

Funerals Market Investigation

Qualitative information from independent funeral directors

30 January 2020

This is one of a series of consultative working papers which will be published during the course of the investigation. This paper should be read alongside the Issues Statement published on 8 April 2019 and other working papers published.

These papers do not form the inquiry group's provisional decision report. The group is carrying forward its information-gathering and analysis work and will proceed to prepare its provisional decision report, which is currently scheduled for publication in April/May 2020, taking into consideration responses to the consultation on the Issues Statement and responses to the working papers as well as other submissions made to us.

Parties wishing to comment on this paper should send their comments to Funerals@cma.gov.uk by 27 February 2020.

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The Competition and Markets Authority has excluded from this published version of the working paper information which the inquiry group considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [✂]. [Some numbers have been replaced by a range. These are shown in square brackets.] [Non-sensitive wording is also indicated in square brackets.]

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Executive summary

1. This working paper sets out the qualitative evidence we have gathered from a number of independent funeral directors through written questionnaires, site visits and interviews (an aggregated summary of the site visits and interviews is also available on our website). This working paper summarises what we have learnt about the offerings of the independent funeral directors who engaged with us and their competitor monitoring activities; the size of catchment areas; the entry strategies adopted by new funeral directors and how existing funeral directors have responded to such entry.
2. This working paper includes the following observations about the practices of those independent funeral directors from whom we have obtained evidence:
 - (a) The independent funeral directors from whom we received evidence have adopted a range of practices in terms of different funeral types offered. Some offer pre-set packages and others offer a price list from which customers build up a bespoke funeral package themselves. Standard funerals are the most common funeral type offered by all the FDs we contacted (except the DC specialist) at around 80%-90% of at-need funerals in our questionnaire averages. Many of the independent funeral directors offer a simple funeral and/or direct cremation option, but for the majority of these funeral directors these funeral types account for a relatively small proportion of the total volumes across the sample. Our “average” results of simple funerals and direct cremations accounting for around 5 to 7% and 0 to 2% of total funerals respectively, seem broadly consistent across our branch level analysis, company level analysis and large regional co-op analysis.
 - (b) In response to our questionnaire, a large number of respondents indicated that they monitored their local competitors in some form. Those that do monitor competitors, indicated that service quality was the most important aspect that they monitor, with a smaller number monitoring price, range and market share. Of those that monitor their competitors, over two thirds said that they use that information in their decision making in some capacity. Again, the most common response was that information was used to help inform decisions on service quality. A smaller number used monitoring information to inform decisions on factors such as promotional/advertising decisions and pricing decisions.
 - (c) The other independent funeral directors from whom we have received evidence, in some cases indicated that they did not pay much attention to what competitors were doing; although some of these providers still showed an awareness of competitor positioning/pricing in their responses.

In other cases, independent funeral directors indicated that they made decisions on their own positioning in a way which implied comparison with others (for example, aiming to offer the highest quality or set prices which are lower than some others). A small number take a more structured approach to monitoring.

- (d) Independents often commented that they set prices based on their costs. When setting prices, some said that they did not want to be the most expensive in their local area and/or said they wanted to provide value for money.
- (e) Of the independent funeral directors, we received evidence from, experience of entry was common. However, most said that they had not been affected by the new entrant or were uncertain of the impact. Most also said that they did not respond to entry in any way. Those that did respond to entry said that improving service quality was the most common response, changing prices and increasing advertising/promotional activity was also mentioned. Fewer responded by changing their range. The responses described a variety of entrants; both traditional and non-traditional, larger funeral directors and small independents, start-ups and expansions. There were several mentions of ex-employees of larger funeral directors leaving their old companies and starting their own.
- (f) Some of the independents we interviewed were themselves relatively recent entrants. These funeral directors indicated barriers to entry are generally low, although some investment is required (eg into vehicles or storage facilities) depending on business model, and there may be some other issues such as access to training or competitor price information.
- (g) The majority of the responses we received when asking funeral directors about their catchment area told us that most of their customers were from within 20-minute drive time or a 6-mile radius, although some funeral directors attract customers from a wider area than this (eg due to reputation). This was consistent across our questionnaires and interviews.

Introduction

3. This working paper considers evidence from independent funeral directors (ie those funeral directors who are not Co-op, Dignity or Funeral Partners, which we refer to as the 'larger funeral directors') received via questionnaires and in interviews.
4. This working paper does not include information provided by independent funeral directors on pricing or average revenues or any views on quality. These aspects are being considered in separate working papers.
5. We first set out a summary of the information gathered which has informed this paper. We then set out evidence and analysis relating to:
 - (a) the funeral packages offered by the independent funeral directors we have received information from;
 - (b) the independent funeral directors' approach to monitoring and responding to competitors, including how they set prices;
 - (c) whether the independent funeral directors we contacted have experienced entry and what effect this has had on their behaviour; and
 - (d) the size of the geographic area served by these independent funeral directors.

Background on information gathering

6. We have collected evidence from independent funeral directors in multiple ways:
 - (a) we sent questionnaires to a random sample of 86 independent funeral directors (questionnaire 1);
 - (b) we sent questionnaires to the next 10 largest funeral directors by branch numbers after Dignity, Co-op and Funeral Partners ('the 10 largest independent funeral directors')¹ (questionnaire 2);
 - (c) we carried out interviews with 15 independent funeral directors and industry professionals during site visits and on phone calls.

¹ We note that, for the purposes of this paper, this includes a number of regional co-ops.

Questionnaire 1

7. The questionnaires asked a number of questions on competition alongside requests for financial information.
 - (a) We asked 86 funeral directors² for funeral volumes, revenue and disbursements by funeral type for the period 2013 to 2018. We received 20 responses, which covered 18 branch level responses and 5 company level responses, regarding volumes split by funeral type.³
 - (b) We asked 66 funeral directors⁴ out of the 86 above questions on monitoring competitors, experience of entry and catchment area. We received 22 responses, which covered 26 branch level responses and 3 company level responses. Of those, we received 26 branch level responses regarding monitoring competitors and experience of entry, and 23 branch level and 3 company level responses regarding catchment area.

Questionnaire 2

8. We sent more detailed questionnaires to the ten largest independent funeral directors by branch numbers in the UK. This group includes the four largest regional co-ops (Central England, Midcounties, East of England and Southern). All of these funeral directors are multi-branch providers. We asked this group a range of questions, including questions about their strategy and experience across their company. All 10 largest independent funeral directors provided detailed responses to questionnaire 2, with the 4 regional co-ops providing further information in a separate earlier questionnaire.
9. Some of these companies' branches were also randomly selected as part of our sample of independent funeral directors who were sent questionnaire 1. When discussing the branches owned by these companies in questionnaire 1 we will refer to them as the "10 largest independent funeral directors" and the other independent funeral directors as the "smaller independents".

Interviews

10. We also conducted 15 interviews (through 12 site visits and 3 phone calls) with a range of independent funeral directors and industry professionals.

² This group of funeral directors covered 96 branches as some funeral directors in the sample had more than one branch sampled.

³ Some funeral directors had multiple of their branches sampled.

⁴ This group of funeral directors covered 75 branches.

- (a) These interviews explored a broader range of topics than are covered in this paper, which have been summarised in the Aggregated Summary of Interviews with Independent Funeral Directors.
 - (b) The interviews we conducted covered independent funeral directors from a range of locations (urban areas of various sizes and rural areas, from across the UK), operating different kinds of business models, and a range of long established and new entrant funeral directors, as well as other industry professionals. We selected these interviewees from a group of funeral directors who had approached us to be involved in the investigation.
11. We note that the number of independent funeral directors we have received evidence from so far is a small number of the total number of independents operating across the United Kingdom. Nonetheless, the evidence summarised in this working paper provides useful insights into the behaviour of some independent funeral directors.

Funeral types offered

Questionnaire responses⁵

12. We asked funeral directors in questionnaire 1 to provide information on their total funeral volumes, split by type of funeral, for each year over the period 2013-2018. We also asked funeral directors in questionnaire 2 to provide their total funeral volumes, split by type of funeral for 2018. The CMA defined the funeral types as:
- (a) direct cremation/burial (DC);⁶
 - (b) simple funeral;⁷
 - (c) standard funeral;⁸

⁵ We include results from both questionnaires in this section, distinguishing between branch and company level results where relevant.

⁶ Sometimes called 'direct' cremations/burials, these typically involve unattended cremations/burials and allow no/few additional services.

⁷ Sometimes called 'simple' funerals, funerals that include an attended burial/cremation and where the deceased may be transported by hearse, but at least some restrictions to the range of products and/or services included will apply.

⁸ Sometimes called a 'traditional/full' funeral, an attended cremation/burial with generally none (or very few) of the above restrictions.

- (d) any other at-need funerals not captured by any of the above categories;⁹
and
- (e) pre-paid funerals.¹⁰
13. From across the independent funeral directors who have responded, we received:
- (a) 18 branch level responses who gave volume data broken down by different funeral types.
- (b) 8¹¹ company level responses excluding the 4 largest regional Co-ops who have been analysed separately below.¹²
14. We have analysed company level data and branch data separately.
15. The volume data we received is a mixture of actual and estimated figures, due to some independent funeral directors not retaining detailed accounts of past funerals. In some cases, we made adjustments to the figures to state them on a consistent calendar year.¹³
16. Below we present total volumes data from 2018, by funeral type at the branch level:¹⁴

Table 1: Volumes split by funeral type 2018 (Branch level data only)¹⁵

	2018	% of total	% of at-need	25th percentile	75th percentile	Average per branch
Total volumes	1789	100	91	47.6	103.5	99.4
Direct Cremation/Burial	29	2	2	1.0	3.7	3.2
Simple Funeral	106	6	7	2.5	7.1	9.6 ¹⁶
Standard	1404	7	87	40.9	84.8	78.0
Other	82	5	5	0.0	1.9	13.6
Pre-paid	169	9	n/a	6.2	10.1	11.3
Number of responses	18					

Note: At-need proportions were calculated from Total volumes excluding Pre-paid volumes.

⁹ Funeral types (a) – (d) are all at-need funeral types.

¹⁰ Funerals supplied under pre-paid funeral plans

¹¹ These responses are from both the sample of 86 funeral directors and the next 10 largest independent funeral directors we requested information from.

¹²This is due to the distorting effect their large volumes would have on our findings

¹³ This adjustment was done for 13 out of 18 branch level responses and the remaining 5 responses were already given in calendar years.

This adjustment was done for 4 out of 8 company level responses, of the remaining 4 responses 2 were already given in calendar years and the last 2 it was not possible to make the adjustment.

¹⁴ We tried to gather enough data to derive trends. However, this was not provided consistently enough and therefore we have focused on 2018.

¹⁵ Data has been date adjusted, due to some funeral directors recording various financial years.

¹⁶ This exceeds the 75th percentile due to a small number of responses having much higher volumes of simple funerals than most responses.

17. Below is the data which was provided at the company level. One provider is a DC specialist which has been added to the other company level data in the figures in brackets.

Table 2: Volumes split by funeral type 2018 (Company level data only)¹⁷

	2018	% of total	% of at-needed	Average per FD
Total volumes	10655 ([§<])	100	89	1522 ([§<])
Direct Cremation/Burial	197 ([§<])	2 ([§<])	2 ([§<])	28 ([§<])
Simple Funeral	717	7 ([§<])	8 ([§<])	102 ([§<])
Standard	8376	79 ([§<])	88 ([§<])	1197 ([§<])
Other	186	2 ([§<])	2 ([§<])	27 ([§<])
Pre-paid	1180 ([§<])	11 ([§<])	n/a	169 ([§<])
Number of responses	7 (8)			

Note: At-needed proportions were calculated from Total volumes excluding Pre-paid volumes.

18. Of those 18 branches who provided data by funeral type, 11 had sold¹⁸ a funeral type akin to simple; 10 had sold a funeral type akin to DC, all offered standard funerals and 15 offered funeral plans.
19. Of the 8 company level responses who provided data by funeral type, 7 had sold¹⁹ a funeral type akin to simple; all had sold a funeral type akin to DC, all but one offered standard funerals and 7 offered funeral plans.

Regional co-op company level response

20. In the group of the ten largest independent funeral directors²⁰, the four largest regional co-ops²¹ provided more detailed information on volume of funeral types over time such that we can analyse trends for these companies.
21. Table 3 below shows how many of each type of funeral the four regional co-ops combined conducted as a proportion of their overall number of funerals. Central England and Midcounties co-ops offered all five funeral types by 2017, with East of England co-op offering four of the five types of funeral, as it does not offer DC,²² and Southern offering only standard and pre-paid funerals (although it conducted a small number of DCs in 2018 at the request of families).²³

¹⁷ Data has been date adjusted, due to some FDs recording various financial years. However, in the case of 2 companies it was not possible to adjust the data.

¹⁸ It is possible that others that did not have any simple funeral volumes might offer them as well.

¹⁹ It is possible that others that did not have any simple funeral volumes might offer them as well.

²⁰ As set out in paragraph 6; the ten largest independent funeral directors after Dignity, Co-op and Funeral Partners

²¹ As set out in paragraph 8; Central England, East of England, Midcounties and Southern co-ops.

²² East of England co-op has introduced a DC offer since its initial submission to the CMA.

²³ There may still be differences between the funeral type spread offered by co-ops who offer a 'full range' as defined by our information request; co-ops may have different niche funeral types which would all be recorded as 'other' per the definition in the information request.

Table 3: Regional co-ops combined funeral mix over time, 2013-2018

	<i>Direct</i>	<i>Simple</i>	<i>Standard</i>	<i>Other</i>	<i>Pre-paid</i>
2013	[X]	[X]	76% (90%)	[X]	[X]
2014	[X]	[X]	75% (90%)	[X]	[X]
2015	[X]	[X]	73% (90%)	[X]	[X]
2016	[X]	[X]	71% (89%)	[X]	[X]
2017	[X]	[X]	69% (90%)	[X]	[X]
2018	[X]	[X]	65% (86%)	[X]	[X]

Note: Bracketed values represent the proportion of at-need funerals each type accounts for.
Source: CMA analysis using data submitted by regional co-ops.

22. Standard has remained the most common funeral type, but declined by 11 percentage points over the period, representing 65% of funerals in 2018. The proportion of standard funerals [X] between co-ops (as shown in the tables below). Southern classified all at-need funerals as standard,²⁴ whereas for Central England, East of England and Midcounties, standard represented [X]%, [X]% and [X]% of funerals respectively in 2018.
23. The decline in standard may be partly attributed to the growth in pre-paid funerals, which increased by 9 percentage points and represented [X]% of funerals in 2018. The co-ops had [X] take-ups of prepaid to each other.
24. The proportion of simple has remained fairly stable, [X] different companies have seen [X] trends. The proportion of DCs has remained very small, although [X].²⁵
25. We provide further observations for each of the companies separately in the following paragraphs.
26. Central England co-op said that it has sought to improve the choice of services which its customers face by enabling them to build upon a basic service by adding extras from a menu of options. It noted that this approach ensures that the service is customised to the customer's requirements and provides certainty as to the price they will pay. It introduced DCs in January 2017 following successful trials.
27. Table 4 below shows how many of each type of funeral Central England co-op conducted as a proportion of its overall number of funerals. It offered 4 of the 5 funeral types in 2013, and with the introduction of direct (unattended)

²⁴ Until 2018, where it conducted [X] DCs at the direct request of families.

²⁵ Southern co-op may have sold funerals similar to DCs before 2018 but did not record them as such.

cremations in 2017 it currently offers the full range of funeral types as set out in paragraph 12.²⁶ [X].

Table 4: Central England co-op funeral mix over time, 2013-2018

[X]

28. East of England co-op noted that, since the latter part of 2018, it has seen greater requests for unattended services. It stated that, due to public interest, it is currently discussing ways to formalise such a package after it became apparent that simply reducing fees would not suffice. Since its initial submission to the CMA, it has introduced a DC offer. It also noted it has seen an increase in demand for its simple funeral offering (see Table 5 below). It attributed this to continued low/slow wage growth and reduced disposable income, greater public awareness of the wish to constrain funeral costs and the launch of its first 'Plain & Simple' funeral plan offering in late 2013.
29. Table 5 below shows how many of each type of funeral East of England co-op conducted as a proportion of its overall number of funerals. It offered 4 of the 5 funeral types, as it does not conduct DCs²⁷ (although it has since introduced a DC offer). Standard was the most common type of funeral conducted but has declined the fastest in relative popularity over time, falling by [X] percentage points and accounting for [X]% of funerals in 2018²⁸. Pre-paid was the second most common type over the period and has become relatively more popular over time, increasing by [X] percentage points and accounting for [X]% of funerals in 2018. Simple funerals also increased by [X] percentage points over the period and accounted for [X]% of funerals in 2018.

Table 5: East of England co-op funeral mix over time, 2013-2018

[X]

30. In Q2 2017, Midcounties co-op launched a simple funeral offering and repositioned its existing 'essential' funeral as a DC product.
31. Table 6 below shows how many of each type of funeral Midcounties co-op conducted as a proportion of its overall number of funerals. As of 2014, it

²⁶ There may still be differences between the funeral type spread offered by co-ops who offer a 'full range' as defined by our information request; co-ops may have different niche funeral types which would all be recorded as 'other' per the definition in the information request.

²⁷ There may be differences between the funeral types spread offered between the co-ops which are not captured by categories defined by our information request.

²⁸ Whilst we cannot distinguish between standard and other funerals in this case, this interpretation of the data is consistent with the trends of high volumes but decreasing popularity of standard funerals in other regional co-ops.

conducted all five types of funerals.^{29,30} Standard was the most common type of funeral conducted but has declined the fastest over the period, falling by [X] percentage points overall, and by [X] percentage points between 2017 and 2018, accounting for [X]% of funerals in 2018. Pre-paid was the second most common type over the period and has become a large proportion of funerals over time, increasing by [X] percentage points, accounting for [X]% of funerals in 2018. Simple funerals accounted for a very small proportion of all funerals until 2018, where it grew by [X] percentage points compared to 2017 and reached [X]% of all funerals. DCs were the least popular type over the period but became more popular over time since its introduction in 2014, with fastest growth seen between 2017 and 2018 where it grew from [X]%³¹ to [X]% of total funerals.

Table 6: Midcounties co-op funeral mix over time, 2013-2018

[X]

32. Southern co-op stated its pricing is based on an itemised approach (as opposed to set funeral packages) for the various key aspects of a funeral and so only charges for whatever aspect a customer wishes, ie should they require just a hearse and limousine and do everything else themselves that is what they would get charged for. Thereby a funeral can be as simple or as cheap as the customer wants to make it. However, Southern co-op also stated it introduced a simple funeral package in targeted areas in response to, and to enable it to compete with, the Co-operative Group in 2018. Southern co-op does not offer DC as part of its standard service proposition, but stated that it would provide such funerals if the customer desired and charge accordingly, and in fact did conduct a small number of DCs in 2018. However, it noted that DC may have an impact on the health and well-being and bereavement support needed for the family and other bereaved.
33. Table 7 below shows how many of each type of funeral Southern co-op conducted as a proportion of its overall number of funerals. It reports as having only conducted two types of funeral³²; standard³³ and pre-paid, until 2018 where it also conducted a small number of DCs. Similarly to other regional co-ops, standard funerals were the most common funeral type. And,

²⁹ There may be differences between the funeral type spread offered by co-ops who offer a 'full range' as defined by our information request; co-ops may have different niche funeral types which would all be recorded as 'other' per the definition in the information request.

³⁰ The number of DCs conducted in 2014 was very low at only [X], and as such are presented as [X]% in Table 6 due to rounding.

³¹ The number of DCs conducted in 2017 was very low at only [X] versus [X] in 2018. Consequently, DCs in 2017 are presented as [X]% in Table 6 due to rounding.

³² There may be differences between the funeral types spread offered between the co-ops which are not captured by categories defined by our information request.

³³ The proportion of standard funerals is likely to be overstated in this case as Southern co-op stated that they introduced a simple funeral package in some areas.

despite becoming less popular over time, falling by [X] percentage points over the period, remained the most popular by some margin in 2018, accounting for [X]% of funerals that year with pre-paid accounting for [X]%, having grown by [X] percentage points.

Table 7: Southern co-op funeral mix over time, 2013-2018

[X]

Interviews

34. On site visits and phone interviews we asked independent funeral directors about the types of funerals they provided. All interviewees made some mention of the funeral range offered and/or taken up. There was a mix of providers offering packages and providers not offering packages and instead using an itemised price list approach. Both types of providers (whether using an itemised approach or packages) tended to offer a simple and/or DC option. More detail on the individual responses is summarised below:
- (a) A long-established firm in a large conurbation introduced the 'simple choice' package in response to observing changes in the market and responding to what it perceived to be changes in customers' needs, as reported in the press. It also arranges unattended funerals when requested, but considers this can pose mental health issues. It has separated the cost of professional services from cars since the 1980s because it found that some people wanted more flexibility around the hearse and limousines. It had previously sold complete packages.
 - (b) A new entrant in a large conurbation, has a pricing schedule that is split between the company's "essential service", [X] which includes the collection and care of the deceased, viewing, on-going advice and funeral organising. Bearers are not included in the cost (with the package including support and guidance on how to carry the coffin). Coffins, hearses, limousines and celebrants are all priced separately.
 - (c) A new entrant in a large conurbation offers a DC option and otherwise shows the typical cost of a cremation and a burial on its website. It said that all its funerals are bespoke, even the DC package. It does not market packages because it considers that they do not provide people with all that they want and will always include elements they do not want.
 - (d) A well-established family firm in a mid-size town offers a standard funeral and a 'basic' funeral. It has decided against offering DCs for moral reasons, as it is of the opinion the funeral option gives little care for the deceased. It said that very few people enquire about DC, and that the

cremations which it provides as so-called 'direct cremations' mostly include a service in church, with the funeral director taking the body to the crematorium without the family afterwards. It noted that the statistics on DC from crematoria are misleading because they include these types of circumstances.

- (e) A new entrant in a mid-size town offers four options: DC, 'budget' funeral (no limo and plain coffin), 'standard' funeral (no limo, 50 orders of service, oak or elm veneered coffin) and 'traditional' funeral (includes limo, orders of service, listing of floral tributes and oak, elm or mahogany coffin). The traditional funeral costs £[redacted] plus disbursements. It said 90% of the funerals are sold at the basic price of each package and the most expensive package is rarely bought by customers. Only 2% of the funerals that it organises are DCs; 85% are normal cremations and the remaining would be burials and woodland burials. It said that younger people, wealthier people and environmentalists are more likely to be interested in woodland burials. It said that DCs may be bought by people who are budget conscious, but also people who have difficult family set-ups or people who do not want the fuss of elaborate funerals.
- (f) A new entrant in a mid-size town offers four options: DC; 'simple' funeral (no limo, simple coffin, some restrictions eg on viewing out of hours and embalming but otherwise same services as more expensive packages); [redacted] package (includes oak veneered coffin); and [redacted] package (includes limo or car, oak veneered coffin). The most expensive package is £2,750 including disbursements. It said 70% of its funerals are the simple package. The other 30% will either be a bespoke funeral or his [redacted] package. It emphasised that it is flexible in its approach, allowing people to add or remove from packages, in contrast with the larger companies. In contrast to the larger companies, there are no restrictions on when the simple funeral takes place, and although simple funerals have become more popular, the restrictions that the larger funeral directors place on them has an impact on customer take-up. In its last two years, it has organised between six and eight DCs, many of which were chosen for cost reasons. However, it said there are also affluent people who will choose DC.
- (g) A long-established family firm in a rural area does not offer packaged funerals (although it offers a simple option and DC), and its funerals tend to be bespoke, even for pre-arranged funerals. It explained that, in Northern Ireland, funerals are quite varied and may be becoming more varied rather than less, so a package does not really work very well. Each individual element of the service is priced, as per the price list, with professional fees on top. According to its price list, a 'Simple Basic

Funeral' is £[redacted] and Direct Cremation is £[redacted]. It noted that in Northern Ireland, there would be limited take up of the 'Simple Basic Funeral' and it is not advertised in their brochures or on the website. However, it said that if the family needs it, (it explained that most families are fairly honest when you sit down with them) it feels it needs to provide it.

- (h) A long-established family firm in a rural area said that its traditional funeral package (one hearse, one car, standard [redacted] cremation coffin) accounted for 90% of the funerals it carried out. It noted that DCs were not a new thing. However, it did consider that this part of the market would 'increase slightly'. It said that it did now offer a DC pre-paid funeral. However, it had only sold 'one or two' so far. It said it did offer 'non-traditional funerals' ('green funerals and the like'), but the area was 'very traditional'. A green funeral in the locality might just mean a wicker coffin instead of a wooden one. It also commented that people want a memorial stone to visit which would not be available at a green burial site. It also offered the NAFD defined simple funeral as one of its packages.
- (i) A new entrant in a large conurbation noted that in the last year, it has been organising more simple funerals and there is more awareness of DC. It noted that more people are enquiring about DC rather than it telling them about it. It said that the choice of DC is usually not about cost, but about wanting to organise a celebration for later in the year with the ashes present. It said that with simple funerals, similarly, budget will sometimes be a factor but there is no specific reason for people to choose this option. It also noticed that the natural burial ground has become busier with other funeral directors - typically people would be asking the funeral director for it rather than being offered it as a matter of course. It told us that it has become easier to compare prices this year because some of the independent funeral directors have started to put their prices online (in response to recent pressure on the industry), although it is still not possible to do like-for-like comparisons.
- (j) An established firm in a mid-size town noted that being one of the larger independents in its area allows it to be slightly more flexible in its pricing; not necessarily cheaper, but offering a wider range of prices. It stated it does not have a rigid set of packages but instead allows families to pick and choose the elements of the funeral that they value and not have an incremental increase of all funeral elements which it said is often the case with packages. It also offers a non-attended DC.
- (k) A well-established firm in a small town noted that it would have 6-7 DCs and 5-6 simple funerals a year, but the majority of its funerals would be bespoke funerals.

- (l) A long-established family firm in a rural area said it offers packages but the main variation in them is the coffin, with all packages including a hearse and a limousine (although this can be removed if not needed). It also provides DCs although noted they were not popular in the area.
- (m) A well-established family firm in a rural area said it does not offer packages, but does offer DCs. It noted DCs were growing in popularity but that this had implications for people's grieving process. It also has a simple funeral, which it introduced as a result of NAFD requirements. It noted the simple funeral is not often taken up and attributed this to the affluence of the area. It estimated around 10% of its funerals were DC and 20% simple funerals.
- (n) A long-established family firm in a mid-size town provided some observations on low-cost funeral types, stating that when customers say they want a simple funeral it can often mean they don't want the traditional garb of funeral directors and the hearse and limousines, but still want a full service. In addition, it said, DC became popular not due to the appeal of cost savings but more of a "rebellion" against the traditional funeral. It went on further to say that it is not the more deprived demographics that are likely prefer DCs, as people from more deprived backgrounds tend to prefer traditional funerals.

Summary of funeral types offered

- 35. The independent funeral directors discussed above have adopted a range of practices in terms of different funeral types offered. Some offer pre-set packages and others offer a price list from which customers build up a bespoke funeral package themselves. Standard funerals are the most common funeral type offered by all the independent funeral directors (except the DC specialist) at around 80%-90% of at-need funerals in our questionnaire averages. Many of the independent funeral directors offer a simple funeral and/or DC option, but for the majority of these funeral directors these funerals types account for a relatively small proportion of the total volumes across the sample. Our "average" results of simple funerals and DCs accounting for around 5 to 7% and 0 to 2% of total funerals respectively, seem broadly consistent across our branch level analysis, company level analysis and large regional co-op analysis.

Monitoring competitors

- 36. This section summarises evidence we received from independent funeral directors on monitoring competitors, how monitoring may have affected

decision making (if at all), as well as how some independent funeral directors approach price setting and advertising.

Questionnaire 1 responses

37. We asked funeral directors whether they monitored their competitors and if so, who/what they monitored and whether and how this information was used in their decision making.
38. We received responses relating to 26 branches, 15³⁴ from smaller independent funeral directors and 11³⁵ from the 10 largest independents.
39. A large number of the respondents³⁶ indicated that they monitor at least one competitor. Around half of the smaller independent funeral director respondents indicated they monitored a competitor.³⁷ Almost all of the ten largest independent branch responses monitored at least one aspect of a local competitor.³⁸ From across the sample, of those who indicated they monitor competitors, half of the respondents identified more than one competitor who they monitor.³⁹
40. We asked these funeral directors the drive time between their business and the competitor that they monitored.⁴⁰ Half of the monitored competitors were within 5 minutes and just under half within 10-20 minutes' drive time.⁴¹ None responded that they monitor a competitor further than 20 minutes' drive away.
41. We asked the funeral directors what they monitored: price, range, service quality, or other factors. We received 17 responses to this question,⁴² with 12 of these branches also responding to which of the monitored factors is the most important:
 - (a) All of the smaller independent funeral directors that responded said they monitored service quality. Most responded that they monitor funeral prices

³⁴ From 14 companies.

³⁵ From 5 of the 10 largest independents

³⁶ 18 out of 26 responses.

³⁷ 8 out of 15.

³⁸ 10 out of 11.

³⁹ 18 respondents identified a total of 32 monitored competitors.

⁴⁰ We received 28 responses on drive-time from the identified competitors.

⁴¹ 14 out of 28 were within 5 minutes, 11 out of 28 were within 10 to 20 minutes and the remaining 3 responses were within 5 -10 minutes' drive time.

⁴² 7 from smaller independent branches and 10 branches from the 10 largest independents.

and funeral range.⁴³ Around half said they monitored 'other' factors as well.⁴⁴

- (b) The most common factor that the ten largest independent funeral directors said that they monitored was service quality.⁴⁵ The next most common factor was 'funeral prices' with around half of respondents doing so.⁴⁶
- (c) The 'other' category was explained by respondents to be monitoring competitor's volumes using various methods (eg market share, obituary notice numbers and annual sale of funeral plans).
- (d) When asked to specifically single out the most important factor to monitor, most responses stated 'service quality', with the remaining responding 'funeral prices'.⁴⁷

42. We asked the funeral directors how the information they monitored was used in decision making in the last three years; whether the provider changed its advertising/promotional activity, changed prices, invested to improve quality, changed funeral range/options, or other ways.⁴⁸ Of those that responded to this question:

- (a) Around half of the smaller independent funeral directors said they used this monitoring information in decision making in some capacity.⁴⁹
- (b) Most of the ten largest independent funeral directors branch responses said they used this monitoring information in decision making in some capacity at a local level.⁵⁰
- (c) The reasons that some branches gave for the lack of response to monitoring was a mixture of already being the most affordable in the area, still within the branch's maturity phase or a universal pricing policy across its business.
- (d) Around half of the smaller independent funeral directors and the ten largest independents' branch responses used the monitoring information

⁴³ 6 out of 7 for both price and funeral range.

⁴⁴ 3 out of 7.

⁴⁵ 8 out of 10 branches of the 10 largest independents responded that they monitor 'service quality'.

⁴⁶ 6 out of 10 branches of the 10 largest independents said they monitor prices, 4 responded that they monitor funeral range and 2 responding that they monitored other factors.

⁴⁷ 10 out of 12 responded that service quality was the most important factor and the remaining 2 responses said funeral prices is the most important factor.

⁴⁸ All 17 responses that said they monitored a competitor also replied to this section.

⁴⁹ 4 out of 7.

⁵⁰ 8 out of 10.

to help inform decisions on improving quality.⁵¹ Responses detailed that the quality improvement decisions related to a wide variety of aspects such as staff training, refurbishment of premises, mortuary facilities and upgrading their fleets.

- (e) A few of the smaller independent funeral directors and around half of the ten largest independents branch responses used the information to decide on advertisement/promotional activity, with one company detailing that it increased the quantity of funeral plan leaflets and another invested in their website.⁵²
- (f) Around half of smaller independent funeral directors and a small number of the ten largest independents branch responses said they used the information in pricing decisions, with two branches detailing that they kept prices the same.^{53,54}
- (g) Around half of smaller independent funeral director responses and a small number of the ten largest independents branch responses said they used the information in funeral range decisions, with two of the respondents specifically identified the decision to offer DCs.⁵⁵

Regional co-op company level responses

- 43. In the group of the 10 largest independent funeral directors, the four largest regional co-ops⁵⁶ provided more detailed information on how they monitor competitors, as well as their approach to price-setting.
- 44. We summarise the regional co-op's responses on how they approach monitoring below:
- 45. Central England co-op stated:
 - (a) It does not actively monitor competitors' prices, quality or range through a defined process, but will learn when the larger funeral directors announce new products and pricing and consider its own offerings to ensure they are competitive and consistent with its company ethos. This does not

⁵¹ 4 out of 7 smaller independent responses and 6 out of 10 branches from the 10 largest independents that monitored competitors.

⁵² 2 out of 7 smaller independents and 6 out of 10 from the 10 largest independents branch responses that monitored competitors.

⁵³ 3 out of 7 smaller independents and 2 out of 10 from the 10 largest independents branch responses that monitored competitors.

⁵⁴ Except for an inflationary increase in one case.

⁵⁵ 3 out of 7 smaller independents and 2 out of 10 from the 10 largest independents branch responses that monitored competitors.

⁵⁶ As defined in paragraph 8

necessarily mean it will react to competitor developments on a national scale as it will take into account the quality of service and degree of price transparency of the offerings.

(b) On a local level, Central England's homes may complete mystery shop phone calls on an ad-hoc basis and may also receive feedback from customers or potential customers shopping around. Information on changes in quality or range comes via customer feedback or observing funerals day to day. Any relevant observations would be shared by the Funeral Director with the Senior Funeral Director.

(c) Its funeral homes are allowed to price match competitors on a case by case basis with authorisation from an Area Manager.

46. East of England co-op stated that it monitors prices and services from a selection of its competitors on a quarterly basis. Those compared are a representative cross section of its actual competitors, both locally and nationally owned, as relating to specific geographical areas and the locations of its branch network. It stated that this process looks at the actual price for funeral directors' services (including all parts of this service including deceased removal, arranging, coffin, hearse and bearers), and any changes that become apparent, such as charges for additional bearers. It explained that the collected information will be compared to its own prices, with the aim to advertise a "fully inclusive" funeral director fee that is both competitive and has no hidden additions.

47. Midcounties monitors competitors' activities in relation to at-need funeral services on a day-to-day basis at a local level (eg through local teams, local media, conversations within the community, and/or local observation).

(a) It said that this information is verified wherever possible, and then discussed with its management team. In addition, on average it typically reviews competitors' activities in relation to at-need funeral services every six months, focusing on their bespoke packages. It recently engaged [redacted] to undertake a mystery shopping exercise in specific locations. The [redacted] reports provided indicate that this process also assessed the approach to handling the response (eg how long it took to answer, whether the respondents' manner was 'Disinterested / abrupt / rude; Just Polite; or Friendly and happy to help') as well as the prices quoted.

(b) Midcounties stated that they are trialling the possibility that some of its funeral homes could offer up to £[redacted] discount on its bespoke package, this would be in response to competitors who use [redacted].

- (c) Midcounties stated that it does not 'actively commit' to marketing of its at-need funeral services, except for 'generic information'.
48. Southern co-op stated it has no set format to monitor changes in quality or range from a competitor or new entrants to the market other than what can be observed. With regard to price, competitors' and new entrants' adverts/marketing and window displays can easily be reviewed should it be necessary. It gives its launch of a simple funeral in response to Co-op's simple offering as an example. It stated "Currently the published price of a competitor will have little impact on the main decision making of the business", noting price setting is instead based on volume and average income expectations and cost changes and what the business needs to make to meet an internal rate of return covering its costs and for it to be a sustainable business.
49. In addition to how the regional co-ops monitor competitors, they also provided more detail on their approach to setting prices, which is summarised below.
50. Central England co-op stated it reviews all prices charged across the business on an annual basis. When determining prices, it considers the overall 'Society' aspirations, within the context of competitor offerings, range, and choice structure. It also takes into account investment needs and changes in input costs (such as for raw materials for coffins and masonry, fuel, rent and personnel costs, noting it was recently able to reduce the costs of some traditionally 'out of hours' services due to restructuring).
51. Midcounties stated its approach to pricing reflects its decision to compete by offering 'excellent value' which means that it does not seek to offer the cheapest price but instead tries to offer high quality for the given price point. It stated that it sets itself high standards to follow which it achieves through investment. It said that it is therefore neither the cheapest or most expensive in its area but feels that it offers value for money for the level of quality it provides.
52. Southern co-op stated its "pricing is generally reviewed annually for budgeting purposes", and prices will be set based on its expected revenue (average income per funeral across its range multiplied by its expected volumes) "plus any increases in the fixed and variable costs of the business".

Interviews

53. Independent funeral directors we interviewed in some cases indicated that they did not pay much attention to what competitors were doing, although some of these providers still showed an awareness of competitor

positioning/pricing in the responses. In other cases, independent funeral directors indicated that they made decisions on their own positioning in a way which implied comparison with others (for example, aiming to offer the highest quality or set prices which are lower than some others).

54. Comments made in interviews which indicated monitoring of competitors (or lack thereof) include the following:
- (a) A long-established firm in a large conurbation mentioned monitoring its competitors' quality, insofar as whether they are on time for the funeral; the number of staff attending the funeral; how they interact with clients. It also looks at their websites and how much advertising they are doing. In response to competition, it said it has "sharpened up a little bit". It said that the addition of the 'simple choice' package has been a response to observing changes in the market. It does not however monitor other companies' prices.
 - (b) A new entrant in a large conurbation does not track what other independent funeral directors do but is aware that the large firms have decreased their prices to try and match its prices, although, Dignity having reduced its price by £1,000, was still £1,000 more expensive than them. Because its profits are already so low, it would be very reluctant to reduce its prices further and does not want to compromise on quality.
 - (c) A well-established family firm in a mid-size town said that it does not take notice of what others do and does not change its prices in response to others. The only thing that has changed is the introduction of DC (because the crematorium introduced a reduced fee).
 - (d) A new entrant in a mid-size town said that it does not monitor its competitors as other local funeral directors do not offer the same quality/price combination. There is another funeral director with similar prices, but their level of service is not as high. When it started out, its prices were £1,000 lower than its closest competitor – at the time, the company had very low overheads. Its knowledge of local prices came from the owner's previous employment and his wife getting quotes on the phone.
 - (e) A new entrant in a mid-size town does not consider that its business has an impact on what Co-op and Dignity, or anybody else, do in the area. It focuses on seeking to give first-class services at a fair price. Its prices are the lowest in [redacted]. Its package prices include disbursements, unlike Co-op which advertises its simple funeral at £1,995, but once disbursements have been added, the full price will be £3,500. It also considers Co-op's

price matching guarantee (a practice which is emulated by the other independent funeral director in [redacted], who will match them if a customer mentions its prices) to be unfair because it would result in people paying different prices, simply because one customer has challenged the price – this is, in its view, unethical. Its prices are the lowest and it is not prepared to decrease them further, unless a customer is in real financial difficulties.

- (f) A long-established family firm in a rural area said its aim is to provide the best service in the area at a price that is neither the highest priced or the lowest priced locally. It showed good knowledge of its local competitors and how they were performing, both in terms of the facilities they have and the number of funerals they were conducting.
- (g) A long-established family firm stated that most local competition has been taken over by the larger providers. It said that Dignity does badly in the area and historically Co-op has been its closest competitor. In terms of pricing it wouldn't want to be higher than Dignity's price even if the quality it gives is better. For example, it said, even though the cars that it has are better than Dignity's it would not want its vehicles to be priced higher.
- (h) A long-established family firm in a rural area showed good understanding of how its prices compared to local competitors: it said its standard funeral price was £2,495. This was lower than the price charged for an equivalent funeral by the local Co-op branch which charged £3,250. [redacted] recently acquired by Dignity plc (Dignity), were £100 more expensive than its prices. However, it noted that the [redacted] price included a hearse, but not any additional limousine (which would add a further £300). It said that, as most people need additional cars the higher price was more reflective of the actual cost. The Dignity site at [redacted] charged £4,400 compared to its local site in that area which charged £2,495 for an equivalent service, a difference of nearly £2,000. It said that all funeral directors know what their competitors were charging. It said they were currently £200 lower than their nearest competitor, based 4 miles away. It said that in [redacted] there were three funeral firms competing aggressively on price with each other for the last 30 years. While none had exited the market, they were not profitable and were unable to invest properly in their business.
- (i) A new entrant in a large conurbation said it had a clear view about what it wanted to create. It felt that it had found a gap in the market. But now it is doing more of what it would describe as 'mainstream' funerals and religious funerals. It also stated that independent funeral directors on the whole will be as flexible as you want them to be. It said that Co-op, for example, do not have the flexibility to offer coffins beyond their existing range and also tend to rush the arrangement meeting.

- (j) An established firm in a mid-size town noted that it does maintain an awareness of what others are doing (within the constraint of what information is available) but it does not necessarily follow what competitors do. It does speak to the other independent funeral directors in Scotland to be aware of what is working well for them and what challenges they have experienced. It said if Dignity, for example, made changes to their offerings it would be aware of it but would not necessarily respond to the changes as it feels that its priority is its own service offering.
- (k) A well-established firm stated that it will keep an eye on what its competitors are doing and talk to other funeral directors to have an awareness of what they are doing. It gave an example where a local funeral director had tried to attract customers via advertising, but it had not felt it necessary to respond to this as its ability to attract customers was already sufficient.
- (l) A long-established family firm noted that its information of its nearest competitor's prices were likely out of date. It said that its nearest competitors do not normally carry out many funerals in its area and vice versa (ie they have separate catchment areas) and as such, it generally does not respond to any actions by its nearest competitors.
- (m) A well-established family firm in a rural area noted its main way of monitoring competitors was through what clients told it about their experience with other funeral directors. It noted only one competitor within 40 miles had its prices online, making it difficult to monitor. It has not reacted to what competitors are doing as it considers its prices are fair and that it is open about how and what it charges.
- (n) An established firm in a large conurbation stated it monitors [redacted] and independent funeral director prices, but to date has not paid much attention to [redacted]. It has responded to competitor activity by reducing its prices. It said that both independent funeral directors and [redacted] have tried undercutting its prices in some regions, which it subsequently responded to by also lowering its prices. In the case of [redacted], the price reductions were on all of its funeral types. It said that [redacted] has also run advertisement campaigns against them which it responded to with its own advertisement campaigns.

55. In addition, there were various approaches to setting prices (which is an area where monitoring may feed into decision making). In price setting, ensuring the independent's price is not out of line with others in the area or ensuring

prices were 'fair' was mentioned in interviews, but with greater focus on covering costs:

- (a) A long-established firm in a large conurbation said its prices are revised on an annual basis, but there is no fixed inflation rate being applied. The company simply looks at its costs. Thinking how these costs have increased over time, it believes that this has been in line with inflation.
- (b) A new entrant in a large conurbation noted that some funeral directors would charge very low professional fees, and then would make their profits through the mark-ups on coffins, orders of service, flowers etc. It said that its professional fees are probably average, noting that the company was not competing on price. In pricing the coffins, it made a deliberate choice of applying a minimal mark-up. This is because the owner wants to move the business of funeral arranging away from the retail culture to that of a personal service focused on providing therapeutic and emotional support. Its average revenue per funeral is circa £[✂], including disbursements.
- (c) A new entrant in a large conurbation said that pricing was based entirely on costs, with the aim of keeping prices as low as possible. It noted that its fees are already higher than some of the other independents in its area and it would not be consistent with its model to be very expensive. A lot of the services that it hires in are charged at cost plus VAT.
- (d) A well-established family firm in a mid-size town stated the main way in which competition plays out is that, instead of simply quoting for a standard package, it will try to evaluate what sort of funeral the family want in order to establish the appropriate pricing level. The owner set the original prices just below the level set by his previous employer. The cost base it had when it entered was low, as hearses and staff were hired in when needed and PAYE overhead was minimal. It made a conscious effort to keep the prices of coffins constant and any price increases to be focused on the professional fees. It noted that other funeral directors would do the opposite, putting a large mark-up on coffins to keep professional fees down. It believes that its prices are competitive, being cheaper than the larger companies, but offering an equally good service. It considers that RPI is a fair reflection of its own cost inflation, as a funeral director – in terms of fuel, coffins, rent and rates, electricity etc – which means that although the price increases that it applies are dictated by external forces, this does not create any issues.
- (e) A new entrant in a mid-size town simply looks at its costs: of the simple funeral price, £994 is accounted for by disbursements. When the

company started, disbursements added to £883 (with the cremation fee being £[redacted]), so it was able to price the simple funeral at £1,900. It increased this to the current price in April 2019 to reflect the cremation fee increase, but otherwise has kept its price static and would intend to continue next year. It said that by comparison, including disbursements, the local Dignity branch charges over £4,000 for a simple funeral. The owner noted that when he was employed by Co-op it was putting price increases through twice a year and historically it had increased prices three times a year [redacted]. Although there has been cost inflation, it does not explain the large increase in funeral costs, with funerals now being so expensive that many cannot afford them.

- (f) A long-established family firm in a rural area said its approach to setting prices is that each year it looks at the retail price index for guidance, taking into account necessary salary and other overhead increases, it then increases charges by a similar percentage. It said its aim is to provide the best service in the area at a price that is neither the highest priced or the lowest priced locally. It said it takes pride in families returning again and again and this is only achieved through excellent service at a price that the public knows is fair. It reiterated that it felt its business offered value for money and a better service than both the “multis” and the “small guys”. It said that it feels it is cheaper than some of the big “multis”, who it believed had had to reduce their prices in the last 12 months “because they have just totally run away with themselves”.
- (g) A long-established family firm gave pricing information which showed a 16% increase in its prices, comparing the price of the basic package (which it offered in line with the OFT 2001 report) between 2010 and 2019, which it estimated to have increased from £2,317 (including disbursements) to £2,695. This assumes use of [redacted] crematorium rather than [redacted]. As there have been changes to the way it operates, this is not an exact like-for-like comparison and it observed that today’s funeral equivalent to a basic package would be a better offering. It said that it looks at its overheads and profits when making pricing decisions, but this is only easy with coffins and such like. To illustrate other factors that are taken into account, it explained that when it was considering how to price a Chapel of rest it looked at similar services in other industries such as a simple hotel room as an upper bound on price, recognising that a hotel room is a more complex offering.
- (h) A long-established family firm in a rural area explained when setting its funeral prices, it starts by reviewing its costs from management accounts and considering any additional staff costs needed. It would then consider whether to put through an inflationary rise of 3-4 per cent. This would then

be apportioned between the different parts of the business, with the funeral element divided by the number of funerals arranged. Typically, this figure comes out at around £80-100 and this is the price at which its funeral price then goes up annually. It noted it made a good return, but it needed to keep prices reasonable so that customers would return. It noted that it could charge the same as Co-op, as the services provided were worth the same, but it could not 'morally' do that. In terms of rising costs, while inflation had been low, staff cost had been increasing at a faster rate than inflation (pension costs were mentioned). Coffin prices were also increasing.

- (i) A new entrant in a large conurbation stated it could not get information on prices when it entered and so its approach to pricing was cost plus analysis.
- (j) An established firm in a mid-size town stated that it does not pay much attention to its profit margin percentages. Instead it says it focuses on its own quality of service and charges what it hopes is correct, it said this method has provided it with a "comfortable" profit. It told us that when starting the business, it had set prices based on what it "thought the starting prices within the local profession were, based on other independents." It had not raised prices in three years, noting some price competition from Co-op and Dignity, it thinks that recently everybody has been a bit more careful about pricing. It said that it had raised prices by £100 after three years of not raising prices. It noted it had not increased prices as it was already comfortable with the margins that it was making.
- (k) A well-established firm [redacted] stated it tried to be somewhat cheaper than others, given it operates in a mid-market area. It sets its prices by reference to (but slightly below) a pre-paid funeral plan provider, as it said that they price at current prices so it can 'roughly' price in the 'right' range.
- (l) A long-established family firm noted, in updating its prices, it had looked at changes in its costs and added a percentage (of between 10 and 15 per cent) on top of this as it had not increased prices in the previous five years.
- (m) An established firm in a large conurbation said that it is aiming to keep a differential of prices [redacted]% below the market leader in its area although it varies by funeral type. It noted that its pricing strategy involves, looking at its profit level at its current volumes and prices, which it uses as a starting point for future price changes. It noted it had reduced prices at the bottom end of its range and the top end of its range and had lifted the price of the

middle range. [redacted]. It stated that in setting prices it reviews all published prices, and mystery shops when they are not published.

56. In addition, some mentioned their approach to advertising. A number mentioned using print advertising in local publications, while others also mentioned television or using its own shop or website as a way to attract customers. Different independent funeral directors took different approaches in terms of their level of focus in advertising compared to other ways of attracting customers (such as reputation and community activity), and the channels used:
- (a) A new entrant in a large conurbation said that funeral directors used their shop as the main advertising tool, while it used its website as its marketing method to attract customers from [redacted]. It would then visit people at their homes to arrange the funeral.
 - (b) A new entrant in a large conurbation advertises in parish magazines, some local papers and in churches, and most of the funerals have come through these connections – friends, friends of friends and people introduced through church. It has invested in a new website and has started running Google ads. It considered that there was no point talking to care home managers, because all the other funeral directors did which decreased the odds of being the funeral director that gets recommended, and the residents are not the people who will be buying the funeral.
 - (c) A well-established family firm in a mid-size town have placed a couple of adverts in a couple of local church diaries, but rely on recommendations. As it has been in business for 20 years, there is a level of repeat business among the more local of their customers.
 - (d) An established firm in a mid-size town has tried television advertising and considered it had been successful, but it would generally not want to emulate the approach of the corporate funeral directors to marketing as it is on a different scale.
 - (e) A long-established family firm stated that it does advertise in the local papers but does not know how effective it is because less people are reading newspapers.
 - (f) An established firm in a large conurbation stated that it spends significantly more on marketing than its competitors and this helps it gain a large amount of pre-need funerals. It explained that as it started to have more pre-paid funerals built up it would require less marketing “because one flows into the other”. It stated it peaked in total marketing spend at just under £[redacted] a month but would like to [redacted] that to around £[redacted]. It also

noted the focus of the marketing campaigns by it and its competitors, tends to be for the entry level package and the package priced “the step up from that”.

- (g) A well-established family firm in a rural area said their main way of attracting customers was advertising recommendation and community involvement. For advertising, it gave examples such as placing adverts on the obituary page in the local newspapers, in church diaries and magazines as well as its website and giving out calendars. It is also in a hospital booklet and a bereavement booklet.

Summary of monitoring

57. In response to our questionnaire, a large number of respondents indicated that they monitored their local competitors in some form. Those that do monitor competitors indicated that service quality was the most important aspect that they monitor, with a smaller number monitoring price, range and market share. Of those that monitor their competitors, over two thirds said that they use that information in their decision making in some capacity. Again, the most common response was that that information was used to help inform decisions on service quality. A smaller number used monitoring information to inform decisions on factors such as promotional/advertising decisions and pricing decisions.
58. The other independent funeral directors who we have received evidence from, in some cases indicated that they did not pay much attention to what competitors were doing; although some of these providers still showed an awareness of competitor positioning/pricing in their responses. In other cases, independent funeral directors indicated that they made decisions on their own positioning in a way which implied comparison with others (for example, aiming to offer the highest quality or set prices which are lower than some others). A small number take a more structured approach to monitoring.
59. Independents often commented that they set prices based on their costs. When setting prices, some said that they did not want to be the most expensive in their local area and/or said they wanted to provide value for money.
60. In the interviews, we asked generally about whether and how these independent funeral directors advertised their business. A variety of advertising methods to attract customers were mentioned, including: print advertising in local publications, advertisements on television, using high street shop presence, or/and their websites. Others said they attract customers via reputation and/or community activity.

Experience of entry

Questionnaire 1 responses

61. Our questionnaire asked funeral directors about entry – specifically: whether they had experienced entry in the last five years, who from (eg type of business, distance from their branch), what effect this entry had on their business and whether/how they responded.
62. We received 26 responses, 15⁵⁷ from smaller independent funeral directors and 11⁵⁸ branches from the 10 largest independent funeral directors.⁵⁹
- (a) Just under half of branches that responded reported that they had experienced entry in the last 5 years.⁶⁰ The responses reported a total of 18 branches entering in the last 5 years. A small number of branches reported more than one entrant in the last 5 years.⁶¹
- (b) Over half⁶² of the reported entrants were small chain/independent funeral directors, while a third⁶³ of the entrants were national chains, and one entrant was a local authority that set up its own funeral director service. A small number were reported to be low price providers and/or DC specialists.⁶⁴
- (c) Around half of responses on drive time from the entrant said the entrant was within 5 minutes and under half within 5-10 minutes.⁶⁵ None reported an entrant further than 20 minutes' drive time.
63. We asked the funeral directors whether and how the entry had impacted on their business: fewer funerals, loss of market share, loss of revenue, or other impacts.

⁵⁷ From 14 companies.

⁵⁸ From 5 of the 10 largest independent funeral directors.

⁵⁹ From the sixty-six funeral directors, covering 75 branches, to whom we asked questions about experience of entry.

⁶⁰ 12 out of 26 branches: 5 out of 12 independent branches reported entry, 7 out of 14 branches from the 10 largest independent funeral directors reported entry.

⁶¹ There were 2 branches that reported 2 entrants and 2 branches that reported 3 entrants.

⁶² 11 out of 18.

⁶³ 6 out of 18.

⁶⁴ 3 out of 18 were reported as low cost and DC specialists, 1 was reported as only a low-cost provider and 1 was reported as only a DC specialist.

⁶⁵ We received drive time information relating to 16 of the 18 entrants, 7 out of 16 were within 5 minutes and 6 out of 16 were within 5- 10 minutes.

- (a) Half⁶⁶ of branches that responded reported an impact on their business of some kind, with few branches⁶⁷ stating that it was a significant impact.⁶⁸
- (b) The most common impacts reported were lower volumes and revenue with 5 out of 6 responses reporting an impact on each. The responses estimated an average impact of approximately 21% reduction in volumes due to entry⁶⁹ and an average impact of 16% on revenue.⁷⁰
- (c) Four branches also reported that they lost market share after entry and estimated an impact of 13%.⁷¹

64. We asked the funeral directors whether and how they had responded to entry: increased advertising/promotional activity, changed prices, invested to improve quality, changed funeral range/options, or other responses.

- (a) All of the branches that had reported an impact on their business also reported that they responded to the entry in some way. In addition, two branches which did not report an impact on their business from the entry reported that they had responded to the entry in some way.⁷²
- (b) The most common response reported was investment to improve quality with over half responding to entry in this way,⁷³ for example through refurbishment of premises and expansion of fleet.
- (c) Just under half reported changing prices as a response but did not specify how.⁷⁴
- (d) Half⁷⁵ responded to entry by increasing advertising/promotional activity, with one response detailing that this was via upgrading their website.
- (e) Just under half responded to entry by changing their funeral range,⁷⁶ with one respondent giving the example of the introduction of offering DC.

⁶⁶ 6 out of 12.

⁶⁷ 2 out of 12.

⁶⁸ We considered whether there was a relationship between the distance from the entrant and whether an effect was reported, but the sample size was too small to draw robust inferences. This would also not be possible for branches that reported multiple entrants as it is not possible to identify whom the impact is attributed to.

⁶⁹ Based on 4 responses.

⁷⁰ Based on 5 responses (4 companies).

⁷¹ Based on 4 responses (3 companies).

⁷² Therefore, in total, 8 out of 12 branches that experienced entry responded to the entry in some way.

⁷³ 5 out of 8.

⁷⁴ 3 out of 8.

⁷⁵ 4 out of 8.

⁷⁶ 3 out of 8.

- (f) Many of the respondents⁷⁷ also stated they used a different response than the categories suggested. [✂].

Questionnaire 2 responses

65. A number of the 10 largest independent funeral directors we obtained information from commented on their experience of entry in their locality:
- (a) Central England co-op said that they report on branches that have experienced entry separately, this is to allow it to try to understand the level impact from entry on its branches. It stated that it uses mystery shopping to monitor the entrant's price to ensure it remains competitive, but it will also try to evaluate the entrant's quality of service to ensure that the offerings are comparable. In particular, it noted that the 'headline' price quoted by a competitor usually has several caveats or exclusions which can be confusing for customers to understand the true cost of the funeral.
 - (b) Central England co-op also uses CACI data in the form of a report based on the specific catchment area around the impacted home and is split into four sections covering key performance drivers available for the home (eg number of local care homes), competitors and points of interest (eg nearest competitors, care homes and hospitals), local demographics and number of deaths in the area. It stated that the report gives it information on which key areas to focus on when it experiences entry at one of its branches and where to open its own new branches.
 - (c) Midcounties stated that when responding to new entrants, it would usually try to raise its profile and strengthen its links to the local community. This includes local press coverage, and the promotion or sponsorship of local events and/or organisations.
 - (d) A long-established family firm in a large conurbation responded that there have been 13 new branches in its area including 3 of its own in the last 5 years. Three of these entrant branches were new funeral directors. It also mentioned that the area had experienced closure of local funeral director branches with 7 branches closing over the 5-year period, 4 of these were single branch independents closing. It stated that it had done 'very little' to respond to new entrants. It said it has however continued to be innovative in its advertising but that focuses predominantly on quality of service rather than price.

⁷⁷ 6 out of 8.

- (e) A long-established family firm in a large conurbation noted that a [X] branch had entered its local area in 2019, the impact of this entry is uncertain as it was unsure if the decline in funeral volumes this year is due to the new entrant or a decline in death rate this year. It stated that it has not responded by changing its offering or prices, as traditionally its customers come from recommendations and those looking for a personalised high-quality service. It has opted not to advertise based on price but instead focus on quality of service and customer choice.

Interviews

66. A number of the independent funeral directors and other industry professionals we interviewed had observed entry in their locality. However, most said that they had not been affected by the new entrant or were uncertain of the impact. Most also said that they did not respond to entry in any way. The responses described a variety of entrants; both traditional and non-traditional, larger funeral directors and small independents, start-ups and expansions. There were several mentions of ex-employees of larger funeral directors leaving their old companies and starting their own. We summarise the responses from the independents below:
- (a) A long-established firm in a large conurbation expressed concerns about the high level of entry, opening up of branches followed by closures, with new entrants not behaving professionally. It was also critical of start-ups which approach funeral arrangement as if it was events management and have no high street presence or vehicles. It considered that these companies do not provide an adequate service given the amount charged: "They sort of think "well, I went to a funeral once and my grandmother. I felt I could do better." But there is a bit more to it than that."
- (b) An established carriage master commented that the funeral director market was currently very competitive. Taking [X] as an example, for years there had only been one funeral director in operation. Now there were four.
- (c) A new entrant in a large conurbation who operates in the [X] area, observed that changes in the market have included the entry of a former Dignity employee close to an existing Co-op branch, another funeral director opening a new branch and one independent taking over another's facility in [X]. A lot of independents in [X] were also taken over by Funeral Partners in the last year.

- (d) A well-established family firm in a mid-size town noted there had been a significant degree of entry, with an increased number of both independent funeral directors and branches of Co-op and regional co-ops. Until this year, it did not think entry had impacted its business, with its level of business being closely aligned with the death rate. This was true even when entrants had a similar proposition to itself (in terms of family values, price lists etc). However, it noted that its volumes had declined in 2018 and this trend appears set to continue and although the death rate is down, there appear to be other factors at play, such as DC, market entry and people shopping around.
- (e) A new entrant in a mid-size town noted that there were a large number of funeral directors in the area, with expansion particularly by larger funeral directors and a regional co-op (although it noted the former were in some cases scaling back). It had not observed an effect on its business from this expansion, with its view being only entry by a much lower cost supplier would be likely to affect it. It had not changed prices or otherwise responded to this entry and suggested others may have followed it in offering DC.
- (f) A new entrant in a mid-size town noted that many of the new entrants were formerly employed by Co-op, due to dissatisfaction with its restructuring and moving away from its traditional ethos and being revenue-driven. It noted when former employees set up on their own, some of their customers follow them. Such new entrants would be able to keep their costs down, yet still give the same personal service to these same families. Another entrant in [redacted], who did not have a funeral director background, was not a member of either SAIF or NAFD and approached matters in an unconventional way, but seemed to be successful. It noted a new entrant has tried to undercut it on its prices. It has not responded in any way to the entry and focuses entirely on providing as good a service as it can at a reasonable price.
- (g) A long-established family firm said that following an acquisition, Dignity lose the acquired firm's good employees immediately, who in some cases set up very successful funeral director businesses of their own.
- (h) A long-established family firm in a rural area stated that in the immediate local area, the number of branches had increased from 3 to 11 since December 2013 (3 Co-ops, 1 Dignity, 7 independents (including 3 of their own)). Despite this increase in the number of local competitors, its volumes had grown over this period. It noted that the start-up entrant was providing funerals £700 less than itself. However, by advertising as

'cheap, cheap, cheap' they had attached a stigma to themselves such that people did not want to use them.

- (i) An established firm in a mid-size town noted there had not been as many changes as experienced in other areas. It said that there had been a 'couple' of new independents and Co-op have expanded by 4 branches in the area during its years in business.
- (j) An established firm in a large conurbation noted that:
 - (i) Whilst it has not experienced any impact from entry on its business yet, it has observed that some specialist offerings have emerged which generally have a more limited offering. Two examples of specialists it gave were 'Pure cremations' and 'Go as you please'. [X] and stated: "we remain open to the possibility that we may have to change our infrastructure model to lower our prices further."
 - (ii) It expects entry to start to diminish and firms to start to exit. It feels that the industry is no longer the 'gravy train' it used to be and that price competition is now more aggressive than it used to be. It thinks that this is due to [X] and [X] now starting to compete with independents on pricing which did not used to be the case. It expects that independents who did not spend on advertisement and are not around at least 200 funerals per year are not sustainable anymore and thinks they will exit by necessity.
- (k) A well-established family firm in a rural area noted that there had not been much entry in recent years but instead there had been some change in ownership of existing funeral directors. It noted that nearby there had been entry by DC specialists.

67. Some of the independents were themselves relatively recent entrants and so were able to provide some information as to their experience entering the market. These funeral directors indicated barriers to entry are generally low, although some investment is required (eg into vehicles or storage facilities) depending on business model, and there may be some other issues such as access to training or competitor price information:

- (a) A new entrant in a large conurbation already had [X]. In the early days (three years ago), it used the premises of another funeral director (who provided a different type of funeral to itself) – and this was said to be how many new entrants started. It noted that funeral directors tended to be slow to react, that long-established firms in the area were mainly concerned about protecting the businesses they have inherited.

- (b) An established carriage master commented that a lot of funeral directors operate in complete isolation from new entrants like [X], only noticing the increase in competition taking volumes from them.
- (c) An established carriage master had assisted [X] in entering as it enabled the funeral director to [X]. It also reduced the cost of providing vehicles and increased the amount of choice that families had in terms of range of vehicles available to them. [X]. Referring to another new entrant [X] who had chosen to open his own facility, it commented that the fixed costs of the facility can be problematic for a new entrant as there can be consecutive weeks during which the funeral director will have no business at all – the business being characterised by peaks and troughs.
- (d) A new entrant in a large conurbation said that it bought a private ambulance right from the beginning, but the ceremonial vehicles are all hired from [X] which it knows to be trustworthy. As a result, the initial outlay was minimal. For mortuary provision, it used [X] and the mortuary [X] of a small funeral director established 25 years ago. The initial outlay to move into the shop was £30,000, including the landlord's fees and refurbishment. In this phase of development, the company pays £750 per month to [X], as it cannot afford proper salaries. The profit margin per funeral is currently about £[X]. In order to break even, it estimates that it needs to carry out 4 or 5 funerals per month.
- (e) A new entrant in a mid-size town explained that other than buying a fridge straight away, he started the company with no capital outlay. The original premises were rented. It had subsequently moved into its own premises. It noted that a significant level of investment had been required upfront to bring the building to appropriate standards. The business's building costs base has gone down as a result of the current arrangement, as the rent previously was £800 - £900. The only increase in costs comes from technology and computing. The cost of a brand-new refrigeration unit with a capacity of 3 have been about £2.5 to £3,000. The purpose-built unit within the garage was £5,000. It considered that you could set up easily for less than £10,000, including advertising, refrigeration and preparation equipment (because vehicles could be hired and the premises rented, and there was no need to hold stocks of coffins). The cost of a stretcher is £2,000. The removal vehicle could simply be a second-hand 'Galaxy', which could double up as your own vehicle.
- (f) A new entrant in a mid-size town stated its start-up costs were about £18,000 - £20,000 to refurbish the premises, and an additional £4,000 to £6,000 for refrigeration was not an option. It considered a temporary mortuary facility, but this cost around £3,500, which is why he had waited

until he had got some revenue before buying his refrigeration unit. It said that in the first 4 months of the business, the bodies did simply lay in the back room (which is naturally cooler) and were covered at all times. When opening up, it had first purchased a second-hand hearse for £1,100 a few days after opening and 6 months later a refrigeration unit. The next step was to upgrade to a Vauxhall Omega hearse and a limousine.

- (g) A long-established family firm in a rural area said that a new entrant funeral director would need to hire vehicles. It would become viable to purchase a new Jaguar hearse when it was carrying out 220-230 funeral a year, due to both the cost of the hearse and the related staff and necessary garage facilities. It said that all its current customers⁷⁸ were new entrants at one time and that they were all still hiring their vehicle requirements from them. It said they had enough vehicles to meet the demand of their customers and still service its own funeral business requirements. It noted that it guaranteed vehicle availability to its existing customers in return for loyalty but would not 'be played off one against the other' on price (ie it would not deal with people if they used an alternative carriage master for their requirements).
- (h) A new entrant in a large conurbation noted it had faced a number of barriers when entering: difficulty getting information on prices; difficulty getting coffin supply (as manufacturers did not want to upset their existing customers); and training was only available to those already employed by a funeral director as the qualification involved a lot of on-the-job training. Therefore, it was difficult to start up if you came from outside of the industry. In addition, it said that a cold room is required which requires a high level of investment and other adjustments to the layout of the building may be needed. It estimated total investment in equipment to be £20 to £25,000. It decided to invest in premises when it expected to arrange 100 funerals per year, due to the significant distance to the facility of an established funeral director that it had previously been using (both travel time and cost were a factor).

Summary of experience of entry

68. Of the independent funeral directors, we received evidence from, experience of entry was common. However, most said that they had not been affected by the new entrant or were uncertain of the impact. Most also said that they did not respond to entry in any way. Those that did respond to entry said that improving service quality was the most common response, changing prices

⁷⁸ Customers in this case are funeral directors hiring vehicles.

and increasing advertising/promotional activity was also mentioned. Less responded by changing their range. The responses described a variety of entrants; both traditional and non-traditional, larger funeral directors and small independents, start-ups and expansions. There were several mentions of ex-employees of larger funeral directors leaving their old companies and starting their own.

69. Some of the independents we interviewed were themselves relatively recent entrants. These funeral directors indicated barriers to entry are generally low, although some investment is required (eg into vehicles or storage facilities) depending on business model, and there may be some other issues such as access to training or competitor price information.

Geographic area

Questionnaire 1 responses

70. We asked independent funeral directors within what drive time (at normal driving speed) did they estimate 80% of their at-need business comes from.⁷⁹ These responses are set out in Table 1.

Table 8: Responses on drive time

	Quantity	Cumulative Quantity (out of 26)
Within 5 minutes	2	2
Within 5-10 minutes	4	6
Within 10-20 minutes	13	19
Within 20-30 minutes	4	23
Further than 30 minutes	3 ⁸⁰	26

71. The table shows that 23 out of 26 respondents said that 80% of customers were within 30 minutes' drive time.

Questionnaire 2 responses

72. Within the CACI reports Central England co-op uses in monitoring entry, many of the metrics focus on an area of 1 mile radius (or 3.5 miles for rural areas).

⁷⁹ We received 26 out of 66 responses, three of the responses were given at company level and the rest at branch level.

⁸⁰ Two of the 3 responses that said that 80% of customers were within an area larger than 30 minutes' drive are responses from one company.

73. East of England co-op stated that it monitors competitors' pricing for comparable funerals from competitors who operate within approximately a 20 minutes' drive time from its branches. It noted that in the case of home deaths the family is more likely to look for a closer funeral director (within 15-20 minutes' drive time), unless they have a specific preference for a funeral director that is further away due to a prior good experience for example. It noted that even where the death is in a hospital/nursing home, choice may well be more led by the local location of the deceased or those arranging the funeral.
74. A long-established family firm in a large conurbation responded that 80% of its at-need funerals were within a 20-30 minute drive time (although it noted there is ambiguity in how this could be calculated eg the correct start and end point).

Interviews

75. In our interviews with independent funeral directors, we asked about their customer catchment areas. The independent funeral directors we interviewed generally draw their customers from a relatively small local area of within ten miles, although some funeral directors said they attract customers from a wider area than this:
- (a) For a long-established firm in a large conurbation, the majority of its customers are within a 2 hour/25 mile catchment area.
 - (b) A new entrant in a large conurbation said its catchment area is about ten miles.
 - (c) A well-established family firm in a mid-size town said its more local customers come from a two miles catchment area around [redacted], but also attracts more customers from further afield than most funeral directors would, organising as many funerals for people coming from the north side as from the south side of [redacted], even though there are 3 to 5 funeral directors on the north side, close to the crematorium.
 - (d) A new entrant in a large conurbation works in conjunction with [redacted].
 - (e) A long-established family firm in a rural area stated that most of its business is within a 5 to 6 mile radius. It also noted that families who have connections to the business will use them even when they are further away than its usual catchment area.
 - (f) An established firm in a mid-size town stated that its usual catchment area is probably within 5 to 6 miles.

- (g) A well-established firm stated its catchment area is up to around six miles radius.
- (h) A long-established family firm stated that its catchment area is probably within ten miles of [redacted]. It noted that it would also occasionally have funerals in [redacted].

Summary of catchment area

76. The majority of the responses we received when asking funeral directors about their catchment area told us that most of their customers were from within 20-minute drive time or a 6-mile radius, although some funeral directors attract customers from a wider area than this (eg due to reputation). This was consistent across our questionnaires and interviews.

Summary

77. We have received a wide variety of responses about aspects of competition from a small but varied group of independent funeral directors operating across the UK. In summary, the behaviours we see in this group are:
- (a) The independent funeral directors discussed above have adopted a range of practices in terms of different funeral types offered. Some offer pre-set packages and others offer a price list from which customers build up a bespoke funeral package themselves. Standard funerals are the most common funeral type offered by all the FDs we contacted (except the DC specialist) at around 80%-90% of at-need funerals in our questionnaire averages. Many of the independent funeral directors offer a simple funeral and/or DC option, but for the majority of these funeral directors these funerals types account for a relatively small proportion of the total volumes across the sample. Our “average” results of simple funerals and DCs accounting for around 5 to 7% and 0 to 2% of total funerals respectively, seem broadly consistent across our branch level analysis, company level analysis and large regional co-op analysis.
 - (b) In response to our questionnaire, a large number of respondents indicated that they monitored their local competitors in some form. Those that do monitor competitors, indicated that service quality was the most important aspect that they monitor, with a smaller number monitoring price, range and market share. Of those that monitor their competitors, over two thirds said that they use that information in their decision making in some capacity. Again, the most common response was that that information was used to help inform decisions on service quality. A smaller number used

monitoring information to inform decisions on factors such as promotional/advertising decisions and pricing decisions.

- (c) The other independent funeral directors who we have received evidence from, in some cases indicated that they did not pay much attention to what competitors were doing; although some of these providers still showed an awareness of competitor positioning/pricing in their responses. In other cases, independent funeral directors indicated that they made decisions on their own positioning in a way which implied comparison with others (for example, aiming to offer the highest quality or set prices which are lower than some others). A small number take a more structured approach to monitoring.
- (d) Independents often commented that they set prices based on their costs. When setting prices, some said that they did not want to be the most expensive in their local area and/or said they wanted to provide value for money.
- (e) Of the independent funeral directors, we received evidence from, experience of entry was common. However, most said that they had not been affected by the new entrant or were uncertain of the impact. Most also said that they did not respond to entry in any way. Those that did respond to entry said that improving service quality was the most common response, changing prices and increasing advertising/promotional activity was also mentioned. Less responded by changing their range. The responses described a variety of entrants; both traditional and non-traditional, larger funeral directors and small independents, start-ups and expansions. There were several mentions of ex-employees of larger funeral directors leaving their old companies and starting their own.
- (f) Some of the independents we interviewed were themselves relatively recent entrants. These funeral directors indicated barriers to entry are generally low, although some investment is required (eg into vehicles or storage facilities) depending on business model, and there may be some other issues such as access to training or competitor price information.
- (g) The majority of the responses we received when asking funeral directors about their catchment area told us that most of their customers were from within 20-minute drive time or a 6-mile radius, although some funeral directors attract customers from a wider area than this (eg due to reputation). This was consistent across our questionnaires and interviews.

Annex A: Data analysis

Original data (non-date adjusted)

78. Below are versions of Table 1 and 2 which have not been adjusted to provide volumes for the calendar year:

Table 9: Branch level data only (non-date adjusted)

	2018	% of total	25th percentile	75th percentile	Average per FD
Total volumes	1808	100	51.3	102.8	100.4
Direct Cremation/Burial	33	2	1.5	3.8	3.3
Simple Funeral	109	6	2.5	7.5	9.9
Standard	1408	78	43.0	83.0	78.2
Other	85	5	0.0	2.0	12.1
Pre-paid	173	10	5.8	11.0	10.8
Number of responses	18				

Table 10: Company level data only (non-date adjusted)

	2018	% of total	25th percentile	75th percentile	Average per FD
Total volumes	10854 ([REDACTED])	100	340 ([REDACTED])	2169 ([REDACTED])	1551 ([REDACTED])
Direct Cremation/Burial	266 ([REDACTED])	2 ([REDACTED])	3 ([REDACTED])	58 ([REDACTED])	38 ([REDACTED])
Simple Funeral	648	6 ([REDACTED])	13 ([REDACTED])	153 ([REDACTED])	93 ([REDACTED])
Standard	8569	79 ([REDACTED])	289 ([REDACTED])	1565 ([REDACTED])	1224 ([REDACTED])
Other	114	1 ([REDACTED])	1 ([REDACTED])	57 ([REDACTED])	16 ([REDACTED])
Pre-paid	1257 ([REDACTED])	12 ([REDACTED])	48 ([REDACTED])	188 ([REDACTED])	180 ([REDACTED])
Number of responses	7 ([REDACTED])				