

# Roundtable

By Patti Martin Bartsche

# Caskets Roundtable



Dan Sauder



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Sirius Chan

**Consumers' wants and needs are constantly evolving, and businesses – including those in funeral service – need to find ways to meet those wants and needs. This is especially true for the casket industry. We recently spoke with Dan Sauder, part of the third-generation of Sauder family members devoted to funeral service, and executive vice president of engineering and new markets for Sauder Woodworking Co., overseeing Sauder Funeral Products in Archbold, Ohio; Betsy VerPlank Kerl, CEO of VerPlank Enterprises in Iron City, Tennessee; and Sirius Chan, founder and CEO of Sich Caskets in China, to get their thoughts on the changing landscape, what families want and need, and the future of the industry.**

**Have you seen customers' attitudes toward caskets changing in recent years?**

**Sauder:** Yes, there have been some big changes lately. In the past, some distributors and funeral homes were hesitant to show lower-cost wood or metal caskets because they feared it would cannibalize sales of higher-

priced caskets. Now, they are realizing that if they don't offer lower-cost solutions, families will opt for direct cremation – avoiding a casket and viewing entirely.

We now see that the more progressive distributors and funeral directors are willing to offer lower-priced caskets that are high quality

and attractive. They have discovered that showing these options helps reduce the number of families opting for direct cremation. Even when families do choose cremation, low-cost wood caskets increase revenue by offering more choices that work well for cremation.

**Kerl:** Ten years ago, we started

seeing some change away from the higher-end caskets due to a dip in the economy. Recently, we have had more requests to 'doll up' 20-gauge caskets by adding swing bar hardware, pinstripes and embroidered panels. This concept gives more value to the consumer (and we all like a good deal), but it devalues the quality (in the consumers' mind) of all other caskets on the showroom floor.

**Chan:** Although the public's interest in cremation has been rising for a number of years, the Great Recession of 2008 has forced the issue. The cost of casketed funerals is being questioned as never before, and the most expensive item on the menu is caskets. So on one hand, casket price is a critical factor in the consumers' choice of cremation or burial. But also, as the concept of 'life celebration' has taken hold in the past decade, those consumers who want to have a casket are looking for a wider choice of casket styles and casket options that can best define the life of their loved one.

There was concern at one time that the public would only choose an American-made casket, but buying habits have shown that this is not of importance to the consumer any more than buying an American-made car. Today's buyer is looking for the best combination of price, quality and selection, which equals value.

### **When it comes to choosing a casket, what are families looking for?**

**Sauder:** Families are looking for lower-cost options that provide a dignified and meaningful goodbye for a loved one. Family members are coming to the funeral home with a price in mind because they can search online in advance to get an idea of the options and prices available. Price and value are huge factors.

Families also prefer wood to metal. Research shows that 58 percent of families would rather have a wood casket when given a choice at an equal price point. In funeral homes where families are shown wood caskets that are the same price as base

metals, sales of wood caskets are higher than the norm. (Historically, only about 20 percent of casket sales have been wood.) Families like the warmth and softness of wood, they just don't want to spend a fortune for it. That is why we are so focused on offering more affordable wood caskets with the same great look and feel of very expensive wood caskets

**Kerl:** Families will change their attitude away from price if they are given a wide selection of caskets (from a basic 20-gauge to a solid copper or bronze) with an explanation why each one is priced accordingly. Personalization and specialty themed caskets are particularly popular now.

**Chan:** The buyers of today's caskets are largely baby boomers and Gen Xers. In large part, they don't have the same value-set their parents did. So, for those who do want a casketed funeral, price is now one of the defining factors, just as long as they feel there's no sacrifice of quality. At the same time, this generation of buyers values styles and features that are better in expressing the individuality of their loved ones. That means, for the funeral home, it needs to offer families a wider range of options, from casket design and materials to interior features to add-ons, all that 'tell the story' of the occupant, but do so affordably.

### **How can funeral directors explain the value of caskets to the families they serve, whether that family is choosing an in-ground burial or cremation?**

**Sauder:** To truly show value, funeral directors need to provide the best quality, most attractive casket that fits within the family's budget. If the family is proud of both the look and the price, they will know that they got a great value. Limiting families to caskets that fit the budget, but are lower quality and less attractive, will make them feel stuck. Families who feel pressured to spend more than they want – to get a casket they can be proud of – will be equally uncomfortable. The key is having as many attractive, high-quality options

as possible at various price points.

**Kerl:** The tradition of visitation and a funeral service needs to be explained to the families on how it is important to the grieving process that the deceased be present at the service for the final goodbye.

**Chan:** It starts with genuine listening and understanding who the decedent really was and what the family wants. When the family knows that the funeral director 'gets' their loved one and is on the same page as the family, it opens up a bond of trust and allows them to hear the funeral director's perspective without prejudice. At that point, it's up to the funeral director to educate the family, not sell them. But one thing should be central in the presentation: At a funeral, the casket is absolutely the centerpiece – all eyes are on the casket, whether open or closed. For everybody, family or friends, it's the very last thing they will see of their loved one. That's the memory that will last.

### **It has been said that every funeral presents an opportunity to share a life story. How can caskets help tell that life story?**

**Sauder:** The casket can be customized to match the theme of the person's life – religious, military service, career, or hobbies. Head panels, finish schemes and medallions can be used to personalize a casket for an additional fee. Or, if families want to avoid extra expenses, they can simply tuck photos and memorabilia into different areas of the head panel or interior. We recently introduced a new casket, the Stockton, which makes it easy to insert pictures in several places both inside and outside the casket. It's a convenient and affordable way for the family to tell the life story of their loved one.

Another, and less obvious, way that a casket communicates about a person's life is through the price and materials used. Ornate wood or metal caskets convey style, affluence and glamor whereas more basic caskets imply a modest lifestyle, practicality and humility.

**Kerl:** As a speciality casket

manufacturer, we have created themed caskets around a person's specific religion, hobby, school colors and occupation. Personalization can be added with monogrammed snap-in panels, decals, engraving and magnetic emblems.

**Chan:** There's a great parallel between cars and caskets. Some people choose their cars strictly for utility; others want something that has more personality and says something about who they are. The same goes for caskets. Design and materials can range from functional to fantastic, traditional to contemporary. The selection of a given variety of wood or the finish of a metal casket tells a story. Pine suggests simplicity. Solid oak speaks to stability and strength of character. Rich mahogany suggests elegance. Polished bronze might suggest importance or affluence. Regional origins can also be expressed by the selection of wood varieties. Maple, for instance, defines New England.

Beyond that, cap panels, decals and interior elements are personal touches that show one's hobbies, religious commitment or favorite items. Outside of the funeral service itself, the casket is perhaps the most significant means of expressing the story about an individual.

### How is cremation impacting the casket industry?

**Sauder:** Cremation is changing the industry quickly. The number of caskets sold is dropping even as the annual number of deaths is increasing slightly. The outlook for casket sales is not good, especially for more expensive caskets. Metal is not an option for cremation, so we would expect to see sales for metal caskets decline while sales of wood, cloth-covered and corrugated caskets (especially rental inserts) increase. Funeral homes should be expanding their casket offering to give families more choices for cremation.

**Kerl:** Nationwide, the cremation rate is approximately 50 percent.

A majority of the cremations are direct cremations, which do not include a visitation where a rental

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— Dan Sauder, Sauder Woodworking Co.

casket could be used.

**Chan:** Cremation is the wake-up call for both casket makers and funeral directors. It shows how the public is re-evaluating the value (and cost) of traditional funerals, and how important it is that our industry adapt to the challenges. Less expensive caskets and imported caskets are certainly solutions, but only if quality isn't sacrificed, and both the funeral home and consumer share the savings. Collectively, suppliers and funeral providers have to do a better job of communicating the value of funerals and the value of caskets to consumers. But it also means that funeral homes have to rethink the way they've purchased caskets in the past and to now find new, smarter, more affordable options that satisfy the public's demand for better value.

### What do you see as the future of the casket industry?

**Sauder:** The future of the casket industry will be heavily shaped by two major trends: increasing cremation rates and the aging baby boomer demographic. The rate of cremation, now about 50 percent (on a national basis), will reduce the need for caskets, thus pulling down casket unit sales. Burials will not go away, of course, but there will be a smaller percentage for sure. On the other hand, the aging baby boomer population will cause the total number of deaths per year to steadily increase over the next two to three decades. Forecasts predict that we will likely see a 35 to 50 percent increase over this time period.

I believe that the net result of these two major shifts will cause the total casket volume to be flat or decrease

slightly, which is not a major disruption in unit sales. What will likely be more disruptive is the shift in the types of caskets sold. There will be a big shift toward using materials that work for cremation. This is why Sauder Funeral Products has focused so intensely on making all of our caskets suitable for burial or cremation. It is a trend that cannot be ignored. The volume shift will not disrupt the casket industry as much as the shift in the types of caskets sold.

**Kerl:** I am saddened to say it is shrinking in the U.S.A. due to the increased rate of cremation and a high rate of imported caskets coming in from Mexico and China at a much lower price. I do feel as American manufacturers we need to focus on quality, service, and that we are still making caskets here with American workers.

**Chan:** The future of the casket industry depends on funeral directors and their families finding the balance between the cost of a casket itself and value it holds for families. The modern casket is part of a 150-year-old tradition. But should the tradition become unaffordable to the majority, then the casket business as we know it could be in jeopardy. That said, I think we're at the crossroads of new solutions, not the least of which is sourcing caskets from abroad. While it may seem self-serving to say we believe in the benefits of importing caskets, we are now witnessing the growth of that solution driven by smart American business owners who aren't bound by outdated prejudices and misinformation. So the bottom line is that the future of the casket industry lies in the willingness to accept and adapt to change. •