

A Matter of Life and Death

Introduction

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.

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.

Literature Review

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).

THE FUNERAL INDUSTRY IN TAIWAN

In the 1990s, the average cost of one funeral is \$10,000. In 2002, the government passed the Mortuary Service Administration Act to help regulate this lucrative industry. In 2010, the average cost of one funeral increased to \$12,000. Funeral business has become an industry which makes 2.7 billion a year. However, this is an industry that comforts family and big companies provide better employee training and better service.

LUNGYEN AS THE LEADER IN BUSINESS

Lungyen is ranked as number three in the world in the funeral business, second to two US companies. Lungyen started in 1992 as a construction company that built funeral spaces. Lungyen established a new business model in the industry in 2002. It is the first funeral company in Taiwan that offers "living contract." 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. Internationally, Lungyen was also expanding its business to China, Hong Kong and Singapore.

THE GREEN BURIAL

With the eco-friendly concept everywhere these days, green burial is getting more popular in the world. 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. This new way has not gained popularity in Taiwan.

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. 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. In response to green burial, the government spent two million buying electrical elegiac tablets, hoping to reduce the waste of tradition elegiac tablets. 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.

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?

Step 1 Interview

Interview Yilan local mortuary service office to learn about their operations.

Step 2 Institution Tour

Visit Lungyen headquarter to understand more about private motuary service provider.

Step 3 Survey

Use online survey to find out how people choose a funeral service provider and what the future trend is.

Step 4

Our Findings

Findings & Discussion

Step 1: Qualitative-Interviews

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.

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



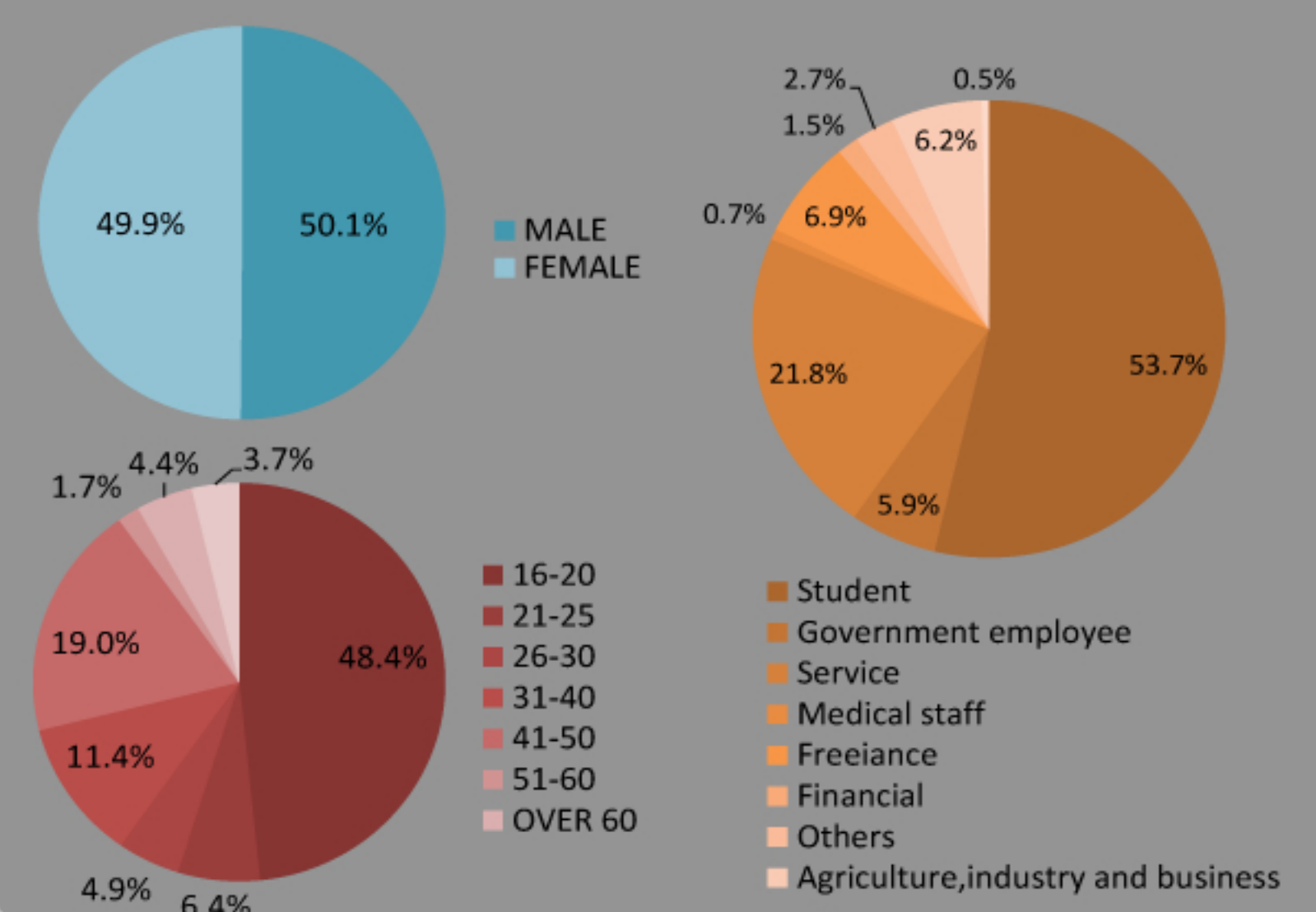
Step 2: Qualitative-Institution Tour

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.**



Step 3: Quantitative-Survey

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.**



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 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).
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).

How does Lungyen thrive in the business? What does it offer?

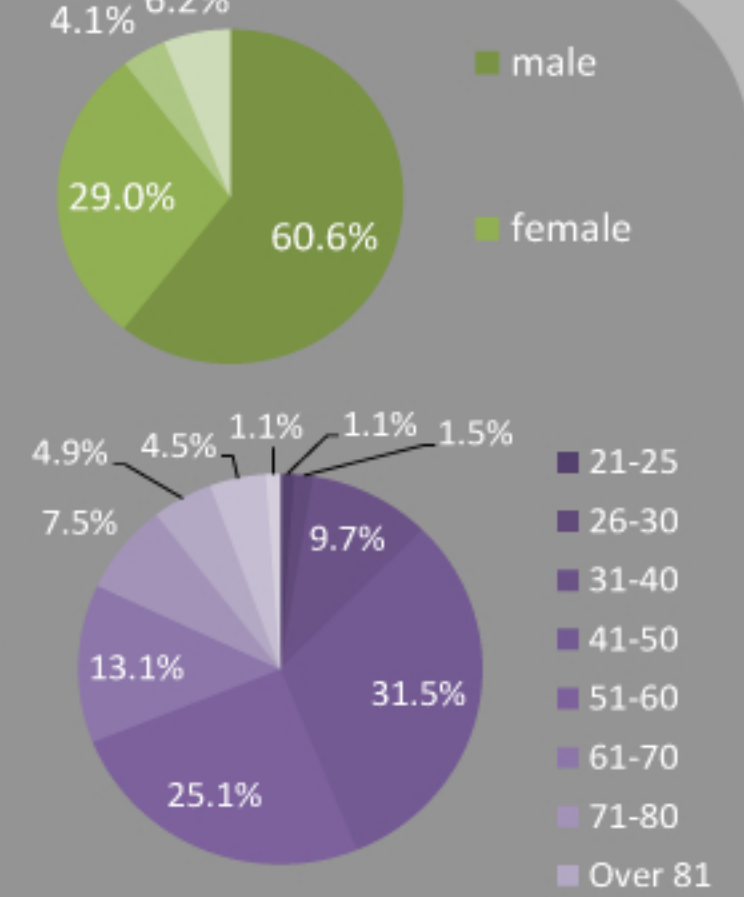
1. To respond to the low birth rate, Lungyen changed the current mortuary service to the pre-arrangement contract. "We are promoting the concept of preparation...Getting old is natural. Getting sick is sudden. Dying is definite...We are promoting a system like insurance." (Manager Wu, Lungyen).
2. Lungyen offers not only funeral services, but also grave space.
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.
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.

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%) and their age is mostly 41 to 50 years old (31.8%) and 51 to 60 years old (25.4%).

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 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).



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.