

# 2019 明日之新--全國高中職商管類小論文競賽成果報告書

## **A Matter of Life and Death 最美好的一哩路**

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### **Abstract**

According to Yilan local news, a new open columbarium has caused line waiting in the middle of night. That shows there is demand. Besides, green burial has also been a hot thing on the news these years. That was why we wanted to start this project—we want to start our own funeral business and we want to promote green burial. Before starting our own funeral business, we need to know more about the current Yilan mortuary market, what we can learn from the big mortuary company, who our target will be and if green market has a chance in Yilan.

First, we interviewed two biggest funeral service providers in Yilan— both government owned. Second, we joined a Lungyen institution tour and learned more about Lungyen’s business model. Last, we made online survey to see how we can promote our funeral business, who our potential target is, and what people think about green burial.

In conclusion, we definitely have a chance in Yilan to start our own private funeral business, because the private funeral business is new to the market. To our surprise, 70% people agreed to choose green burial if there is a chance. Moreover, our potential target is a male in his forties. He might have family and children. Therefore, we should focus on how green burials can bring a better future for his children. (Keywords: Funeral, Mortuary, Yilan)

### **I. Introduction**

#### **I.1. Motivation**

According to Yilan local news, a local columbarium created waiting line in the middle of night to make future reservation (You, 2018). Even more surprisingly, it happened during the ghost month (July to August in lunar calendar) in Taiwan. That made us think funeral business might be a good start for Yilan people. That is why we want to do this study to evaluate the possibility for us to start funeral business in Yilan.

#### **I.2. Purposes**

In order to start our own business, we want to investigate the current funeral business model in Yilan and we want to know more about how the big funeral company,

such as Lungyen, manages and profits from the business. Last, we want to explore people’s mindset on green burials to determine how we can introduce this in Yilan.

### I.3. Research Questions

1. How does the funeral industry operate in Yilan in terms of location, facilities and marketing strategies?
2. How does Lungyen thrive in the business? What does it offer?
3. Who is our potential target? How do we reach them?
4. What do people think of green burial? Does it have potential in Yilan market?

### I.4. Methodology

#### I.4.1. Research Design

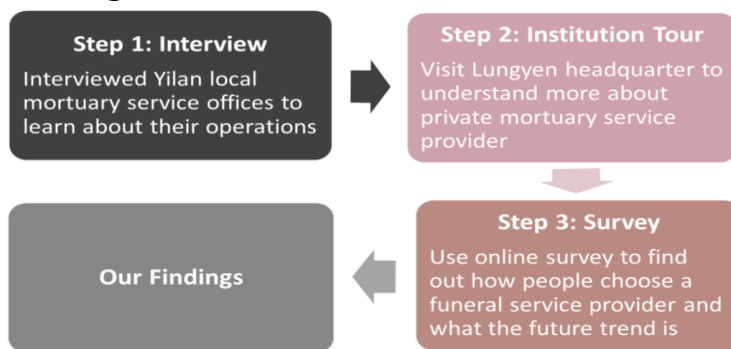


Figure 1. Research Design

#### I.4.2. Step 1: Qualitative-Interviews

##### I.4.2.1. Participants

According to Yilan County Religious Affairs (“Yilan Funeral Services,” 2016), the two biggest funeral services in Yilan are Fu Yuan and Shou Yuan in both profits and the size of grave garden. Therefore, we interviewed government officials in those offices.

Table 1. Step One Participants

	Government	Established	Interviewee	Title
Fu Yuan 福園	Mortuary Services, Yilan County 宜蘭縣立殯葬管理所	22 yrs	Hong-Zhi Lee 李宏智	Section Chief 組長
Interview location:  No.27, Lipi Rd., Yuanshan Township, Yilan County 宜蘭縣員山鄉唼埤路 27 號				
Picture 1. Interviewing Chief Lee, Yilan County				

Government		Established	Interviewee	Title
Shou Yuan 壽園	Mortuary Services, Luodong Twp 羅東鎮立殯葬管理所	13 yrs	Feng-Zhou Yu 俞封州	Director 所長
<p>Interview location:</p> <p>No.100, Jinwei 6th Rd., Dongshan Township, Yilan County 宜蘭縣冬山鄉進偉六路 100 號</p>		 <p>Picture 2. Interviewing Director Yu, Luodong Twp</p>		

#### I.4.2.2. Instruments

Our interview questions include their current status, operation, management, marketing strategy, and trend of green burial.

#### I.4.3. Step 2: Qualitative-Institution Tour

##### I.4.3.1. Participants

The biggest private funeral service providers in Taiwan are Lungyen, ChinPaoSan and Gobo (Liang, 2018). After contacting those companies, Gobo rejected due to busy business days. ChinPaoSan never returned our phone calls or emails. Lungyen reject our request, but later told us to take part in an institution tour for “3<sup>rd</sup> Lungyen Cup University Marketing Competition” and said they would only answer our questions at the end of the tour. About 60 university students attended this institution tour. We were the only high school students there.



Picture 3. Welcoming Board



Picture 4. Participating the Lungyen tour

##### I.4.3.2. Instruments

At the end of the tour, there was a Q&A session for everyone to ask questions about Lungyen. It was hosted by Lungyen management. We recorded the whole Q&A session and transcribed it. The questions can be classified into three main areas, marketing strategies, future development of funeral industry and their thoughts on green burial.



Picture 5. Lungyen management (left to right): Jian-Yun Liang 梁建芸, Shu-Ling Lin 林淑玲, Fu Ming 富銘, Zi-Yu Zhuo 卓姿好

### I.4.4 Step 3: Quantitative-Survey

#### IV.4.4.1.Participants

We collected 405 responses. 203 are from male participants and 202 are females. That is about half males and half females (Figure 2 below). As for the age, nearly half is 16 to 20 years old (Figure 3 below). That is good because we try to find the trend in future funeral services. Young minds are helpful. That is also why more than half of people are students (Figure 4 top at the next page).

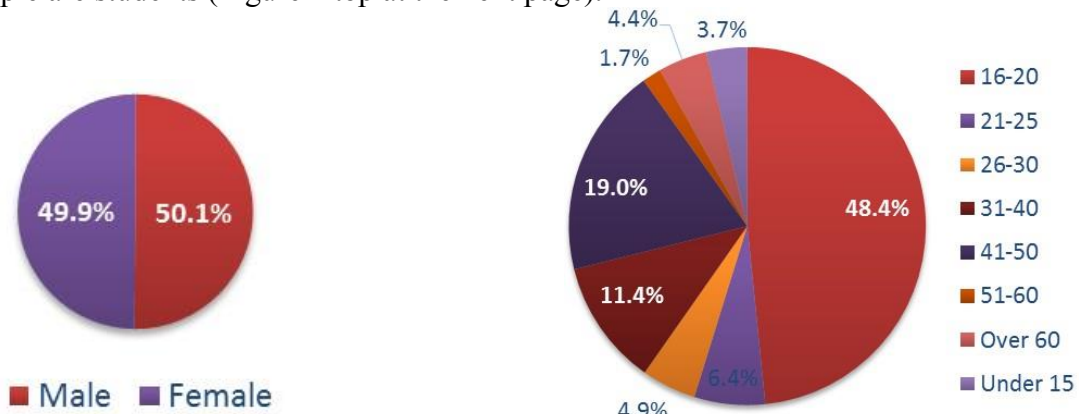


Figure 3. Gender of Participants

Figure 2. Age of Participants

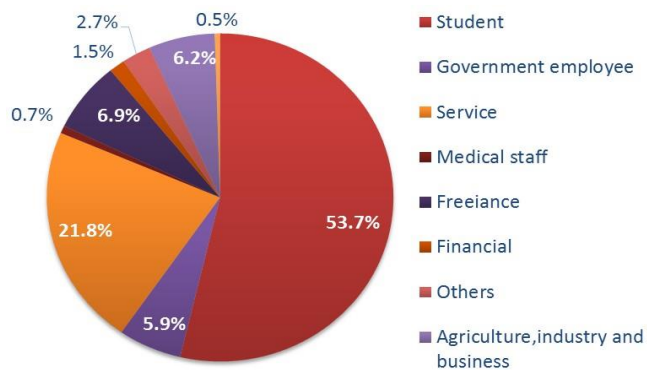


Figure 4. Occupations of Participants

#### **I.4.4.2. Instrument**

We used Google Form to make our online survey. The survey went online from November 30, 2018 to January 7, 2019, about five weeks. Our survey contains questions about the reason why they choose this funeral company, how they feel about funerals should be, if they have experience in participating funeral, who the funeral decision maker is, and their opinion on green burial.

## **II. Thesis**

### **II.1. Background**

#### **II.1.1 The importance of funeral ritual in Chinese culture**

In Confucian Anelects (論語), Philosopher Zeng (曾子) said, "Let there be a careful attention to perform the funeral rites to parents, and let them be followed when long gone with the ceremonies of sacrifice - then the virtue of the people will resume its proper excellence (Legge, 1893)." That shows in Chinese world, respect for ancestors is one of the most important thing in one's life, because it brings the prosperity to the offspring (Huang, 1991). Funeral rituals were recorded in the famous ancient text of Zhou Rites (周禮). With the influence of Chinese culture, funerals are seen as an important aspect of life throughout Asia.

#### **II.1.2. The funeral industry in Taiwan**

Funerals are big business in Taiwan. In the 1990s, the average cost of one funeral is \$10,000. It was about 40% of the Taiwanese average annual income (Hays, 2013). In 2002, the government passed the Mortuary Service Administration Act to help regulate this lucrative industry (Zeng, 2007). The number of funeral homes has been increasing. In 2010, the average cost of one funeral increased to \$12,000 and it was 75% of the Taiwanese average annual income ("Funeral industry booming in Taiwan," 2010). Funeral business has become an industry which makes 2.7billion a year (Lee, 2011). However, this is an industry that comforts family and big companies provide better employee training and better service. That is why they offer better service and that is also why 15 companies in Taiwan control at least 50% of the market (Lee, 2011).

#### **II.1.3. Lungyen as the leader in business**

Lungyen is ranked as number three in the world in the funeral business, second to two US companies (Hung, 2013). Lungyen started in 1992 as a construction company that built funeral spaces (Lungyen Milestones, n.d.). Later, combined with life services, Lungyen established a new business model in the industry in 2002 (Huang, 2013). It is the first funeral company in Taiwan that offers "living contract (Yamashita, 2014)." It is like an insurance plan to make sure one's funeral fees will not become burden to his or her family.

In recent years, Lungyen hired the world-famous Japanese architect Tadao Ando (安藤忠雄) to build a cemetery and it was the first and only cemetery project this architect has done (Tan, 2011). It was to attract rich people in Taiwan. Internationally, Lungyen was also expanding its business to China (Huang, 2013), Hong Kong and Singapore ("Funeral group taps aging Asia market," 2014).

#### **II.1.4. The green burial**

With the eco-friendly concept everywhere these days, green burial is getting more popular in the world (“What Does 'Going Green' Mean for the Funeral Industry,” 2018) green burial means that the ritual is environmentally friendly. Generally, cremation and giving the ashes back to the nature is considered green. In this way, the family will not be burdened with expensive funeral fees for processing the body or buying a space. In Chinese traditional culture, this does not show respect for the dead. However, due to the limited space for graveyard, China is also promoting green burial these days (Li, 2016; Aveline-Dubach, 2014). However, this new way has not gained popularity in Taiwan. In 2005, only 5 people chose the green burial in New Taipei City, but last year, 2017, the number has gone up to 3,769 (“Green Burial is Getting Popular,” 2018).

#### **II.1.5. A special look at the funeral industry in Yilan**

Since the open of Xueshan Tunnel (雪山隧道) in 2006, Yilan has a growing economy and it also changes people’s mind on funeral ceremony. In 2015, Yilan county government asked funeral industries to make a pact for standardized charge (Jian, 2015). It was the first step to regulate the funeral business in Yilan. Last year, 2017, Yilan county government developed the first integration service to combine all of the funeral services, so the citizen will not need to go 17 places to complete the funeral (Dai, 2017). In response to green burial, the government spent two million buying electrical elegiac tablets, hoping to reduce the waste of tradition elegiac tablets (Lin, 2017). For people who choose to use this electrical elegiac tablets, the government will give out NTD 2,000 supplement (“Yilan County People Use Electronic Elegiac Tablets to Receive NT\$2,000,” 2014). Although it is a small gesture for the environment, for a conservative city like Yilan, it may mean a different future in funeral business is coming.

### **II.2 Findings & Discussion**

#### **II.2.1 How does the funeral industry operate in Yilan in terms of location, facilities and marketing strategies?**

1. Location factors vary. One was because it was far from where people live. The other was because of the low cost, but it has to pay the bonus to the neighboring community.

*“...It is in the valley so it has the least impact on the residence. Additionally, the area next to it was originally grave yard, so...(it was a good choice),” (Chief Lee, Yilan County).*

*“...It is on the hill so it was very cheap...We also negotiated with people who live nearby and provided some bonus back to the community,” (Director Yu, Luodong Twp).*

2. Both offices provide grave park, not just grave yard. They want people to feel close to the place and it is also environmental-friendly.

*“...We are like a park...It’s open space...We have anti-air pollution facility for cremation. It was recently finished. It cost NTD 27 million...Other cities built their columbarium like a tower, but we do not...If you come over and you don’t know this is a grave garden, you would think this is a hostel or a park...Our goal is to make it like a park... We are even planning on open some space for camping in the future,”* (Chief Lee, Yilan County).

*“Our space is not crowded, unlike some private columbarium...Each of our building has green building certificate...,”* (Director Yu, Luodong Twp).

3. Because both are government-owned, they are not worried about marketing. Their cost is lower than the privately-owned mortuary services and people in Yilan feel more secured with government services.

*“...Basically... We are government. We need to provide public property and it is not for profits, so personnel cost is basically none. Private mortuary service providers charge personnel, management or maintenance,”* (Chief Lee, Yilan County).

*“We are not worried...because most public think government service is fair and reasonable...They feel secured,”* (Director Yu, Luodong Twp).

## **II.2.2. How does Lungyen thrive in the business? What does it offer?**

1. To respond to the low birth rate, Lungyen changed the current mortuary service to the pre-arrangement contract.

*“We are promoting the concept of preparation...Getting old is natural. Getting sick is sudden. Dying is definite...We are promoting a system like insurance,”* (Manager Wu, Lungyen).

2. Lungyen offers not only funeral services, but also grave space.

*“We have pre-arrangement contract. We have grave space. In addition, we have funeral services...Lungyen’s funeral service has 12 steps... (for) a regular family or public...but we also offer the premium service...We can (meet all different needs). That is something other (competitors) can’t offer but us,”* (Manager Wu, Lungyen).

3. In order to expand the business, Lungyen starts talking to the young people, trying to change the perception of funeral industry in the young minds.

*“Maybe you have encountered a situation when you receive a name card from funeral business, you probably don’t want to keep it. That is why we want to invite all the young people to participate this competition...We want to change young people’s perception of funeral industry, because in the next 10 or 20 years, you are the main drive in this society,”* (VP Liang, Lungyen).

4. Different from the government services, Lungyen offers customized mortuary services, satisfying different religious or personal needs.



*“We have almost 500 cases every year. 95% are the traditional Buddhism or Taoism and there is the 5%. It is the Western religion, such as Christianity and Muslim...In fact, (in the 95% traditional services)...Each family has different request...For example, the mantra chanting may take 4 hours, but someone may not be able to kneel down for so long... We need to simplify the ritual...Our service is based on our client’s needs to customize,” (Manager Zhuo, Lungyen).*

5. With Lungyen’s coverage all over Taiwan, if you sign contract with Lungyen, you can receive services wherever within Taiwan. That is what other companies cannot offer now.

*“We have 14 locations all over Taiwan...That is how we can guarantee our members to receive our service, no matter where you are... We believe we are far ahead than other competitors, such as Gobo or Wonann,” (VP Lin, Lungyen).*

### II.2.3. Who is our potential target? How do we reach them?

According to our survey, people who are decision makers in funeral arrangement are mostly males (60.6%, Figure) and their age is mostly 41 to 50 years old (31.8%) and 51 to 60 years old (25.4%).

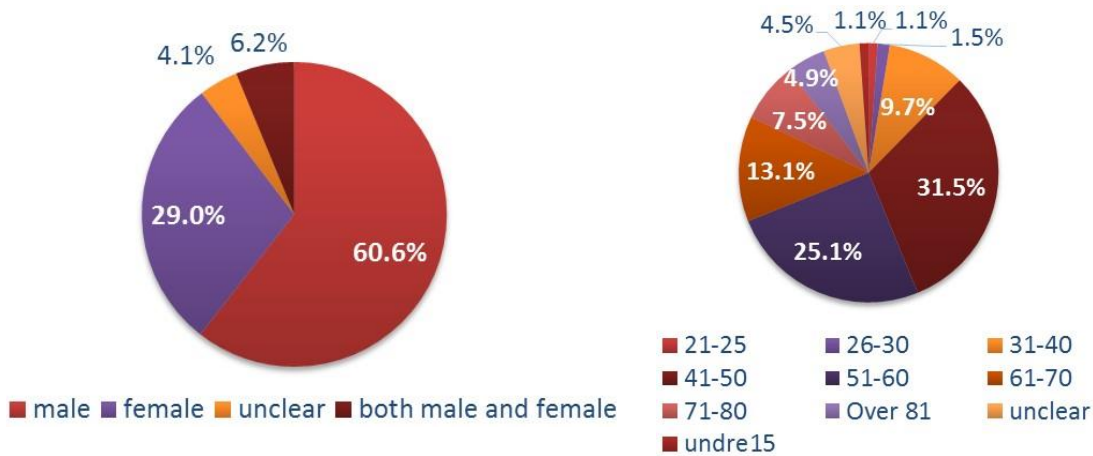


Figure 6. Gender of Funeral Decision Maker Figure 5. Age of Funeral Decision Maker

For those who have participated in funeral service, more than half of the participants didn’t know the funeral companies that offered the most recent service (Figure 7 below).



Figure 7. The Funeral Companies that Offered the Most Recent Service You Attended



When asked about the reasons to choose certain funeral services, besides people who did not know, the top three reasons are recommended by others, close to home and good reputation.

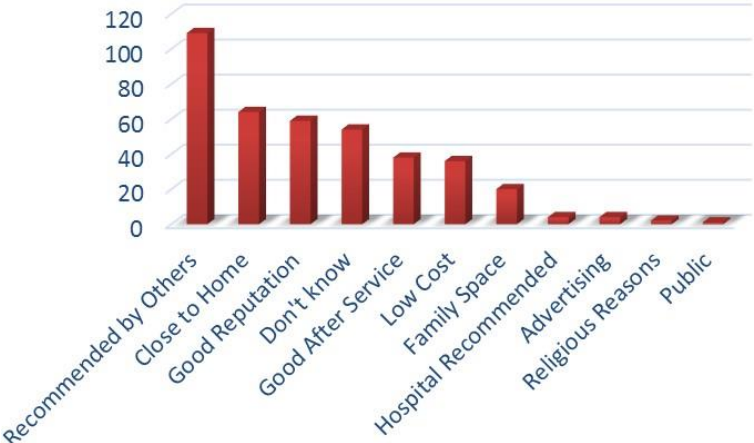
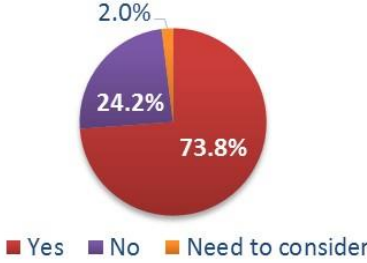


Figure 8. Reasons to choose certain funeral companies

**II.2.4. What do people think of green burial? Does it have potential in Yilan market?**

When asked if our participants would try green burial, more than 70% said yes. The participants who rejected this idea are less than 25%. Since most of our participants are between 16 to 20 years old, we think green burial definitely has its potential.

As for the green burial in Yilan market, it Figure 9. *Would you go for green burial?* was confirmed by both Yilan local government offices:



*“We are trying to promote it (green burial)...Basically, it is not very popular in Yilan yet...Soon, we will open some eco-friendly burial gardens,” (Chief Lee, Yilan County).*

*“We are currently planning a place for green burial...Pet’s green burial site will be completed this year, so it will go first...As for people, we will start next two years,” (Director XX, Luodong Township).*

**III. Conclusion**

In Yilan local market, most people choose public mortuary services because it offers the low price and the location is close to home. It is easy to visit from time to time. Since the market share of private funeral service provider is very small in Yilan, we will have a chance. Additionally, the top reasons that people choose funeral companies are word of mouth—either recommended by friends or good reputation. We should have our sales people focus on the local connections to provide a resting place just for Yilan locals.

Our potential target is male in his forties. That means he is probably a family man with children. Our marketing strategy should include giving his children a better future. That is how we can promote green burial, since more than 70% of young people want to

choose green burial for themselves. The cost is also very affordable. Green burial gives our next generation a better future.

Learning from Lungyen, we also need to work on changing young people's perception on this funeral business. We can start by cooperating with Yilan local schools to offer courses on the services and encourage young Yilan students to pass the Funeral Director License. Change always starts in education, even in this industry (Zheng, 2007). In conclusion, we are confident we can start our own funeral home in Yilan and service Yilan residence.

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