

# Basic Funerals Bets Baby Boomers Will Arrange Cremations Online

By Antone Gonsalves - Apr 5, 2011 9:52 AM ET

Eric Vandermeersch was 14 when his 70-year-old grandfather died unexpectedly during routine heart surgery. At the beloved tobacco farmer's funeral in Delhi, Ontario, family grieved with friends in the small town's only funeral home, which had been in the community since the 1960s. Vandermeersch was awed by the funeral director's adeptness at putting people at ease. He found work in a funeral home a year later and earned his director's license at 19. "It's not the dead that motivates a good funeral director," he says. "It's the living."

Today, Vandermeersch is a pioneer in the industry. The 29-year-old is co-founder of [Basic Funerals and Cremation Choices](#), one of the first online upstarts in a business that for centuries has relied on face-to-face meetings in brick-and-mortar parlors to sell its services. Vandermeersch and Dominic Mazzone, 39, launched their company just outside Toronto in 2009, convinced that people would jump at the chance to bypass morbid sales pitches and choose to book funerals over the Web. "Funeral arrangements are a very private thing," says Nikoleta Panteva, industry analyst for research firm IBISWorld. "So to be able to do it in the convenience of your own home, at your own time, at your own pace is something that's pretty novel to the industry."

Enlarge image



Dominic Mazzone, chairman of [BasicFunerals.com](#), left, and Eric Vandermeersch, chief executive officer of [BasicFunerals.com](#). Photographer: Andrew MacDonald/[BasicFunerals.com](#) via Bloomberg

That novelty is paying off. With more than 1,000 funerals arranged through its site, Basic Funerals became profitable last year, with just under \$1 million in revenue, Chairman Mazzone says. He expects to arrange 1,500 funerals and hit roughly \$4.5 million in revenue this year, then to double both figures in 2012. He notes that [baby boomers'](#) parents are nearing the end of their lives, while their tech-savvy children are comfortable buying goods and services over the Web. "They got their foot in the door at a very good time, business-wise," Panteva says. The company arranges cremations in Ontario and [Illinois](#) and is just getting started in Colorado. It's planning to expand into at least one additional U.S. state and Canadian province this year.

## CENTERED AROUND TORONTO AND CHICAGO

Roughly 90 percent of the company's customers book services online or over the phone, and 10 percent visit its offices near Chicago and Toronto. The company says its prices in the U.S. can be about half those of traditional homes: They start at \$1,175 for cremation with no service, just over \$1,700 for a burial with graveside service, and less than \$2,600 for a funeral with a casket. The site includes a quote calculator for adding such extras as more expensive urns and caskets, catering, and limousine service. The 12-employee company maintains licensed funeral directors on staff and has facilities for embalming and storing bodies. The majority of Basic Funerals' business is located in and around Toronto and [Chicago](#), with nearly all its customers choosing cremation. Customers who want a burial have the option of a one- or two-hour visitation in a facility leased by Basic, followed by a graveside service.

Patrick Lynch, president of the National Funeral Directors Assn. trade group, believes that low-cost funerals are a tiny sliver of the \$13 billion market and that most people will continue to

choose to pay final respects to loved ones with more elaborate services. "To arrange for the disposition of someone that you have loved is neither simple or easy," he says. "It's complex and it's difficult and it's heart wrenching, and to attempt to do that with just a keyboard makes it more difficult."

In 1999, his group started advocating that online funeral middlemen be covered under the Federal Trade Commission rules that govern today's funeral homes. Congress is considering such a change in the proposed Bereaved Consumer's Bill of Rights Act of 2011. Joshua Slocum, executive director of the Funeral Consumers Alliance, a consumer advocacy group, says Basic Funerals charges less than many funeral homes, but its price list doesn't go far enough in breaking down those services required by law and those required by the company. "Maybe it's something they didn't consider, but it is a problem from a consumer advocate's point of view and it's something I think they need to fix," says Slocum. Mazzone says Basic Funerals will change its price list if the law requires it.

For now, the company is more concerned with the cost of complying with a patchwork of state and provincial regulations. Basic Funerals moved quickly into [Colorado](#) this year because the state has fewer licensing requirements than any other and is unique in that it doesn't require a license for a funeral home or crematory. The business is cherry-picking among other states, planning to enter those with laws that are friendly to online operations. "Funerals is one of the last industries that has not made shopping online very easy," Slocum says. "At least half of funeral homes don't even have a website. That's pretty astonishing in 2011."

To contact the reporter on this story: Antone Gonsalves at [antonegonsalves@gmail.com](mailto:antonegonsalves@gmail.com)

To contact the editor responsible for this story: Nick Leiber at [nleiber@bloomberg.net](mailto:nleiber@bloomberg.net)