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Funeral Providers Should Not Wait for FTC’S Funeral Rule to be revised

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Abstract:

Deathcare in the United States is an important industry that affects all consumers at some point and is considered an unsought product category. The FTC implemented the Funeral Rule in 1984 along with a revision in 1994 to protect consumers in ensuring price itemization and timely disclosure of pricing information. However, the Funeral Rule does not address the internet as a digital or communication channel for funeral providers and, as a result, does not require prices to be published on websites or shared electronically upon request. Several industry stakeholders have conducted market research studies to measure consumer behavior in seeking price information for deathcare-related products and services on websites. The findings consistently support that funeral homes and other providers of deathcare products and/or services should not wait for the FTC to update the Funeral Rule regarding online transparency, but rather be proactive in their marketing strategy and brand management

Keywords: Funeral Rule, online pricing transparency

INTRODUCTION

Deathcare is an important industry in the United States with approximately 3.1 million deaths in 2023 (Ahmad, Cisewski, & Anderson, 2024), 15,500 funeral home establishments (U.S. Census Bureau, 2021), estimated revenue of \$22 billion (Crane, 2024), and employment of 24,200 (U.S. Bureau of Labor Statistics, 2024).

Every person in the United States, at some point, participates as a purchaser and/or consumer of deathcare goods and services (Kopp & Kemp, 2007) which can be expensive (Bern-Klug, Ekerdt, & Wilkinson, 1999) with a median cost of \$8,300 in 2023 for an adult funeral with a viewing and a burial (National Funeral Directors Association, 2023). “The vast majority of households are faced with ‘sticker shock’ when the final tally arrives from the funeral director’s office” (Banks, 1998) which is considered an unsought product category (Kopp & Kemp, 2007).

REGULATION

Funeral homes in the United States have been federally regulated by the FTC’s Funeral Rule since 1984 to protect consumers in ensuring price itemization, timely disclosure of pricing information over the telephone and prior to making final arrangements, and other legal requirements being met (Federal Trade Commission, 2019). “A central purpose of the [Funeral] Rule has been to give consumers access to information they need to make informed decisions” (Fair, 2023). Following the Funeral Rule’s implementation, competition expanded beyond funeral homes to other businesses providing funeral products and/or services (Federal Trade Commission, 2019; General Accounting Office, 2011; Kopp & Kemp, 2007) and in 1994, the FTC amended the Funeral Rule to remove potential barriers to price competition by prohibiting funeral homes from charging consumers a casket

handling fee when purchasing a casket from a third-party seller (Federal Trade Commission 2012; General Accounting Office, 2011).

INTERNET

Since the Funeral Rule was established prior to the internet's public use, the Funeral Rule does not address the internet as a digital communication channel for funeral providers and consumers. As a result, the Funeral Rule does not extend its requirements of providing information over the telephone or prior to making final arrangements to websites or providing information electronically upon request (Crane, 2024). Slocum and Brobeck (2022) found that 18% of funeral home websites posted a General Price List. Funeral providers, such as Cannon Funeral Home (2025) and New Comer Cremations & Funerals (2025) in the Albany, NY area, leverage the internet in providing online pricing transparency on their websites (Crane, 2024; Slocum & Brobeck, 2022). However, as a result of most funeral homes and other providers of deathcare products or services not including detailed product information or pricing on their websites, comparison shopping online can be difficult (AARP, 2023).

The FTC is considering “whether and how funeral providers should be required to display or distribute their price information online or through electronic means” (Fair, 2023). Based on several market research studies, funeral homes and other deathcare providers of products and/or services should not wait for the FTC to update the Funeral Rule regarding online transparency, but rather be proactive in their marketing strategy and brand management.

MARKET RESEARCH

Customer satisfaction

According to American Customer Satisfaction Index (2025), which measures customer satisfaction across a wide range of organizations in diverse industries, “companies with high levels of customer satisfaction...typically do very well...This is because they tend to have strong customer loyalty, which, in turn, has exponential positive effects on profit and revenue growth.” Due to the positive relationship of customer satisfaction and customer loyalty leading to positive financial growth, it is important for funeral providers and the deathcare industry to understand key factors supportive of customer satisfaction.

A quantitative consumer research study of 407 respondents, age 50 or older, who had purchased a burial casket following the death of a spouse or parent, supported a positive relationship of consumer's product knowledge and involvement with post-consumption satisfaction but a negative relationship of financial concern with post-consumption satisfaction (Crane, 2010).

A 2025 global consumer research study of 20 countries spread across several regions with 200 respondents for each country found that “globally, the top reasons for selecting a funeral home are location (44%), price (36%), and schedule availability (36%)” (National Funeral Directors Association [NFDA], 2025). Results for the United States were consistent with location (54.4%) being the most important consideration, followed by existing relationship (34.4%) second, and affordable price (29.4%) third (NFDA, 2025).

Online pricing transparency

Consumer trends for researching information about funeral products and services online suggest increases with younger generations per a “nationwide online survey conducted from March 31 – April 10, 2015 among 1,238 U.S. adults age 40+ and 305 U.S. adults age 20-39 by Harris Poll” (Funeral and Memorial Information Council [FAMIC], 2015). While “funeral homes and funeral directors remain the top source of information for both making arrangements (65%) and selecting merchandise (66%) for adults over the age of 40” (FAMIC, 2015), this same study found that the majority (51%) of younger adults (age 20-39) obtain funeral-related information online through social networking, more than twice that of older adults (age 40+) at 23%.

The pandemic accelerated consumers seeking product and service information online and the deathcare industry was no exception. In a study conducted by The Foresight Companies and SoCal Approach Marketing and Consulting Group of 2,548 respondents, data collected on May 1-2, 2020, of a nationally representative

panel group, age 45+, annual income \$35K+, and 60% female/40% male (intentional split by the researcher due to females making the majority of funeral and cemetery decisions) (Isard, Owens, Gober, & Cruger, 2020), the research found that “75% of consumers now state they want access to pricing online, and over half (52%) say they will only do business in the future with companies that provide online pricing” (Cruger, Ngo, Owens, & Rappaport, 2020). This relates to customer satisfaction and customer loyalty, which impacts financial growth discussed in the customer satisfaction section.

Subsequent research by The Foresight Companies and SoCal Approach Marketing and Consulting Group (2024) with 5,335 consumer respondents, January 3-18, 2024, age 35+ suggests “nearly 90% [88%] of consumers expect to find pricing online” with 71% of current customers and 80% of future customers indicating they have looked or will look for online pricing.

The National Home Funeral Alliance (2023) study of more than 300 respondents across the country found that “62% of respondents indicated that the very first thing they would do, if they had to plan a funeral, would be to look at funeral products and prices online (if they were available)” followed by “look for reviews online,” “call a professional on the phone,” and “make an in-person appointment.”

Gillespie and Defort (2024) found that 78% of respondents indicate funeral homes should be mandated to post prices online with 59% suggesting that “they would be much more likely” and 31% “somewhat more likely” to engage a funeral home with the General Price List posted online. Consistent with FAMIC (2015), Gillespie and Defort (2024) concluded that funeral homes continue to be the leading source for information regarding arrangements with 64% contacting the funeral home for pricing, followed by 34% doing a Google search, and 25% looking up the funeral home website. However, the annual study indicates that consumers are increasingly looking to funeral home websites for pricing.

QUESTIONS FOR DISCUSSION

1. The FTC is considering “whether and how funeral providers should be required to display or distribute their price information online or through electronic means” (Fair, 2023). Do you think the FTC should revise the Funeral Rule? Explain your position.
2. Do you recommend funeral providers offer online pricing transparency prior to the FTC revising the Funeral Rule? What are potential advantages as well as disadvantages of your recommendation that a funeral provider should consider?
3. Which research study do you think is most insightful? Explain why.

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