

# Chapter 11

## Why Understanding Buying Behavior Is Important to a Funeral Services Provider

By Wayne Stellmach

As you sit down with families to make arrangements, you'll notice varying degrees of engagement. Some people hang on your every word while others may be looking at their mobile device seemingly uninterested. Another person might be poring over your general price list or brochures while another is glancing around the room, perhaps at wall graphics or merchandise. What you are seeing may not reflect varying degrees of interest, but rather different types of learning styles. Moreover, the better you understand learning styles and the common thread of buying behavior, the better you will connect with families and potentially improve your revenue stream.

Let's first acknowledge the fact that a funeral is a major purchase for the average family. Next, consider how you yourself approach a major purchase, such as a car. Do you research online? Talk to friends for guidance or opinions? Draw on your own positive or negative experience with vehicles? Sort through brochures, look at several different vehicles, visit a dealer or two and consider the salesperson's guidance? All of the above? Usually this is not a decision you make in a day, let alone an hour or two. And yet that is the usual compressed timeframe within which families must make this major purchase.

It's critical for funeral professionals to connect as quickly as possible with families, engage all family members who may have different learning styles and educate them as efficiently as possible without shorting them on their options. That's quite a task. But it can be facilitated by understanding how a basic buying decision is made, regardless of the product or service.

When you are evaluating a new car purchase, price is certainly a key factor, but is it the most important? Perhaps to some, but most people have certain expectations of quality and will pay for higher quality. Beyond that, however, is the extremely powerful impact of the experience that will be derived: comfort, convenience, performance, enjoyment, something that is uniquely "you." All of these factors combine to result in a value equation – or more commonly referred to as perceived value.

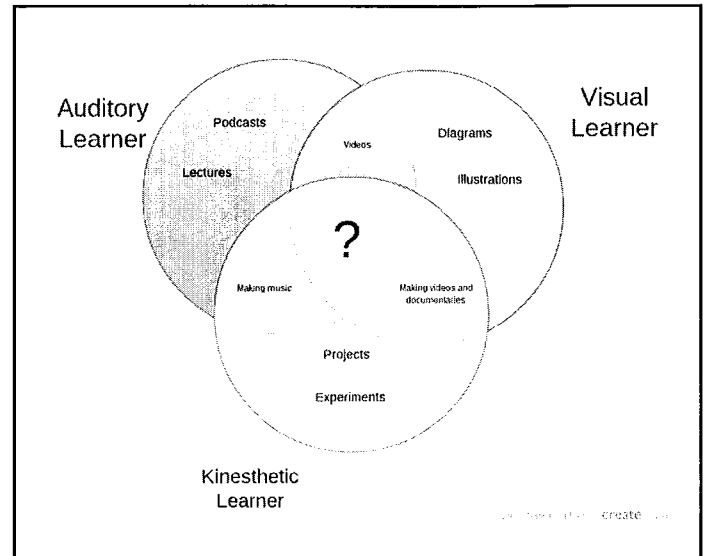
When buying funeral products or services, families go through the same buying decision process leading to their perception of value. Using just one merchandise example of a burial vault, if a family sees value in the protective qualities of a vault versus an unlined grave box, or sees the value in a vault cover personalized with photographs of their loved one and happy memories with family, cost is secondary. Perhaps the discussion of personalization would then lead to a discussion of an enhanced graveside service as the family understands the value of the committal service and a special tribute to their loved one.

Obviously, as families choose higher-quality merchandise or enhanced services, the funeral service provider benefits from additional revenue. Yet the funeral professional is simply educating, not selling. People want to make educated decisions through understanding their options. We've all likely gone through the agonizingly long process of choosing a mobile phone and service plan with the store associate explaining the often-convoluted choices. But wouldn't you rather have someone explain all your options versus telling you only about one or two? If you

walked out committing to a certain plan and learned the next day from a friend that there was another plan that you weren't told about that would have been better for you, how would you feel about the associate and the company? Regardless of the product or the circumstance, people want to be informed.

This universal desire for information is illustrated by the way people use the internet. According to the Pew Research Center, 81 percent of internet users search for information on products and services before they buy.

This desire to learn is no different when it comes to funeral products and services, and perhaps even stronger as it is not something people routinely deal with. The funeral director is a key and trusted source of information for families – don't short them.

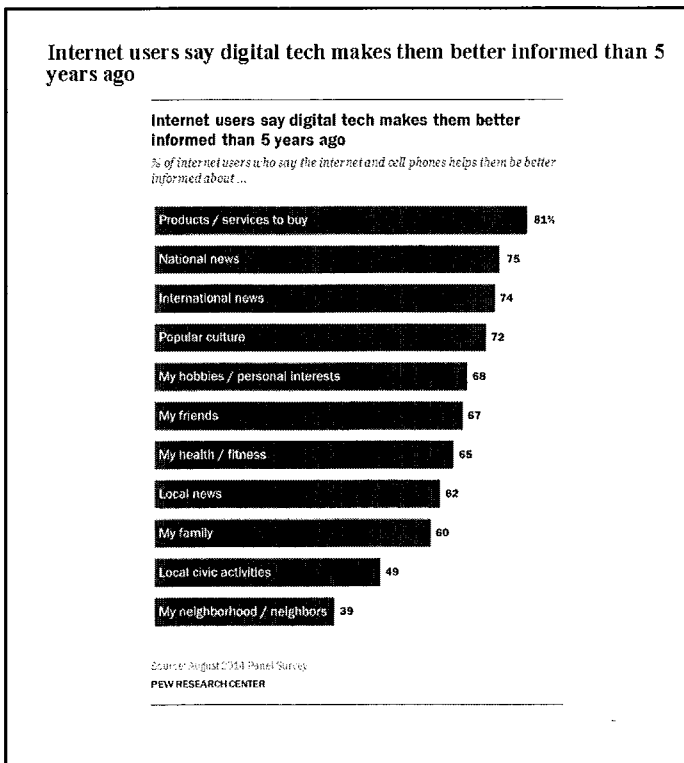


- **Visual Learners** learn best when using pictures, graphs, grids and other visual stimuli.

- **Auditory Learners** learn best through hearing information and may repeat information out loud as a way of reinforcement.

- **Kinesthetic Learners** utilize touch and movement and learn best by doing or through hands-on training.

Studying the chart showing the intersections of learning styles, although it's difficult to find one sole learning method that would engage all three learner types, video emerges as something that may bridge across styles. Video, of course, combines visual and auditory stimuli but even kinesthetic learners can interact with video through the control panel, starting, stopping and rewinding video. 3M



### Engaging Different Learning Styles

While perceived value is the end result of the common buying decision process, and education builds toward that value, people learn differently. Research has found that there are essentially three different learning styles – and if you can engage all three in your presentations, you will increase the chances for better decisions.

How our brains process information

**90%** of information transmitted to the brain is visual

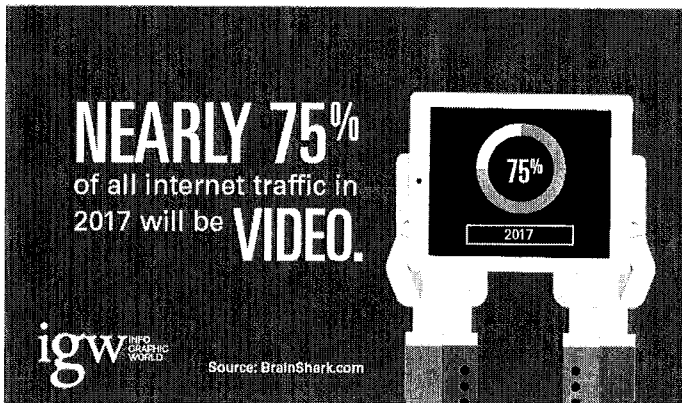
**60,000x** the number of times faster the brain processes visual information over text

Source: 3M Corporation

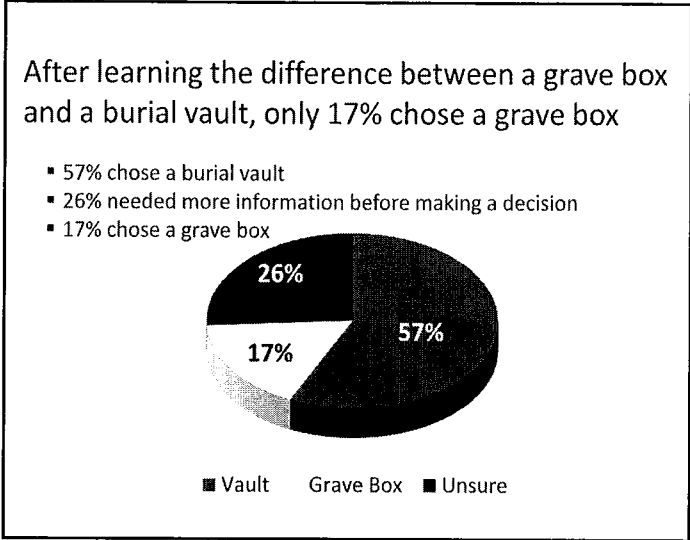
Corp. has compiled research on visual information that shows the brain processes information 60,000 times faster compared to text.

Video also engages with all age groups and is perhaps the most popular medium for communicating information today. According to Google, over 100 million hours of “how to” video content was viewed on YouTube in just the first four months of 2015, and it is estimated nearly 75 percent of all internet traffic in 2017 will be video.

There are several ways that funeral establishments can use video to educate families. Add informative videos to your website – about your services and facilities, about the decisions that families need to make, about merchandise and service options. Check with your suppliers who may have videos they can provide to you for embedding on your website or linking. Video can also be an effective tool in the arrangement conference or at preneed meetings. Whether on big-screen monitors or personal computers, a well-done video can communicate key information quickly and supplement the presentation. Funeral professionals who utilize videos while with families report that most people stop whatever else they may be doing or looking at to watch the video.



Digital programs with onboard videos also can engage different learning styles, again due to the combination of visuals, sound and, in some cases, hands-on engagement. The challenge with software is that one single program may not adequately address every merchandise or service component that families need to understand. However, there may be ways to seamlessly move among programs or even integrate some of the information. Talk to your suppliers about options.



**Enhanced Revenue Results from Better Decisions**

Just as your added options for your new car also add to the revenue for the dealer, and as your better cell plan provides the provider with additional revenue, so can better decisions by families on funeral-related items enhance your revenue. Using one example that is best known to this author, consider the revenue stream provided by outer burial container sales and the potential increase that can result if families made better decisions. In late 2013, an independent research firm was commissioned by the author’s company to assess overall consumer knowledge of outer burial containers and various options. One finding was that with education provided by just a two-minute video, merely 17 percent of respondents were inclined to choose an unlined grave box. The remaining majority either said they would choose a lined burial vault or were open to learning more.

Given the typical industry sales mix of 50 percent graveliners, consider how a shift to more burial vault sales might impact revenue. The chart on the following page illustrates this.

This example uses modest numbers but if your firm does more calls, or has higher per-unit markups, or has a higher percentage of burials, the impact of a better sales mix may be considerable. But even a modest 8 percent increase is welcome at most firms if all that needs to be done is an adjustment of the presentation via better education of the family. Consider also the value of more graveside services that you might conduct, not only in terms of added revenue but also the future

100 Calls Per Year with a 50% Burial Rate				
	Percent of OBC sales	Number sold	Revenue per OBC	Total Profit
<b>Unlined OBCs</b> (grave boxes)	50%	25	\$400	\$10,000
<b>Lined Burial Vaults</b>	50%	25	\$600	\$15,000
<b>TOTAL OBC PROFIT AT 50% LINED BURIAL VAULTS</b>				<b>\$25,000</b>
<b>Unlined OBCs</b> (grave boxes)	30%	15	\$400	\$6,000
<b>Lined Burial Vaults</b>	70%	35	\$600	\$21,000
<b>TOTAL OBC PROFIT AT 70% LINED BURIAL VAULTS</b>				<b>\$27,000</b>
			<b>REVENUE INCREASE</b>	<b>8%</b>

value of satisfied families and the return on referral business.

Educate families so they understand all their options, and make choices based on perceived value. Across all of your products and services, you have an opportunity to empower them through education to make better decisions so they can have better experiences. •