

## How Religion has Embraced Marketing and the Implications for Business

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### ABSTRACT

Religion, in many respects, is a growth industry. One particularly successful manifestation of this growth is the megachurch, defined as a Protestant church with at least 2,000 weekly attendants. On the other hand, many mainstream Protestant churches have experienced membership declines. The purpose of this paper is to explore the success of the megachurch from a marketing strategy perspective. The implications that this might have on the discipline of marketing and business in general will be discussed. Directions for future research are identified.



## INTRODUCTION

On August 16, 2008, Pastor Rick Warren of the Saddleback Church in Lake Forest, California hosted U.S. presidential candidates John McCain and Barack Obama in a nationally televised question and answer session. The Saddleback Civil Forum on Presidency was the first time both candidates had appeared on stage since becoming the presumptive nominees for their respective parties. The location of this event, Saddleback Church, is typically referred to as a megachurch (Murray & Bacon, 2008).

The Hartford Institute for Religion Research describes megachurches as very large, Protestant congregations that generally have 2,000 or more persons in attendance in weekly worship. The term megachurch, in addition to describing the size of attendance, is also used to describe the nature of the religious faith. Megachurches are also likely to have a charismatic, authoritative senior minister and have a conservative theology ("Megachurch Definition," 2006).

In "Management's New Paradigms," Peter Drucker (1998) described U.S. megachurches as the most important social phenomenon in American society in the last thirty years. A 2005 report sponsored by the Hartford Institute for Religion Research estimated that, nationwide, there were over 1,210 of these megachurches, nearly double the number that existed in 2000 (Thumma, Travis & Bird, 2005). Thirty-five of the top 100 U.S. megachurches draw 10,000-plus people each week, prompting the creation of a new term: "gigachurches." The rest of the 100 have a weekly attendance of 6,000-plus (Kwon, 2007).

One of the key growth trends in this area is multi-site technology. Seven of the top ten fastest-growing churches are multi-site churches in which churches set up extension sites, or branches across the city, state, or country (Kwon, 2007). Some of the multi-sites are intended to be more intimate, perhaps only offering services to groups of 200 people. Others attempt to reach different cultural or generational segments (Hinkle, 2006). Within the megachurch complexes, members can browse in bookstores, or libraries, visit with other members in coffee shops, attend support or self-help groups, and participate in fitness classes. Prestonwood Baptist Church in Plano, Texas is spread over a 140-acre campus that includes eight playing fields and six gyms (Symonds, Grow & Cady, 2005).

The growth of the megachurch can be attributed to many factors, not the least of which is the sophisticated marketing that these churches have embraced. Marketing research, segmentation, positioning, branding, product development, integrated marketing communications and distribution strategy are clearly understood and utilized in the marketing strategies of successful megachurches. In fact, some critics have dismissed the so-called slick marketing of megachurches as evidence of how such churches are somehow not religious enough (Axtman, 2003; Baird, 2006; Hinkle, 2006; Goodman, 2008).

The purpose of this paper is to examine the phenomenon of the megachurch in terms of basic marketing strategy, specifically the customer-driven orientation that successful businesses have adopted. First, a brief overview of the use of marketing by religions and churches is presented as well as a snapshot of the current state of religious affiliations in the United States. The target marketing and marketing mix of Wal-Mart is used to describe the success of the U.S. megachurch. In addition, the

ramifications for the competitive environment of the megachurch and the impact on business in general are discussed. Finally, the use of a faith-based marketing strategy is briefly examined.

## **THE MARKETING OF RELIGION**

In the classic 1969 article, "Broadening the Concept of Marketing," Philip Kotler and Sidney Levy considered the applicability of marketing concepts to the problem of promoting social causes. Included in their identification of social causes were the efforts being used to increase church membership, which they clearly felt constituted basic marketing principles. Since then, a number of articles and books have examined the use of marketing strategies by churches and attempted to evaluate the effectiveness of such strategies (Twitchell, 2005; Bass, 2007). Rothschild (1979) and McDaniel (1986), however, both identified problems associated with the so-called selling of religion. Specifically, mainstream clergy, although well-schooled in the dogma of faith, were not necessarily skilled in the practice of marketing. In addition, the clergy and the public they hoped to attract sometimes found the use of marketing techniques to be inappropriate or gimmicky. Somewhat ironically, McDaniel (1986) found that the general public considered many forms of church advertising to be inappropriate, while clergy tended to have more favorable views. Two decades later, the use of church marketing has expanded throughout mainstream denominations and been adopted by many non-denominational groups. In fact, it would probably be difficult to find any U.S. church that has not at least explored the possibilities of using marketing. McDaniel's 1986 study evaluated communication techniques such as billboards, direct mail, handbills, newspapers, on-premise signs, bumper stickers, radio and television, and the yellow pages. Today's marketing communication methods would also include e-mail, websites, internet banner ads, and sponsorship of sports and other events.

Although many mainstream churches have become more willing to use a marketing orientation, they continue to lose membership. The Pew Forum on Religion and Public Life, a project of the Pew Research Center, recently reported on the religious affiliation of the American public and the various shifts taking place in the U.S. religious environment ("U.S. Religious Landscape," 2008). Notable among their findings was that more than one-quarter of American adults (28%) have left the faith in which they were raised in favor of another religion – or no religion at all ("U.S. Religious Landscape," 2008). If change in affiliation from one type of Protestantism to another is included in the analysis, about 44% of adults have either switched religious affiliation, moved from being unaffiliated with any religion to being affiliated with a particular faith, or dropped any connection to a specific religious tradition altogether ("U.S. Religious Landscape," 2008). The large denominations, such as the United Methodist Church and the Episcopal Church – have lost more than 1 million members in the past 10 years (Symonds, Grow & Cady, 2005). The Pew survey also reported that the number of Americans who identify themselves as Protestant is barely 51%, with 18.1% affiliated with mainstream or mainline Protestant churches ("U.S. Religious Landscape," 2008). Although the U.S. Catholic Church can still report positive growth, this is largely attributed to Mexican immigration. Many Catholics have become disillusioned with sex-abuse scandals, the Church's views on divorce and re-marriage, and these problems

are compounded by a severe priest shortage that has led many parishes to consolidate or close completely (“U.S. Religious Landscape,” 2008). All the while the “seeker churches”, the “purpose-driven churches” and the evangelical and the non-denominational megachurches are flourishing.

### **GENERAL MOTORS VS. WAL-MART**

Mainstream churches have been compared to the General Motors Corporation, and not in a positive way (Symonds, Grow & Cady, 2005). They have been losing market share while other, more customer-responsive offerings have gained. They have been slow to adapt to changing environmental conditions, holding fast to traditional ways of conducting business.

On the other hand, the megachurch phenomenon can be likened to the explosive growth of Wal-Mart in the 1990s. These power retailers of religion are one-stop worship/fellowship centers that cater to a cross-section of America. One parallel is the targeting of customers, or church members, who are not currently served by other organizations. Wal-Mart initially focused on small-town America where customers were anxious for variety at low prices, without having to travel long distances. Megachurches have also focused on the unserved by reaching out to those who no longer consider themselves to have a religious affiliation, or never had one. Finally, once Wal-Mart comes to town, the smaller, independent retailers may find themselves in a losing battle (Hudson & McWilliams, 2006; Jia, 2008).

The success of megachurches has also led to growing criticism about their methods, something Wal-Mart has experienced as well. Some ministries have been shown to have misused funds, and their leaders have been closely scrutinized by critics apparently attempting to find other, presumably more scandalous, misdeeds (Darman & Murr, 2006; Tevlin, 2007).

### **MAINSTREAM VS. MEGACHURCH: A COMPARISON OF THE TARGET MARKETS**

Merely comparing mainstream churches to General Motors and megachurches to Wal-Mart, however, would suggest that churches fall uniformly into these two categories. Mainstream churches are comprised of numerous denominations representing a variety of faiths. Megachurches, while usually referring to non-Catholic organizations, represent a number of religious organizations as well.

The term mainstream or mainline is being used in the context of this paper to represent religious organizations that have traditional Christian beliefs in the triune nature of God (God the father, God the son, God the Holy Spirit.) They accept the Bible as the word of God, but remain open to a new understanding or interpretation of it. The term mainstream suggests a certain numerical or dominant presence in society that may no longer be accurate. The Association of Religion Data Archives has estimated the number of members of mainstream churches to be slightly more than 26,000,000 while the number of evangelical Protestants is more than 40,000,000 (“U.S. Membership Report,” 2000). Another important aspect of mainline church membership is that many were “born into” these churches. In other words, church membership crosses over several generations. Belonging to a particular denomination is a source of personal or cultural identity for many individuals (“U.S. Religious Landscape,” 2008).

The evangelical movement dates back to the early 1800s in the United States and represents a broad collection of religious beliefs and practices ("U.S. Religious Landscape," 2008). The media often describe evangelicals as conservative Protestants. Many megachurches are considered to be evangelical or Pentecostal churches, but it is estimated by the Hartford Institute for Religion Research that nearly 34% of them are non-denominational ("Megachurch Definition," 2006). Regardless of whether a megachurch is labeled evangelical or not, they are sometimes described as seeker churches. There is no clear definition for this term, but its usage suggests an approach that is meant to reach the unaffiliated. Seekers have become disillusioned with traditional churches for a number of reasons. Not only does this disengage them from a practice of religious worship, it also removes them from a sense of fellowship that church often provides. Seekers feel a need for worship and community that megachurches are designed to offer. Twitchell (2005) has described the role of the megachurch as becoming the traditional village where many Americans think they grew up. With no clear authority or hierarchy, such as the Vatican, overseeing these organizations, they are able to adapt to contemporary culture and offer an inclusiveness that the mainstream churches, with their sometimes unwieldy bureaucracies, are unable to do.

## **THE MARKETING MIX**

Cardinal Walter Kasper, head of the Vatican's council for relations with other Christian faiths, in a November 2007 gathering of Church officials, called upon the Catholic Church to critically self-examine itself in view of the exponential rise of the Pentecostal groups. He stated: "We must not ask what is wrong with the Pentecostals but ask what our pastoral failings are and come to a spiritual renewal" (Blake, 2007). Viewed from a business perspective, what Cardinal Kasper was suggesting is a situation analysis. In light of competition that is drawing customers away, identifying the organization's own strengths and weaknesses is an essential step in marketing strategy development.

In terms of promotional strategy, many mainstream churches offer very user-friendly websites that communicate to ministers, church members, and those seeking information about the church. The United Methodist Church has resources that answer questions about the church and its beliefs similar to what any retailer would do in attempting to provide consumer information (<http://unitedmethodist.org>). On the other hand, many smaller denominations have to rely on the volunteer services of their membership in creating internet-based communications. It is not unusual to see websites that have not been updated for months, or even years.

Once an organization finds itself losing market share to competitors, sales are falling, and cash flow is drying up, they find themselves in a desperate game of catch-up. Churches rely on donations and the fewer the members, the fewer the donations. A traditional U.S. church typically has fewer than 200 members and an annual budget of around \$100,000 but the average megachurch generates \$6 million annually (Thumma & Bird, 2008). In 2005 Willow Creek Community Church in South Barrington, Illinois had a \$48 million budget and \$143 million in net assets (Symonds, Grow & Cady, 2005.) This kind of financial capability is what has fueled the continued growth and reach of the megachurches. They continue to offer more in terms of programs and



facilities to their members. The high-profile of the megachurches in turn attracts even more members.

When one examines the rest of the components of the marketing mix of these two entities, there are obviously more similarities than differences. The product in each case is clearly intangible. People are seeking some satisfaction of a spiritual need. How to attain this satisfaction has been the question of the ages. Mainstream Christian churches attempt to provide this through the teachings of Jesus Christ. Megachurches may do this as well, but may incorporate aspects of other religions. Again, one of the criticisms of megachurches is that they represent more of a cafeteria or buffet style of religion. Many megachurches are designed to resemble entertainment auditoriums, rather than traditional houses of worship. They attract huge crowds, so they have to have massive parking lots and often build on the outskirts of the city to allow for expansion, prompting some to refer to them as big box churches. They often lack stained glass, crosses, even Bibles because marketing research indicated that those symbols turned off the people that they were hoping to attract. If you are attempting to capture those unsatisfied customers of your competitors, you do not offer them the same product.

## **FAITH-BASED MARKETING**

Pastor Rick Warren of the evangelical Christian Saddleback Church in Lake Forest, California published a book several years ago that essentially outlined his approach to ministry. *The Purpose-Driven Life* (2002) has sold over 30 million copies worldwide, making it the bestselling nonfiction hardcover book in history (Miller, 2008). Warren's publisher Zondervan used a technique that has been dubbed pyromarketing to launch the book in 2002. Over 1,200 evangelical pastors were identified who were willing to lead their churches on a 40-day period of spiritual reflection that is described in the book. These pastors represented "dry tinder" (Lee, 2006). These pastors then ordered 400,000 copies at \$7 each instead of the \$20 retail price and gave them to members of their congregations. The 400,000 church members each bought an average of five copies at the full retail price of \$20 to give to friends (Symonds, Grow, & Cady, 2005). This is essentially a form of viral marketing. The dry tinder pastors were identified as being the target most likely to spread the word about the book. Greg Stielstra, who worked for Zondevan, has published his interpretation of this technique in *Pyromarketing: The Four-Step Strategy to Ignite Customers Evangelists and Keep Them for Life* (2005). Stielstra does not confine his suggestions to churches; his advice is intended for any kind of organization.

The success of the megachurch has not been ignored by business. Many companies view the megachurch population as another market segment, one that is too big to ignore. The recognition of this fact has led many companies to engage in various degrees of faith-based marketing. Essentially, faith-based marketing is a strategy that recognizes the importance of religion to consumers and attempts to tie an organization or specific product to religion. MegaFest is a four-day festival of sermons, prayer, music, sports, comedy, and commerce sponsored by the Potter's House, a megachurch in Dallas. The 2005 MegaFest, held in Atlanta, attracted nearly 500,000 people (Hoffman, 2006). Non-religious sponsors included Coca-Cola, Pepsi, Bank of America,

Dairy Queen, McDonald's, Clorox, Delta Airlines and Alamo Rent A Car ("Onward," 2005). 20<sup>th</sup> Century Fox has a division called FoxFaith that develops and produces religious-oriented films (Izenberg, 2007).

There has been some backlash, however, experienced by companies mixing business with religion. Passengers on Alaska Airlines receive pocket-sized prayer cards along with their refreshments and the company has heard complaints from people who are not Christian (Podger, 2006). For many customers, companies that are too visual or vocal with their religious beliefs are seen as proselytizing. Some customers may associate certain religious beliefs with a political message as well. There might be some comparison to companies who have used celebrity spokespersons only to be burned when that celebrity makes an inappropriate comment in public or even gets arrested. Although 20<sup>th</sup> Century Fox has the FoxFaith division, it also produces R-rated films with violent content and gratuitous sex. In addition, some movie producers have concerns about their films being labeled or pigeonholed in the Christian niche that FoxFaith is targeting (Moring, 2007).

On the other hand, some companies are, or already have been, willing to openly identify themselves with various religious beliefs. Hobby Lobby, an Oklahoma-based retailer of crafts goods, candles, and assorted home décor products, states its religious beliefs very clearly in their company literature. The first sentence of the company's statement of purpose is that Hobby Lobby "honors the Lord in all we do by operating the company in a manner consistent with Biblical principles" ("Hobby Lobby Statement of Purpose," 2009) Hobby Lobby stores are not open on Sundays so that employees can have time for worship.

## **CONCLUSIONS AND FUTURE RESEARCH**

Although much has been written about the proliferation of marketing efforts with regard to church and religion, relatively little academic research has been attempted. The nature of religion is such that it represents the product, or end result of a marketing strategy and it is also a component of a consumer's psychological makeup that may influence the purchase decision process for any and all consumer products. In addition, religion is a very fluid concept. Numerous definitions have been attempted, but the authors often have difficulty in articulating everything that religion represents to individuals. Many Americans approach religion as they might a buffet-style restaurant. By accepting traditions and beliefs from a variety of religions, people create an individualized religious practice.

The success of the megachurch can be held up as an example of how marketing can be applied effectively, but it has also been viewed as detrimental to traditional religion. Despite the criticisms, the megachurch phenomenon shows no sign of slowing. In fact, these churches are also popping up in other countries around the world and have attracted the attention of other religions. The largest megachurch in the world is the Yoido Full Gospel Church in South Korea with an average weekend attendance of over 250,000 and a membership of 830,000 ("O come," 2007). But, there may be trouble on the horizon for some of the megachurches. The mainstream churches have been in existence for many, many years. They have an established dogma and traditions. In terms of the product life cycle, it could be speculated that they are in the maturity stage. The megachurch is in the growth stage and subject to many

competitors entering the environment. Consumers are somewhat fickle and open to brand switching. Church members may find themselves looking beyond the physical facilities and begin to question the content of what they are receiving. Unless the organization has a clear message and offers a differential advantage, they may not survive a shake-out period. Further research is needed to examine the impact of the megachurch on the overall religious environment and the marketplace.

Many elements of the church/religion – marketing connection remain largely unexplored. Although a growing number of scholars have examined the impact of religious values on consumer behavior, there are still gaps to be filled in the body of literature. Much is still to be researched, for example, with regard to how spirituality affects consumer choices. It is generally acknowledged that a person's religious beliefs will affect attitudes and behavior. It is not clear exactly how these beliefs are manifested in consumer behavior. These beliefs are tied to powerful emotions and, in many respects, are at the core of a person's identity. As more research is conducted, broadening the perspectives on this discipline, there may also be a heightened sensitivity to the connections of marketing and religion that may ultimately contribute to improved theory and teaching.

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