

## **Appendix J: Data on firm-level price and market share changes by the Largest Funeral Directors**

1. This appendix summarises data on revenues and sales provided by Co-op, Dignity and Funeral Partners. The appendix is set out as follows:
  - (a) first, we set out the changes in each firm's average price and their market shares;
  - (b) second, we set out the timing and scale of price changes and ARF changes; and
  - (c) third, we set out the ARF and average prices of standard and simple funerals.

### **Changes in prices and market shares**

2. This section sets out the changes in Co-op's, Dignity's and Funeral Partner's average price and market shares.
3. This appendix uses firm-level data from Co-op, Dignity and Funeral Partners on the levels of sales, revenues, and listed price increases for each of their at-need funeral packages. Within these firms the prices of funerals are different between branches, and therefore we calculated firm-level prices by taking an average of the prices of different branches.
4. We estimate the market share for each firm. We estimate the number of at-need funerals that take place in the United Kingdom for each month by aggregating the total number of deaths in the UK, lagging this by two weeks, and deducting the number of pre-paid funeral plans drawn down<sup>1</sup> from the total number of deaths. All references to market shares within this appendix are estimated at-need market shares at UK level. The benefit of using market shares is that it partially removes the effect of seasonality (eg the higher rate of death in January) and the effect of high death rates in particular years (eg the high death rate in 2015).<sup>2</sup>

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<sup>1</sup> Source: [Funeral Planning Authority Statistics](#).

<sup>2</sup> We have found that a two-week lag assumption best eliminates the effect of seasonality, as compared to no lag, a one-week lag, and a four-week lag.

5. This appendix presents the estimated market share per funeral home in order to account for the fact that these funeral directors have expanded the number of funeral homes.<sup>3</sup>
6. The graphs below plot the monthly market shares of each funeral type for Co-op, Dignity and Funeral Partners, along with the timings of changes in price.
7. For each price change, we calculated the short-term change in each firm's market share by comparing the three months before and after each price change. We focused on the short-term change because it is not possible to capture accurately the long-term effect of a price change on market shares. Also [redacted], and therefore we would expect any short-term changes in market shares to be captured within three months.
8. The analysis only identifies correlations between price and market share movements. We do not assess the drivers of any price changes or changes in market share. Price changes might be driven, for example, by an increase in quality (and any associated costs) or investments in funeral services in which case the expected net effect on market shares may be positive or negative.<sup>4</sup>
9. The analysis is based on national market share estimates. National-level market shares may underestimate market shares at the local level. Market shares are calculated by dividing the monthly number of at-need funerals sold by the estimated total number of at-need funerals in the United Kingdom. However, the total number of at-need funerals in the United Kingdom is only an approximation for the customers over which these firms actually compete in the local areas where they are present.<sup>5</sup> This means that the market shares calculated in this analysis may be underestimating their market share in the local areas in which they operate. Further, because this analysis focuses on changes in national prices and market shares it may not fully reflect movements in local prices and market shares.<sup>6 7</sup>

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<sup>3</sup> For Co-op and Dignity we have estimated the market share per funeral home by dividing the market share within each calendar year by the number of funeral homes in operation at the end of that year. For Funeral Partners we have estimated the market share per funeral home by dividing the market share by the number of funeral homes in operation within each month.

<sup>4</sup> This was also noted by Co-op in its submission Co-op: Response to PDR, paragraph 4.10.

<sup>5</sup> There are a number of reasons for this. One is because although Co-op, Dignity and Funeral Partners have branches in a large proportion of the UK, they are not present everywhere. During the Market Study, we noted Dignity and Co-op's own calculations indicated their branch networks covered over 70% of the population [redacted]; [redacted]. Funeral Partners geographic coverage will be significantly lower. Secondly, these funeral directors have opened and closed a number of branches throughout 2013 – 2018 and therefore the local markets in which they compete will have changed. Third, a number of funerals will not be handled by funeral directors and may instead be handled by religious groups or organised by relatives of the deceased. For these reasons, the total number of deaths in the entirety of the UK is only an approximation for the number of deaths for which these firms compete.

<sup>6</sup> As shown in [redacted] there is significant dispersion in individual branches' average prices around the national average.

<sup>7</sup> This was also noted by Co-op in its submission Co-op: Response to PDR, paragraph 4.10 (a).

10. In most markets, price changes may have short- and long-term effects on a firm's market share, as customers may take time to respond. In this paper we focused on the differences in market shares of funeral directors in the three months before and after a price change as we try to capture short-term correlations between them. Co-op submitted that given that many people make decisions based on recommendations, it would be reasonable to expect the effect of price changes to manifest over a longer timeframe than the short-term market share changes. Although competition is likely to occur over a longer timeframe than three months, in combination with other sources of evidence we have not found significant evidence of a significant competitive response to long-term market share changes.

## Co-op

11. Table 1 shows the price changes implemented by Co-op between 2014 and 2018.

**Table 1: Co-op price changes**

No.	Date	Funeral Package	Price Change	Price Change (%)
1	January 2014	Standard	+ £210	9%
		Simple	+ £130	6%
2	January 2015	Standard	+ £40	2%
		Simple	+ £100	5%
3	January 2016	Standard	+ £110	4%
		Simple is 're-launched'	- £210	-9%
4	January 2017	Standard	+ £50	2%
5	May 2017	Standard	+ £300	10%
		Simple	- £320 (Scotland)	-16% (Scotland)
		Introduction of Classic funerals		
6	May 2018	Direct cremations offered online/over the phone.		
7	September 2018	Simple	- £100 (England, Wales and Northern Ireland)	-5% (England, Wales and Northern Ireland)
		Direct cremations offered in funeral home network.		

Source: Co-op

Notes:

- (1) The change in the price of Co-op's standard funeral includes changes in the price of its Professional & Supplementary Services, its lowest-priced coffin, embalming and one limousine. This is what constitutes a 'Traditional Funeral' according to Co-op.
- (2) The re-launch of Co-op's simple funeral in January 2016 introduced several enhancements to the package, such as viewing of the deceased in normal working hours.
- (3) The Classic funeral is the most expensive package offered by Co-op, and includes more features as compared to Co-op's standard funeral.
- (4) Funeral Choices introduced in July 2017.
- (5) Price change 7 also included a £200 membership discount across all its at-need funerals throughout the UK and the introduction of a "Guaranteed to beat" offer.

12. Figure 1 shows the estimated market share for Co-op.

**Figure 1: Co-op market share (%)**

[✂]

Source: Co-op; England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#).

13. Figure 1 shows that across the entire period, Co-op has experienced a long-term decline in its total market share. Its average market share in 2013 was [%], which declined to [%] in 2018, representing a fall of [%] across the period.
14. Focusing on Co-op's price changes listed in Table 1, the short-term changes in its firm-level market shares (comparing the three months before and after price changes) were as follows:
- (a) Price changes 1 and 2 involved an increase in both the standard and simple prices. These were followed by [%];
  - (b) Price change 3 involved an increase in its standard price by £110, and the re-launch of its simple funeral with a reduction in price of £210. These were followed by [%];
  - (c) Price change 4 involved the increase in its standard price by £50. This was followed by [%];
  - (d) Price change 5 involved an increase in its standard price by £300, a reduction in the price of its Scottish simple funerals by £320, and the introduction of the Classic funeral (its most expensive package);
    - (i) Three months following these price changes, there was [%].
    - (ii) Six months after these price changes, there was [%].
  - (e) Price change 7 involved a decrease in the simple funeral price in England, Wales and Northern Ireland of £100, and the offer of direct cremations in its funeral homes. This was followed by [%].
15. This shows that there is no consistent correlation between Co-op's price changes and short-term changes in its market share. However, Figure 2 shows that Co-op experienced a long-term decline in its average market share per branch, and that this could have been influenced by its consistent price rises across the period.
16. Co-op has increased the number of funeral homes from 915 in 2013 to 1,060 in 2018. Figure 2 shows that Co-op's market share per funeral home declined at a faster rate than its overall market share (which fell by [%] across the period), with share per home falling from [%] in 2013 to [%] in 2018, which is a [%] fall.<sup>8</sup>

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<sup>8</sup> Co-op noted that the majority of homes opened by Co-op as part of its expansion were in areas where Co-op was not previously active. Co-op: Response to PDR, paragraph 4.10.

**Figure 2: Co-op's market share per funeral home (%)**



Source: Co-op; England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#). Number of funeral homes assumed to be 915 in 2013, 962 in 2014, 983 in 2015, 983 in 2016, 1021 between January 2017 – May 2017, 1049 between June 2017 – September 2018, and 1060 between October 2018 – December 2018.

17. Co-op submitted that this analysis should focus more on the long-term effects of price changes, and it submitted evidence which it claimed showed that new entry and competition by independent funeral directors were important factors in explaining long-term at-need volume and market share declines.<sup>9</sup> Both Figures 1 and 2 show that Co-op's overall market share has declined, and that its declining overall market share was at least partially offset by an increase in the number of funeral homes over the period. Co-op has stated that its market share has been declining since 2012.<sup>10</sup>
18. We do not have the available data to understand what has led to its declining market share because a number of factors have changed over this period, including prices, packages and market conditions. Therefore, we are not able to draw any conclusions which are stronger than just a correlation between price and market shares.
19. Co-op submitted that long-term competitive pressures have had a large impact on Co-op's performance and has caused it to reassess its forecasts and budgets, have elicited a competitive response from Co-op, and have affected market-wide outcomes.<sup>11</sup> As far as Co-op's competitive response, as shown in this appendix, Co-op has only recently begun reducing its simple price and, while it has not increased its standard price since January 2017, it has not reduced its standard price.
20. Co-op has submitted that in many local areas Co-op does not compete directly with Dignity or Funeral Partners, and that even in areas where Co-op does compete with Dignity and Funeral Partners, Co-op competed with another 5 to 13 funeral directors on average. Given Co-op's observation that it often does not compete directly with Dignity or Funeral Partners, in this appendix we focus on the change in Co-op's market share in isolation and not in comparison with market share changes by these other funeral directors, and therefore the identity of the funeral directors with which Co-op competes is not relevant for this analysis.

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<sup>9</sup> Co-op: [Response to PDR](#), paragraph 4.7.

<sup>10</sup> Co-op [hearing summary](#) paragraph 17.

<sup>11</sup> Co-op: [Response to PDR](#), paragraph 4.7.

## Dignity

21. Table 2 shows the prices changes implemented by Dignity between 2013 and 2018.

**Table 2: Dignity price changes**

No.	Date	Funeral Package	Price Change
1	September 2013	Standard	+ £270
		Simple	+ £270
2	June 2014	Standard	+ £301
		Simple	+ £200
3	October 2015	Standard	+ £337
		Simple	+ £200
4	October 2016	Standard	+ £357
		Simple	+ £100
		Introduction of direct cremation (November)	
5	July 2017	Standard	+ £190
6	January 2018	Simple	- £700
7	April 2018	Standard	Pricing trials – [REDACTED]
		Temporary introduction of Limited Funeral for a limited number of branches	

Sources: Dignity.

Notes:

- (1) Price rises captured here are a weighted average of Dignity's 'Core Business', and its acquisition of Yew Holding (40 funeral homes) and Laurel Funerals (37 funeral homes). The available data has not allowed us to calculate the percentage change in price for each price change.
- (2) Dignity offered the Limited funeral between April 2018 and January 2019 in a subset of its funeral branches.
- (3) Dignity introduced an Attended Direct Cremation Offering in October 2018.

22. Figure 3 shows Dignity's estimated market share between 2013 and 2018.

**Figure 3: Dignity market share (%)**

[REDACTED]

Source: Dignity; England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#).

23. Figure 3 shows that Dignity's market share regularly fluctuates. Its average market share in 2013 was [REDACTED], which [REDACTED], and then [REDACTED].<sup>12</sup>
24. Focusing on Dignity's price changes listed in Table 2, the short-term changes in its firm-level market shares (comparing the three months before and after price changes) were as follows.
- (a) Price changes 1, 2, and 3 involved increases in the standard price and simple price. These were followed by [REDACTED].
  - (b) Price change 4 involved the increase of Dignity's standard price, its simple price, and the introduction of direct cremation. This was followed by [REDACTED].

<sup>12</sup> Dignity's average market share was [REDACTED].

- (c) Price change 5 involved the increase of Dignity’s standard price. This was followed by [REDACTED].
  - (d) Price change 6 involved the freezing of the standard funeral price and a decrease in the simple funeral price of £700. [REDACTED].
  - (e) Price change 7 involved the introduction of its Limited funeral, and [REDACTED]. This was followed by [REDACTED].
25. This shows that there is no consistent correlation between Dignity’s price changes and short-term changes in its market share. However, Figure 4 shows that Dignity experienced a long-term decline in its average market share per branch, and that this could have been influenced by its consistent price rises across the period. In the longer term, Dignity has stated that it has experienced a decline in [REDACTED] since before 2002.
26. Dignity has increased the number of funeral homes from 690 in 2013 to 831 in 2018. Figure 4 shows the estimated market share per funeral home for Dignity. It shows that while its overall market share has fluctuated [REDACTED], the market share per funeral home [REDACTED]. This shows that there has been an underlying decline in its market share per branch.

**Figure 4: Dignity market share per funeral home (%)**

[REDACTED]

Source: Dignity; England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#). The number of branches was 690 in 2013, 718 in 2014, 767 in 2015, 792 in 2016, and 826 in 2017 and 831 in 2018.

27. Dignity submitted that we should consider non-price factors in this analysis, such as investments in quality and entry and exit. We acknowledge that these other factors are likely to have some effect on market share, which is why this analysis can only consider correlations between price and market share, as it does not control for other factors. Given the even greater difficulty in observing changes in these non-price factors compared with price (both in terms of timing and extent of change), we do not consider we could meaningfully assess correlations between non-price factors and share.
28. Dignity submitted that the ‘noise’ of market share volatility and activity in the large proportion of the market not included in the analysis will obscure the effects of its price changes on its national market share. It is indeed the case that factors other than price would influence its market share, but we do not have the available data to fully understand what has led to its declining market share because a number of factors have changed over this period, including prices, packages and market conditions. Therefore, we are not able to draw

any results which are stronger than just a correlation between price and market shares.

29. Dignity submitted that Dignity, Co-op and Funeral Partners branches are not spread evenly across the UK and do not always operate in the same areas, and that therefore they do not always compete for the same consumers. Because we focus on the change in Dignity's market share in isolation and not in comparison to market share changes by Co-op and Funeral Partners, we consider the identity of the funeral directors with which Dignity competes is not relevant for this analysis.
30. Dignity submitted that the use of an average price masks large discrepancies in prices across individual branches, and it is therefore not an accurate measure of local price changes. However, we continue to believe that the national-level market share is informative of a firm's competitive success overall. This is because national market shares have been used by these funeral directors as a broad indicator of performance,<sup>13</sup> and they determine their pricing strategies centrally (although they do price differently in different parts of the UK). Further, national market shares are an aggregation of the local-level market shares. Although an individual branch's local-level market share will be different to the firm's national-level market share (which will likely under-estimate its local-level market share as explained in paragraph 9), and will grow or decline at a different rate, the national-level market share will broadly reflect the firm's overall local-level competitive success.

### ***Funeral Partners***

31. Table 3 shows the prices changes implemented by Funeral Partners between 2014 and 2018.

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<sup>13</sup> For example, national level funeral market share is reported by [Dignity](#) as a key performance indicator for investors as well as being captured for internal monitoring.



**Table 3: Funeral Partners price changes**

No.	Date	Funeral Package	Price Change	Price Change (%)
1	February 2014	Standard	+ £140	7%
		Simple	+ £90	5%
2	December 2014	Standard	+ £200	9%
		Simple	+ £180	9%
3	December 2015	Standard	+ £160	7%
		Simple	+ £520	26%
4	December 2016	Standard	+ £40	1%
		Simple	- £180	-7%
		Introduction of Essential funeral		
5	October 2017	Standard	- £20	-1%
		Simple	+ £20	1%
		Essential	+ £110	6%
6	September 2018	Standard	- £30	-1%
		Simple	- £50	-2%
		Introduction of Direct Cremation		

Notes:

- (1) The changes in the standard prices only include changes in the core Funeral Director's Services, which includes the fee it charges for its professional services, transfer and care of the deceased, ceremonial vehicle and staff, and embalming. This does not capture changes in the cost of other aspects of the standard funeral, such as the provision of a hearse or a coffin.
- (2) There was a pricing change in October 2014, which increased the simple price by £10. There was a pricing change in July 2015, which reduced the price of its standard funeral services by £10. These price changes have not been included as they were not significant price changes.
- (3) We refer to Funeral Partner's 'basic' funeral throughout as its 'simple' funeral.
- (4) The Essential funeral was trialled in a limited number of funeral homes from December 2016 onwards. Funeral Partners withdrew the Essential funeral in January 2019, following the introduction of Funeral Partners' 'Essential Unattended Direct Cremation' service.

32. Figure 5 shows the estimated market share for Funeral Partners.

**Figure 5: Funeral Partners Market Share (%)**

[X]

Source: Funeral Partners, England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#).

Notes:

- (1) Funeral Partners have clarified that July 2015 is the month when the Laurel Funerals acquisition was completed by Funeral Partners and thus explains the increase in volume and revenue detailed in the month versus June 2015.
- (2) Data only available up to September 2018.

33. Funeral Partners had a relatively stable total market share at between [X] in the period up to June 2015. In the period 2015 to 2018 there was an increase in its total market share, up to an average of [X] in 2018, an increase of [X]. As shown in Figure 6 this is likely due to the acquisitions it made in this period. Figure 6 shows that across the entire period, Funeral Partners' total market share per funeral home has declined [X].

34. Focusing on Funeral Partners' price changes listed in Table 3, the short-term changes in its firm-level market shares (comparing the three months before and after price changes) were as follows.

- (a) Price changes 1 and 2 involved increases in Funeral Partner's standard and simple prices. These were both followed by [X].
- (b) Price change 3 involved an increase in the standard price of £160, and in its simple price by £520. This was followed by [X].

(c) Price change 4 involved an increase in Funeral Partners' standard price of £40, a reduction of the simple price by £180, and the introduction of the Essential funeral. This was followed by [✂].

(d) Price change 5 involved a decrease of £20 in standard price, an increase of £20 in simple price, and an increase of £110 in Essential price. This was followed by [✂].

35. This shows that there is no consistent correlation between Funeral Partners' price changes and short-term changes in its market share.
36. Figure 6 shows the estimated market share per funeral home for Funeral Partners. Figure 6 shows that Funeral Partners experienced a small decline in its average market share per branch over this period, and that this could have been influenced by its consistent price rises across the period.

**Figure 6: Funeral Partners market share per funeral home (%)**

[✂]

Source: Funeral Partners; England & Wales deaths sourced from [ONS](#); Northern Ireland deaths from [NISRA](#); Scottish deaths from [NRS](#).

Notes:

- (1) Funeral Partners have clarified that July 2015 is the month when the Laurel Funerals acquisition was completed by Funeral Partners and thus explains the significant increase in volume and revenue detailed in the month versus June 2015.
- (2) Data only available up to September 2018.

## **Price changes across funeral directors**

37. This section summarises the timing and scale of listed price changes and ARF changes by Co-op, Dignity and Funeral Partners. This allows us to see whether price increases and decreases occur at similar points in time, and whether they are of similar magnitudes. It does this by analysing price changes and by graphing the ARF for each firm.
38. The listed prices of funerals are different between branches within these firms, and therefore price changes were calculated by taking an average of the prices of different branches. For example, an overall price decrease could comprise some branches increasing their prices and some branches decreasing their prices.

## Standard funerals

**Table 4: Chronology of price changes of standard funerals**

Date	Firm	Price Increase/Decrease	Magnitude
September 2013	Dignity	Increase	£270
January 2014	Co-op	Increase	£210
February 2014	Funeral Partners	Increase	£140
June 2014	Dignity	Increase	£286
December 2014	Funeral Partners	Increase	£200
January 2015	Co-op	Increase	£40
October 2015	Dignity	Increase	£318
December 2015	Funeral Partners	Increase	£160
January 2016	Co-op	Increase	£110
October 2016	Dignity	Increase	£357
December 2016	Funeral Partners	Increase	£40
January 2017	Co-op	Increase	£50
May 2017	Co-op	Increase	£300
July 2017	Dignity	Increase	£190
October 2017	Funeral Partners	Decrease	£20
April 2018	Dignity	Decrease	Pricing trials [✂].
September 2018	Funeral Partners	Decrease	£30

Notes: The magnitude of price changes for Co-op and Funeral Partners are calculated by comparing an average of their prices before and after the price changes.

39. Table 4 shows that across the period January 2013 to October 2017, Co-op, Dignity and Funeral Partners continually increased the price of their standard funerals by varying amounts.
40. Funeral Partners decreased its average standard price in October 2017 and September 2018, although in both cases this was a relatively small decrease compared with the price increases before. Dignity reduced the price of some of its branches in April 2018. Co-op did not change its prices in 2018.
41. Figure 7 shows the ARF for Co-op, Dignity and Funeral Partners' standard funerals across the period 2013 to 2018. This allows us to understand how the average funeral spend by consumers, excluding disbursements, has increased for these three funeral directors. Note that this is different from the price charged, as it will also include any optional extras included by consumers.

### Figure 7: ARFs of standard funerals

[✂]

42. Figure 7 shows that across the period 2013 to 2018, Dignity's standard ARF was [✂].
43. It shows that Co-op's and Funeral Partners' ARFs [✂].
44. It shows that price increases were [✂].

## Low-cost funerals

45. This section brings together evidence on simple funerals, direct cremations, and Funeral Partners' Essential funeral.

**Table 5: Chronology of price changes of low-cost funerals**

Date	Firm	Price Increase/Decrease	Magnitude
September 2013	Dignity	Increase	£270
January 2014	Co-op	Increase	£130
February 2014	Funeral Partners	Increase	£90
June 2014	Dignity	Increase	£190
December 2014	Funeral Partners	Increase	£180
January 2015	Co-op	Increase	£100
October 2015	Dignity	Increase	£190
December 2015	Funeral Partners	Increase	£520
January 2016	Co-op	Decrease and re-launch	- £210
October 2016	Dignity	Increase	£100
		Introduction of direct cremation (November)	
December 2016	Funeral Partners	Decrease	- £180
		Introduction of the Essential funeral	
May 2017	Co-op	Decrease	- £320 (Scotland)
January 2018	Dignity	Decrease	- £700
April 2018	Dignity	Introduction of the Limited funeral for a limited number of branches*	
May 2018	Co-op	Direct cremations offered online/over the phone.	
September 2018	Co-op	Decrease	- £100 (England, Wales and Northern Ireland)
		Direct cremations offered in funeral home network.	
	Funeral Partners	Decrease	£50
October 2018	Dignity	Introduction of direct cremation	
		Introduction of Attended Direct Cremation	

[✂]

Note: Funeral Partner's Essential funeral package is a more limited service than a 'Basic' funeral, where viewing and embalming were not permitted, nor any pall bearers provided on the day of the funeral.

46. Table 5 shows that across 2013 to 2015, Co-op, Dignity and Funeral Partners continually increased the prices of its simple funerals. The first decrease in average price was Co-op in January 2016. This was followed in December 2016 by Funeral Partners decreasing the average price of its simple funeral and introducing a lower-priced Essential funeral, and in January 2018 by Dignity decreasing the price of its simple funeral by £700.
47. Dignity first offered direct cremation in October 2016. Co-op first offered direct cremation only online and over the phone in May 2018, and began offering direct cremations in their funeral home network in September 2018. In September 2018, Funeral Partners began offering direct cremation and Dignity began offering an attended direct cremation offering.

**Figure 8: ARFs of low-cost funerals**

[✂]

48. Figure 8 shows the ARF for Co-op, Dignity and Funeral Partners' low-cost funerals across the period 2013 to 2018. Figure 8 shows that [✂]. Dignity's simple ARF grew between 2013 and 2017, before a significant decrease in 2018. Funeral Partners simple ARF grew considerably between 2013 and

2016, decreased between 2016 and 2017, and grew to a lesser extent in 2017 to 2018. Co-op's ARF had increased before 2016, at which point it was 're-launched' and has subsequently stayed relatively level between 2017 and 2018.

49. It shows that Co-op's price decrease in January 2016 was followed by [✂].
50. It shows that Dignity's simple price decrease in January 2018 was followed by [✂].
51. It shows that Dignity's direct cremation ARF was [✂].

### **Price changes across standard and simple funerals**

52. This section considers whether price changes in either simple or standard funerals are followed by price changes in the other funeral type by the same firm within a short timeframe and in the same direction. If customers switched between simple and standard funerals, we would expect their prices to move in the same direction to avoid encouraging customers to switch in response to a worsening in the relative price of standard funerals.
53. Analysing each funeral director's price changes separately:
  - (a) In January 2014 and 2015, Co-op increased the price of both its standard and simple funerals at the same time. However, the decrease in the price of its simple funeral in January 2016 was accompanied by an increase in the price of its standard funeral. In the subsequent price changes in May 2017 and September 2018, the simple price decreased and the standard price either increased or remained the same.
  - (b) Between 2013 and 2017, Dignity increased the price of its standard and simple funeral packages. In January 2018, it decreased the price of its simple funerals by £700 and froze the price of standard funerals. In April 2018 it implemented pricing trials where it decreased the price of standard funerals in many of its branches and did not adjust its simple prices after the price reduction in January 2018.
  - (c) Between 2014 and 2018, Funeral Partners typically changed its standard and simple prices in the same direction. The one exception was in December 2016, when Funeral Partners made a large reduction in the simple price and only a small decrease in the standard price.

## Changes in ARFs and prices

54. Tables 6 and 7 show the ARF and average price for standard and simple funerals respectively for Co-op, Dignity and Funeral Partners.

**Table 6: Standard ARF and Average Price for Co-op and Funeral Partners**

Year	Co-op (ARF)	Co-op Price	Co-op Difference in ARF and Price	Funeral Partners (ARF)	Funeral Partners Price	Funeral Partners Difference in ARF and Price
2013	[REDACTED]	2,455	[REDACTED]	[REDACTED]	2,021	[REDACTED]
2014	[REDACTED]	2,669	[REDACTED]	[REDACTED]	2,199	[REDACTED]
2015	[REDACTED]	2,713	[REDACTED]	[REDACTED]	2,403	[REDACTED]
2016	[REDACTED]	2,822	[REDACTED]	[REDACTED]	2,517	[REDACTED]
2017	[REDACTED]	2,870	[REDACTED]	[REDACTED]	2,498	[REDACTED]
2018	[REDACTED]	3,171	[REDACTED]	[REDACTED]	2,466	[REDACTED]

**Table 7: Simple ARF and Average Price for Co-op, Dignity and Funeral Partners**

Year	Co-op (ARF)	Co-op Price	Co-op Difference in ARF and Price	Dignity (ARF)	Dignity Price	Dignity Difference in ARF and Price	Funeral Partners (ARF)	Funeral Partners Price	Funeral Partners Difference in ARF and Price
2013	[REDACTED]	1,975	[REDACTED]	-	-	-	[REDACTED]	1,783	[REDACTED]
2014	[REDACTED]	2,103	[REDACTED]	-	-	-	[REDACTED]	1,925	[REDACTED]
2015	[REDACTED]	2,201	[REDACTED]	-	-	-	[REDACTED]	2,314	[REDACTED]
2016	[REDACTED]	1,995	[REDACTED]	-	-	-	[REDACTED]	2,399	[REDACTED]
2017	[REDACTED]	1,995	[REDACTED]	-	-	-	[REDACTED]	2,420	[REDACTED]
2018	[REDACTED]	1,875	[REDACTED]	[REDACTED]	1,995	[REDACTED]	[REDACTED]	2,366	[REDACTED]

55. Table 6 shows that standard ARFs are [REDACTED]. This shows that the relationship between price and ARF is not one-to-one. [REDACTED].

56. Table 7 shows that the difference between the simple ARF and average simple price is smaller than the difference between the standard ARF and price. Similarly, this shows that there are significant differences between changes in the average price and the ARF. [REDACTED].