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Marketing dispossession: A strategy for financial services that considers customers' mental health

Paul Sergius Koku, Hannah Emma Acquaye,

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Marketing dispossession

A strategy for financial services that considers customers' mental health

Paul Sergius Koku
Department of Marketing, College of Business, Florida Atlantic University, Boca Raton, Florida, USA, and
Hannah Emma Acquaye
Department of Counseling Education, University of Central Florida, Orlando, Florida, USA

Abstract

Purpose – The purpose of this paper is to examine the mental state and the disposition of those who have fallen on hard times during the recent financial crisis and have had their homes foreclosed on or their automobiles repossessed. It also proposes an alternative process for dispossessing individuals that preserves the mental health of such individuals and the banks' reputation.
Design/methodology/approach – This study uses the hermeneutics approach to analyze the predicament of those whose homes have been foreclosed on or whose properties have been repossessed by financial institutions to better understand their predicament.
Findings – Those whose homes have been foreclosed on or whose properties have been repossessed by financial institutions are traumatized. They feel victimized, bitter, helpless and hopeless and have poor mental state. The study draws on theories in counseling psychology to propose an alternative approach to making loans that take long time to be repaid (long-term loans), and for repossessing personal properties such as automobiles and for foreclosing on real property (homes).
Research limitations/implications – As a qualitative study based on a small sample, the findings of the study are limited to only those who have been studied. A further study that leads to a generalized result will be useful.
Practical implications – The study develops a practical framework that could be useful to financial institutions in making long-term loans and to foreclose on delinquent loans (i.e. to dispossess individuals).
Social implications – The proposed strategy, if implemented, could have a significant positive impact on the mental well-being of those who have fallen on financial hard times.
Originality/value – To the best of the knowledge, this is the first marketing paper that has explored the mental health of those who have defaulted on loans, and has proposed an alternative approach to making long-term loans that not only preserves the mental health of banks' customers, but also protects the reputation and market share of banks.

Keywords Financial crisis, Mental health, Financial institutions

Paper type Research paper

Introduction

Besides the several lessons learned from the recent financial crisis (Taylor, 2010; Cochrane, 2009; Kirkpatrick, 2009), several questions have been raised about the conduct of financial institutions, particularly, about banks and savings and loan institutions (Stucke, 2010). While some people wondered whether these institutions, in the first place, started the financial crisis in pursuit of record profits by rushing to make large loans without properly ascertaining customers' ability to pay (Ivashina and Scharfstein, 2010), others question the role of current laws and the responsibility of financial institutions to the mental health and well-being of their customers who became bankrupt under the burden of loans carelessly made (Jacoby, 2002).

Answers to the concerns/question expressed above have been partially provided by the courts through ensuing litigations (Eavis and Corkery, 2014). However, we argue that the recent financial crisis also offered marketers, particularly those in financial institutions, an

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opportunity to learn more from their customers, not only to prevent a repeat of current mistakes, but also to improve how they deal with customers who encounter unexpected financial difficulties in meeting their obligations. Thus, the objective of this paper is to propose a marketing strategy that financial institutions can use to address the customer's mental well-being in the event of foreclosures or repossessions. A proactive step by the financial institutions to address these issues is a good strategy that will not only save them money, but will also in a tangible way show their concern for the customer as a person. It may also preempt future restrictive legislations on the scope of financial institutions that are being called for by consumer advocates (Bar-Gill and Warren, 2008). The strategy we propose draws on the literature in marketing (Adams, 1964; Beverland and Luxton, 2005; De Bruyn and Lilien, 2008; Duncan and Moriarty, 1998; Grewal *et al.*, 2004; Haldar and Rao, 1998; Lancaster and Reynolds, 2005; Palmatier *et al.*, 2006) and counseling (Corey, 2013; Day, 2008; Frankl, 1992; Yalom and Leszcz, 2005), and from the insights gained from several hours of conversation with individuals who had fallen on financial hard times during the recent financial crisis.

This study is relevant to financial institution because it provides them not only with a framework, but also the basis on which much needed changes in the ways in which they conduct business, particularly with regard to long-term loans could be made. As indicated above these changes may also be needed to calm the calls for more radical changes that are being made by consumer advocates (Dymski, 2007; Peterson, 2003). Significant changes in the ways in which financial institutions market loans to consumers are long overdue. The focus of this study therefore is not on what should be done to heal consumers who are mentally damaged after they have been dispossessed, but how loans must be marketed to mitigate the likelihood of "damaging" consumers when they are dispossessed.

The concept of "dispossession" is not entirely new in marketing. It has been variously referred to in the consumer behavior literature as "disposition," "disposal," and "divestment" (Roster, 2014), or "downshifting" (Cherrier, 2009; Cherrier and Murray, 2007), and defined as "the psychological and emotional process in which owners/consumers relinquish self-ties to possessions" (Roster, 2014, p. 323). The essential element of dispossession as used in the consumer behavior literature however is "voluntariness" (Roster, 2014; Belk, 1988; Lastovicka and Fernandez, 2005), hence the expression "voluntary disposition" (Roster, 2014). Dispossession is used to describe both the process and practice in which consumers voluntarily decide to give up ownership of a possession to simplify their lives, "declutter," "downshift," "to wipe the slate clean," or to construct a new self (Roster, 2014).

However, to the best of our knowledge, no one has yet used dispossession in the marketing literature to refer to a forcible repossession of a consumer's property by a financial institution under a color of a court order or studied the effect of "forced repossession" on consumers. It is this gap that this study seeks to address. Dispossession in this study refers to a situation in which a financial institution repossesses a car or a house from the purchaser against his/her wishes. Thus, by "marketing dispossession," we mean how marketing communication could be used to lessen the psychological trauma that a consumer (borrower) experiences when s/he loses a possession such as a home or a car to a financial institution. Dispossession as used in this study is consistent with the legal use of the word, but different from its use in previous consumer behavior research in that an owner/consumer has not voluntarily relinquished ownership, but instead, the possession is taken away against the consumer's wishes.

Repossessing an automobile or foreclosing on a house whereby a financial institution dispossesses the "owner" is possible because there is a difference between a legal "owner" and the "person in possession." Previous studies on consumer purchase of durableson consumer purchase of durables (Adams, 1964; Grewal *et al.*, 2004; Haldar and Rao, 1998) have made no distinction between product "possession" and product "ownership," hence they treated the two as though they are the same. The failure to distinguish between the two however is a fundamental mistake because it has made marketers see no need for developing different approaches to selling products that are owned outright through purchase vs those that are owned over time through a long-term financing (i.e. they take a long time to be owned even though they may be in the possession of the purchaser). How is possession different from ownership?

Possession in legal terms is defined among other things as "having control over a thing with the intent to have and to exercise such control" (*Black's Law Dictionary*, 1991). The law makes a distinction between different kinds of possession such as "actual possession" and "constructive possession," but these distinctions are not needed for our purpose. By the definition, it is possible to have an automobile in one's possession and use it on daily basis without owning it, or without having an ownership of it. For example, through renting or leasing, one can have a use of an automobile or a house without owning it. What then is ownership?

Ownership is legally defined as the "collection of rights to use and enjoy a property" this includes the right to transmit it to others. It is also defined as "the complete dominion, title, or proprietary right in a thing or claim" (*Black's Law Dictionary*, 1991). The possession of these rights grants the power to dispose or convey that which a person owns. Therefore, whereas one can sell the automobile or a house that s/he owns; one cannot sell a leased car or a rented house.

It is clear from these definitions that one can be in possession of a property or a product and use it for one's enjoyment, even for an extended period, without owning it (or having ownership). This difference becomes important when it comes to items that consumers acquire through financing over extended periods. Personal properties such as automobiles and expensive consumer durables such as electrical appliances fall into this category. Real property such as houses, condominiums, townhouses, and land are also good examples.

The purchase of durables and real property

Because real property and some personal properties are expensive, acquiring their ownership, for most consumers, takes time. It requires financing the purchase over an extended period of time. Ownership acquisition of homes in the USA, for example, takes place over 10, 15, 20, or 30 years for most people (Parkhurst, 2013). In the case of automobiles, the ownership acquisition period, for most people in the USA, is between 24 and 60 months (Montoya, 2015). This means that most people can acquire possession of a dwelling and live in it without necessarily owning it (note that this is different from renting). Similarly, most people can acquire possession of an automobile with the intent to own it (which is separate and different from leasing) and use it for an extended period without actually owning it. The purchaser receives a title or "certificate of ownership" to an automobile from the financing institution when the last payment is made. Having the title to an automobile in one's possession is an indication that the possessor also actually owns the automobile. Similarly, in most states, a purchaser receives a deed to real property from a financial institution when the last payment is made. This is also indicative of the fact that the holder also owns the land or house.

Stretching the acquisition of "ownership" over an extended period through financing or mortgage makes it possible for many people to purchase expensive items or real property that they could not otherwise afford. However, the extended financing period, such 60 months for automobiles or 30 years for real property is risky; it allows several different things including the purchaser's financial position to change. For example, the economic conditions can change and result in the purchaser's loss of employment, or the purchaser's health could dramatically change and negatively affect his ability to earn income. These sudden or unexpected changes in the purchaser's ability to make financial ends meet caused many "homeowners" or others who have financed purchases through long-term loans with banks to fail to meet their payment obligations. These failures led to the loss of their homes in foreclosures during the recent financial crisis.

Previous studies

Even though the risk in financing consumers' purchases over an extended period (default risk) is obvious and well known (Gross and Souleles, 2002; Lawrence, 1995; Thomas *et al.*, 2005), with the exception of using credit score (which does not protect against future change in circumstances) and insurance against loss of income, financial institutions have not done much to protect themselves or borrowers against default or in formulating strategies to address loan default and their associated problems that the borrowers go through.

Marketing practitioners communicate with consumers using a variety of communication approaches such as IMC (Beverland and Luxton, 2005) and relationship marketing (Duncan and Moriarty, 1998; Palmatier *et al.*, 2006) which emphasize, listening to the customer before, during and after purchase. These communication models are undergirded by marketers' understanding of consumers' sequential product adoption models (De Bruyn and Lilien, 2008; Lancaster and Reynolds, 2005). However, the recent economic crisis has revealed a big deficiency in the marketing communication model, particularly in the case of financial services.

The few studies that have examined the behavior of consumers in regard to purchase of durables seemed to have focused on the economic riskiness, that is the likelihood that a consumer will default (Chatterjee and Gordon, 2012; Chatterjee *et al.*, 2007; Lawrence, 1995), as opposed to behavior issues or the possible "backlash effect" when a consumer defaults and dispossession has to occur.

Friedman's (1957) hypothesis on consumers' permanent income served as a basis for most of the early studies on the relationship between consumers' purchase of durable and nondurable goods. The permanent income hypothesis (PIH) posits that consumers' purchases at any one point in time is not determined by their current income alone, but also by the income that they expect in future periods. This theory seemed consistent with consumers' behavior in acquiring durables (which are purchased through financing over time), and the rational expectations hypothesis. It has also been shown to be theoretically and empirically sound by subsequent studies (Hall, 1978; Sargent, 1978). However, the validity of the results of those studies has been questioned (Favin, 1981).

Mankiw (1983) in study on consumer demand for durables examined the link between real interest rate and aggregate demand for consumer durables over a period of 31 years; from 1950 to 1981. The author got around the problem of solving for the decision rule that relates income and interest rates to consumer demand, and recovers the structural parameters of a representative utility functions by examining the first-order conditions necessary for the maximization of utilities by a representative consumer. The results of the study suggest that consumer expenditure on durables is four times more sensitive to changes in the interest rate than the expenditure on consumer nondurables. More specifically, consumer expenditure on durables reduces by 3.4 percent for every 1 percentage point increase in real interest rate, while consumers' expenditure on nondurables decreases only by 0.5 percent.

Also, arguing that previous studies (Bernanke, 1984; Mankiw, 1982) that tested the validity of the PIH were flawed for having focused solely on consumer durables or nondurables, but not both, Bernanke (1985) examined consumer purchase of durables and nondurables as an outcome of a single optimization problem which models the consumer's decision-making problem under uncertainty. This model assumed constant interest rates and relative durable prices, and was tested on aggregate time series quarterly data.

The data contained information such as consumers' disposable income, consumption expenditures on nondurables goods, services and on durable goods from first quarter 1947 to second quarter 1980. Even though the author used a more efficient econometric model that is less prone to biases, the results did not support for the PIH.

In a study on the supply and demand for single-family homes, Harter-Dreiman (2004) examined the relationship between the average price and household income using a two-equation vector error correction model. The model allowed the researcher to co-integrate the prices of single-family homes and the amount of personal income using panel data from 76 Standard Metropolitan Statistical Areas (SMAs); from 1980 to 1998. The results showed that whereas the supply function is elastic in the long run, it attains a long-run equilibrium at a slower pace. As such, demand shock impacts housing prices several years after the shock. The results also found no statistically significant difference among subgroups of the SMAs.

These studies are useful in explaining the relationship between consumer income and durable purchases however they also show the dearth of studies in marketing on consumer income and decision to purchase durables. Furthermore, these studies do not address the psychological effects of change in income and purchase decisions. More specifically, they did not address the effect of loss of possession resulting from consumers' income change, the subject this study addresses. Because the consumer is a psychological as well as an economic being, a study that relates the economic and the psychological aspects of consumption decisions and their aftermath could be particularly useful to financial institutions when they have to deal with consumers during repossession.

Data and methodology

To understand how consumers feel when "forcibly dispossessed" as opposed to "voluntarily dispossessed," one of the authors of this study who also works as an attorney on pro bono basis, interviewed 22 individuals. Different from previous studies on voluntary disposition in which informants were solicited (Roster, 2014; Cherrier, 2009; Cherrier and Murray, 2007; Roster, 2001), the informants in this study had not been solicited. The informants on their own approached the lead author's law firm for legal advice and/or representation because they either faced foreclosure or because their automobile was repossessed by a financial institution (i.e. being dispossessed).

Even though the lead author does not engage in any form of advertising for clients, he is listed in the local and state bar directories with a contact address, location, and areas of practice. Because he practices on pro bono basis, he limits his client intake, and takes only people who based on their income and financial situation could not afford an attorney and may not otherwise have a legal representation. Thus, it could be said that the informants in this study have been accessed through purposive sampling technique. All the individuals who contacted the law firm were told of the study, and asked if they wanted to participate. It was made clear at the outset that whether or not an individual participates in the study would not affect the decision to represent or not represent that individual. The decision to represent was based on the attorney's professional judgment and on the legal merit of the client's case. The advantage in participating in the study though is that the predicament of the dispossessed could be better understood, the public would be informed on the plight of persons dispossessed, and with better understanding, public pressure could be brought to bear on the financial institutions to change their practices, or laws could be passed to curtail some of their practices. All but two individuals who contacted the law firm and were told of the study agreed to participate.

Notes were taken during "intake" conversations with the informants. These initial conversations lasted for an hour with each client. Open-ended and semi-structured questions were used. The redacted notes are summarized in Table I.

Informant (pseudonym)	Case	Excerpts from interview
Aaron (CM, 52)	Home foreclosure	Losing my job was like a bad dream that I thought I would wake up from any day. Losing my home is like a sucker punch in my gut. I have had this home for 15 years. They (the bank) don't care; they are very callous
Jim (CM, 55)	Home foreclosure	The bills kept mounting without a job. I knew I would lose my house if I did not get a job sooner, but I never thought the time would really come. The bank gives you all the "come ons" to refinance and refuse to work with you when you are experiencing hardship
Kim (CF, 51)	Home foreclosure	Without a job and a husband. There was nowhere to turn. I got this house from my mother and refinanced it because the rates were so good and it was so easy. Now, I realize it was the biggest mistake that I ever made. My mother would be rolling in her grave; quite frankly, that is driving me crazy
Jay (CM, 56)	Home foreclosure	I have worked with the same company since I left college. I made good money and good living. Then the divorce which was messy and she got the house. I bought this condo to start over, but then my job was outsourced. I could not find anything else no matter how hard I tried. It is like a nightmare
David (CM, 60)	Home foreclosure	I never knew I would be going through this at the stage of my life. I have worked since high school but now penniless and no job and very soon no home. Tell me what I am still living for?
Susan (AAF, 49)	Home foreclosure	No matter how hard I searched, I just can't find another job. I "maxed out" the credit card just trying to keep the condo going. I suppose we are at the end of the road, but I can't let it go without a fight. They knew I always paid my mortgage when I had a job. How can they just take it away from me? What about all the money I put in?
Christie (CF, 50)	Home foreclosure	I will be homeless if they kick me out. I cannot survive in a *shelter*. I know I am behind in payments, but how do I pay them when I do not have a job? Can't they do something? Can't they wait until I find another job? They know I will pay. I am constantly throwing up and panic-stricken knowing that I will be homeless any day
Matt (CM, 60)	Home foreclosure	The company downsized and we the older folks were let go. I have borrowed from 401K to keep things going for a while. I have asked myself 100 times over why I refinanced? Actually, it was suggested by my personal banker since rates were so low. Now he acts as if he does not know me when I go to the bank to ask to talk to the manager
DJ (AAM, 60)	Home foreclosure	I have been working since 8. We used to up and down the east coast of Florida and Georgia picking all kinds of seasonal melons. I drove trucks for 25 years, but with my poor health that is no longer possible. How can I be homeless at 60?
Jaime (HM, 53)	Home foreclosure	I was working two jobs and had two mortgages on the same house. Now, I have only one job that pays less than $24,000.00 per year without health insurance, but I still have the two mortgages. I fell behind in making payments. The bills just got out of hand. Now they want the house
Ken (AAM, 55)	Home foreclosure	I have lived in the same house for over 20 years. I bought it 5 years after college. I have remodeled several times and refinanced several times. I even rejected transfers simply to stay in the house. I fought to keep it during our divorce. It is the only thing I can call my own, then I lost my job. I will lose my mind if this house is taken from me
Angela (HF, 35)	Auto repossession	I have always wanted a Mercedes ever since I was a child and finally bought one two years ago with a five-year loan from the bank. I was so happy; then I lost my job. I cannot keep up with the payments. I have three more years to pay on it. How can they take the car away from me? What about all the payments I have made?

(*continued*)

Table I.
Excerpts from cases: narratives of informants

Informant (pseudonym)	Case	Excerpts from interview
Rose (AAF, 62)	Home foreclosure	I got this house as part of my divorce settlement because I needed a safe place to raise the children. Now they are all grown, but I made a mistake and refinanced with ARM. The mortgage was initially low, but it quickly sky-rocketed. I do not have a job anymore and because of my poor health no one will employ me. Instead of looking forward to retirement, I am looking to be homeless. I am a disappointment to the children and to everyone
Larry (CM, 55)	Home foreclosure	I am embarrassed to be in this situation, but I took the bait. They approached me to refinance. I should have said "no – to hell with you", but I took it. We used the money to travel and bought new cars then I lost my job. My wife of 25 years has been a home maker. Now she is forced to work part-time as cashier. I feel less of a man. How can I put her through this?
Ben (AAM, 60)	Home foreclosure	I got what I thought was a decent severance package. I used have paid down the mortgage, instead I invested in some high yielding fund in the Caribbean. It was a scam. I lost everything and now I will lose my house too
Jake (CM, 60)	Home foreclosure	I refinanced three times chasing lower rates and used the money to see boys through college. Instead of helping me, they don't even visit. I was laid off for lower paid younger person freshly out of college. No one is willing to employ me now. I spend all my days in the public library looking through newspapers for jobs. I must have sent out 1,000 applications by now
Peter (CM, 40)	Auto repossession	I bought the car (BMW X5) with a 5-year bank loan, barely one year when I lost my job. I could not sell it because I did not have the title. I wanted a friend to take it off my hand at the bank. He agreed, but later got cold feet. I was six months behind in payments. I woke up this morning and the car was gone! I found out later that it has been repossessed. Getting around now to look for a new job is impossible as public transportation is very bad in Florida. What can I do? Will this ever end?
Justine (CM, 51)	Home foreclosure	We bought a house and a condo on the beach around the same time. We used the beach condo as a weekly rental. We got a steady stream of renters initially, but not enough to pay the mortgage, so we subsidized. But the kids went to private schools, so we fell behind on payments for the condo. With association fees etc, one thing led to another, and we are now in foreclosure. We want to keep the condo; at least until prices pick up because we have invested a lot of money in it

Notes: CM, Caucasian male (8); CF, Caucasian female (2); AAM, African-American male (3); AAF, African-American female (2); Hispanic male, Hispanic male (1); Hispanic female, Hispanic female (1)

Table I.

Data from the study were analyzed in two steps. First, more in-depth conversations were had with three individuals who were chosen at random from the 20 individuals who agreed to participate in the study. Notes of conversation with these individuals (reported below as The Human Stories) were analyzed following Thompson's (1997) model. We used the hermeneutical framework to analyze the lived experiences for insight. This is consistent with calls for marketers to listen to the voices of consumers. As a trained consumer and personal attorney, the lead researcher, has listened to countless stories of consumer grievances against financial institutions. To represent his clients effectively, he has had to immerse himself in their experiences and conditions to be able not only to understand them but to effectively tell their stories.

Second, notes from the remaining 17 informants (see Table I) were content analyzed for insight (Krippendorff, 2004).

The Human Stories

All the individuals had experienced a major change in financial circumstances, which made it impossible for them to meet their financial obligations to the financial institution that they borrowed from. Jonathan is a 42-year-old Caucasian male. He is married to Marcia, a stay home mom, with four children – David, a seven-year old, followed by three girls Sheena (five), Robin (four), and Elizabeth (three). Jonathan is very eloquent and intelligent, but never finished college. He parlayed his excellent knowledge of computers and the workings of the stock market into earning a livelihood. He left college after two years to devote all his efforts to trading in stocks – he became a "day trader."

Even though making a living as a "day trader" is "precarious," Jonathan was good at day trading and made a good living. He confided in me that for three years in a row, 2001, 2002, and 2003, he made no less $500,000 in profit each year (i.e. $500,000 in annual income for three years).

With his high earnings, Jonathan lived the American dream. He bought two luxury SUVs. Looking for good neighborhood with good schools to raise his children, he bought a five-bedroom house with a swimming pool in an upper-middle class private community for $1,500,000. Like most people, Jonathan did not see the end coming, so he financed his house with a 30-year mortgage. However, things started going downhill in 2005. In 2007 Jonathan made only $20,000.00. He reported making less that in 2008. Even though he managed to pay off loans on the SUVs, he could not make his mortgage payments and fell two years behind. In 2010 the bank served him with an eviction notice and was in the process to foreclose on the house.

Jonathan left most of his belongings behind in the house, because he could not afford to rent a storage space, and moved into a single bedroom apartment with his family. He became very depressed. Even though he continued day trading, he was not doing any better. He felt betrayed by the bank. He came to consult me to see if there was a way to stop the bank from going through with the foreclosure. He said he moved out quietly because he did not want a scene in the presence of his children if the sheriff were to come to force him out. In his words:

> I was their (the bank's) darling when things were going well for me. I always paid my mortgage on time when I was making money. I even invested heavily in doing several other modifications to the house. They (the bank) even offered me unsolicited Gold credit cards with a huge line of credit and overdraft. Now they are all gone, and they [sic] are taking the house away from me. I will never trust them again.

Jonathan felt he had let down his family and the most devastating thing for him was the fact that even David his seven-year-old son and buddy knew that he was financially hurting as he had to make excuses for not being able to buy the things that David needed for school. The girls complained about their cramped apartment and Marcia, who held a master's degree in speech therapy, decided to look for a job and help. She applied to be a school teacher but was turned down because she did not have a teaching certificate. She was taken as a substitute teacher, instead, and called in to teach when needed. Jonathan kept the children when Marcia was called to teach:

> They knew what I did for living and knew the risks involved. All they have to do now is to work with me until the economy improves. I will make money again. Perhaps, I should have listened to my parents and bought a smaller house with cash. You know, my parents who are both deceased now lived through the depression and bought everything cash. They did not even have a bank account. But who lives like that these days? May be I should learn to live like them.

Joey, the second client, is a 50-year-old man who worked as an international salesman for a medical equipment company. He said he was good at his job and made a six figure annual income. He had been with this company for 15 years. He was divorced six years earlier and still paid child support for his daughter, Emily who was 12. Without any warning, Joey's company downsized and laid him off in August 2009. He said December 25, 2009 was the worst Christmas he has ever had in his adult life. Although he had a college degree in business administration, he could not find work. He had sent out over 300 applications and did not get a single interview. He could not keep up with his auto payments and ignored the late payment notices. There was nothing he could do. He noticed in the morning of May 5, 2010 that his red 2007 Mercedes convertible had disappeared from the parking lot of the apartment he lived in. A neighbor saw the car being towed away. Joey immediately reported the missing car to the local police, but upon inquiries, it was discovered that the car was repossessed by the bank.

He came to me to see if he had any recourse. Joey seemed to have a real affection for his red Mercedes. He showed me several pictures that he had taken with the car. He even had a personalized license plate. Though he still owed the bank about $60,000 on the car he felt he owned it and was very bitter about the repossession. Joey's predicament (similar to that of Angela and Peter in Table I) also illustrates the difference between being in possession and ownership. Even though he was in possession of the car, he was not its owner. Because he still owed the bank money on the car, the legal ownership of the car belonged to the bank:

> "They took away my car that I have worked so hard for without giving me much chance. I tell you, I would have shot at them had I seen them taking it away. It was about the only thing of value that I had left, and the only thing I could show for all my years of hard work." He confided. "What about all the payments I have made before I fell behind?" He rhetorically asked.

I gently pointed it out to Joey that the bank was within its right to repossess the car, he did not feel any better and it did not appear that the information changed his mind. The payments he made were payments for the use of the car, I explained, and unless he had a job and wanted to renegotiate payment, it might be better to let it go, I explained.

Doreen, our third in-depth interviewee, is a 40-year old African-American female. She is a single mom with an eight-year-old daughter, Amanda. Doreen held a master's degree in counseling and had worked as a counselor for ten years at a State University. She earned both her bachelor's and master's degrees at the same university. In fact, she earned her master's degree on part-time basis while working at the university. A change in leadership and complaints about the way she relayed to students led to her termination. She had been unemployed for three years when she came to consult me, and was 18 months behind in the payment of her mortgage. Her condo was being foreclosed on. She moved out of the condo to live with parents, who were in their 80s, when she received the eviction notice.

Like others in her predicament, Doreen sent out dozens of applications, but got no interviews. She said that she had even attempted to get a job as a cashier at the local department store without any success. At the time we met, Doreen was also behind on payment of debts she had accumulated on her three credit cards. Those cards had been "frozen" by the issuing financial institutions. She felt debt collectors were harassing her in attempts to collect debts she owed on the credit cards. Doreen seemed despondent and felt the world was collapsing on her. Her appearance showed that she had clearly seen better days. The nail polish on her finger was peeling off and her hair was almost unkempt:

> I made all my payments on time until I lost my job. Even then, I tried to make my mortgage payments on my credit card because I needed a place for my daughter and myself. Now they want to take it all from me. What about all the money I had poured into it? God willing, when I get through this ordeal, I will never deal with these banks again. They have refused to work with me or show any understanding of my predicament. How can I make payments when I do not have a job? Attorney XX (addressing me), I resisted going for food stamps, because I am too proud for that, but now I have no choice. You know, I started working since high school, and have always held a job. Now, I am reduced to a beggar. I have to take food stamps to feed my girl. The bank wants money from me, but refused to hire me, even as a teller. With that she started sobbing.

Doreen was probably right that she had "poured" a lot of money in the condo, but she failed to see that what the bank was simply doing was "business as usual." Banks too are in business to make money and they make money primarily through the interests that they collect on loans. Without people making their loan payments, the banks themselves could not be in business for too long. Furthermore, it was difficult for the bank to rework a payment with a client who did not even have a job.

How consumers feel when dispossessed

All the three dispossessed individuals reflected certain common traits and a narrative movement (Stern, 1995), even though their circumstances were slightly different. All three individuals showed powerless, hopelessness, lack of self-worth, anger, bitterness, and felt being victimized. Their feelings could be understood within context of a culture that places emphasis on consumerism and therefore on one's ability to make purchases. With no earning power, and being dispossessed, they felt marginalized. The feelings that the three exhibited followed a pattern – having a possession (having attained something worthy of respect in the society in which they lived) – losing possession (therefore losing respect and self-worth) – feeling victimized (by circumstances), blaming the other – (the bank), and now wanting to fight back – (consulting an attorney).

Moreover, it is worth noting that all the three individuals also vowed not to "do business" with the same financial institutions again, if ever their circumstances should change. It is also possible that the children of these individuals will grow up "hating" these financial institutions and will therefore not do business with them. This kind of "transferred hatred" for financial institutions has been shown to exist amongst children whose parents lost their possessions during the depression.

The rest of the story

The remaining 17 informants ranged in age from 35 to 60 years. Except for two automobile repossessions, all the cases were home foreclosures. The ethnicity of the informants was diverse but overwhelmingly Caucasian. There were eight Caucasian males, two Caucasian females, three African-American males, two African-American females, one Hispanic male, and one Hispanic female.

The lead author trained two other graduate students to content analyze the notes that have been taken from the seventeen remaining informants for common themes. Content analysis consists of a wide range of analytical techniques used to obtain useful information from textual data (Krippendorff, 2004). The particular approach used in a study depends on the researcher's objectives, the study itself and the theoretical and substantive interests (Hsieh and Shannon, 2005). The primary assumption in this study, as in many others that use content analysis, is that the words or phrases used most often by the informants reflect their concerns or hold a special meaning to them (Weber, 1990).

The noteworthy themes that emerged from the content analysis were lost job, nightmare, anger, bitterness, change, blaming the other party (in this case the banks), helplessness, and poor health. There was agreement between the coders on over 98 percent of the themes. Almost, all the informants mentioned being in a dream-like state. This could be the result of being traumatized by the experience and the denial of reality. Also, all the informants except one experienced a significant change in their lives – loss of a job, and in a few cases loss of a partner (divorced). All the informants professed being good at making their payments until they lost their job, and with an exception, all the informants seemed to blame the financial institutions for facilitating their current demise.

The findings from the detailed interviews and the content analyses raised several questions. Are the financial institutions involved hurting their future market by their current actions? One striking commonality amongst the informants except one is the fact that they are all single income earners. Even though their income might be decent, the fact that they relied solely on a single income is indicative of an elevated risk of possible default. What about if the income earner loses the source of income as all except one did? What if the income earner fell ill? Furthermore, is there no better way for the banks to handle these dispossessions?

We draw on the literature in counseling to answer the question regarding an alternative method.

Concept of self/view of human nature from existentialists

Psychoanalysts view humans as encompassing various parts that can be corralled and "fixed" (Day, 2008). However, unlike psychoanalysts, existentialists do not use a structural stance to view humans. Existentialists ascribe to the phenomenological supposition that people's problems are a reflection of their response to existence as they experience it. Thus, two individuals may react differently to the same event, under the same conditions and in the same location. They believe in the respect of human beings, and focus on discovering new aspects of human behavior, and different ways of understanding people (Corey, 2013). The existentialists operate with a two-pronged approach – discovering the limits and tragic dimensions of human existence on one side, and the possibilities and opportunities of human life on the other side (Corey, 2013).

The existential therapist tries to live in the client's private worldview in the time they are together. The existential therapists provide a deeper level of empathy that would otherwise be hard to achieve. Existentialists noted after the Second World War that the war had affected the lives of Europeans beyond the physical destruction. Psychologically, people were struggling with feelings of meaninglessness, isolation, and alienation. These feelings are similar to those experienced by individuals whose properties have been repossessed by financial institutions. Thus, early existentialists focused on individual feelings of aloneness and anxiety (Corey, 2013).

According to existentialist thought, there are four dimensions in which people "exist" in this world: intrapersonal, the environment, interpersonal, and the spiritual (Day, 2008). Within these dimensions are the four basic problems that all humans confront – meaninglessness, freedom, isolation, and death (Corey, 2013; Day, 2008; Yalom and Leszcz, 2005). Frankl (1992) believes that at the core of humanness is the search for meaning and purpose, and that people can discover life's meaning through suffering (Corey, 2013; Frankl, 1992).

Day (2008) sees human freedom as a pull between "wishing" and "willing." She describes "wishing" as "a pull toward life's purpose, and 'willing' as a movement from 'wish' to 'action' " (Day, 2008, p. 238). "Isolation" is generally seen in times of crisis when humans believe they are alone in whatever crises they face. The problem of "death" produces the reality of the finite nature of humanity. In people's fear of death, they may become risk-averse, and thus put limits on their ability to grow and lead fulfilling lives (Corey, 2013; Day, 2008).

The theory of helplessness and failure also offers a lens through which consumers who have fallen on hard financial times could be viewed. It posits that when people experience a traumatic life event that leads them to believe the future is out of their control no matter what they do, it affects their motivation, emotion, and learning (Peterson *et al.*, 1993). Generally, when people go through unpleasant or traumatic experiences, they experience negative emotions like anger and anxiety. These emotions give way to depression when one feels that events are beyond one's control. Even though anger and depression are treated with cognitive behavioral therapy (Beck *et al.*, 1979), existential therapy in recent studies has been found to be equally effective (Kissane *et al.*, 2003; Lantz, 2001).

A better way

Dispossession, like any crisis, can cause poor mental health, depression, and attempted or completed suicide (Pereira, 2015). While none of the individuals in this study has threatened suicide, they were depressed, anxious, and clearly unhappy with their predicament. In addition, all the individuals also showed anger, depression, and helplessness, which are consistent with conditions existentialists theorized will occur under such a circumstance. They are also consistent with the results of studies which indicate that unemployment or loss of income can lead to a cycle of psychiatric conditions, major depressive disorders, and alcohol abuse. It has also been well established in studies in counseling that the feelings of loneliness, hopelessness, and social isolation, which all the individuals exhibited, increase the chances of major depression or depressive relapses and suicidal behaviors (Chang *et al.*, 2009; Pompili *et al.*, 2014; Pereira, 2015).

To prevent these unwanted conditions in people whose properties are repossessed, we propose that financial institutions work together with counselors in two ways. First, they could work with counselors during the loan application/approval process. Here counselors can draw on the theory of existentialism to prepare loan applicants for the worst-case scenario; i.e. when the bank may have to repossess. An argument could be made that these pre-loan counseling would discourage consumers from seeking loan, however, we hasten to add that many couples still get married after having signed prenuptial marriages. A consumer who truly wants a long-term loan will not be discouraged from applying for it because of a pre-loan counseling. In fact, it would appear from the interviews that many of our informants would have been better positioned with prior counseling which prepared them to not blame themselves for losing their jobs and for their inability to make the payments despite their best efforts. It would also teach them not to regard banks as evil for repossessing their property. While a required pre-loan financial and psychological counseling may at first blush appear unusual, further reflection will suggest that it is not inconsistent with mandated pre-marriage counseling that is practiced in several states in the USA. In both cases, the consequences of failure could be traumatic.

Second, financial institutions could provide free counseling to individuals who are being dispossessed; that is, those whose property is being foreclosed on or whose automobile is being repossessed. Counseling will help these individuals to deal with the trauma of having suddenly lost something they have considered their own, or something they feel rather heavily vested in. Counseling will help them deal more effectively with the feeling of hopelessness, extreme anger and even the bitterness that they have toward the financial institution. While an argument could be made that in a free market, providing counseling before dispossession should not be the obligation of financial institutions, it is possible that the monies spent providing these free services may help save a bigger loss. They could prevent the expenditure of huge sums of monies that are currently spent on unnecessary litigations initiated by embittered property owners (home or automobiles) who are being disposed.

The popular press is replete with stories of deviant behaviors such as acts of extreme vandalism committed on beautiful homes by "owners" before they leave, when they are evicted prior to foreclosure. In some cases violence such as gun shots and knife attacks are visited on process servers when they go serve eviction notices prior to foreclosure and on "repo men" when they go to repossess automobiles. Joey's threat to shoot at the "repo man" may not have been unintended. To the extent these acts may be manifestations of extreme, anger, depression or unsound mental state caused by the situation, we contend that they could be mitigated by counseling which should be given as part of the loan granting process.

Managerial implications and future studies

Several lessons can be learned from this study. First, it exposes the deficiency in the current approaches to marketing long-term loans and nudges managers of financial institutions to consider alternative approaches that will properly account for the risks involved. Second, it draws attention to the fact that financial institutions could be possibly hurting themselves and turning away their future potential customers through the means that they currently use to dispossess. Third, the evidence from these interviews, at least, seem to suggest that the financial institutions were too relaxed in granting long-term loans; this has contributed partly to the current demise of the informants. Hence, financial institutions must quickly self-audit and take corrective actions before law makers make them do so.

This study lays the ground work for several future studies in marketing long-term loans and counseling. To the best of our knowledge, no study has to date examined the correlation between efficacy of financial counseling and ethnicity. Furthermore, no study has examined the correlation between the willingness to avail oneself to financial counseling and ethnicity and the likelihood of repeat dispossession after counseling. All these areas can benefit from investigations as we explore ways to reduce the rate and impact of dispossession. It may well be that different approaches might be more effective for different ethnicities.

Future quantitative studies which investigate the factors we have uncovered in this study will be a valuable extension. Furthermore, future interview of employees of financial institutions also involved in the dispossession process to assess their stress/burnout levels as well as their views of the process could be a useful extension.

Conclusion

Even though it is almost assumed away, and never really addressed in daily transactions that involve long-term loans to buy personal or real property, economic and personal risks are important and should not be ignored. The recent economic crisis has shown, amongst other things, that financial institutions do not have strategies for dealing with dispossession; this could work against their interest in the run-long. Handling dispossession is taxing on both employees of the financial institutions that execute them, and on individuals being dispossessed. The individuals go through depression, anger, and feel alienated. Most of them will never do business with the same financial institutions again, even when their circumstances improve. Given the power of negative word-of-mouth advertising, this could lead to a significant loss of market share for the institutions involved.

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Corresponding author
Paul Sergius Koku can be contacted at: koku@fau.edu