

- [OPINION](#)
- [WORLD BUSINESS](#)
- [FINANCE & ECONOMICS](#)
- [SCIENCE & TECHNOLOGY](#)
- [PEOPLE](#)
- [BOOKS & ARTS](#)
- [MARKETS & DATA](#)
- [DIVERSIONS](#)

- [CITIES GUIDE](#)
- [COUNTRY BRIEFINGS](#)

- GLOBAL EXECUTIVE**
- [Management](#)
- [Reading](#)
- [Business Education](#)
- [Executive Dialogue](#)

- RESEARCH TOOLS**
- [Articles by subject](#)
- [Backgrounders](#)
- [Surveys](#)
- [Economics A-Z](#)
- [Style guide](#)
- [Business encyclopedia](#)

- DATA BANK**
- [Currencies](#)
- [Big Mac index](#)
- [Weekly Indicators](#)

- PRINT EDITION**
- 
- [Full contents](#)
- [Past issues](#)

- SERVICES**
- [Free registration](#)
- [Web subscriptions](#)
- [Print subscriptions](#)
- [Academic offers](#)
- [Gift vouchers](#)
- [Mobile editions](#)
- [E-mail alerts](#)

- Economist Intelligence Unit**
- [onlinestore](#)

- CLASSIFIEDS**
- [Business education, recruitment, business and personal: click here](#)

- ABOUT US**
- [Economist.com](#)
- [The Economist](#)
- [Global Agenda](#)
- [Contact us](#)
- [Media Directory](#)
- [Advertising info](#)
- [Job opportunities](#)

- ADVERTISEMENT**
- 

The business of death**Stiff competition**

Aug 19th 2004 | NEW YORK
From The Economist print edition

A cheaper way to face the final curtain

DEATH does not come cheap in America. The Federal Trade Commission (FTC) reckons that the cost of a no-frills burial is \$6,000. Extras such as flowers and a limousine can add thousands of dollars to the bill. The biggest expense is the casket which, in fancy mahogany or copper, can cost as much as a family car. Not so at Costco, a warehouse-style retailer that sells vats of mayonnaise and cases of tinned tomatoes at bargain prices to America's middle classes. Starting on August 16th at two locations in Chicago, Costco began piloting the sale of discounted coffins.

Costco's coffins come in six models and several finishes, including gold, lilac and, *The Economist's* favourite, Neapolitan blue. As with the tyres, plumbing fixtures and other big items that the retailer sells, Costco does not keep its coffins in stock. Instead, shoppers browse casket samples at a kiosk near the shop entrance. The price, including delivery to a nearby funeral home, is \$799.99. The same coffin from a traditional funeral-services firm would cost \$3,500-5,000, says Bob Nelson of Costco. "This is an industry that traditionally people get ripped off in."

That has long been the view of the FTC, which in 1984 introduced strict rules governing the sale of funeral goods and services in America. Funeral providers must give customers a detailed price list of all they sell. The rules prohibit funeral providers from lying to customers about the need to buy concrete grave vaults, expensive caskets for cremation and embalming services when refrigeration would do just as well. An FTC rule introduced in 1994 banned funeral providers from charging an extra fee to customers who buy their caskets elsewhere.

This last change encouraged new, specialist high-street and internet casket retailers. ABC Caskets, a Los Angeles-based coffinmaker, has a lock on the Hollywood market: its discounted coffins appear in "Six Feet Under", a popular TV series about undertakers. D-I-Y enthusiasts, meanwhile, can buy plans for caskets and urns from firms such as MHP Enterprises, and build their own. MHP's line starts with the modest and unchallenging "simple pine coffin plan", which, for just \$14.95, helps you build a final resting place which looks surprisingly like a croquet-set box.

Despite the promptings that funeral providers must give their customers to shop around, most Americans resist bargains for their loved ones and continue to buy fully-priced caskets from traditional undertakers. America's biggest funeral firms, such as Stewart Enterprises and Service Corporation International, say that average revenues per customer for traditional burials continue to rise, albeit modestly. (With the growth in deaths per year slowing in America and more people choosing a cheap cremation, these firms are struggling with falling overall revenues, however.) Costco may find that its customers do not want the final goodbye to be a good buy.

Printable page

E-mail this

ADVERTISEMENT

**Our Net Book Value
just dropped 15%**

for
liquidity?



The Official MBA & ExecMBA Fairs
30 August - 2 December

OPINION | WORLD | BUSINESS | FINANCE & ECONOMICS | SCIENCE & TECHNOLOGY
PEOPLE | BOOKS & ARTS | MARKETS & DATA | DIVERSIONS | PRINT EDITION

An Economist Group business

Copyright © The Economist Newspaper Limited 2004. All rights reserved.
[Advertising info](#) | [Legal disclaimer](#) | [Privacy Policy](#) | [Terms & Conditions](#) | [Help](#)