

# BUSINESS OUTLOOK

# 2012

What will the new year bring for the cemetery industry?



Thomas P. Daly



Dick Perl



David N. Hepburn Jr.

**What's in store for the cemetery industry in 2012? Will the stories affecting the industry in 2011 linger through 2012 and beyond? What will be the most important issues for the cemetery industry in 2012? How important is technology to ceterians and their businesses?**

**To get some of these answers, we turned to three well-known figures in the cemetery industry: Thomas P. Daly, principal in charge of CHS Consulting Group in Westwood, Mass.; Dick Perl, president and owner of Heart to Heart and vice president/director of marketing for Mobile Memorial Gardens in Mobile, Ala.; and David N. Hepburn Jr., owner of States West Cemetery Services in Huntington Beach, Calif. – for their thoughts on the state of the cemetery industry in 2012.**

**What were the most significant events affecting the cemetery industry in 2011? Will they linger into 2012?**

**Daly:** The events I feel affected our cemeteries in 2011 the most may have been the missteps by management at Arlington Cemetery, events in Illinois, and the most recent concerns with the mishandling of remains at Dover Air Force Base.

As trusted guardians of deceased loved ones, all cemeteries large and small and national veterans cemeteries need to be aware of our cemetery operations, record keeping and diligence. These events may change how our families trust the ceterian in the services and caring profession we provide.

**Perl:** I think the (main issues) affecting our industry in 2011 will be the same in 2012 – the steady increase in families choosing cremation with no service. Cremation is not going away,

“ We are here to serve and comfort, but most importantly, we are here to help the family celebrate a life lived – not please stockholders and owners. If we do serve and comfort our families, we will not have to worry about profits. ” - Dick Perl

and we need to be better marketers and value builders. I also think we will see an increase in families buying funeral products online. Today's buyers like the freedom the Internet gives them.

**Hepburn:** The increase of the cremation rate is going to affect the industry. It'll be the most popular way to have a disposition; another thing is the declining death rate. Also, another is the huge, new numbers of veterans cemeteries. Although veteran cemeteries are a good thing, they are taking away from the private sector cemeteries. It's free to families, but it's not really free – we all have to pay for it through our taxes.

### **What do you think will be the most important issues for the cemetery industry in 2011?**

**Daly:** The most important issues for 2012 are: burial disposition, memorialization and the economy. I see these three as important issues that we face and need to continue educating our consumer families about. It will be important to promote personal choice and prearrangement as cost saving measures. Cremation is increasing as a burial option by choice, but some families chose cremation as a less expensive alternative. In our area, crematories are in cemeteries only, and it is more important now to help the family understand the need to memorialize the cremated remains in a permanent location.

**Perl:** Cremation and the Internet. I also think a very important issue is going to be pricing. If families are not getting value for their dollars spent, they will not spend. If you want me to spend thousands of dollars with you, then you better give a reason why! Not just because I loved my husband or father; I want to show my love, but not by how much I spend.

**Hepburn:** I think the two big issues is how to deal with cremation

memorialization and the major competition with veterans cemeteries.

### **Do you believe the economy will be better, worse or the same in 2012? Why do you think so?**

**Daly:** I would like to be positive and say the economy is improving.

**Perl:** The economy will not improve in 2012, and I honestly do not think we will ever see the late 90s and early 2000 economy days again. Some of the decisions made then are some of the causes of the problems today.

**Hepburn:** 2012 is an election year, so we'll hear and see a lot of smoke and mirrors on what's going on. In terms of the economy affecting our business, we need to maintain pricing structure and continue to expand value. I don't think the economy will be worse in 2012.

### **How would you describe the state of the cemetery service industry going into 2012?**

**Daly:** I see the cemetery service industry always changing – in the past and in the future years. The families we service now require many different choices of service, as well as different burial options. In the past, the cemetery provided services for a ground burial only. Today, we have added many options to the services we provide to help meet the families' choices.

**Perl:** The state of our industry is good and will be even better in 2012, and thereafter, providing we do a better job of listening to the families we serve and not focus on how much money we can charge and get away with.

**Hepburn:** Cemeteries are aware that they need to put their best foot forward, especially with competition. If they are not, they can lose business. They need to keep their business at a high level. Most forward-thinking cemeterians know they need to invest money in future inventory and services.

### **What are the hot-button issues in the cemetery/death-care industry?**

**Daly:** As a past cemetery manager and now a consultant, I feel it will be important to always be reviewing your business and master plan for your cemetery. Learning what is new and changing in our industry and knowing what your families would like now or in the future is important to me.

**Perl:** Very simple: value and service. If we do not provide a level of service that is better than it is today, and then expect to get paid more for less, we are doomed to fail.

**Hepburn:** I think master planning is a hot-button issue. People need to plan ahead so they are ahead of the needs of the community.

### **How important are marketing, social networking and technology to the cemetery industry?**

**Daly:** Marketing, social networking and technology are all very important for all of us and the cemetery industry. All are becoming educational tools for your cemetery. It helps potential customers learn about your facility through websites, constant contacts and many of the social sites. Consumers gather information through networking, and it allows the cemetery a less expensive way to advertise to a much larger audience. Today's technology has allowed cemeteries to better manage and archive its records and also offer the information to visitors in their cemetery through the use of informational grave location kiosks.

**Perl:** Marketing is very important, but we need to be smarter marketers in the future than we are today. We spent a lot of advertising dollars on things that just do not work any more. As for social networking and technology, look around – open your eyes. It is here, and it is only going to

get stronger.

**Hepburn:** It is super important because we are all going that way. Many online users are 65 and older. You have to have a presence on a website, make it easy to read and make it user friendly. You need to make families pick you first. Cemetery mapping is also important. If you use social networking, you need to make it functional and easy.

### **How do you think the rising cremation rate will continue to affect cemeteries in 2012?**

#### **What do you think we'll start seeing?**

**Daly:** Cemeteries will continue to see an effect from the rising percentage of families choosing cremation. It may affect their income side of the burial/interment services. They could possibly see fewer services in their cemeteries if they do not plan and create new inurnment and memorial options for their consumers to select from.

As part of a recent master plan and study of trends, baby boomers and

rising cremation percentages in New England states, CHS collaborated with Dave Crispin of the BSC Group. We know that more individuals are selecting cremation, and cemeteries need to address this in their future planning. However, when you take population, number of deaths, etc., we find that casket burials will still continue. Thus, in future planning of available land, cemeteries should add inventory for casket burial options within their mix of burial options.

**Perl:** Cremation will continue to grow – the real question should be how fast and to what extent. Here in Mobile, Ala., the Bible Belt – it is around 22 percent to 26 percent of total deaths. Most of your readers would thank God if it were only that low in their areas. I think the only way to slow down cremation is first to educate family about options and cost-effective alternatives.

**Hepburn:** It will have a major effect. We need to train our counselors and salespeople about memorialization, not price. Cremation is being picked for lots of reasons, not just price.

### **What is the best piece of advice you can give a cemetery professional?**

**Daly:** Reach out, ask questions and be a member of your state, regional and, if possible, national cemetery organizations. There are many ceterierians that may have had the same concerns or questions. Find out how they would handle the issue or correct a problem. Attend association meetings or conferences to educate yourself about different burial options, products and legislative issues that will affect your cemetery.

**Perl:** We need to remember the business that we are in. We are here to serve and comfort, but most importantly, we are here to help the family celebrate a life lived – not please stockholders and owners. If we do serve and comfort our families, we will not have to worry about profits.

**Hepburn:** Everyone in this industry has to realize that they must be professional. You must be fully educated on what you're selling. Cemeteries should show respect to every single family – that is what will bring in future business. ❖



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