

Business

By Daniel M. Isard

PRICING

Impressive Innovative Solutions

In order for there to be an innovative solution, there has to be a problem. In order to be innovative, the idea must be new and creative. I would venture to add that any idea that the death-care profession is going to implement – especially when it pertains to consumers – must be simple and logical.

We need an innovative solution to deal with price shoppers. By the same token, there are people who are not price focused but ask about price because they don't know what else to consider when choosing a funeral home. The need to explain pricing to families is simple, and the solution is simple: provide customer education, customer security and comfort.

This profession has long been hesitant about talking about the price of its services. Those that focus their marketing exclusively on price are often seen as heretics. For the mainstream funeral home, price is usually as well-kept a secret as a special family recipe. Not only do most funeral homes not readily present their prices to the community, they work hard to hide them. It is not a coincidence that one of the basic tenets of the Funeral Rule is the presentation of a General Price List. While funeral ser-

vice objected to the itemized pricing component of the FTC mandate, there was just as much uproar about how and when to present your prices via the GPL.

Why should we encourage the public to know funeral prices? I think there are several reasons. First, an educated public can understand the costs and make decisions in advance. Second, we should not be embarrassed about how we get paid. Third, those of limited means can look at this data and choose to pre-fund their funerals rather than ignore the problem.

Furthermore, price, by itself, does not drive people to or from your business. A study done by MKJ Marketing stated that, "65 percent of all consumers felt that all funeral homes were the same." This is the biggest problem of all. This tells me that the things funeral directors think are dif-

ferentiators are not features that average consumers think are differentiators.

If all funeral homes are the same, then price and other factors will be items that cause the third type to choose a funeral home.

I think many funeral homes do not want their prices known because they actually think their services are similar to those of competing funeral homes. Therefore, they think that price is going to be a determining factor for consumers who don't know which firm to use. That makes their decision to not put prices out there seem wise.

To get the public to understand price, we should create more online tools to explain pricing. The Service Corporation International website, www.dignityplanning.com, has a very good tool for pricing. You can go and select a funeral home and key

in the type of funeral you want as a package or key it in on an itemized basis. Why doesn't every funeral home have something akin to this on their website?

Obviously there are three large decisions in planning a funeral: the service component, merchandise items and third-party items – otherwise known as “cash advances.”

My idea to explain funeral pricing is to make the points of a service well understood. Before going to dinner at a new restaurant, I can study the menu in advance. I will also be able to understand the approximate price before I order. That is good planning. Do I suspect that competing restaurants go on other sites to check out the price of a chicken dinner from their competitor? Maybe. But how do the prices of meals at other restaurants drive reservations? I don't think many people wind up in a high-end steakhouse thinking they are going to spend \$10 a head for a meal.

You can describe your entire business through your website. More than

There are three types of consumers living within your service area:

- 1 Those that will use your firm no matter what.
- 2 Those that will NOT use your firm no matter what.
- 3 Those that do not know what firm to use.

that, you can have consumers explain your business features for you. After all, if *you* say it, it is bragging, but if a family you served says something, it is a testimonial. That has the highest credibility that can be measured.

The merchandise decision has been abdicated on most websites to the casket manufacturers. We need to

explain why some caskets are more expensive than others. The problem is that most funeral home owners don't really know why – other than “the casket company says so.” We need to describe why some caskets and features are beneficial, and how they play into the funeral. In particular, we need to do this with vaults, since most people don't know why they need a vault. You have the chance to show videos online showcasing the value of the casket or vault. You can create your own video or use that of a manufacturer.

Remember, the baby boomers are planning their funerals and those of their aging parents *now*. The Internet was developed by boomers. Boomers are not conformists. Boomers have changed the old world order during their lifetimes, and they will change it in death as well. Be an aid, not an obstruction to their plans.

So be innovative. Be the first in your service area to show your prices. Be the first to allow the consumer to plan a cost for a funeral. Be the first to demonstrate merchandise effectively. Take the next step and allow planning online. Don't just have a form that asks 73 questions and then says, “Thanks, someone will be in touch with you!” Allow consumers to plan and arrange and save their selections as a preneed draft. It can be funded or unfunded based on your style. Most importantly, let the public do something innovative. •

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