

They're Here to Stay

Price shoppers present an excellent opportunity to educate people about their options when planning a funeral and to show how your firm rises above the lower-priced others.

Dear Dan,

My firm does about 100 calls, and we run out of one location. We currently serve about half of those families with burial and half with cremation disposition. Not a week goes by where the phone doesn't ring and the person asks, "How much is a cremation?" I tell them our professional fee, and before I can take a breath, they hang up. Is my community different or is this going on everywhere? How do I talk to these people? Every time I hang up the phone, I rethink my career decision of 30 years ago. Should I just get an unlisted number so these people won't call me?

Signed, Help in Hillside

Dear Help in Hillside,

You are more normal than you think. The national average is 110 calls per location and a cremation rate of about 40 percent. Shopper calls are normal, too, and more prevalent for cremation service inquiries than burial inquiries.

Does your firm have caller ID? I ask this because a few years ago, I had a client who was getting upset when she suddenly had four price shoppers a week in her suburban community. Then she got a new phone system with caller ID, and more than half of those calls could be traced to one phone number – the calls came from her competitor! This was the competitor's form of amusement. Once we found out, we had the phone company block calls from that number.

I spend more time in seminars talking about price shoppers. While you feel attacked with these calls, there is national research from NFDA's annual Consumer Awareness and Preferences Survey, the Funeral and Memorial Information Council (FAMIC) and the work my firm does conducting family follow-up surveys that might help.

The NFDA consumer survey consis-

tently asks people about shopping funeral homes, and survey results show that about 90 percent of consumers do not shop (and this number does not change). Of the 10 percent who do shop, half call only one other firm. When asked what the consumer is inquiring about, the survey group mentions many items, and price is just one. I'm not saying that shoppers are as rare as unicorns or honest golfers (I think unicorns outnumber honest golfers) – I'm saying that shopping calls are a normal part of the marketing process.

Our family follow-up surveys present the same results as the NFDA survey. We conduct surveys for classic funeral homes, as well as high-end providers and value operators. Yes, even value operators get shopped! One value operator for whom we provided consulting services was smart. The firm had three different names, one advertising \$1,695, one at \$1,295 and a third at \$995. The one business office shared by all three brands was equipped with caller ID. When someone called about one brand for pricing, they would record the number. Moments later, another brand got a call from the same phone number, and a different person at the firm answered that call. Then the third would get the same call from the same number. When tracked, they found that the middle-priced brand was selected by the consumer more than 65 percent of the time. The high-priced brand got the call 25 percent of the time and the low-price firm about 10 percent of the time. When they followed up with the shopping consumer post service, they discovered that most callers thought the low-price provider could not be believed.

The FAMIC survey tracked consumer attitudes, with a four- or five-year window between surveys, and consistently found that 89 percent of consumers wanted a cremation that was something more

than a direct cremation. That result has not changed over the last two decades. I suspect people do not know what to ask for, so they assume all firms are the same. And if a cremation service is the same among all firms, then it makes sense that price is the only differentiation point. The key is to demonstrate to consumers what makes your firm different. This demonstration should be done well in advance of need. We know that firms that use multiple aftercare or outreach programs have shoppers, but their case count is rising; they do not have to worry about converting these shoppers.

I am amused to see a national consolidator initiating a new concept of low-price cremation services and advertising price matching as if it is selling laundry detergent. Please understand that commodities can be shopped for price, but experiences cannot. Internet selling companies are beating the pants off the big box stores because one can go out to see a product in the store and then order it from the Internet and save some big bucks. If I am willing to wait the few days for delivery and I can save enough money to appease my urge to possess, then I might shop via this two-step procedure.

Many years ago, a Fortune 500 company in the business of distributing medical supplies to factories hired me to address its annual convention. The company wanted me to interview some of its distributors and create a humorous speech based on the distributors' needs. I called and interviewed distributors and soon learned that most of them thought the end of their relationship with this company was in sight, telling me that they paid more for supplies and packaging from this big company than what their competitors were selling their products for!

Quickly realizing that it would be tough to be funny as the comedian on

the *Titanic*, I switched to my consultant's hat and interviewed the distributors' customers. They confirmed that they were tempted to switch allegiance to the lower-priced product suppliers. So I asked a simple question: "Does this low-price supplier teach you or your staff how to best use the product?" In every case, the answer was no, and they all wanted to know more about treating workplace injuries. Voilà! My speech went from being a comedic masterpiece to a talk about a paradigm shift in what they sell. I had the distributors sell their products at a higher price than before but deliver training to the staff of each consumer as to how to respond to workplace injuries. I was met by a standing ovation... by the parent company. Its profits went up immediately, as did the profits of its distribution network.

Now, you must be wondering why I related this story. Too many people have no idea what a cremation service is. In our surveys, we find that 60 percent of families that chose cremation had never chosen cremation for their loved ones in the past! By my estimate, that is about 210,000 families a year! I think one of the

key things we must do is explain to families how a cremation is almost identical to a burial. Frankly, I think a cremation is even more creative than a burial service since it can take place with or without the

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body present at any location; it doesn't need to be rushed, and there can be multiple services for multiple mourners. How many families know that? How many funeral directors know about the flexibility and personalization that cremation services can offer?

I am responding to your letter from an airplane following my address to a state funeral directors association convention. The state asked me to talk about cremation to its members. I was happy to – I have 16 jokes on cremation. The weird

thing is that this state has a 70 percent cremation rate! Talking to funeral directors about cremation and cremation shoppers when they deal with cremation 70 percent of the time is like explaining the infield fly rule to Derek Jeter. They think they know everything about the subject!

However, for this seminar, I did something different. I asked them all to close their eyes and raise their hand if they intended to use cremation upon their own death or the death of a loved one. Can you guess how many raised their hands? None! It's tough to counsel families on a disposition option of which you don't approve. It's tough not to feel you are being attacked by consumers who are rejecting your historical business plan.

So, dear Help in Hillside, price shoppers exist and will continue to exist in the future. You cannot change them, but you can change yourself. Talk with them when they call. Ask them questions. Determine whether price is the driving factor. Feel confident about your prices. They're set to cover your overhead! Other companies may have lower overhead. Determine that.

Your business is not intended to serve everyone. If you want to serve more than 100 families a year, let's talk about marketing techniques. If you want to hear the 16 cremation jokes, attend one of my cremation seminars. The one about an egg timer being used as an urn is a killer! ✦

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