

# A Study on the Marketization of Funeral Industry in China

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**Abstract**—The purpose of this study is to find the method and the nuclear condition of the funeral market in China by analyzing the factors that restrict the marketization of Chinese funeral market. Through the analysis of the current status of the funeral industry, the paper summarizes the current ways of funeral market under social culture and methods. It is concluded that the funeral market advantages are much greater than the disadvantages. The funeral industry should strengthen self construction, and the government should provide the corresponding policy to improve the traditional culture to promote the marketization of funeral industry according to the rhythm of the times.

**Keywords**—funeral industry; market; reform; pattern

## I. INTRODUCTION

Funeral and interment, as one of the traditional Chinese cultural activities, has a history of several thousand years [1]. The market value of China's funeral service industry has been increasing rapidly since 2008, and in 2012, the cemetery service accounted for over 50%. Currently, funeral services industry output value is about 80 billion per year [2]. With the aging of China's population, the funeral industry will enter a new period of development.

### A. History of funeral industry

As seen from the history of the funeral industry, China's funeral industry has experienced 3 stages of development: the government led stage, the semi management stage and the independent management stage.

#### 1) Government leading stage

From 1950s to the end of the 1970s, the funeral industry was dominated by the government [3]. Since the beginning of this period, China government has carried out large-scale infrastructure construction in the funeral industry throughout the country. A series of institutions including funeral, management and funeral services are built up. The funeral industry government leading stage mainly to dispel the superstition based burial and advocate cremation and burial of ashes.

#### 2) Semi management stage

From the end of 80s to the end of twentieth Century of last century, the government has loosened its grip on some

funeral Enterprises. The funeral industry in this period was in the semi management stage. At this stage, with the development of reform and opening up, the funeral units set up in the government led stage have changed the new operational model, and began to evolve into two types of services in part and overall management.

#### 3) Independent management stage

In 2010, the Ministry of Civil Affairs distributed the document on further deepening the reform of funeral and interment and promoting the scientific development of coastal burials. The document aims at promoting the policy of benefiting the people in the funeral industry. This greatly promoted the independent business model of the funeral industry, and some of the self-employed enterprises and cities have been greatly developed.

### B. Current Situation of funeral industry

At present, as a superpower with a large population, Chinese dead population has arrived an annual population of about 9 million. Now, the current average cost of 4000RMB per funeral, for example, the country's funeral costs can arrived about 36 billion RMB a year. In addition to the cemetery and other spending, the actual annual turnover of the funeral industry to reach 350 billion [4]. According to this data, in some big cities, such as Beijing, Shanghai and other cities, the funeral industry is in the "profiteering" business has been industry. Because of the large population, some cemeteries have not been released, and many people have to wait in line for empty seats. Also spread out: "can not live, die more can not afford to die" of some words. From this point of view, the funeral industry market, the relative policy is urgent mission.

## II. PROBLEMS OF FUNERAL MARKET

With the development of economy and the progress of society, many problems have emerged in the funeral industry, which has entered the autonomous management mode. Especially with the development of media, Internet search engine is widely used. The funeral industry has been exposed by the media in people's line of sight. On the whole, these problems include the following ten aspects:

#### A. The management system

Now the funeral industry still has traces of administrative monopoly, many venues are still affected by the government administrative means [5].

##### Business behavior

"Shoddy, false marketing, buy and sell, hidden consumption" in the funeral industry, such comments can be seen everywhere.

##### Market control

"Intermediary black market, unfair selling" phenomenon is not uncommon.

##### The market management aspect

"Repair and building, disorderly development" is such a phenomenon.

##### Funeral reform

There are so many things such as traditional funeral is coming back again.

##### Funeral behavior

A series of phenomena, such as superstition, vulgarity, disorder and nuisance, are also among them.

##### Professional ethics

"Bribery, malfeasance and other bad behavior occupy most of the market share.

##### Vocational skills

"No training, training with training, there is no uniform norms" and other acts of common occurrence.

##### Administrative matters

The lack of management, the lack of human resources are all belongs to this problems.

##### Legal norms

Either there is no law or if there has law nobody follows the law.

Through the above ten aspects of the narrative, generally we can put the problems as follows: for a long time by administrative influence, the funeral industry in the face of the market lack the courage to stand alone; high cost, low efficiency of intangible state reduces the funeral industry competitiveness in the market. These problems have led to the funeral industry must choose the marketization.

### III. NECESSITY OF PRICE MARKETIZATION IN FUNERAL INDUSTRY

Research of funeral industry in recent years, has logged 4 times in "China's ten largest profiteering industry", and its profits is from the high consumption of the people. In the face of the global economy, the RMB inflation, a great imbalance state caused many people Voices of discontent. It is imperative to change the status of its government and monopoly.

#### A. The market advantage of funeral industry

The market of the funeral industry is mainly to establish the management system to meet the market demand. Through the establishment of trust in the market, the current investment socialization (which means that the approval of various investment or individual businesses involved in the funeral industry investment, society and guarantee the legitimate rights and interests of investors) and the mechanism of competition, the service operating mode to carry out the funeral industry independent operators of the competition. At the same time to establish organizational norms of the industry, through the organization of industry norms to regulate and adjust the managers' behavior, consumer groups and the relationship between the government and the implementation of the funeral industry, the health system, in order to guarantee the stable development of the funeral industry competition order, and the legitimate rights and interests of consumers.

Under the background of global economy and marketization, the basic characteristics of the funeral industry market have been gradually revealed, and the trend of transforming the traditional funeral industry into a new service industry has become inevitable. The funeral industry price advantage of the market is mainly reflected in the following points:

- The funeral industry market can promote the transformation of management mechanism, change management strategy, improve service efficiency and service level, and increase innovation ability [6-7].
- To change the traditional government investment into a diversified investment can greatly cut the funeral industry and social distance, so as to improve the industry of social force and universal awareness (especially for the funeral industry employees respect and acceptance).
- From the funeral industry to the formal form of service to human services change, can greatly improve service levels and increase the adaptability of the funeral industry to the social needs.
- From a strategic point of view, marketization is conducive to lead the funeral industry to form an industrial chain, to accelerate the integration and reform of the domestic funeral industry, the regional management into the group and increase international competitiveness.
- The most critical is that the market-oriented reform of the funeral industry, can be better in people, the popularity of the laws and regulations of the state, to change people's old traditions and ideas, so that more people accept the modern funeral mode.

Through investigation and research, the current reform practices of developed countries and China have come to the conclusion that introducing the market oriented concept into the traditional government dominated monopoly industries and implementing the competitive mechanism will not affect the welfare of public welfare institutions, but from the point of view of market competition, will greatly improve people's

welfare. Promote simultaneous growth of consumer and business benefits is to achieve a balanced order of the market.

#### *B. The inferiority of price market in funeral and interment industry*

Market has always been a "double-edged sword", the funeral industry to implement market-oriented [8]. There are also drawbacks. From the current point of view, the majority of the funeral industry is still public institutions. And in the case of public welfare organizations are not mainly for-profit. And the compulsory implementation of its market, so that its own profits and losses, this will inevitably lead to the funeral industry to change its welfare oriented to for efficiency. The disadvantages in the process of transformation are embodied as follows:

- Lack of management, affecting the orderly conduct of the market. At present, the funeral industry, there is often a walk to the major hospital lobbyists, the banner of the funeral banner, often ask for more money on its service. Those behavior greatly influenced its public image.
- The original system of personnel does not meet the needs of modern development. At present, in most of the funeral industry service units, the management level is still belongs to the primary stage. The lack of technical personnel, and the overall cultural level of employees and the overall low quality, the overall environmental awareness is relatively weak. In particular, there are few graduates with professional skills. More seriously, the current Chinese market, many funeral industry positions have not been recognized by the community, there is no specific evaluation criteria. As the funeral industry's most critical cremation master, although their professional skills have superb, but their own technology is not only a lot of time can not be sure, and will be misunderstood.
- The overall infrastructure construction is relatively backward. The infrastructure of funeral and interment, including the appearance of the place, is updated slowly. Take the funeral home as an example, many domestic funeral homes have outdated hats and outdated infrastructure, and their scientific and technological content is low and the degree of modernization is not enough.

#### **IV. MEASURES TO PROMOTE FUNERAL INDUSTRY MARKETIZATION**

##### *A. The operational environment for the market of funeral and interment*

###### *1) Policy environment*

The reform of the funeral industry is, in fact, the reform of funeral methods. Whether the funeral industry market can be successfully operated is a prerequisite for the masses to accept it from the heart. The ideological tradition will not be improved, and the implementation of the funeral market will have great resistance [9]. It now appears that the implementation of the

funeral industry market is facing enormous resistance [10]. How to change the traditional idea of old customs, let people accept the idea of modern funeral, from the power point of view, the reform of the funeral industry, must rely on government policy support. Mainly through the following ways:

###### *2) The power of administration;*

From the point of view of policy and legislation, the government should accelerate the reform of the funeral market by means of the media as the means of communication and by means of the restriction force of the moral standards [11-12].

###### *3) The government sets up benchmarking enterprises*

On the basis of legislation, it is important to make clear the blessings of the government. In the industry to establish benchmarking industry, and increase incentives. Use the good faith mechanism to guide the funeral industry to move towards the market and participate in the market competition [13]. At the same time, with the help of the public, let the public supervise the market process of the funeral industry, and promote the development of the funeral industry market in depth and breadth.

###### *4) Cultural environment*

The market of funeral industry must be combined with traditional culture and go out of its own market. The development of the funeral industry is closely related to the traditional funeral activities, and marketization must be carried out on the basis of inheriting the traditional fine culture and funeral customs. The implementation of the market of funeral industry, in fact, is the process of the transformation from the traditional funeral culture concept to the modern funeral culture concept. The new modern funeral culture, especially the concept of life culture, must take the leading position, and the market of funeral industry can be carried out smoothly.

##### *B. The specific operation of the market of funeral and interment*

In order to promote the market of funeral industry, it is necessary to establish a good operation mechanism [14]. From the angle should be clear: the market operation mechanism of the funeral industry refers to the funeral industry association between each individual industry, the association between the Department of each industry individual mutual restraint, mutual penetration, mutual undertaking. Thus each industry individual finally forms the organic whole, fully manifests its each industry individual function. This kind of mechanism must be between managers and operators, operators and consumers, operators and governments, governments and consumers. And in this constraint, they are stable and balanced. Funeral and interment, thus forming the funeral operators, funeral market, and the formation of the mechanism of operation between consumers. Specific performance: the funeral industry mechanism in the funeral industry, consumers, the funeral activities of the funeral industry of funeral service and burial site, the formation of the funeral demand, the demand side of the market; and the funeral companies to provide consumers with the required activities, services and site of the funeral market supply side. Finally, the demand side of funeral market and the supply side of funeral market formed the typical market mechanism of mutual influence, mutual

demand, mutual penetration and mutual checks and balances of market competition between the two.

### C. *The market-oriented mode of funeral and interment*

According to different stages, different market models should be adopted.

#### 1) *The early development of the funeral industry*

During this period, because of the relatively outdated cultural concept of funeral and interment, most of the funeral units were smaller and their infrastructure was lagging behind. In the face of the funeral industry, the main work of marketization will focus on the reform of the funeral industry. It needs to rely on the intermediary organization of the market to be the main part of the operation. Because at this stage the majority of the people accept or "burial" funeral mode, funeral activities for the original state, can not fully meet the requirements of the market to the funeral industry. At the same time, enterprises that have been able to provide excellent services for funeral activities have not yet reached scale. The relative supporting services (that is, one-stop industry) have not been fully developed.

#### 2) *Funeral industry development in the medium term*

The funeral funeral industry in this period is "burial" gradually transformed into ". However, most of them are only changes in the burial pattern, and the traditional activities of funeral and interment have not changed, and the surrounding services corresponding to cremation have not been fully formed. Therefore, the funeral enterprises in this period are still in a weak position, but the basic reform has been basically formed from the hardware facilities. It can not be ignored is that this period of the funeral industry market led still to intermediary organizations as the carrier.

#### 3) *The funeral industry mature period*

The social environment of this period has reached the stage of respecting the concept of life, and the concept of social consumers has changed a lot. The operation and management modes of various funeral enterprises and institutions have been relatively mature, and they can fully meet the needs of consumers [15-16]. The old management model was broken, and the real, transparent, funeral service companies conforming to the new concept of life and culture carried out a healthy competition, carried out many aspects of business, and established a complete and mature funeral industry system.

## V. CHANGE THE UNDERSTANDING OF FUNERAL THEORY

The development of funeral theory develops with the change of times. With the changing times, the funeral industry also needs a solid theoretical foundation in the process of market implementation. The traditional concept of the past with environmental pollution, waste of resources, not the living comfort defects must be changed, establish excellent enterprise use modern funeral intermediary instead of small workshops to guide the development of the concept of the funeral industry. Specific changes in theoretical understanding of the way, mainly in the following:

### A. *Adhere to materialist Epistemology*

On the basis of materialism, the interpretation of traditional funeral culture is incorporated into the understanding of the objective world. That will change the current fears and superstitions about the unknown world.

### B. *National policy*

The support of national policy and development of the funeral industry in line with the theme of the times will guide people to form the correct values, and will be a basis for the formation of new funeral habits.

### C. *Establish a benchmark to form a typical effect*

Driven by the exclusion of the old people and the infection funeral concept, a good model can promote a new culture of respect for life, and guide people to gradually accept the modern funeral custom.

## VI. CONCLUSION

The market of funeral industry is both an opportunity for development and a severe test for the funeral industry. The opportunities and challenges, and the reform of customs are all there. But as a whole, advantages outweigh disadvantages. Therefore, we should grasp the rhythm of the times, actively carry out the reform of the funeral industry, strengthen the funeral industry's own construction, change the disadvantages as an advantage, and become a passive initiative. We will work out plans for development, reform and implementation, and vigorously carry out the market of funeral and interment industry in accordance with the rhythm of the times.

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