

Consumer Cremation Research: Seven Deadly Words With Cremation – “I didn’t know I had a choice”

Editor’s Note: Beginning in 2003, Matthews Cremation Division (MCD) conducted an intensive consumer research study on all aspects of cremation. Conducted by market strategy firm Competitive Resources, Inc., the study focused on six major topics:

- *Arranging a Cremation*
- *Gatherings & Services*
- *Cremation Merchandise*
- *Final Disposition*
- *Crematories*
- *Pet Loss Services*

This article is the third in that series. Future articles will look at each of the remaining topics.

Retail merchandising has made its mark on traditional casket selection rooms. Many of the same opportunities exist for cremation – with even bigger implications. In recent Matthew’s research, cremation consumers from across the country discussed ways their cremation services were handled, and helped us identify some important opportunities ahead. This article shares some of the Do’s and Don’ts that came out of MCD’s research in the areas of product assortments and the importance of cremation merchandising.

Caskets: To Burn or Not To Burn?

It’s a cherished truism in the casket business: “90% of the value of a casket is realized before it ever hits the ground. “ By this logic, consumers should see the same value in a casket regardless of whether it’s going to be buried or cremated. Unfortunately for the industry, our research tells a different story. In our sessions, consumers repeatedly asked “Why spend a lot on a casket, if it’s just going to be burned?” Even though many of them clearly saw the value of a visitation – the idea of buying (and burning) an “expensive” casket caused people to hesitate. They were much less willing to spend money on a casket if their loved one wouldn’t be spending eternity inside.

Even with that reluctance, visitation still drives the value of the casket. The more formal and well attended the event, the more importance is attached to the appearance of the box. Consumers who wanted visitation were willing to spend more. As we pointed out in last month’s article, the opportunity (and challenge) lies in the fact that many consumers aren’t even *offered* visitations. One of the worst indictments of our industry was a comment we heard over and over in our focus groups: “I didn’t know I had a choice.”

This creates a real merchandising challenge for funeral homes. On one hand consumers are demanding more choice: they want eye appeal, but at a cremation-oriented price. On the other hand, offering an attractive, low-priced cremation casket raises the specter of a family burying someone in it. It’s a threat to our bottom lines, especially in an environment where 200-300%

Packages: Thinking Inside The Box?

For some consumers, the necessity to arrange a funeral is overwhelming in itself, regardless of the funeral home’s merchandising approach. People in our sessions shared stories about “not thinking clearly” and “having trouble focusing.” In this environment it’s difficult for consumers to feel they’re making the right choices, especially when funeral directors delight in reminding them that they “have so many more options to decide” when they choose cremation.

To simplify this challenge for families, we tested some “inside the box” approaches - the time-honored practice of creating packages – so that consumers could get everything they need for a typical cremation with just one decision. It’s a technique that has been successful in everything from automobiles to fast food, so consumers are already familiar with the practice. It has also been the subject of a decades-long love/hate relationship among funeral professional, who express strong opinions on both sides of the issue.

We found that packages were a big benefit for consumers. They wanted the simplicity, and the clear “Good-Better-Best” progression of value. They also seemed to like the sense of choice that came from having several complete packages at differing price points.

Another benefit to packages was their ability to painlessly suggest additional services to the consumers. Our test packages included a range of non-traditional services, including tribute videos, dove and balloon releases, family receptions, etc. Even these offerings had a clear progression of value that fit with the range of traditional services.

The strongest negative comments we got were from consumers who didn’t readily understand that they could still buy “a la carte” in the arrangement center. They chafed at the limitations of the package only approach, and didn’t realize that they could

markups make the wholesale cost of the casket so important.

Unfortunately, it's also a Catch-22. Either we offer the great looking cremation box, and threaten our burial sales, or we withhold it, and undermine the potential of our cremation business. The only way out is a clear progression of value and intelligent pricing *throughout* the casket line – with both burial and cremation caskets included. All must work in harmony.

Rentals: Friend or Foe (or Both)?

Another important discussion in our research centered on rental caskets. For both consumers and funeral homes they could be a wonderful tool in the creation of meaningful, appropriate, affordable services. The difference of opinion centered on pricing, and the answers depended on *when* you asked the question.

At the time of arrangements, when emotions were high, the rental casket offered an attractive cost savings over the purchase of a traditional hardwood casket. Even when consumers were totally unfamiliar with the rental concept, they immediately “got it” in our discussions.

After the arrangement conference, however, when emotions were settled, a kind of Buyer's Remorse often set in. The pricing became a source of resentment when consumers reflected on what they were paying “to use the casket for a couple of hours.” The complaints came from both experienced consumers who *had* rented before, and from cremation novices who thought they *might* rent in the future.

It was also hard to argue that the price was driven by the purchase of the insert when consumers could see a flat-top cremation or cloth covered casket selling for a few hundred dollars. The ready availability of that information made it easy to guess the cost of the rented exterior shell. They used terms like “rip-off” to describe the way they felt about paying \$1,000-\$2,000 for a rental. As one person put it, “After a couple of funerals, that thing is pure profit.”

This poses another real challenge for our industry. The rental casket may deliver the traditional casket *look* at the front of the chapel, but it's dangerous to try for the traditional casket *profit* on the bottom line. Even if we can sell it in the arrangement conference, we must be careful not having families resent it afterwards. That kind of buyer's remorse could be deadly to the future of our business.

Urns: Is Material Immaterial?

In the funeral industry we're used to differentiating products based on material – a Copper is better than a Stainless, and a Bronze is best of all. Unfortunately, when it came to urns, most of the consumers in our research completely ignored those distinctions. The selection of an urn was a much more personal, subjective choice.

What drove the urn sale was styling. Either it appealed to the consumer personally, or it made some connection with the deceased.

mix and match the other products in the room. These choice-oriented consumers, predominantly women, demanded more selection, rather than less. They wanted the option and flexibility to “customize” their package with other products that they identified to be a better choice for them.

The other caveat that emerged from our packaging study was the opportunity of introducing “non-traditional” service opportunities with cremation. Instead of demonstrated progression of value using the traditional formulas (1 hr private viewing, 2hrs prior to service, 2-4, 7-9 visitations, etc.), funeral directors can differentiate and communicate their unique offering through the packaging promotion. Packages can be a painless way to educate families about newer ideas, including catering, off-site services and personalization possibilities. Including these newer ideas in the service packages helps establish their credibility and boost their acceptance, without the funeral director having to “sell.”

Another interesting surprise was our consumers' interest in "non-urn" urns. When the remains were going to be kept on display in the home, many people didn't want an obvious urn. They wanted a tasteful, decorative design that "wouldn't creep people out" when guests came over and asked, "Who's in there?"

Another big issue was sticker shock. For consumers who can easily shop at Pier 1 and Kirkland, there is already a lot of price awareness for urns. When we presented unmarked urns and asked consumers to guess the prices, they regularly guessed hundreds or even thousands less than traditional funeral home prices. When we showed urns already priced, the reactions added a new dimension to the popular phrase "Shock and Awe".

Keepsakes and Jewelry: Leaving Money on the Table?

One of the biggest opportunities to arise from our research was based on something that wasn't said. We spoke to dozens of consumers from across the country who had arranged cremations before. We were surprised (and even shocked) to hear how many of them *had not* been shown keepsake urns and cremation jewelry. Their positive reactions point to an important missed opportunity: many of these people wished these things had been offered to them, and would have bought if they had.

Making the most of this opportunity will require three important things. First, we have to have the product selection to appeal to these people. Second, we have to have the merchandising to present it clearly and concisely, without confusion or a high-pressure sales pitch. Third, a considerable amount of education must accompany these products because once a consumer was made aware of its purpose, the opportunities were plentiful.

Catalogs: Low-cost, Low Appeal

During our research on merchandise, we purposely offered a broad range of products, including stationery, flowers, keepsake gifts and memorial options. Like many people in the industry, we were initially concerned about overwhelming the consumers, but the results showed our fears were groundless.

Far from overwhelming the consumer, the broader selection of products helped add value to the buying experience. As one genteel, elderly southern woman put it, "I just wish I had been shown this kind of variety." Comments like that point to a huge missed opportunity.

Unfortunately, catalogs didn't fare well as a way to present that variety. While they are undoubtedly a low-cost, low-overhead way to show a lot of product, they were also perceived to be impersonal and unreliable. People complained about cold, impersonal aspects of being "stuck in a room with a book." They also talked positively about the benefit of being able to feel and see the quality before they buy. This was in contrast to their fears about buying from a catalog, whether in print or online. They were suspicious about the quality of the goods they would buy, and whether they would get what they really expected.

For businesses that are looking for ways to lower overhead and improve operational efficiencies the challenge is clear – find a display that offers good cost-benefit performance without

sacrificing the personal touch – or the bottom line.

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