

# Funeral Sector Report

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## Funeral Activities in the UK

### ▸ Key Statistics

**2bn**

Revenue

**8.1%**

Annual Growth 2014-19

**4,480**

Businesses

**A lack of burial space has caused prices to rise and increased the demand for cremations. Operators in the Funeral Activities industry offer cemetery, crematorium, embalming and undertaker services. The industry includes the maintenance of mausoleums and the sale and maintenance of graves.**

Due to the essential nature of industry services, demand is considered to be price inelastic. A change in the price of industry services leads to a less than proportionate drop in industry demand. Demand for the industry's services is directly influenced by the number of deaths in the United Kingdom and real household disposable income levels. Over the five years through 2019-20, industry revenue is expected to increase at a compound annual rate of 7.6%. In the current year, both the number of deaths and real household disposable income are expected to increase slightly in 2019-20, although it is likely to remain constrained as economic uncertainty persists.

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## ▸ SIC Code

96030 Funeral & related activities

## ▸ Industry Statistics & Market Size (October 2019)

### Funeral Activities in the UK

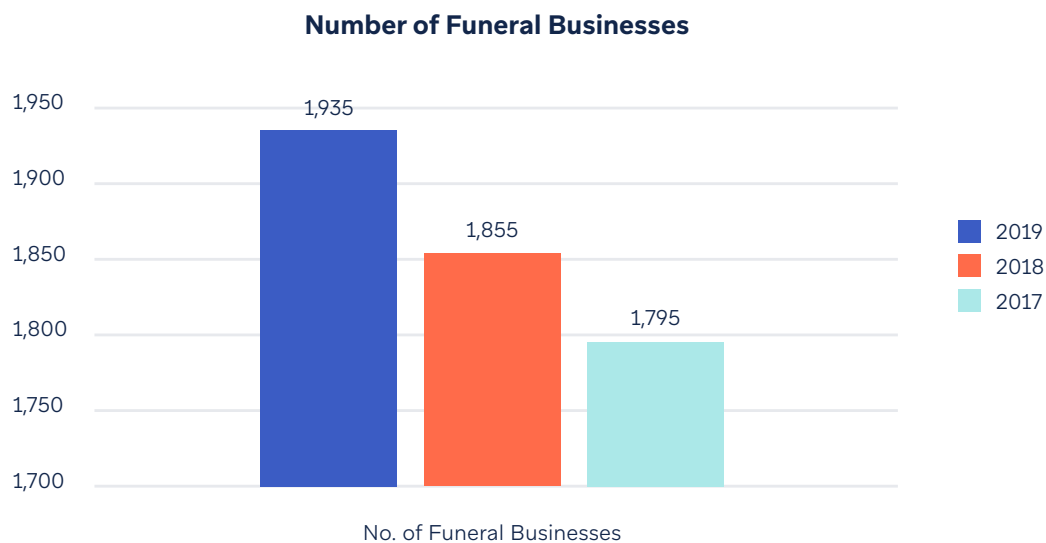
**2bn**  
Revenue

**8.1%**  
Annual Growth 2014-19

**4,480**  
Businesses

## ▸ ONS Market Size

The growth in the funeral industry seems promising. The number of funeral businesses in the UK has increased by **4.31% from 2018 to 2019** and by **7.79% from 2017 to 2019**.



## ▸ Focusing Facts

(Search query, ads and device trends in UK - Q3 2019)

- **11%** overall search growth in Q3'19 compared to the previous year
- **61%** searches from mobile phones
- **26%** searches from computers
- **-20%** change in CPC compared to the previous year

## ▸ Keywords Competitiveness

| Keyword           | Search Volume | Competition | Top of page bid<br>(Low Range) | Top of page bid<br>(High Range) |
|-------------------|---------------|-------------|--------------------------------|---------------------------------|
| Funeral           | 27,100        | Low         | £1.59                          | £2.15                           |
| Funeral plans     | 14,800        | High        | £6.83                          | £3.12                           |
| Funeral directors | 14,800        | Low         | £2.77                          | £6.77                           |

## ▸ Sector Information

### **Brexit's Impact on the Funeral Activities Industry in the UK**

The relationship between the UK and the EU remains unclear; some industries have already been affected by the result of the EU referendum.

- Decreased consumer confidence could lead to a fall in demand for high-value services as clients cut back on their discretionary spending.
- The United Kingdom may no longer need to conform to EU regulations regarding air pollution.

### **Discretionary services**

Consumer confidence and real disposable incomes have both been negatively affected by the UK's decision to leave the European Union. To some extent, this could constrain consumers' discretionary expenditure on high-value services and non-essential items for funerals. Families on a tighter budget are more likely to opt for simple services, which weighed on industry revenue in 2016-17. However, the increasing provision of low-cost services from 2017-18 onwards is expected to have benefited industry demand, as an increasing number of consumers were seeking cheaper funeral arrangements. Real household disposable income is expected to increase over the five years through 2020-25. Moreover, the UK's decision to leave the European Union might restrict migration rates from the European Union, which could in turn lead to reduced demand for industry services in the long term.

### **Regulation changes**

The industry is subject to EU regulation regarding air pollution targets, with industry operators attributing recent price increases to compliance with EU regulations. Following the UK's exit from the European Union, the government may choose to relax some of these regulations, which would go some way to lightening regulation for the industry. However, the United Kingdom has committed to achieving a zero emissions target for cremations in 2020, which will not be affected by the UK's exit from the European Union.

## ‣ Industry Threats & Opportunities

- Real household disposable income affects the amount of money that families are willing to spend on loved ones' funerals. More expensive funerals help to drive industry growth. Real household disposable income is forecast to increase slightly in 2019-20, although it is likely to remain constrained as economic uncertainty persists. The resultant pressure on consumer spending is anticipated to threaten industry revenue growth.
  - The number of deaths in the United Kingdom directly influences demand for funeral activities. The ageing and expanding of the UK population is expected to cause the number of deaths to increase in 2019-20, as more older people become susceptible to potentially life-ending diseases. This presents an opportunity to industry operators.
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## ‣ Sector Associations

- National Association of Funeral Directors (NAFD) - [www.nafd.org.uk](http://www.nafd.org.uk)
  - The Society of Allied and Independent Funeral Directors (SAIF) - [www.saif.org.uk](http://www.saif.org.uk)
  - National Association for Pre-paid Funeral Plans - [www.napfp.org.uk](http://www.napfp.org.uk)
  - The National Association of Memorial Masons - [www.namm.org.uk](http://www.namm.org.uk)
  - The British Institute of Funeral Directors - [www.bifd.org.uk](http://www.bifd.org.uk)
  - Directory of UK Funeral Directors & Undertakers - [www.uk-funerals.co.uk/funeral-directors.html](http://www.uk-funerals.co.uk/funeral-directors.html)
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## ‣ Sector Events

- SAIF AGM Banquet - **13th-15th March 2020**
  - NAFD Annual Conference & AGM - **1st-3rd May 2020**
  - National Funeral Exhibition - **11th-13th June 2021**
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## ‣ Sources

- <https://www.ibisworld.com/united-kingdom/market-research-reports/>
- <https://www.fsj.co.uk/events>