

EMBRACING TRANSPARENCY TO DRIVE PROFITABILITY

Foresight Focus



The Foresight Companies
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72%



MEN

78%



WOMEN

Consumers that expect online pricing

Introduction

It is fundamentally accepted that new technologies have transformed the way we do business in almost every sector over the past 25 years. It is equally true that the pandemic has opened the floodgates in terms of how consumers look at, look for, and consume information at the convenience and touch of their fingertips. This has especially increased the competition among service-based businesses and companies. For example, large grocery chains have been offering curbside services for several years. However, a consumer now has the ability to hire a personal shopper via a mobile app to accomplish this task of grocery shopping for him/her and have the groceries delivered right to his/her door. Or in our case for the funeral and cemetery profession, the pandemic has forever changed how the presentation, communication, and consumption of information is shared and experienced with client families--with **TRANSPARENCY** being a key to driving future business.

Our recently-published 2020 Foresight Funeral and Cemetery Consumer Behavior Study (FCCBS) outlined several key ways in which the pandemic has changed funeral and cemetery services in the United States - with most of these changes now universally recognized as permanent for a profession that simply has not changed significantly over the last century.

For instance, 75% of consumers now state they want access to pricing online, and over half (52%) say they will only do business in the future with companies that provide online pricing, per 2020 FCCBS. The study also finds that women are more likely than men to expect online pricing in the future - 78% vs. 72%, respectively.

However, our profession has expressed concerns over the years about how posting prices online or advertising based on price could negatively affect one's business. To begin with, we are faced with the regulations associated with the 1984 FTC requirements commonly referred to as *The-* requirements for a complex array of services and merchandise in the form of a General Price List (GPL) that outlines pricing for both At-Need and Pre-Need arrangements.



The process of compliance with the Rule has led many funeral providers to publish massive, antiseptic GPL's for one's service offerings and prices. However, in the absence of any context in most cases, the result tends to be adherence to the letter of the law rather than its spirit in order to ensure compliance. The result ultimately provides little or no benefit to the consumer.

Additionally, funeral and cemetery operators worry that posting prices for their services and merchandise online would commoditize their business serving to reduce or even eliminate the high degree of personal service that has defined our profession from the outset. This is combined with a fear that online pricing precedents would lead to a "race to the bottom," in which revenues would continually shrink and profit margins would be cut to the bone, potentially putting large numbers of operators out of business.

However, in this day and age, consumers now expect to find just about anything online. While this is certainly not a new revelation, the current pandemic has increased consumer demand for information of all types - including information about funerals and cremations. While being transparent with consumers is critical, we are not suggesting our profession is purely price-centric - there is **ABSOLUTELY** a **RIGHT** way, a strategic way to be transparent about the services and merchandise we offer. Below are some tips and hints on how to make transparency work for your business.

Transparency is Here to Stay

We need to be clear - consumer demand for transparency is not going anywhere because consumer demand for and access to information has never been higher. We simply cannot put that genie back in the bottle.



The pandemic did not create information transparency, it HAS accelerated the need for clarity, forcing everyone in the funeral and cemetery profession to adapt and embrace it.

As noted earlier, our recent study shows that over half of consumers will only choose to do business with those providers that provide access to the information they want. Quite simply, those that engage and evolve their sales and promotional collateral will be more successful in the future than those who choose not to do so.

Provide Meaningful Information Online - TODAY

One of the key transformations for funeral and cemetery service resulting from the pandemic is a reimagined role for the funeral director - one that evolves from a retail sales-focused, in-person service model to one that is consultative and online-based. The backbone of this new arena is the use of technology in presenting, viewing, communicating, arranging and servicing the elements of funeral and cemetery service - with the underlying feature of this channel being driven by transparency.

It is critical that we realize that pricing alone won't satisfy today's consumers. As a profession, we have often put the burden on customers to sift through the variety of caskets, flowers, monuments, burial and entombment options, as well as numerous cremation offerings across providers in the same service area. Presenting yourself, your staff, and your business in a consultative manner, as partner and information sharers, as educators, furthers your distinction from your competitors.

However, websites need to be well-organized, easy to navigate, customer-focused and designed for maximum usability. They need to clearly highlight and differentiate one's offerings from the competition, and effectively communicate to consumers the business's identity and unique value proposition.

Having short videos on informational topics or FAQs draws and maintains a consumer's attention often better than any written paragraph or snippet.

Additionally, with access to online information, consumers shop and compare offerings on their own time, which means we need to be available on CONSUMER time, not just during regular business hours. Obviously, this is nothing new in a sense that every funeral director has been on-call routinely at one point or another. However, this means operators must consider solutions that provide service accessibility through use of a bot or online chat provider that is available 24/7.

In many cases, this will likely mean redesigning outward-facing collateral, tools, and websites. Additionally, it will mean training staff to effectively and professionally handle pricing questions with confidence as they arise via phone or online chat, in order to provide meaningful information and transparency today to be truly responsive to today's online consumer needs.



Focus on Value

The value equation for consumers is a function of what is provided and how well it is provided at a given price. Demonstrating why a consumer should choose your products or services is critical. Strategic pricing initiatives should be focused on value, and should highlight product and service differences by allowing customers to see your organization's pricing in a meaningful way. Doing so can help avoid a race to the bottom that focuses solely on the lowest-cost provider, without consideration of the intangible qualities that separate out your business from the competition.

When we talk about what it means to be transparent in the funeral and cemetery profession, we are speaking of several key areas including: clear, concise and easy-to-secure information concerning funeral, cremation, and cemetery options available online; the ability to view and compare products and services available at one's location; and ultimately, the availability of price information for funeral, cremation and cemetery services available to consumers on one's website to allow for comparison shopping.

Concluding Thoughts

A myriad of service providers, across a variety of consumer categories, could not hope to exist without online transparency. From hotel sites that display available rooms at a specific rate, to airlines that allow consumers to select coach or upgraded seats simply by selecting them on a plane's seating map, to the instant comparison of multiple insurance providers - allowing consumers to see and receive rate quotes from one insurer to the next. While deathcare has not quite been disrupted to these levels, many of our business owners are dealing with a level of disruption not seen in decades.

It is critical to recognize the need to adopt and embrace the fundamental changes to the profession moving forward as they relate to transparency, and also to understand that these require us to take specific actions to ensure future business. If done correctly, however, a thoughtful and strategic implementation of a provider's online pricing strategy can quickly become a competitive advantage in an increasingly adapt-or-die environment.

There are no two ways about it - consumer behavior has forever changed in the wake of the current pandemic. As a result, do not fight the transparency battle - embrace it. While many of the changes discussed above may be simple and straightforward, some may be more complex and involved. Either way, The Foresight Companies can help.



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About The Foresight Companies

We have one mission: create successful business solutions for our clients. Our formula includes the knowledge gained from our Partners who have over 100 years of combined funeral and cemetery industry experience. No other consulting firm in funeral service comes close. We have the insight and experience to make a difference for you.

Since our company was founded in 1987, we have provided transactional, financial and management consulting to over 3,000 funeral homes and 1,000 cemeteries. The Foresight Companies has performed appraisals for more than 2,500 funeral homes, 800 cemeteries and originated more than \$750M in financing and assisted more than 500 private business owners to buy or sell businesses representing a billion dollars in value.

For more information,

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