

Funerals Market Study Statement of Scope (June 2018)

Response from About the Funeral (PCW)

Note:

The extent of About the Funeral's response is limited to the questions relating to funeral directors' pricing, funeral pricing, price transparency, comparisons, and intermediary price comparison websites.

About the Funeral appreciates the opportunity to respond to the CMA study.

Introduction

About the Funeral (aboutthefuneral.com) is a funeral director and pre-paid funeral plan price comparison and review website (PCW).

The unfamiliarity, complexity and opaqueness of funerals is taken care of with a simple platform. About the Funeral empowers consumers by giving them free online access to the information they need in one place, so that they can make better-informed buying decisions. They contact the funeral director when they are emotionally able or call customer support for help.

The online platform is based on a set of bespoke algorithms, which enables consumers to explore service and product options fully to find the service that meets their needs and budget, before they make their choice of funeral director. The additional information, such as review ratings, funeral company profile, trade association membership and facilities information, enable consumers to find a provider that's right for them. About the Funeral provides itemised quotes.

About the Funeral is an impartial resource for consumers. It does not exclude any funeral director company type from being listed on the site, so it has the potential to offer consumers the widest possible access to the market to compare. About the Funeral is unbiased. It does not accept sponsored listings, where one subscribing funeral provider can pay to appear higher in the comparison search results than another. It allows consumers to specify the order of the results before they are shown according to what's most important to them – price, distance or reputation.

About the Funeral relies on the participation of funeral directors willing to be transparent about their pricing and provide the information that will make the platform as accurate and useful as it can be for consumers. (Pricing data is never mystery shopped).

The site is free for consumers to use and free to funeral directors to list their pricing and profile information. About the Funeral earns revenue from additional services to funeral directors, market related supplier advertising, and fixed fees for the introduction or sale of funeral plans on behalf of pre-paid funeral plan providers who opt to use About the Funeral as a cost-effective distribution channel. (About the Funeral will only act as a marketing agent for plan providers registered with the Funeral Planning Authority (FPA)).

About the Funeral is the only funeral price comparison and review site created and supported by people with direct funeral, bereavement support, and comparison industry experience whose inside knowledge puts consumers in control.

About the Funeral strives to improve and extend its services to consumers and funeral providers and welcomes input from all stakeholders.

a) Why have funeral prices generally increased?

- (i) Funeral pricing has generally increased to cover the rise in business costs (e.g. salaries, fuel), and cremation and burial fees.

b) What explains certain large funeral price differences between funeral directors in the same local area?

- (i) The quality of funeral directors' services and facilities are not all the same. Substantive and qualitative aspects will require a level of financial investment, which is why there can be large price differences between providers in the same area. For example:

- The choice and quality of products offered, eg model and standard of vehicles, coffin, urns
- Services supplied as standard within a generically defined funeral package, eg. bringing the deceased into care at any time, receiving and forwarding donations, listing of mourners, number of transportation miles included.
- Training full time, part time, casual staff
- Standard of staff livery
- Presentation and maintenance of front and back of house premises (e.g. reception, arrangement rooms, refrigeration and mortuary facilities – if there are any)
- Availability of onsite chapel and funeral reception facilities
- Extent of disabled facilities
- Trade association membership, which requires funeral directors to abide by a Code of Practice and Code of Professional Standards.

c) In what settings and under what circumstances do consumers decide which funeral director to contact?

- (i) There are two types of consumer. (1) Those that shop around at the time of need or in advance, and (2) those who don't shop around.

The issue for consumers who don't shop around and visit just one funeral director are:

- They won't know whether they can comfortably afford the funeral director's fees until they have spent some time at the funeral arrangement appointment going through their needs. At this point they are unlikely to leave anyway, because they are often emotionally spent and may feel a self-imposed sense of urgency to secure all the parties' availability for a particular date.
- They won't be aware of the differences in service quality for the same expected standard of service (ie where a funeral director belongs to a trade association and must abide by its code). Even if the funeral director has been used by the consumer before, has the ownership and or standard of service changed since?
- They won't have known if that one funeral provider has the best product and service options for them.

The issue for consumers who do shop around are:

- They can't always easily access the pricing they need at precisely the time they need it. 85% of consumers would like prices to be available online, yet there is no requirement for funeral directors to do so. (Source: The Funerals Matter (2016) report, commissioned from YouGov by the NAFD and Cruse Bereavement Care).

- Funerals are unfamiliar. Consumers won't necessarily know what or how to compare accurately. The Co-operative Funeralcare, which lists its Simple Funeral package price online, states:

'When comparing other 'simple' package funerals, please be sure of exactly what they include as they're not all the same'. <https://www.co-operativefuneralcare.co.uk/arranging-a-funeral/funeral-choices/the-simple-funeral/>.

- Ball-park figures are a particular issue when consumers shop around, as these can differ substantially over actual cost.
- Price lists can be confusing. They are not in a format that is easy to compare, as funeral directors will naturally want to differentiate themselves from their competition by the standard of service they want to deliver and products they want to offer.

d) What factors are important to them in making that choice? How far (in terms of distance / time) are consumers prepared to travel to reach a funeral director? Do consumers have sufficient information on the alternative funeral directors available locally?

- (i) The factors which are important to consumers when making their choice of funeral director include one or a combination of the following:

- Price
- Distance
- Reputation
- Used before

- (ii) How far a consumer is prepared to travel to reach a funeral director will depend on whether the consumer lives in a rural or urban location, and the level of service required. For example, a direct service (a cremation or burial without a funeral ceremony) can be purchased over the phone with a funeral director or with one of the growing number of online websites dedicated to providing just this type of service. (The direct service provider makes the home visit to get the paperwork signed).

About the Funeral's own data indicates a consumer will typically travel 4.8 miles to reach a funeral director to arrange a conventional funeral (a cremation or burial with a funeral ceremony).

Consumers should be made aware that a funeral arrangement doesn't always have to be made at the funeral home, it can be made at the consumer's home, albeit this is a discretionary service provided by the funeral director with or without additional cost for time and mileage, and which may only be offered with certain types of funeral packages.

About the Funeral would encourage consumers to research funeral directors outside their immediate locality, as there will be differences in the quality of service and savings that can be made - should that be a prerequisite of someone's choice of funeral director. What families would need to consider if opting for a home visit, is how far they would be prepared to travel if they wanted to visit the deceased at the place of rest.

- (iii) Most funeral directors now have websites which include company background, service information, may be some FAQs and testimonials. But as funeral directors are not required to publish all their service and product pricing online, About the Funeral does not consider this level of information to be of sufficient help to consumers.

An easier and more helpful place to access a better level of information is to use an intelligent price comparison website that enables the consumer to explore the options and view the costs. About the Funeral collects this information and presents it in a standard format.

The Funerals Matter (2016) report commissioned from YouGov by NAFD and Cruse Bereavement Care states: 85% of Britons would like prices available online. 63% of Britons expect to be able to check or compare prices before selecting a funeral director.

- (iv) The funeral trade association, National Association of Funeral Directors (NAFD), is due to launch its own information portal for consumers to help them 'find their local NAFD members'*. It will include pricing, should its members want to upload it. It will include reviews, should its members want to allow it.

Whilst this is a laudable exercise, paid for and free to use by NAFD funeral director members, it remains that "members will be fully in control of the information they provide over and above the current contact details, with the ability to opt in and out of how much information they include such as whether they include pricing, whether their entry includes Google reviews or not and how consumers can contact them." Even if the association were to insist as a condition of its membership that funeral directors upload their pricing to the portal, the directory is not impartial.

*(Source: p26 Funeral Director Monthly - June 2018: The NAFD unveils new service information and comparison site for members).

e) Is sufficient information (including low cost funeral options and itemised prices) made available by funeral directors, when is it provided and does it allow for meaningful comparisons of services between funeral directors?

- (i) Funeral directors who belong to a trade association must display their pricing in the funeral home and provide consumers with a copy on request.

The NAFD no longer requires funeral directors to include a packaged price for a low cost 'Simple' funeral.

- (ii) About the Funeral's experience is that some funeral directors who are not members of a trade association, do not have a price list. About the Funeral provides them with the means of being transparent, another marketing channel to reach their potential customers, and an effective way of being compared fairly.
- (iii) About the Funeral believes the pricing information made available by funeral directors could be improved if they unbundled their services and listed the prices for all of their services, packages, and products.

Standardising the format of price lists beyond this would be difficult. As mentioned earlier in this document, funeral directors naturally want to be able to differentiate their service and extent of product offerings from other providers.

- (iv) Testimonials from previous customers are helpful when making a 'meaningful' comparison, especially when they are collected from third party review sites.

f) How do consumers evaluate non-price factors, such as quality?

- (i) Online reviews collected by third party intermediaries provide the best form of objective evidence to support the claims funeral directors make about their business.

- (ii) See also the substantive aspects of service quality at b) (i).

g) What are the benefits or limitations of intermediaries, such as comparison websites, in helping people choose a funeral director?

- (i) Price comparison sites offer real potential to help consumers who have little or no previous experience of arranging a funeral by giving them an easier place to research options, compare pricing, and find the provider most suited to their needs and budget and avoid the potential of a distress purchase at the arrangement appointment.

However, it is important to note that the information provided by price comparison sites vary. Some are not inclusive. Some quotes are not fully price transparent. Some only provide quotes on a limited number of funeral packages. Some do not provide the ability for consumers to tailor the service. Some pricing is mystery shopped, which may become quickly out of date.

About the Funeral is inclusive and provides consumers with quotes for services they can tailor to their needs. The quotes include pricing for each element, which means consumers can decide whether they want to spend more or less on a service or product, or even remove it (where the package flexibility allows) to suit their budget. About the Funeral compares data that is maintained by the funeral director - it is never mystery shopped, to ensure the integrity of the information on the site (see g) (iv). below). Other information is available so that the consumer can determine best value, eg. customer reviews, profile information, trade association membership. More information to help consumers gauge the quality of service will be available on the site in due course.

About the Funeral believes it is vitally important to give consumers the opportunity to explore fully the services and product options of all funeral providers under consideration before making their choice of funeral director, as cost and quality of service will differ.

- (ii) A consumer's choice of funeral director is limited to the number of funeral directors willing to be transparent about their pricing. The barrier to include pricing information on About the Funeral is low, as it does not charge funeral directors for this. And if the funeral director doesn't have the time or resource to onboard themselves, About the Funeral can do this for them (this service will, however, incur a small fee).
- (iii) The benefit of a review site is limited to the number of reviews, which needs the engagement of consumers willing to leave comments following the funeral.
- (iv) Whilst a PCW can remind a funeral company to check their details on the platform to ensure they are current, the PCW does also rely on the funeral director to notify it of any changes as and when they occur, or for the funeral director to maintain the information themselves - just as they would their own website.

h) How effective are industry codes of practice in facilitating consumer choice e.g. through transparency obligations placed on funeral directors?

- (i) About the Funeral does not believe the industry codes of practice regarding transparency obligations go far enough. The NAFD is recommending, but not insisting, that funeral directors publish their pricing online by 2019.

i) How do funeral directors compete to attract customers?

- (i) As well as using intermediary sites such as price comparison sites to attract customers, About the Funeral is aware that funeral directors use the following channels: PPC, SEO, social media, local sponsorship, local print advertising, radio advertising, tv advertising, telephone directory sponsored ads, reviews, high street presence.

- k) Could funeral directors providing enhanced online information enable effective comparisons, and if so, what information should they provide?**
 - (i) Funeral directors could provide a price breakdown of all their services and products, but with potentially so many different options, it would be much simpler for consumers to use a central resource such as a PCW that can intelligently compare.

- l) Are there other ways to improve transparency of information that we should consider?**
 - (i) Insist funeral directors display their pricing so that it is visible to a consumer without them having to enter the funeral premises, eg. at the entrance to the premises.
 - (ii) Educate consumers. Let them know price comparison websites exist and the level of information each price comparison website provides, eg inclusivity, tailored results.
 - (iii) Insist funeral directors include their pricing on a price comparison website.

- m) Are there measures that could help consumers evaluate non-price factors, such as quality, together with prices?**
 - (i) Reviews collected by third parties.
 - (ii) Insist funeral directors include their details on a price comparison and review website.

- n) Are there technological or innovative solutions that could help consumers make more informed choices?**
 - (i) About the Funeral enables consumers to explore and tailor funeral service and product options to their needs and compare.
 - (ii) About the Funeral welcomes suggestions from all stakeholders to help improve its offering.

- p) Do customers (or funeral directors on their behalf) actively consider alternative crematoria when arranging a funeral? What would encourage them to do so more?**
 - (i) Where the consumer has no preference for a crematorium, and where there is flexibility within the funeral director's service and package*, funeral directors should give consumers a choice of locations. But due care should be taken to provide like for like quotes. For example, some crematoria may seem more expensive, but may allow for a longer service time.
 - * Typically, a funeral director's least expensive funeral package will have fewer options, if any, and it is less likely a consumer will be able to exercise a choice of crematoria. In this instance the funeral director will use the crematorium that is the nearest, as it is the most cost-effective for them to reach.

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I would be happy for CMA to contact me for further information.

I would like this response to be published in full.