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Falling sales force Family Christian to close stores

[Frank Witsil](#), Detroit Free Press Feb. 23, 2017



(Photo: Mandi Wright/Detroit Free Press)

Family Christian — a nonprofit retailer based in Grand Rapids with outlets in 36 states — announced today it is closing after 85 years.

The company, which bills itself as the “world’s largest retailer of Christian-themed merchandise,” has 240 stores nationwide, including 18 in Michigan, and employs more than 3,000 people. In a brief statement, it said it had been facing declining sales since filing for bankruptcy protection in 2015, and it now has no choice but to shut down.

In many ways, retail analysts said, the company is another victim of online sales competition and evolving digital technology, which has changed the way people use and read books, particularly Bibles.

"Despite improvements in product assortment and the store experience, sales continued to decline," said Chuck Bengochea, the company's president. "In addition, we were not able to get the pricing and terms we needed from our vendors to successfully compete in the market. We have prayerfully looked at all possible options, trusting God's plan for our organization, and the difficult decision to liquidate is our only recourse."

No timetable for the shutdown was offered in the statement and the company did not return calls for comment.

In metro Detroit, Family Christian stores are in Canton, Flint, Lake Orion, Novi, Sterling Heights, Taylor and Troy.

The company sells a variety of items including Bibles, stationery, clothes, jewelry and church supplies in its stores and online.

Ken Dalto, a retail expert with Kenneth J. Dalto in Bingham Farms, said the company's collapse follows others, such as the Ann Arbor-based Borders bookstore chain, and is a direct result of competition from online retailers, particularly Amazon, and the changing buying and reading habits of younger people.

"It don't think it has anything to do with religion," Dalton said. "I see it as pure business."

Amazon, which started selling books but now offers a variety of items, is hurting retailers both large and small, he said. Brick-and-mortar companies — including established department stores such as Macy's and specialty stores such as Christian Family, are struggling to keep pace and compete.

Moreover, Dalto said, it doesn't help that smartphones and apps, which are easy to carry, are replacing expensive Bibles.

When contacted today, metro Detroit store employees said that they were surprised by the announcement and had no warning about the closures.

"This is a wonderful company," said Rachel Ritter, 21, who has been shopping at the retailer with her family most of her life and has worked as a sales associate in the company's Flint store for about a year. She said took the job there because she loves books, and because she is a Christian and the company's mission is to help others.

Longtime customers, she said, have commented to her that they haven't been able to buy the same books and music.

Ritter said she was told the liquidation process would take 8-12 weeks.

The company was started in 1931 in Grandville by two brothers — Pat and Bernie Zondervan. They opened a publishing enterprise and a bookstore. The company gradually expanded, opening other stores in Michigan and the Midwest. In the 1970s the company changed its name from Zondervan to Family Bookstores, and continued to add locations.

In 2012, Georgia business executives bought the company from a private equity firm, which wanted out of years of losses, and the company transitioned from a for-profit enterprise to a nonprofit organization that gave away Bibles and gospel tracts around the world and made donations to groups that care for orphans and widows.

But three years later — citing competition from online merchants — the company filed for Chapter 11 bankruptcy protection.

At the time, the company said its sales had fallen 29% from 2008 to about \$216 million.

Months later, the company hoped it had found a buyer, Family Christian Acquisitions, but the bid was withdrawn, and the company later announced it was pursuing a new course "to becoming a stronger retailer and supporter of faith-based causes" by expanding the product selection to include more home decor and apparel.

Last year, Christianity Today reported that Send the Light Distribution, the largest distributor of Christian products, had announced plans to wind down operations because of online competition and Family Christian's bankruptcy, which was a big customer. Amazon, the report said, had cut into the supplier's Bible business.

Bengochea said in the company statement that Family Christian has "left a powerful legacy of helping people find, grow, share and celebrate their faith in Jesus Christ."

Over the years, announcements from the company touted donations to hospitals, partnerships with charitable efforts, campaigns to raise money to help orphans and the less fortunate, a summer reading program, and hosting best-selling and well-known Christian authors at its stores.

"At its core, Family Christian is an organization with a heart for service," said Steve Biondo, senior vice president of human resources. "We are grateful for all of the millions of lives that have been impacted thanks to our guests' and employees' heart for bringing the light of Jesus to the darkest corners of our world."

Family Christian stores

History: The company was started in 1931 in Grandville by two brothers, Pat and Bernie Zondervan. Over the years it expanded to a nationwide chain. But in 2015, competition from online merchants forced the company to file for Chapter 11 bankruptcy protection. It has struggled to turn its sales around.

Headquarters: Grand Rapids

Employees: 3,000

Stores: 240

Locations in Michigan: Battle Creek, Canton, Flint, Ft. Gratiot, Holland, Grand Rapids, Grandville, Lake Orion, Lansing, Kalamazoo, Muskegon, Novi, Saginaw, Sterling Heights, Taylor, Troy and Walker