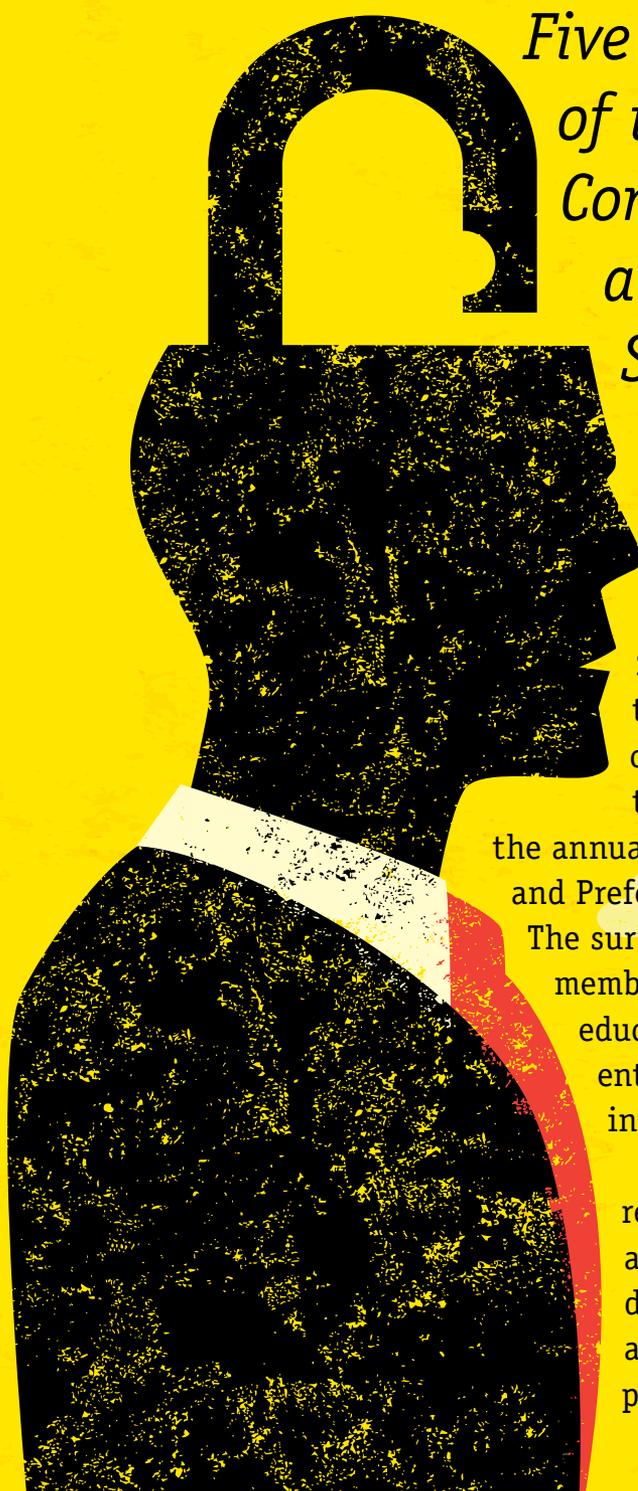


Unlocking the Consumer Relationship

Daniel M. Isard

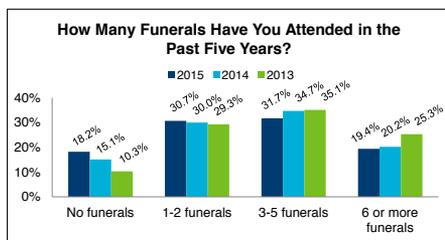


Five key dynamics of the 2015 NFDA Consumer Awareness and Preferences Survey interpreted.

I imagine you're a business owner or manager and someone gives you a \$100,000 gift of services intended to unlock the mysteries of your consumer relationships. Seems too good to be true, right? Well, the annual NFDA Consumer Awareness and Preferences Survey does just that. The survey is made available to NFDA members, and through member education it becomes unveiled to the entire profession. Here I offer my interpretation of the 2015 survey.

While funeral directors should review the entire survey, I am going to focus on five key dynamics studied. To me, these are important trends or awareness points of consumer interaction.

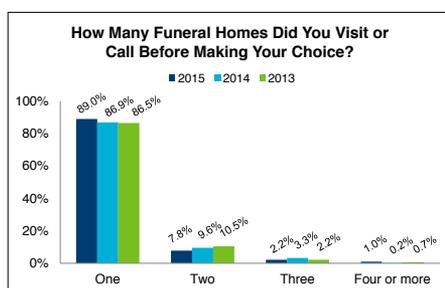
Attendance



Sometimes the glass is half-full, sometimes it is half-empty. In this case, we have a clear pattern of a broken glass. It is clear that fewer and fewer people are attending funerals. While a three-year study is too short a time frame to measure this, previous surveys also demonstrate this. We have a more distant population. We no longer have effective bereavement airfares.

However, keep in mind that it's also true that fewer funerals are taking place. Graveside services do not seem as important. Direct cremation (no service or memorial) will not offer any type of service. Clearly, we have more and more deaths but more deaths without a convocation of mourners.

Shopping



Every day, your phone rings and someone asks, "How much is [fill in the blank for the type of service they ask about]?" You assume everyone shops for funerals. They do not! The survey clearly shows that less than 11 percent shop at all. I can attest to this fact as a result of the many funeral homes for which my company does family follow-up surveys. This is the same ratio we find in those surveys.

Of those consumers who do shop, more than 75 percent checked out only one other firm. So why do we think people are rampantly shopping? As a profession, this is our own fear of setting service fees.

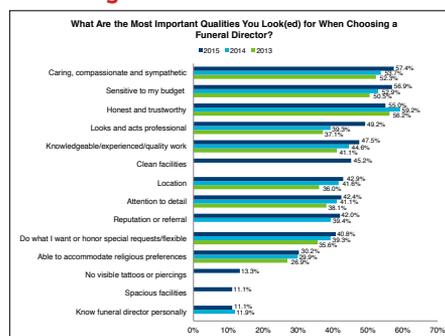
This one dynamic speaks volumes of who the men and women of funeral service are. You are caregivers. You want to serve. You believe your ministry is helping the world be a better place for people

on the worst days of their existence. You want to be paid a fair wage and profit for performing these acts. You want to serve everyone. You don't like being rejected for any reason, let alone price.

Understand this: You are rarely rejected for price. In my studies nationwide, I do see some markets that are very strongly price-driven. I see that some age groups are more price-focused than other ages. However, to me, as a glass half-full guy, this is an opportunity. Glenn Gould of MKJ Marketing did a survey of consumers years ago and found that "65 percent of consumers think all funeral homes are the same." To me, this was a clarion call to wake up the profession. If we are all the same, then I must either offer a lower price or outperform to show a difference.

I cannot rely on some of the staid "differences" of the previous generation, which were not measurable. For example, "We care more" is not measurable. "We embalm better" is not measurable. Don't get me wrong, a bad embalming case is measurable and noticeable to many, but almost 25 percent of all decedents are not viewed by anyone in the public. I am not inviting hate mail from those most proud of the embalmer's art. I am stating a fact: To the general public, this is not a measurable difference. Outreach programs; publishing; solid, informational websites; and public appearances are differences. So we must explain who we are and why we are different if we want to negate the small number of price-shopping consumers.

Choosing a Funeral Home



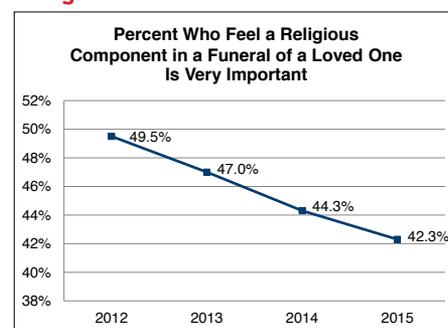
How does the average family choose a funeral home? The survey allows consumers to indicate all of the qualities they look for in selecting a funeral home. Obviously, they want a quality person to care for their loved one and the needs of the living. Location is also a big factor. In the survey results, the top indicator is "pre-

vious service," followed by "knowing the funeral director."

We're starting to see different indications, which is important as our newest generation of funeral directors choose their career. Thirteen percent of respondents do not want to see visible tattoos or piercings. Keep in mind that what makes a great arrangement (at need or preneed) is a free exchange and communication. And communication is fostered by commonality. If you have a generation (the Mature/Silent Generation 1927-45) making arrangements for their loved one with a funeral director who is a Gen-Xer or millennial, they are going to have different opinions on tattoos and piercings. It is incumbent upon those needing to foster the communication to do nothing to interfere with the comfort of consumers.

In this survey, there's even a question about professional appearance. More than 60 percent of consumers did not want to see tattoos or piercings, whereas only 15 percent were unoffended by them. I have addressed groups of mortuary school students. For those where funeral service is intended to be a first career, they are like any other group of 20-somethings with their dress and adornment. Clearly, 30 years from now, body art and other after-market parts will not be an issue. But for now, it is.

Religion



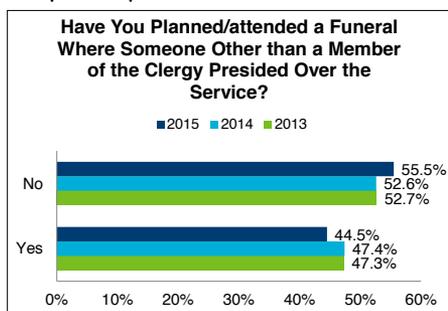
The lines of demarcation and marketing were very clear before the 1990s. There were Catholic and Protestant funeral homes, white and black funeral homes and funeral homes that were associated with one Protestant church but not another. This line is now fuzzy or totally obliterated like the chalk outline of the batter's box by the seventh inning. This chart on religion tells us several key points about changes in society.

First of all, the importance of religion in a funeral service is declining. A de-

cline from 49.5 percent to 42.3 percent is dramatic. This is not about a 7.2 percent change in three years. This is about a swing of 15 percent in change in attitude! The Pew Research Center's Study on Attitudes on Religion also had a similar result. Pew Research asked people to categorize themselves as either believers or non-believers. The non-believers made up about 23 percent of the polled group, up from about 18 percent. I suspect the Pew Research and NFDA research are reflecting a similar result.

This changes much about running and marketing a funeral home. It used to be that you joined a church and met people there. Now, non-believers are a bigger part of the market, and you will not meet them in worship services. In the past, we built our buildings to look like worship centers, but with almost 1 of 4 Americans not wanting a worship environment, it's changing our architecture as well.

You may be among the group upset with the growth in non-believers. However, above all else, remember that a funeral is not about your beliefs. It is about the family. Your job is to provide a quality event even for those who believe differently from yourself.



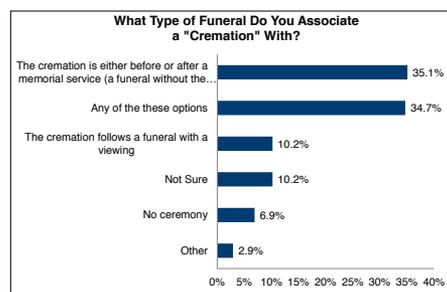
To that extent, we have seen an increase in the celebrant or non-clergy movement. Someone needs to lead a gathering. Clergy are trained to do so. So are the "un-clergy." In the NFDA survey, almost half of respondents have attended a funeral in which the leader was not an ordained minister. Based on the non-religious, I would suspect that the future is going to see more of this. Again, this affects the product you offer and your method of marketing.

Going forward, we can see a movement to less religion, less minister involvement and a different means of business marketing.

This separation of church and funeral director may actually be a good thing. With many cremation services, I am sure

you have had some families or churches tell you, "Just drop off the cremated remains; we don't need you to be present." Churches are also proclaiming their independence from funeral homes, so be aware!

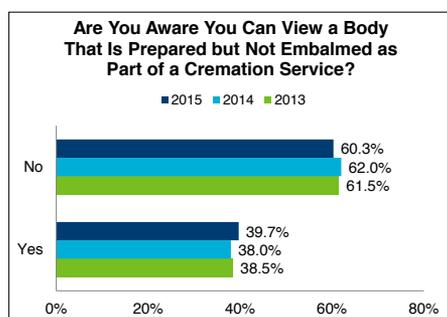
Cremation



I find it difficult to comprehend why we are still learning about cremation attitudes. About 40 percent of the nation's dead are going to be cremated. Some one million cremations will be performed this year. Of those, about 210,000 are going to be families choosing cremation for the very first time. We as a profession, however, are not listening to them as far as what they want in cremation.

In the 1980s when a funeral director heard the word "cremation," he assumed it was an immediate disposition. But this chart is pretty clear: Only about 6.9 percent want nothing; about 3 percent responded "other" and 10 percent are "not sure." The "not sure" element is looking for answers. Almost 80 percent find that a cremation takes place as part of a funeral of some kind.

Almost 60 percent were not aware that a body may be able to be viewed regardless of whether it's embalmed. I think we need to do a better job of educating families about what can be done as part of a funeral. The burden is on us to educate consumers.



Other parts of the survey deal with the Funeral and Memorial Information Council's campaign that NFDA and

FAMIC's other members are promoting, called "Have the Talk of a Lifetime." This is a major step in educating families about talking about their own and their loved ones' death decisions. It's a great campaign, but unless every funeral home gets behind it, it will not have the maximum effectiveness.

I loved that the survey asked questions about alkaline hydrolysis. I am a firm believer that if my spell-check doesn't recognize alkaline hydrolysis, the public doesn't either. More than 94 percent didn't know what it was. Of the 6 percent who claimed to know what it was, only 28 percent would consider using it. For those promoting alkaline hydrolysis, please look at this result. Since this profession hasn't yet learned how to charge fairly for cremation, let's not introduce something that's 200 percent to 500 percent the equipment cost until we can handle the toys we have now.

Preneed was also surveyed. About 1 in 5 respondents had a prearrangement plan. Of those who did, mostly it was "having the talk of a lifetime" and telling someone what they want to have done. Only about 20 percent of those who claimed to have a prearrangement actually worked with a funeral home to map it out. This could be more the result of the ages of those surveyed. Only about 30 percent of all survey participants were over age 65 (or the age of prearrangement, in my opinion). So the result gives us a view of the future but not a view of those to whom we can be marketing currently.

I wish that each of you would log on and view the survey. Look at the trends. Discuss it with your staff. It is powerful. Do not invest in a new location or even a new car until you've read this! *

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