

Q&A

By Patti Martin Bartsche

A Conversation with **Sirius Chan**

Less than two years ago, few in the funeral profession had ever heard of Sich Casket Co. Today, the “unChinese Chinese casket company” is a familiar presence at industry tradeshows, and its caskets are increasingly finding their way into funeral homes throughout the United States and Canada.

Credit Sich Casket’s founder Sirius Chan for the company’s growing popularity.

At 16, Chan moved from China to Toronto, where he completed high school, earned a college degree in aerospace engineering and entered the business world.

In 2003, Chan moved back to China to help transform his family’s small furniture-making shop into the country’s first manufacturer of wood caskets destined for the North American marketplace.

Today, nearly 15 years later, Sich (which rhymes with “rich”) manufactures more than 200 models of caskets for cremation and burial, including stainless steel, precious metals, and many varieties of beautiful hardwoods.

Sich’s big splash in the United States, though, came in 2016, when the company exhibited for the first time at a major industry tradeshow – the National Funeral Directors Association convention in Philadelphia. The company gave

away a free casket, handed out banana and strawberry-flavored fortune cookies at its booth and sponsored a flash mob that performed “God Bless America” to open the exhibit floor.

The company then followed that up by declaring 2017 the Year of the Funeral Director, and announcing that it would be giving away a free casket a month beginning in April and running through December.

We recently had an opportunity to chat with Chan about the buzz surrounding Sich Casket, its unconventional marketing strategies, the response from the industry and what the future holds.

In October 2016, Sich Casket Co. made its debut at the National Funeral Directors Association Convention in Philadelphia. What has it been like since then?

This has truly been a banner year for Sich Casket. We’ve now been actively marketing and participating in the major trade shows for about a

year and a half, and in that time, we’ve gone from being just another import casket company to a recognized and preferred brand. Certainly, we’ve experienced very positive growth in these last 18 months, not just in our overall casket sales but in the number of funeral homes now carrying Sich products.

From the beginning, the company tagline has been “Sich – the unChinese Chinese casket company.” What does that mean to you, and more importantly, how has it been received by consumers?

Technically, our official brand slogan is ‘Only your accountant can tell the difference,’ which appears in all our ads. However, we absolutely do identify ourselves as the ‘UnChinese Chinese casket company.’ When we launched our campaign beginning in March 2016, we wanted to distinguish ourselves not just from the big U.S. brands but also from other Chinese casket manufacturers as well.



Sirius Chan is president of Sich Casket.
(Photo courtesy of Sich Casket)

Because of long-held prejudices and sometimes deliberate misinformation, people in the funeral profession often tend to lump all Chinese caskets into one basket, not taking into account that we're not all alike. By our claiming to be the 'UnChinese Chinese casket company,' we're really saying we're quite a bit different from other Chinese importers in how we do business, how we build our caskets, and how we understand the U.S. market.

It must be working because Sich has been embraced more quickly than we anticipated. The odd downside is that we've recently

seen a few Chinese companies now falsely claiming to be selling Sich products, trying to trade off our successful reputation. Believe me, the only true Sich caskets are those sold by our Sich distributors and no one else.

Your website (and marketing campaign) also include slogans like "The best thing to come out of China since soy sauce" and "We speak 'funeral home' fluently." This seems like to be a deliberate play on stereotypes. Why did you choose this direction ... and what's been the reaction?

Those slogans came out of our initial 'teaser' campaign before we fully launched our brand. They were an effort to tackle head-on the prejudices of dealing with a Chinese casket company.

We don't hide at all from our Chinese heritage, and I'm very proud to be Chinese (although I was educated in Toronto, Canada), but Sich also subscribes to a very Western way of doing business and fully understands the challenges of being an American funeral home trying to remain profitable in the face of growing cremation rates and a challenging economy.

Have you been able to make headway into the misconceptions that many have about Chinese caskets?

Every once in a while, we'll get an email from someone who strongly takes issue with buying a casket from China. It's ironic because that email was likely written on a mobile phone or computer whose components were built in China! But for the most part, we're now doing business with quite a number of funeral homes that had never bought a casket from an import brand in the past. We remain optimistic that many more funeral homes will continue to become enlightened about their casket-buying options.

Why do you think there has been so much pushback surrounding Chinese caskets?

There was a time that people were wary of buying Japanese cameras ... until Canon and Nikon came along. They were wary about buying Korean cars ... until Hyundai. And who makes that smartphone in your pocket? The Chinese! Certainly, the same can be said about Chinese caskets. There's a stigma about buying Asian, sometimes brought about by ignorance, prejudice or simple national pride – but also by misinformation fed to the market by domestic brands that feel the threat from offshore. Sadly, we know this to be true first-hand.

For those funeral professionals who have purchased their first Chinese casket through you, what has the feedback been like?

The first reaction we hear is one of surprise. People don't expect a 'Chinese' casket to be the equal of a domestic brand in terms of quality, from the construction to the finish, right down to the small details. But once they see and touch one of our caskets, then they can't believe the price. We've received quite a

number of letters from new Sich fans telling us how excited they are to have discovered a new option for their families. Have you ever seen a Chinese guy blush?

In what parts of the country have your sales been the strongest?

Our strongest sales have traditionally been from the Deep South up through the Northeast and into the Midwest, where we've had our longest distributor relationships. Now, as our brand awareness grows and we continue to exhibit at the national conventions, we're seeing traction taking us further west.

What parts of the country are still being conquered?

I think the West Coast, from San Diego to Seattle, is great territory for us. This region is perhaps hardest hit by the rise in cremation rates, and funeral homes there need better ways to preserve their profitability.

With the cremation rate now topping 50 percent nationally, what does that mean for casket manufacturers?

There are two aspects to this: First is being able to provide very affordable caskets of all styles to those families who still choose a casketed service while not sacrificing top-tier quality. Second is having a line of caskets specifically designed for cremation that doesn't look like the family is 'cheaping out.' In both cases, the objective is for the funeral home to increase its margins while passing along enough savings to the families so that they'll still consider value in a casketed service, whether for burial or cremation. At the same time, both the funeral homes and their families should feel proud of their merchandise.

In China, it is required that all people are cremated. Do you ever

see that happening here in the United States or Canada?

No. In China, it's a matter of the government having the say. In North America, freedom of choice is a fundamental right that's part of basic DNA. And I also believe that cremation is a pendulum that may in time swing the other way, as traditions are always changing. But for now, the rise in cremation is a reality we all have to accept and understand.

How can Sich Casket help a funeral home's bottom line?

It's a matter of simple economics. If a funeral home can buy a high-quality casket at less than half the going rate of the major brands, it can pass along the savings to its families (making it more competitive than the funeral home across the street), while still generating a larger profit. Over the course of a year, that's a big deal. We wrote a white paper on the math and, honestly, it's impressive numbers a funeral home stands to earn from our caskets.

In addition, since we never require a contract, a funeral home isn't beholden to purchase X number of caskets before it realizes bigger discounts or rebates. While we've seen funeral homes make the switch to Sich from other brands, we've not seen it going back the other way. That says something.

What do families want in a casket?

Most of all, families want affordable caskets available in all styles while not sacrificing top-tier quality, as I mentioned previously. Whatever their budget range, they want the best they can buy within it.

Certainly, they're also looking for a range of styles or features that reflect their religious values, their hobbies or interests, and regional preferences. The benefit of a Sich casket is that these families can get a very high-quality casket at the

Sich Casket's Sirius Chan with his sons, Braxton (left) and Stanford. (Photo courtesy of Sich Casket)



same price or better than a lesser-quality casket offered by the funeral home down the street. In fact, some families that would have opted for direct cremation, perhaps due to the high cost of caskets, might be swayed by affordably-priced (and higher-quality) Sich caskets and opt for a more traditional casketed service.

What caskets have been selling well for you? Do different parts of the country favor different caskets?

Certainly, traditional favorites sell well. But regional and local preferences play a big part in the

popularity of one model or another. For example, metropolitan areas tend to favor high-gloss finishes, and rural areas tend to favor satin or natural finishes.

The surrounding geography also influences a family's selection of casket material and design. For example, regions focused on steel or automotive industries tend to favor metal caskets. Areas influenced by hunting tend to favor caskets made of pine or pecan, and often like a camouflage interior. Rural areas typically favor their native woods for a casket. And, of course, Texas has a strong preference for a solid pecan casket. That's why it's important to

work with a casket provider who offers such a wide range of materials and finishes.

Has your distributor network grown in the last year?

Yes, and it continues to grow. In response, Sich has opened a 22,000-square-foot factory-owned distribution hub in Little Rock, Arkansas, to better serve our growing distributor network. This facility can resupply our distributors throughout the country in only one to three days. In addition, this new distribution hub is equipped to serve local funeral homes in the Little Rock area with Sich caskets.

Although you made your big splash at the 2016 NFDA convention, Sich Casket has been in business since 2003. What have been the biggest changes in the industry in the past 14-plus years?

Indeed, we've been doing this for a while, but until 2016, we were providing caskets under private labels, and not under our own brand. The decision to promote our own name is that we felt, given the tough economy that arose out of the 2008 crash and the skyrocketing growth in cremation, it was time for funeral homes to finally and proudly put their trust in an offshore brand that could make them money without giving up the quality the families needed. Cremation, above all else, is changing the face of the funeral profession. But it's also a call to funeral homes to rethink how they provide casketed funeral services to create greater value for families, spiritually, emotionally and economically.

We've been hearing a lot in recent months about "Made in America." What is your response?

We expected that. If we were a U.S. casket-maker suddenly feeling the pinch from overseas, we'd be saying that, too. But it's a thin promise, since it's not about the product that's made in America (and you know that lots of 'U.S.' caskets are, in fact, made in Mexico), but about funeral homes' profits that are made in America.

The truth is – and we've heard this again and again from funeral directors – the families don't know and don't care where their caskets come from, but they do care about the look and quality of the casket that will house their loved ones, and of course, what it costs them. And I secretly wonder if those casket manufacturers who decry

"Made in America" are driving cars, watching TVs, carrying laptops and using cell phones all built overseas.

During the U.S. presidential campaign, Donald Trump said he would support a tariff on Chinese products coming into the United States. Do you think this will happen, and if it does, how would that impact business?

Of course, a tariff on Chinese products would create more problems than solutions, both for U.S. manufacturers who source their products overseas as well as for U.S. consumers who don't want to pay more than they're already paying for their smartphones, TVs and just about every other modern product that incorporates Chinese components. But will it happen? When I watch the news, things have never been as unpredictable as now. So, my crystal ball is about as fuzzy as everyone else's.

Sich markets and sells directly to funeral homes. How has this business strategy worked?

We respect the funeral director. We always have. Our job is to give them great product to sell and not cut them out. Our business model is rather traditional, selling directly to distributors who can then provide our product to funeral homes and offer them the level of service and support they need. It's one of the reasons funeral homes have embraced us. There are a number of other Chinese and even U.S. firms that sell directly to the consumer. That's never been us.

Sich also launched the "Year of the Funeral Director" casket giveaway. How was this received by funeral directors, and what has been the reaction from the winners, since this may have been their introduction to Sich Casket?

It's funny, most of the winners didn't realize they entered, and a few even thought it was a come-on until we told them otherwise. The program overall has been very successful in gaining awareness, judging from the number of entries for our free caskets. And it's surprising how many who entered have never before considered buying import caskets. So, it confirms for us that the market is ready for our message.

Video is an integral part of your marketing efforts. Is this a more personal way to deliver your message?

Our marketing agency, LA ads, really had to convince me to do this. I'm not really comfortable in front of a camera. But they said that this would put a human face on the business, people would feel more comfortable approaching me, and I could talk about the topics that they care about. Now, when I go to the conventions, people recognize me and I get all kinds of great comments. So, yes, this is a different way to deliver our messages, and our audience seems to like it. (But I'm still nervous in front of the camera!)

What can we expect from Sich Casket Co. in 2018?

We're now in R&D, looking at expanding our cremation casket line. We're also in the process of growing our distribution network. Additionally, this coming year, we expect to be more involved at the state association level, as many funeral homes engage locally more than they do nationally. This has been facilitated all the more by our bringing in Jeff Tyler as our national accounts director this past year, so that there's always Sich representation stateside. All around, I expect 2018 to be a very good year for Sich Casket. •