, one that secures future business and increases their families' satisfaction. As we enter a new year, a new decade, this important part of the deathcare industry certainly isn't going to change, in fact it will become more pertinent than ever.

"A recent Homesteaders survey of funeral home owners revealed that 70% say the at-need experience is much better when a prearrangement exists. 95% of funeral directors participating in the survey report that consumers are receptive to prearranging," explains Danielle Burmeister, Director of Marketing Communications with Homesteaders Life Company. "Advance funeral planning is also important to – and valued by – consumers. Homesteaders' latest policy owner survey showed that 100% of preneed policy owners were satisfied with their decision to prearrange. In fact, they're so satisfied that 96% reported that they plan to or would consider recommending preneed to someone else, with more than 40% already having recommended within a couple of months of prearranging," states Danielle.

It's clear that preneed is something families really want and need and that client families are well served and satisfied by firms with preneed programs. Consumers have so many choices in celebration and memorialization with an emphasis on commemorating individual lives through highly personal services. They have control, which is a complete 180 from decades ago. For consumers who wish to plan in advance, there are many secure options to fund their funerals that include plans to help offset inflation. From a consumer standpoint, a funded, prearranged funeral is truly a solid investment and something a person will have use for in the future.

Funeral homes with the strongest brands are more likely to enjoy long-term success, and high brand strength almost always is the result of consistently high levels of satisfaction and high numbers of people who actively recommend or refer friends and family. Preneed is important because it helps successful funeral homes increase their market share, outclass their competition, and secure future business.

"Preneed eases the at-need experience for families because planning ahead allows them to make more meaningful decisions for their loved ones. A high-quality preneed experience gives families a memorable connection to a funeral home's brand. Even if a family doesn't prefund, the experience can create a lasting positive impact," describes Tyler Anderson, VP Business Development with Precoa.

Preneed has changed with the times in terms of the transitions that are currently disrupting the funeral business. It is well documented that fewer and fewer people are looking for what used to be the standard funeral. In the past, people knew very little about the process once someone passed; they relied 100% on the funeral director to walk them through it and the process was somewhat controlled by the funeral director. Now, people are doing their research online and finding out about prices and options before walking through the door of a funeral home.

"What is old is new again. Family service and aftercare are once again the focus of many preneed companies. Grief and bereavement services are being requested by many funeral homes as an addition to the normal portfolio of preneed offerings," says Mike Varanakos, Marketing Director with Security National Life.

Due to the abundance of readily available resources and information, today's families are much more knowledgeable. This is where the biggest change in the industry exists from how it was handled in the past. The industry is abuzz about changes in products and services, but the real difference is that the consumer has been trained by the internet to be price conscious and every purchase people make is an analytical one to some degree. This paired with the research on funerals makes the consumer feel they are an expert before engaging a funeral director. In many cases they believe they know what they want and what they are willing to pay for it.

"The problem with this new consumer approach is that they are not buying something simple like a toaster," begins Todd Mannix, Vice President with Cooperative Funeral Fund, Inc. "Today's online consumer lacks experiential input. A funeral is not a packaging of products and services. Rather, it is the reason why those products and services are being purchased and what the family is attempting to do when they buy them. They are saying goodbye to someone they cared about. There is a lot of emotion involved and when the consumer thinks they understand what they are doing in terms of products and services, they are making the funeral transactional as opposed to emotional. This is especially true in a preneed sale because the loss has not occurred yet. A funeral director may be better able to overcome the know-it-all, I'm not going to pay a lot for this funeral, transactional mindset and help a family create a loving service during a time of loss when people are feeling the pain and wanting to memorialize. It takes a little more savvy in a preneed setting, depending on the client, when the emotional experience of loss is not upon them. In these circumstances, if the conversation is handled the way the consumer thinks it should go based upon their transactional research, the funeral could be devoid of its true purpose; Honoring the loved one that has passed and providing the grieving family and friends a chance to gather and celebrate the life as opposed to just observing the death," Todd states further.

How we reach out to potential preneed customers is changing as well. While a funeral home should not entirely stop their traditional approach for generating conversations that lead to a preneed contract, awareness campaigns using a variety of methods including social media, seminars, lunch and learns, elder care information and how to navigate social security benefit elections for retirement are good methods to reach new customers.

"Social media is becoming more prevalent in getting your message out to your local community and to the extended family. Using social media can assist funeral homes by answering questions about how the process will benefit the family and create buy-in for all family members. Awareness campaigns help soften and eliminate issues that may arise for a large extended family who does not fully understand the value of preplanning. Recent developments in technology have allowed us to speed delivery for issuance of coverage for preneed agreements and speed up claims process to hours versus weeks previously," says Tom Holland, Vice President National Accounts with Atlantic Coast Life.

Get advice from leading company professionals on how to increase your preneed business in this feature editorial.



"Cooperative Funeral Fund, Inc. (CFF) has been a leader in preneed fund management and account servicing since 1989. Over 1,000 clients already rely on CFF for their preneed fund management. With over 600 million dollars under management the CFF program was created specifically and exclusively for the death care industry in order to facilitate the creation, investment, related tax compliance and payout processing of preneed funds and the management of care funds for cemeteries. CFF's custom built subaccounting system was created with you in mind. Through this system, fund balances are available to you online (and via smart phone applications) 24 hours a day down to the individual trust level, so you always know how much is available when a call comes in. Our focus on the customer, attentive customer service, and meticulous attention to detail, has allowed CFF to enjoy an excellent client retention throughout the years.," begins Todd Mannix, Vice President with Cooperative Funeral Fund, Inc.

Cooperative Funeral Fund, Inc, is in the business of providing preneed trust fund management. They are solely focused on serving the funeral services industry. They have a deep knowledge of the business honed through over 30 years servicing the death care industry and by focusing on putting the customer first. This philosophy has helped CFF to become a leader in the industry.

"While technology and the shift to cremation are certainly disrupters to the traditional funeral services industry, there are also many benefits in terms of not only reaching the consumer in their comfort zone, but also to create new and customized funeral experiences. There is a great opportunity to set expectations and help the consumer to understand why a funeral service is so essential in healing after a loss by using the internet and social media. In addition, the more educated consumer of today is also used to a high level of customization as they can generally get what they want, when they want it, and many products have customized options. They are used to this type of service and will expect the funeral process to be the same. Consumers may become frustrated, disinterested, or disengaged with a process that does not fit their normal purchasing experience. Funeral directors should use their online presence and marketing to show how funerals can commemorate in thousands of different and unique ways. In looking at the opportunities created by the disruption, funeral directors will be a part of crafting and directing the change to the industry instead of being pushed by it and reacting after the fact," Todd explains further.

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