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## Role of Market Segmentation in Enhancing Church Growth in a Market-Driven Environment

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### **Abstract**

There is no single church all over the globe that can boast of meeting the general needs of worshippers. The era of mass marketing is no longer effective in attracting new members because worshippers now have different needs that determine their choice of place of worship. Many of those churches that have large congregation are the one employing market segmentation strategies. This paper investigates the rationale for employing market segmentation by churches and unveils the success accrued to the implementation of market segmentation by churches. The paper finally suggested useful marketing strategies for religious organizations.

**Keywords:** Market Segmentation, Church growth, Marketing Strategies, Mass marketing.

Churches all over the globe and Nigeria in particular have become a fast growing business. With the daily influx of churches in every nook and cranny in our society, churches have become one of the biggest employers of the labour market.

In spite of the growth of churches, the business is facing a lot of administrative challenges. For instance, foremost churches such as Catholic and Methodist have lost most of their members over the years. There has been serious migration from these two older churches to newly emerging Pentecostal churches.

In a research conducted by Barna (2008), he discovered there has been no growth in the proportion of the adult population that can be classified as “born again”

Christians. (these are people that have made personal commitment to Jesus Christ, accepting Him as their Lord and Saviour).

Secondly, he found out that since 1970, there has been no reasonable changes in the number of adult members that attend weekly programmes. Attitudinal studies have also shown that people confidence in churches is fast declining. More dramatic was the finding that the average protestant congregation has fifty to sixty adults who regularly attend Sunday morning worship services.

Unfortunately, this number of members is not what churches need to prosper financially and otherwise.

Consequent upon the finding of Barna (2008), one may be tempted to ask; why do some churches thrive and others struggle? It is apparent that success comes to those that best satisfy the needs of their members. Some churches have grown because they adapt their services to the specific needs of their congregation and the well-defined segment of society they are trying to attract (Edmondson, 2008).

Emphatically speaking, the churches that are growing will be those that are responsive to the needs of their customers and then satisfy these needs satisfactorily. They are responsive by understanding what those needs are, how they might function to satisfy certain needs, the process by which persons choose a congregation to satisfy their needs, and how to ensure that all this can take place within the structure of a well-defined mission for the congregation.

Many of today's growing churches have adopted marketing orientation and have also understood the importance of marketing concept and marketing segmentation. This paper aim at offering advice to religious organizations to adopt market segmentation strategies, examine the successful implementation of market segmentation by certain successful growing churches and to suggest some appropriate market segmentation strategies for religious organizations.

### **Defining Market Segmentation**

Market segments refer to the sub-classes of the market reflecting sub-classes of wants and the process of conceptually distinguishing segments. (Kotler and Armstrong, 2009). Stanton (2001) defines market segmentation as the process of dividing the total, heterogeneous market for a product into several sub-markets or segments, each of which tends to be homogenous in all significant aspect

### **Need For Church Market Segmentation**

Until recently, most churches still make use of mass marketing approach where a single appeal was made to an undifferentiated mass market. Such approach does not consider that people are different in terms of needs, preferences and behaviours. It primary concern was to meet the need of the organizations. Edmondson (2008) contended that while God may not be dead, the mass market is. Religious organizations must adjust to a new market place, just like other service organizations. Consumers now demand choice and variations in all things including worship.

Most churches have decided to abandon mass marketing because mindset of people of this generation is quite different from those of the generations before it.

While the older generations give little or no loyalty to a church denomination, the younger generation shop for services they want.

It is glaring that mass marketing approach is no longer fashionable in today's rapidly changing world. No wonder Sims (2003) stated that, "Churches must adapt and have marketing orientation if they are going to attract members". To emphasize his point, Sims quoted Mathew 9:17, "Nor do people put new wine into old bottles: else the bottles break, and the wine run out, and the bottle perish: but they put new wine into new bottles, and both are preserved". Sims (2003) states that, it's okay for churches to change the container that religion comes in.

Barna (2008) says, "Think about what a traditional church is like. An old person greets you at the door and hands you a bulletin. You sit in an uncomfortable pew and stare at the back of someone's head. You sing 400 – year old songs and listen to a 20 – minutes talk about theology. Then they ask for money and kick you out".

A better approach to effectively satisfy the need of church members is for church to engage in market segmentation which Shawchuck et al (2002) defined as, "the process of classifying the population into groups with different needs, characteristics or behaviours that will affect their reaction to a religious programme or ministry offered to them". Once the market has been segmented, the authors define target market as the process of selecting one or more of these segments to focus on, and developing ministries and marketing plans to meet the unique needs and interests of each chosen segment".

The basic fact remains that church cannot be everything to everybody. It is not possible for church to satisfy the need of everyone that comes in contact with it. Barna (2001) opined that every church has limited resources and has been called to accomplish a specific mission. Based on his research on church growth, Barna (2001) found that the successful churches resisted being the answer to everyone's problem by focusing on their vision for ministry, by reaffirming their commitment to quality, and by recognizing their limitations. If they were to devote themselves to meeting every need in their market, they will waste their resources without achieving any reasonable result.

Shawchuck et al. (2002) identified four benefits which a market – oriented church stands to enjoy;

- a. Religious organizations will be in a better way to identify new opportunity with needs which they can satisfy.
- b. Church leaders can make better adjustments in the way they package to match their unique interests in the market.
- c. Church leaders can make adjustments to their offering to match the desire of a target market.
- d. Church organizations can make adjustments to the elements of their marketing plans, using different ministries to target different segments.

In spite of these aforementioned benefits, many church leaders still have certain mistrust towards marketing and it's concepts such as market segmentation. In order for those church leaders to become more receptive towards marketing and perhaps utilize

some marketing strategies, they need to be informed of the success that marketing oriented churches are enjoying.

### **Uses of Market Segmentation by Churches**

Barna (2002) opined that the society can no longer be effectively reached through mass marketing. Successful marketers these days focus on a particular segment of the population, not the entire people. He believes that a church that want to be successful must response to people personally. The population must be segmented in such a way that one can easily determine who the target audiences are and what it will take to satisfy their needs. More so, target marketing enables a church to specialize and achieve great success in ministry rather than doing everything and achieve little.

Fortunately, a lot of marketing – oriented churches have succeeded in the utilization of market segmentation approach which has allowed them to grow so rapidly and attract new members form their selected target market. This has also informed reasons why most Pentecostal churches in Nigeria mean different things to different people. For example, Mountain of Fire and Miracles Ministry target at members of the society that need deliverance, Deeper life targets people that pursue after holiness, some others aim at the segment of the society that need miracles.

Barna (2001) described the success of one congregation which after employing a segmentation approach grew from a handful of people to several hundred within three years. They did so without a ministry for children and teens. This was not because they saw no need of such ministry. They planned to launch such ministry, but when they knew what they were doing, and were assured they would do it with excellence. “The last thing I want to do is drive those parents and their kids out of here because we weren’t ready to deal with them”. The pastor said, once we have our act together, we’ll launch our youth ministry.

It is apparent to state that no church can be all things to all people. Those churches that desire to attract new members and grow need to understand that different population segments respond to different ministry opportunities and focusing one’s marketing efforts on a target group allows for a more efficient attraction of that market. As previously mentioned, targeting a church’s limited resources to reach a specific segment of the population will enable their ministry to be more effective than if they attempted to reach every group in the community and meet the needs of every person in the community.

### **Strategies for Effective Market Segmentation**

The moment a church take to the option of segmenting its market, the next task it is faced with is the decision as to how best to segment the entire population. It will also resolve as to which of the segment(s) it should pursue. Churches can choose from among three basic strategies;

- i. Concentrated approach which involves pursuing one segment of the population
- ii. Differentiated approach; pursuing several segments of the population with a unique marketing mix
- iii. Undifferentiated approach otherwise known as the mass marketing.

A market can be segmented using several methods. It is worthy of note that there is no best method to segment a population. It is important therefore that a church that want to segment its market must evaluate the various bases for segmentation and select the most appropriate one for its purposes. Shawchuck et al (2002) stated that a segmentation base is optimal if it yields segments possessing the following characteristics:

1. "Mutual exclusivity" i.e. each segment should be separable from all other segments
2. "Exhaustiveness" i.e. every potential target market should be included in some segment
3. "Measurability" – the segment size can be easily measured
4. "Accessibility" – the resulting segments can be effectively reached and served
5. "Substantiality" i.e. the degree to which the resulting segments are large enough to be worth pursuing
6. "Differential responsiveness" – the degree to which each segment responds to different offerings and marketing programme.

Consequent upon the criteria listed above, a church may now consider the various bases for segmenting its population. The commonest and easiest way to segment a market is "geographically". This places major emphasis on the number of people that resides in such location.

Another popular way of segmenting a market is through demographic variable such as age, sex, family, size, income, education, and stages in the family life cycle, religion etc. this gives the marketer understanding of the type of people in the population. Spirit and life Bible church in Nigeria sometimes adopted the use of demographic variable in segmenting its church and it was effective. An arm of the church called Jesus women appeal only to women members while the youth and the elderly have separate churches. One of the major advantages of the use of this variable is that they are easily measured when compared to other variables.

A church can also make use of psychographic variable in its market segmentation. Psychographic variable often refers to lifestyle and is based on the notion that "we do what we do because it fits to the kind of life we want to live". Most approaches of identifying lifestyle group is based on measures of individual activities, interests and opinion (A. I. O's). Shawchuck et al. (2002) believe that the objective of religious marketers in using a lifestyle segmentation approach is to relate specific lifestyle pattern's to religious behavioral patterns. In this way, a marketer can use membership in a lifestyle category to predict how a person will react to a specific marketing programme.

Another appropriate way of segmenting a market is based on behaviour. In this way, individuals are segmented on the basis of knowledge, attitude, use or response to a religious organization. For example, people could be segmented based on the benefit they seek from exchanges with the church.

Irrespective of the bases selected, the fact remains that church realizes that different groups exist with different needs. Having segmented their population, the church must then make decision as to which of the segment(s) they should pursue.

When a church adopts undifferentiated marketing strategy, it is ignoring the different segments that make up the market. It is instead, trying to focus on the similarities of the individual deeds instead of their differences. Such church is pursuing mass marketing in that it has developed a basic offering that will appeal to the entire people.

A church that does not want to adopt mass marketing strategy may opt for concentrated marketing strategy. This means that after subdividing the population into different segments, it chooses to pursue one segment and design its programmes and offerings to attract that particular target market. This provides a better understanding of the needs and desires of the particular segment and the church. The major setback that this strategy may have is that the church might be “putting all its eggs in one basket”. If the number in this segment decreases, the church leaders may have to rethink and shift their focus on other segments.

The final strategy will be for a church to use a “differentiated” marketing approach. This means that after a church has segmented the market, it identifies two or more of the segments to pursue with the motive of designing unique offerings that are suitable for each of the segments. The major advantage of this strategy is that the adopter hopes to attain a higher number of exchanges and a deeper position within each market segment. However, the major setback of this approach is that it is very expensive. This is because each segment of the market will be pursued with different marketing mix.

### **Implications**

Ministry can only escape from the current crises facing it if only it embraces marketing orientation in the current market – driven environment. Churches that are also willing to be marketing oriented must realize that there have been a major shift in population. Consequently, they should also know that church cannot be all things to all people.

Those churches that are characterized with high growth rate and huge success are those already making use of market segmentation. Market segmentation has recorded a huge success in profit – making organization. It is high time non – profit making organization such as churches started using it.

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