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**ICCFA
Magazine
spotlight**

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MARKETING/MANAGEMENT

Relationships and reputation are the keys to convincing undecided consumers to choose your funeral home.

Make sure your marketing is based on that fact.

Marketing your funeral home with making a profit in mind

Funeral service professionals continue to face challenges as consumers shift away from “traditional funerals.”

In fact, “traditional funeral” is jargon specific to funeral directors which often evokes misty eyes and wistful thoughts of yesteryear. The reality is that a “traditional funeral” is becoming as extinct as those who continue to use the jargon.

Positioning a funeral home in today’s market and educating consumers requires a multifaceted marketing approach. Like it or not, services and products are for sale; there is a price for each and a consumer must choose to make a purchase. Creating the message to attract “buyers” is more important now than ever before.

Even though most consumers understand that funeral homes care for their deceased loved ones, provide services and offer products needed or desired after death, simply providing differentiated services and products is not enough.

What makes one funeral home different from another and what can you do to attract families to yours?

Let’s consider how consumers decide between funeral service providers. Believe it or not, the primary consideration when choosing one funeral home over another is not price. Most consumers choose a funeral home because they know someone at the firm or are familiar with the staff.

This is good and bad news at the same time. It’s good news if your firm is in a small community where people regularly interact socially with each other. It’s bad news for funeral homes operating in more densely populated areas, where the likelihood of a consumer having a connection with someone at the funeral home before a need occurs is low.

However, the good news for funeral homes is consumers with no relationship to a funeral provider are “undecided” and

open to a marketing message.

Contrary to popular funeral profession belief, the average consumer does not think about funeral homes regularly—or at all. This is why savvy funeral home marketing will have tremendous impact, because “decided” families have already made a decision of which firm to use, and the “undecided” families are fair game for the funeral home that provides the best message of why their firm is the best choice.

Consumers also choose funeral homes based on reputation. Reputation is built on the foundation and performance of people. Whether owner, manager, funeral director or support staff, every person is key to developing and maintaining the reputation of a firm.

If we agree that consumers select a funeral service provider based on an established relationship with members of the staff and reputation of a firm, then how do you convert those who have no established preference? Shouldn’t your marketing focus be on your staff and why your firm has earned a great reputation?

I’m going to be repetitive to drive home a point: In any given market, there are consumers who have already made a choice of a funeral home based on reputation, but the majority have no opinion about a particular funeral home’s reputation—assuming they even are aware that it exists.

How do you make sure undecided funeral consumers know your reputation? Hint: “Serving before the railroad came through town,” “We care more and always have” and “We give the best service or your money back” messaging will probably not have great success. Why? Remember how your reputation is developed, and by whom? *Your people!*

The first step in directing a marketing strategy is to understand your brand. Yes, the legacy of generational service is important

Many funeral homes do not take advantage of their best marketing opportunity, which is the onsite visitation and/or service. I have attended many visitations across the country where the funeral home staffers are virtually nonexistent and fail to interact with the deceased's family and guests.

and should be part of your brand presentation, but legacy or family ownership has less stature in this “loyalless” (yeah, I made that word up, but you know what I mean) and fractured society we live in.

Why does your funeral home exist? Why does your staff work at your firm? Why do families choose your funeral home versus another? Spend time, effort and money to make sure you know the answers to these questions.

A winning combination is a story about the history of the firm, the people who make it great and the recommendations of those who have used your services. The marketing messages should evolve from the story and work with the different ways you can deliver your message to consumers.

One of the most important components of marketing for a funeral home is a website. Unfortunately, many funeral homes use templated websites provided by suppliers who specialize in making something other than great websites.

A website should be refreshed and updated every three years. “Less copy, more photos and video” should be your mantra. Consumers are visiting funeral home websites from smartphones, which means your site must be optimized for mobile use.

Invariably, these same technologically- and socially-impaired funeral homes have no Facebook page—what a shocker! A fresh website is the foundation of funeral home marketing, and social media programs follow close behind. A website must be supported by a targeted social media campaign to share the story about your brand.

Technology is not the “end all” because interpersonal programs such as aftercare and informational seminars are where relationships are developed. As an analogy, dating websites work well to connect people, but a real relationship will not develop until people meet in person.

Making your people visible at the funeral home

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country where the funeral home staffers are virtually nonexistent and fail to interact with the deceased's family and guests.

When people are attending a visitation or service, they are making observations and forming opinions, just as at any other service-oriented event. By offering creative services, these ideas can be showcased to enhance the reputation as well as attractiveness of your funeral home. However, this starts with the leadership of the firm taking a stance that the norm is no longer acceptable.

The most frequent excuse I hear for not introducing a new product or service is; “My families will not go for that.” Well, statistically, we are witnessing families going for a vast array of other funeral service options, leaving the funeral home to only perform minimal services. Truth is, families have no issue with new offerings, it's the owners who are reluctant and lack creative leadership.

Seek advice from successful and progressive funeral home owners and managers. Or, hire a professional to evaluate your current presentation of arrangements and service offerings.

Another excuse added to the reluctance pile is, “We just don't have the facilities to make any changes.” Take a fresh look at your current usage of space (such as wasted space for casket and product displays) and you may not only increase your service offerings but also add a new stream of revenue.

For example, practically every social gathering has food as a component, whether a sit-down meal or hors d'oeuvres. If there is such a thing as tradition in the funeral profession, it's having food before or after a funeral. And don't forget, funeral directors love to eat and most often are invited to dine with everyone, which presents another opportunity to develop those relationships that are crucial to turning undecided consumers into ones who have decided in your favor.

I attended a well-orchestrated visitation of a big college football fan. The family had a tailgate party in the funeral home parking lot with a barbecued pig, a keg, tents and a few televisions playing reruns

of favorite games. Another funeral I attended included a food truck that came to the funeral home after the service.

Even allowing family members to bring in a batch of their deceased mother or grandmother's famous cookie recipe to share at a visitation adds a creative touch.

I realize that in some states, regulations prevent food offerings at funeral homes, but in most cases it's not being done because funeral directors don't want to do it, not because they aren't allowed.

Find out where your families' post funeral gatherings are taking place. Is food involved? Are the events catered or pot luck? If you can have families enjoying a gathering that's “exactly what I want” in your facility, that's fantastic marketing.

Whether eating at a restaurant, staying at a hotel, making a retail purchase or attending a religious activity, most of us are experience-driven. We have preferences and expectations for almost every event in our life.

Personally, I expect basic performance, thus allowing for the experience to be better or worse than expected. For example, if at a restaurant the waiter is attentive, provides options, has a decent personality and makes sure my water glass is never empty, he or she has delivered basic service.

If the wait staff takes the initiative to convince me to try something new or engages with me as if they give a damn, or if the food presentation and taste are spectacular, my expectations are exceeded, and my focus is on the wonderful experience I had, not the total on the bill. On the other hand, if my experience is negative, I'm unlikely to return.

I venture to guess that most people reading this react the same way. Your clients may not have any preconceived notions or point of reference about what to expect from a funeral home. This gives you the opportunity to convert clients into fans by “wowing” them beyond expectations—even if they don't have any.

Pricing for profit

Our firm conducts extensive family follow-up surveys for our funeral home clients. I am always fascinated by the

write-in responses of the people taking the survey. Why? Overwhelmingly the respondents provide positive details about their experience, including staff members' names. Price rarely gets mentioned.

We are seeing more and more first-time cremation families making comments such as, "I had no idea cremation could be such a wonderful choice" and "I want the same for myself."

If your firm is not surveying your families, you have no report card or way to verify that any changes to your service offerings are being received positively. Surveys also provide an opportunity for enhanced staff training. Areas for improvement can be identified as the results are shared with your staff and management team.

Unquestionably we are witnessing a dynamic shift in how consumers view our profession and challenge the value of what we provide. Adding new services and gaining new calls do not automatically produce profit, unless they are properly priced.

I conclude, and our family follow-up

surveys confirm, that consumer preference for a positive funeral experience does not equal price sensitivity. If price is not a factor, then why do we fail to price our good and services appropriately?

The answer lies in the methodology of funeral home pricing, and only one is proven successful. The average profit for a funeral home in the United States is between six and seven percent. That means many firms are below these paltry numbers.

Properly calculating overhead, including taxes and debt and adding profit as a line item, is the first step in pricing. Otherwise, pricing your goods and services is like trying to fly a jet blindfolded.

The next step is to select pricing based on a percentage of projected death calls, both casketed and non-casketed. Making your profit from funeral services, rather than from the sale of products, makes sense because consumers are not purchasing funeral products from funeral homes as in the past. A pricing strategy dependent on product sales is a recipe for trouble.

Your pricing strategy must be monitored and adjusted on a regular basis, not just once a year when the casket companies raise their prices.

Consider a funeral home experiencing two consecutive sub-par quarters where calls are decreasing, thus revenue per call has declined. What actions should the owners take over the next two quarters?

I have heard funeral home owners say, "We have experienced this before and we'll make it up." Aside from through plain dumb luck, the only way to increase profit is grow the business with additional calls, maintain control of overhead and charge accordingly.

It's not rocket science, so why is the average profit margin for funeral homes so low? "Traditional funerals" are a thing of the past, and so is the broken operating model for funeral homes.

Reengineering is an arduous yet necessary function to turn funeral homes in a direction where what they do is understood and valued by consumers and where their profitability is increasing. □