

## Step 2: Marketing With ROI

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**P**romoting your services to families has never been more critical. Marketing is the word we use to talk about the subject, but we must understand its definition to confirm that what we do will have the desired outcome. The definition I like to use is, "the act a business takes to promote its services and merchandise." By deconstructing this definition, we can make sure we're doing the best job of marketing the business.

Many think advertising and marketing are the same. They are not. Marketing is a larger process that includes advertising. Marketing is global communication about your services and products. It includes but is not limited to public relations, publishing, and promoting related third parties and services (such as aftercare and outreach events). Marketing includes an understanding of the consumer and how he or she makes decisions.

Advertising is a paid ad published in various forms of media. It talks but does not listen. It is unilateral. It can be a page in a magazine or a video on a social media site. Advertising that addresses the needs of the consumer should be placed. Marketing tells you what the consumer needs to understand.

For example, marketing will tell you that 55% of families are ultimately looking to have a cremation rather than a burial. So, if you wanted to run an ad that features the phrase, "We have the best caskets," it would not appeal to the majority of your consumers. It would be a waste of money and could even have a negative influence in the marketplace. Testimonial ads tell others, "I know these people, and they provide a good service."

This article, though, is not simply titled "Marketing" but "Marketing With ROI." You've read hundreds of articles and listened to many experts on marketing and advertising, but this may be the first time in the history of funeral service that an article on marketing addresses return on investment. The goal always, but especially this year when we're dealing with 2020 Vision, is to make sure you get maximum return on your investment.

How do you get ROI from an expense? It's a mindset. Advertising and marketing are not expenses; they are investments. If you look at them as expenses, you won't expect a return and therefore won't get one. But if these were investments, of course you would expect more calls or more revenue per call.

If you add an addition to the firm, you would expect a return on investment. If you spent \$1 million on an addition, would you expect an increase in your profit of \$50,000 or \$100,000 a year? Advertising and marketing are exactly the same as any

business investment. Spend \$100,000 on advertising in a year, and you must see that return or something is wrong. This is why I don't think church bulletin inserts are advertising but charity; there is no return on investment on that small insert.

This is why the virtual world is so very important, as you can track ROI through several means. Also, doing the virtual world well costs very little. Imagine you spend \$30,000 on an SEO or other virtual promotion service. If you received three calls you would not have gotten otherwise, that's powerful. Maybe that represents \$20,000 of revenue. Since most of your costs are met through your normal overhead, these accretive costs have about 70% profit! Spend \$20,000 and get a ROI of \$14,000! That's almost a 50% return on investment. I would dare say that adding \$14,000 to your bottom line would also add about \$70,000 to your business value. Now the ROI is accretive, adding \$84,000 of cash and value!

How can you track this? The beauty of the online world is that there is a thumbprint on everything. What computer something went to and came from is traceable. We can use "landing pages" specific to marketing efforts. In the 1970s, if we wanted to offer a business promotion, we could use a special telephone number for people to call. A landing page is the same idea. I can direct those viewing a preneed article to [smithfhprene.com](http://smithfhprene.com) rather than [smithfh.com](http://smithfh.com). I can easily see what landing page they went to and act accordingly. This helps me confirm my ROI.

We see from the NFDA Consumer Awareness and Preferences Survey how people choose a funeral home, and your marketing must promote the services and merchandise families want. From the annual survey, we know families make a choice of funeral homes predicated on:

**1. Previous Service** What advertisement can you run to keep relationships with previously served families? There isn't one. This is where marketing comes in – you need to remind families you are there for them:

- Annual letters on anniversaries
- Events to help families deal with grief
- Programs that help families adjust to surviving without the contributions of their loved one.

This is marketing. Advertising could be used to promote events or testimonials of those who attended the events. But an ad that says, "We are still here after 90 years," means nothing to the next generation of consumer.

**2. Location** The facility must be convenient and accessible.

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Rather than show pictures of your showroom, run ads that:

- Focus on handicap accessibility and support of the hearing impaired
- Demonstrate the use of video
- Highlight ease of parking and the safety of your grounds

Your building is your largest capital asset. Be sure people understand the benefits of your investment.

**3. Convenience** Baby boomers want convenience and customization. In your advertising, demonstrate:

- The proximity of your business for easy access
- The way your property can be arranged for customized gatherings

• How you can come to a family's home to make arrangements. Because you can do all the work you need with a laptop, show families how you're making the difficult as easy as possible for them.

**4. Reputation** Not everyone knows you. Those in the community might know about your firm, but those outside probably don't. How can we market to those remote consumers?

- Have a very thorough website that allows for discussion.
- Use more video to talk to consumers.
- Show the firm's awards and accreditations.
- Use testimonials. (But know that a true testimonial shows the full name of the person recommending you.)
- Emphasize staff and their backgrounds.

Appealing to those who don't know you is critical. There is little time to choose a funeral home once a death occurs. More than 70% of people searching for funeral homes do so on smartphones. Make sure your website and other points of promotion are a credit to your reputation.

**5. Relationship With a Funeral Director** Directors tend to want to improve the world of survivors and their community and are relationship-oriented. Advertising can't address building relationships, but some marketing can bring funeral directors in touch with the public. Aftercare and outreach events, serving on community boards and edu-

cational video/blogs can help people feel they have a relationship with you.

You make decisions based on relationships, and so do many in your community. Don't rest on advertising when it's marketing that must address these issues.

Your budget for advertising and marketing should be large enough to deal with the promotion of both at-need and preneed businesses. Preneed is a great way to build a business; your budget should be between 4% and 6% of your funeral service revenue (total revenue less cash advances). So, a business garnering \$1 million in funeral service revenue should be spending about \$40,000-\$60,000 to promote the business.

If you do not see growth after a year or two, there may be errors in your advertising and marketing plans. This is why we are looking for ROI! Try something different. Remember, you are not marketing to yourself but to the families you have served and are hoping to serve.

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