

Not Your Father's Casket



In case you haven't opened your eyes in the past 30 years, the funeral business has changed. It has changed from a business model based on merchandise to a business model based on service.

In a merchandise business model, the consumer pays one price to acquire merchandise. In addition, he or she gets whatever related services are needed to use the merchandise. There are many examples of this business model; the easiest to understand is the jewelry business.

In the jewelry business, the consumer buys a ring for one price. Included within that price is the fee to alter the ring to the consumer's finger size. It would also include a box to place the ring in. Lastly, you might get an appraisal of the ring as part of that one price.

Can you imagine if the jewelry

business was investigated by the Federal Trade Commission, as the funeral service industry was in the 1980s? Can you imagine if the FTC made jewelers provide itemized pricing for that ring? The ring setting would be one price, the ring diamond another, the placement of the diamond into the setting another and the ring sizing another. The box and maybe even the time the jeweler spent schmoozing with you would also have prices.

The service business model that the funeral business has morphed into is one of itemized payment for each step to handle the functions you are retained to perform.

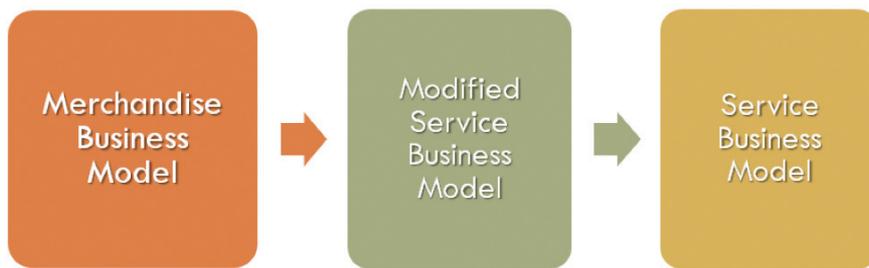
We understand the business model for lawyers, accountants and consultants. In the future your business will be similar. You will get paid a fee for your time and your staff's time to perform functions, as well as a fee for the lease of your capital assets. We are seeing that more and more families are using a funeral home only for the use of their staff and the rental of capital assets (services, visitations and autos). In these cases there may be no sale of products by the funeral home company whose logo is inset in the newspaper obituary.

A modified business model describes those cases that have some merchandise sales as part of their arrangements. It is a hybrid of the merchandise business model and the service business model. This is where you generate about 50 to 60 percent of revenue from the sale of services and 40 to 50 percent from the sale of merchandise. Most funeral homes are at this modified business model today but are not handling it correctly.

Funeral service has to adapt to the modified business model correctly. In that approach:

- Service fees will be adequate for operating the business profitably if there were no merchandise sold.
- Profit is not reliant upon merchandise sales.
- You would be looking toward the service business model without praying for the merchandise model to come back.

The funeral business model needs to refocus on what the merchandise proposition is for the funeral home of today. We need to reinvent this placement, not just put a new coat of paint on it. Therefore, we need to ask some questions.



Question 1: How is casket merchandise used in the 21st century funeral?

You may think I am finally slipping into my rocker with this question. I am not. If you watch automobile ads you cannot help but notice that they spend more time talking about their nonstop connectivity for computing, music, navigational systems and text messaging than promoting reliability or front-end impact protection.

Yet, what messages do we share in regards to caskets? Sealer, gauge and “Made in America” are the three messages, and no one really cares or understands them. We need to show how caskets can be customized and used in a funeral. We need to show how to have people sign caskets, write final wishes on caskets and become interactive with them.

If we are going to have a merchandising component to this modified business mode, we need to be thinking about new caskets.

Question 2: How is vault merchandise used in the 21st century funeral?

Do yourself a favor. Explain to someone, for 30 seconds, what the purpose of a vault is in protecting the casket. Most people see it as an added expense. They think the casket protects the body (which it primarily does) but the vault protects the casket. Let us demonstrate the

effects of the attack on the vault. Let’s talk about ground water and the other concerns that would make protecting the body necessary.

Question 3: How does merchandise impact the resulting service in the 21st century funeral?

Most of the people that you serve in a funeral service are baby boomers or younger. Baby boomers burned their draft cards and bras to protest a war and now want to burn their bodies when they die. They are *still* protesting. They are protesting against common, predictable rituals. There are two things that are out of your control in this battle:

- 1. The ritual leader.** This is the minister. The minister was once a young person, and at that time, he or she wrote a beautiful wedding service and funeral service. Unfortunately, ministers have not modified those tributes and eulogies much in the past 30 years. It is important to educate the ministerial community as to the key points of the funeral service today. Otherwise, your business will be hurt by their staleness!

The alternative is to employ funeral celebrants. They can dial in as much or as little religious ceremony as needed for that particular ritual audience.

- 2. The ritual audience.** The casket is the focus of the eyes. Even if

the casket is opened, most do not have comfort staring at the deceased, so they focus on the casket. The audience must think beyond the casket.

The casket goes from being a functioning asset to a symbol. In fact, how many times have we heard that the casket is a sign of how much a family loved their departed? It makes an impression only because we focus on this during the 45 minutes of the service.

For years, most casket companies would not put a good paint job on a 20-gauge casket. Any paint could be applied to a 20-gauge that is applied to an 18-gauge. However, the casket makers did not want to elevate the lesser-priced caskets to the higher paint image. That is not the case anymore. Also, I would love someone who is sitting 50 feet away tell me about gauge of steel a casket is made from.

So, if we are going to question the casket’s purpose and the interpretation of the casket’s image, we need to question the casket’s shape as well.

I have seen European caskets shaped like cocoons. I have seen caskets made from plant material, plastic and other veneers. The key is that a casket has a long-term use for a buried body (in perpetuity) but a short-term use for a cremated body. We cannot sell finished caskets for short-term or long-term use if people do not want to have public events. Therefore, we have one alternative: impress upon the community the benefits of a funeral service event.

We have to go from being passive to being on the offensive. We have to sell ourselves. We have to let people understand why gatherings are important. We have to look at the funeral and go back to our roots. Why did we have funerals in the past? We have to promote the benefits of funeral service, not just the cost as the naysayers are doing. •