Journal of Business Research 77 (2017) 81–94

Contents lists available at ScienceDirect

Journal of Business Research

Temptation's itch: Mindlessness, acceptance, and mindfulness in a debt management program☆

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ARTICLE INFO

Article history:
Received 26 November 2015
Received in revised form 6 March 2017
Accepted 7 March 2017
Available online xxxx

Keywords:
Credit cards
Debt
Mindfulness
Credit counseling
Debt management program
Socio-cognitive theory

ABSTRACT

This study examines the experience of temptation through the accounts of consumers who have entered a debt management plan (DMP). During 12 weeks, participants reported weekly temptations. The results are consistent with socio-cognitive theory; participants with higher self-efficacy are better able to manage their emotions, resist justifications connected with entitlement, and perceive their difficult circumstances as providing them the opportunity to develop new financial skills and an improved financial identity. The results show that DMP consumers engage in three patterns of responses to temptation that vary in degree of self-efficacy: mindlessness, acceptance, and mindfulness. The highest level of self-efficacy and success in the DMP is associated with mindfulness, as these participants feel pride when they "work the program" and resist temptation.

1. Introduction

Every year, millions of consumers in the United States seek out credit counseling in an attempt to dig themselves out of debt and repair their credit scores (National Foundation for Credit Counseling [NFCC], 2015). Approximately one-third of those are counseled to enroll in a debt management plan (DMP).[1] To avoid bankruptcy, consumers in a DMP work with counselors to design budgets so that their unsecured credit card debts can be paid off in three to five years. Clients who can live within a tight budget can successfully pay off their debts by the end of the program. Yet, despite providing clients with financial education and information in an introductory seminar, along with one-on-one credit counseling that includes co-creating a workable budget, DMPs have limited ability to create lasting behavior change. Maintaining a reduced budget after engaging in a lifestyle of over-spending is a challenging experience. Industry statistics (see footnote 1) and recent research (Brown, Link, & Staten, 2012) suggest that the overwhelming majority of DMP clients ultimately fail.

The underlying phenomenon—consumer debt—is a long-standing problem that research views through the lenses of three different streams. The first perspective comes from research on consumer financial decision-making, which primarily examines the role of education and information in improving spending and saving decisions (Fernandes, Lynch, & Netemeyer, 2014; Richins, 2011). The second perspective, self-regulation theory, addresses consumer domains in which behavioral change might be necessary—for example, weight loss and gambling. In self-regulation theory, willpower, goal setting, and self-monitoring are necessary to prevent self-control failures (Baumeister, 2002). The third stream of research is sociological; consumer culture theorists identify the role of consumer culture in explaining the ambivalent discourses that fuel the tension between giving into and resisting financial temptation (Belk, Ger, & Askegaard, 2003; Bernthal, Crockett, & Rose, 2005; Peñaloza & Barnhart, 2011). Collectively, research suggests that educational, psychological, and institutional factors influence how consumers pay off their debts. However, none of these approaches provides an integrative approach to addressing consumer indebtedness or offers integrative remedies to this persistent problem.

The current research is based on qualitative responses to questions about weekly temptations to overspend budgets over a 12-week period. We call these open-ended responses "temptation stories." Our in-depth analyses of these stories led us to adopt socio-cognitive theory as an appropriate theoretical lens. We discovered that participants' stories about resisting temptation varied in their sense of agency over their thoughts and behavior, which in turn influenced long-term success or failure in

☆ The authors would like to thank Jim Frannea, Natalie Lorenz and the staff at Consumer Credit Counseling, Orange County, for their assistance on this project.

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[1] Personal communication with Gail Cunningham, chief spokesperson for the National Foundation for Credit Counseling, on November 1, 2013.

http://dx.doi.org/10.1016/j.jbusres.2017.03.002
0148-2963/© 2017 Published by Elsevier Inc.

the program. We define perceived coping self-efficacy as the perceived capability of managing one's thoughts and behavior while coping in a DMP. In this article, we use the term "self-efficacy" for simplicity.

In socio-cognitive theory, knowledge merely sets the stage for behavioral change; self-efficacy enables individuals to apply what they learn or, in our participants' vocabulary, to "work the program." Research on behavioral change in health promotion settings (Bandura, 2004) suggests that perceived self-efficacy, outcome expectations of the costs and benefits of change, goals, and social and structural facilitators all play roles in determining behavioral change. Meta-analyses of studies focusing on coping with traumatic events, such as military combat, sexual assault, or disaster, consistently suggest that perceived self-efficacy plays a central role in coping as well (Benight & Bandura, 2004). In the DMP setting, participants' stories contain several specific themes associated with self-efficacy while coping with debt: emotion management, goal focus, sense of entitlement, and evoked financial identity.

In contrast with prior research in self-control contexts, which primarily uses lab experiments, we focus on DMP clients' qualitative accounts of their weekly experiences with temptation. We define temptation as DMP participants' desire to spend on products they want but that will result in overspending their budget. Inherent in our definition of temptation is the conflict that DMP participants experience between short- and long-term goals when facing temptation (see Fishbach, Friedman, & Kruglanski, 2003). We chose temptation as a central organizing idea for both data collection and analysis because short-term desires for immediate pleasures can undermine adherence to long-term goals, especially because DMPs require three–five years on a restricted budget for participants to succeed in the program.

We employ grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1990) in our analysis. While consumer accounts of weekly temptations are not necessarily accurate reports of experience, they do contain evidence of what participants remember about weekly temptations and how they believe they are coping with the challenging experience of temptation. In the socio-cognitive perspective, individuals' beliefs in their self-efficacy are largely responsible for coping with challenging life situations. Thus, understanding the role of regularly experienced temptations within the DMP is crucial because prior research suggests that becoming indebted is often the result of a series of small self-control failures (Peñaloza & Barnhart, 2011). We find that despite their status as accounts of events, the retrospective stories have implications for participants' long-term success in the DMP. Thus, understanding these stories should help credit counseling organizations design interventions that are relevant to the experience of DMP participants.

1.1. The experience of temptation

Marketing and other fields often portray overconsumption as having moral dimensions, such as the greed involved in "affluenza," the purchase of "unnecessary" products, or the unsustainable creation of garbage (Håkansson, 2014). In the DMP context, we define overconsumption as spending that causes negative practical consequences for consumers, such as harassment by creditors, difficulty paying bills, and reduction of credit scores. Credit counseling organizations acknowledge that unplanned life events, such as medical problems and unemployment, often contribute to credit card debt but view "overspending and under-saving as 'two sides of a coin'" (NFCC, 2013). While exogenous economic events can cause a large segment of a population to descend into debt (Karanika & Hogg, 2016), DMPs largely serve consumers whose debt problems are caused by multiple factors, including living beyond their means.

Many consumers who overuse unsecured credit report that they eventually learn from their mistakes and become better financial managers (Bernthal et al., 2005). But how do consumers who have lived beyond their means adjust their spending so that they can live within new, tighter budgets? What are their accounts of the temptations they experience as they attempt to move along a trajectory from being in a "punished position" to a consumer in good standing (Peñaloza & Barnhart, 2011)? Unquestionably, having serious debt is a daily life challenge. No matter the cause of debt, consumers must live on a restricted budget if they are to pay off their debts and restore their credit scores.

Even average consumers considering day-to-day purchases report experiencing the dialectal pull between being in and being out of control (Thompson, Locander, & Pollio, 1990). Because almost all consumers at least occasionally experience the desire to make unplanned purchases, traditional accounts of impulsive consumer behavior tend to focus on time-inconsistent goals during single instances of indulgence (Hoch & Loewenstein, 1991; Metcalfe & Mischel, 1999). Some marketing scholars conceptualize impulsiveness as a trait and a dynamic process driven by chronic hedonic goals. These scholars define impulsivity as increased sensitivity to cues linked to pleasurable experiences, as well as ongoing vigilance directed at identifying stimuli linked to hedonic rewards (Ramanathan & Williams, 2007). Particularly important to our context is the finding that resisting impulses and temptations in the short run can increase desire for hedonic rewards in the long run (Kavanagh, Andrade, & May, 2005). The need for self-efficacy to reduce the desire to give into temptation may increase over time as participants resist making out-of-budget purchases.

For DMP participants, coping with debt successfully requires long-term resistance to temptations to overspend. Whatever identities indebted consumers may have previously constructed with consumer goods, whatever justification they may have learned about deserving to buy and own hedonic products, and whatever consumption they formerly believed was required to participate fully in their social networks, some or all of these identities, justifications, beliefs, and behaviors must change to successfully repay their debt. In other words, learning to live within their means after overconsumption requires change.

1.2. Becoming a changed consumer

Behavioral change is difficult. Scholars, the popular press, and non-profit institutions devoted to improving financial decision-making largely focus on information and education as solutions to financial decision-making challenges. In a related vein, self-regulation researchers focus on setting goals and then monitoring progress and exerting willpower to reach them. A final perspective relies on the socio-cognitive model of behavior change, applied often to health promotion contexts. The general idea is that while knowledge and personal goals are a necessary precondition for change, psychological and systemic processes affect the ability of most individuals to change their behavior. We address each of these perspectives next.

First, in the credit counseling industry, agencies aim to create financial well-being, with a focus on education and information-based resources rather than emotional support. Counselors teach clients about personal finances, negotiate with creditors to work out payment schedules that meet the needs of their client, and then continue to work with clients if and when problems arise as they are paying back their debt. While counselors may or may not be empathetic as they perform their duties, their focus is on providing information and developing and negotiating a mutually agreeable plan for the client to pay off debt. In turn, they expect their clients to execute the plan to pay off their debt with little to no support from the agency.

Second, some similarities exist between self-regulation theory and the information and education approach. Scholars of self-regulation theory suggest that consumers require three components to withstand temptation: standards, self-monitoring, and willpower or strength. Standards are "goals, ideals, norms and other guidelines" (Baumeister, 2002, p. 671). The knowledge that DMP clients gain from a required seminar and from their meeting with a counselor includes budgeting and tracking expenses, which provide participants with goal-setting and self-monitoring tools, two of the three components self-regulatory