



Marketing

A FIRM HAS A TREMENDOUS ADVANTAGE IF IT STUDIES ITS COMMUNITY AND UNDERSTANDS THAT MOST CONSUMERS SIMPLY HAVE NOT YET DECIDED ON A FUNERAL PROVIDER.

BY JEFF HARBESON

First Things First

Prior to beginning development of any marketing plan, it's wise to analyze funeral home performance to ensure proper initiative deployment and allocation of financial resources. Consider when you're not feeling well. Do you visit a physician who only listens to your symptoms and doesn't perform any diagnostic tests? Interestingly, tests can reveal not only the original source of your symptoms but possibly other and more serious health issues.

When was the last time your funeral home underwent a complete financial health assessment? This doesn't mean a scan of your annual profit and loss statement or year-end balance sheet. Understanding the financial strengths and weaknesses underlying your monthly P&L reports will assist with determining your marketing needs and budget.

I'm often asked how much a funeral home should spend on its marketing budget. The quick and

simple answer is 4% to 6% of revenue. There are instances for which additional funds are needed, such as launching a new firm in a new market. The reverse may be true if you are a well-established funeral home entrenched in a market with little competition and rising call volumes.

There is no successful one-size-fits-all funeral home marketing program simply because the communities being served differ. Marketing is a collaborative effort of different methods, programs, mediums and advertising used to elevate the funeral home brand to be positioned top of mind. And while most consumers don't think about their own mortality, much less the choice of funeral home, until needed, there are many opportunities to cause a consumer to consider the subject of death – if not for themselves, perhaps for loved ones.



Advantage

For example, I have two remotes for my garage door opener, both of which stopped working recently. I recalled a battery store radio commercial that said, in essence, that if your garage door opener quit working, their business had the solution. As long as my garage door opener functioned properly, I gave no thought to this business or what I would do if it stopped working. But when the time came that I was “at need,” the Batteries Plus marketing effort I remembered came to mind. This is the result we’re looking for with funeral home marketing; if the consumer does not have a relationship with a firm, creating awareness is the objective.

Most consumers choose a funeral home because of their familiarity with staff, its reputation or via word of mouth. Obviously, location is important, but it’s not unusual for a family to drive past a local funeral home for a brand of choice. Fortunately, consumers still have difficulty differentiating between funer-

al homes, which itself can create an opportunity. For funeral homes that continue to operate like a firehouse (waiting for the phone to ring), the likelihood of attracting new business is slim unless a family has previously been served.

On the other hand, firms that study their community and understand that most consumers have not yet decided on a funeral provider have a tremendous advantage. As previously stated, consumers have not chosen because there has not been a need and funeral home selection is not top of mind for most people.

Let’s use, as an example, a funeral home generating \$750,000 in annual revenue. Based on the percentages given above, let’s further assume a marketing budget of 5%, or about \$38,000. This firm, open for 10 years, does not have a retort. It’s in a suburban area with a population

of 350,000 and about 3,000 deaths. Its main competition is from a publicly owned firm, two family-owned funeral homes and a low-cost provider. The owners want to increase revenue through additional call volume by implementing a new pricing structure that is just slightly lower than the market-leading corporate funeral home, slightly above the family-owned firms and significantly above the low-cost provider.

Given this scenario, the marketing strategy must focus on reaching the “undecideds,” who represent the greatest opportunity to increase market share. One of the most effective methods of reaching a broad audience without draining the budget is through social media, primarily Facebook. In addition, spending money to hire a social media professional or company to manage this effort makes sense. Although Facebook is easy for personal use, the understanding of such complexities as post size specifications, peak posting time for



maximum distribution and other reach and utilization dynamics is not within most funeral home owners' wheelhouse.

Facebook is also an outstanding medium for promoting other initiatives, such as aftercare programs, community events and educational seminars. Simply posting obituaries and preneed solicitation memes does not a successful Facebook campaign make. Messages about the firm and, more importantly, the people working at the funeral home should be your focus. Remember, one of the top reasons a consumer chooses a funeral home is because he or she has a relationship with someone who works there. The selection is predicated on people!

Marketing doesn't turn into immediate death calls like an ad offering a two-for-one pizza deal in the local paper. It takes patience, follow-through and management intentionality.

Use video to promote your employees. Record them introducing themselves and speaking about their personal interests. Another excellent use of video is recorded testimonials from families the firm has served. Crafting the funeral

home "story," introducing staff and sharing positive family experiences, community events and information of interest can all be successfully projected in the local community with Facebook for less than a thousand dollars per month. This leaves our example funeral home approximately \$2,100 a month in the marketing budget.

Assuming your funeral home website is updated, the next step to reach your community electronically is to enhance search engine optimization (SEO) with advertising on the internet and increased content on your site. Engaging a professional to navigate a successful SEO enhancement strategy is recommended and cost effective.

Let's assume that our example funeral home elected to spend \$500 a month on SEO, leaving the marketing budget now with \$1,600 per month. An advantage of using digital marketing is that the results can be measured and content easily adjusted for maximum effectiveness.

Last, don't brush off the importance of online reviews. Facebook and Yelp are two sources to look to. Firms that manage their online reputation and solicit families to give good remarks receive dividends from their digital marketing efforts. When an "undecided" is searching, a funeral home that has many positive reviews will generally get the business. Giving a potential consumer an understanding of how others perceive the performance of the firm can aid in the decision-making process. Personally, I research reviews of a service or

product before making many of my local or online purchases.

Another effective marketing tool is funeral home outreach programs, such as seminars. While there are a variety of subjects available, planning, scheduling, budgeting, marketing and execution is paramount to the seminar's success. End-of-life options is an excellent example of a topic of interest to seniors and those with aging family members. Consider creating mutually beneficial professional relationships with attorneys and financial planners to bring their clients to your programs. When consumers attend a seminar at a funeral home, they will often seek information, which offers a funeral director the opportunity to initiate a relationship.

Whenever visitors are inside a funeral home building, there is a marketing opportunity in sharing the warmth and attentiveness of the staff, as well as the aesthetics of the firm. From a budgetary standpoint, hosting a monthly seminar is low cost – generally just food and beverages. For smaller groups, a meal can be an easy draw, especially when the idea is "lunch and learn." Our example funeral home can budget \$500 per month, leaving \$1,100 per month remaining.

A robust aftercare program offers funeral homes the ability to stay connected to families following a service and develop a loyalty relationship. Aftercare has multiple facets and should be employed differently than outreach programs and informational seminars. Aftercare should not to be confused with



grief care, which requires professionals with credentials to address grief. Aftercare includes fun events at the funeral home, such as painting, ice cream socials, crafting and scrapbooking. Include offsite events that encourage sharing life experiences, such as cooking classes, bowling, local tours, even group travel. Social activities for survivors often change, and a marketing plan that includes activities for survivors can provide support and build good will at the same time. Our example funeral home allocated \$500 a month toward this program. The monthly marketing budget now has a balance of \$600 remaining.

Create community events at the funeral home, such as food truck night. Most firms have large parking lots where the trucks can set up easily. Local entertainment is easy to book and can be as simple as an acoustic guitarist or high school band.

Another idea is to create a monthly event in the name of a local charity. For example, offer a free hot dog or chili night at the funeral home and have a charity representative present to collect donations. As the charity markets your event to their supporters, the funeral home will have new visitors onsite creating new relationships. Our sample funeral home can use money in the remaining balance toward a monthly event promoting a charity.

At this point, readers may be noting that something has been left out – preneed marketing. But preneed marketing



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Endorsed Member Benefit

How much should a funeral home spend on its marketing budget? The quick and simple answer is 4% to 6% of revenue.

is a specific product/service to be sold; selling seminars is effective, but it's the nonsolicitation activities that develop relationships. Funeral home owners have the option of utilizing professional preneed companies with their own sales staff or a third-party

marketing organization. Those firms spend their own marketing dollars to solicit for preneed.

As consumers continually shift in their thoughts and beliefs about celebration and disposition after death, funeral homes are challenged to shift marketing efforts. Marketing is no longer only to elevate the brand; it's also an educational tool for consumers. Funeral home owners and directors must become the deathcare experts. Writing columns in local newspapers or periodicals, along with short blogs on your funeral home website establishes a po-

sition of authority and a resource for all things funeral.

Owning and managing a profitable funeral home business is no doubt challenging. Every marketing decision should begin with a game plan that includes a solid budget, message, delivery method and monitoring. Include outside professionals to provide technical and specific services if you do not have the internal resources.

From my experience as a funeral home owner, as well a business consultant, the major impasse for marketing success lies within the walls of the funeral home. Yes, developing a game plan is important, but execution is the always key. Too often, I have assisted firms in preparing a marketing road map only to see it ultimately fail due to lack of management attention. Marketing doesn't turn into immediate death calls like an ad offering a two-for-one pizza deal in the local paper. It takes patience, follow-through and intentionality of management.

I've been around the funeral profession for quite a while in roles including casket company sales, funeral home development/ownership, business management consulting, funeral home merger/acquisitions and operational training. My intent for readers is that you realize that the business of a funeral home begins with the math. Before making any plans for marketing or otherwise, understand the financials of your business and allocate funds to maximize outcomes.

I invite you to share any thoughts and marketing ideas or methods that have been successful for your firm. Share with your colleagues, too, in a Letter to the Editor (editor@nfda.org) or contact me directly. I look forward to listening. ☰

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