

# Attitudes Towards Advertising of Banking Loans Among Russians

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## Abstract

The article presents the results of an empirical study of the features of evaluating advertising of banking products. 99 respondents with a different experience of borrowing behaviour, aged 18 to 66, 37 per cent males, were assessed. The respondents were asked to rate, using the semantic differential methodology, two pictures depicting mortgage advertisements from VTB and Otkritie banks. By comparing the average values of the ratings, we found that advertising for banking products is evaluated more negatively, even if the ideal option is presented. Actual advertising images are rated significantly lower than ideal images – people with real experience of taking loans rate advertising for banking products as more benevolent.

**Keywords:** advertising of banking loans; social advertising; political advertising; semantic differential; experience of taking loans.

JEL Classification: G41, G51

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## The Relevance of the Study and Background

This study is carried out as part of a series of studies devoted to the analysis of the assessment of commercial, political and social advertising by Russian consumers (Gordyakova et al., 2019; Vlasenkova & Gagarina, 2019). According to empirical data, political advertising is rated more negatively than social advertising, but the difference is not significant (Vlasenkova & Gagarina, 2019). Because mortgage rates have changed significantly in Russia recently, we turned to the question of how the respondents evaluate the advertising of banking products. Researchers interest in understanding the relationship between advertising banking products and consumer satisfaction is rather high. The main question for banks is how to make advertising more effective, but at the same time, satisfy consumers of bank services (Mehmood & Ul Sabeeh, 2018; Sulthana, 2018). Another issue is the honesty and reliability of the information presented in the advertisement and method

used to manipulate consumers' choices (Gurun et al., 2016; Fedulova & Vinokurova, 2018; Melnichuk et al., 2019).

Using information about advertisements and mortgages obtained from lenders, G. Gurun et al. (2016) examined whether advertisements help consumers find cheaper mortgages? It was found that lenders who advertise more within the region sell more expensive mortgages. Mortgage advertisements contain very little information about the characteristics of the mortgage conditions and give information only about the initial (lower rate), keeping silent about reset rate – the fact that this rate will then increase (Gurun et al., 2016).

In Russia the situation is different because of the peculiarities of the credit market and national mentality. Fedulova A.V. and Vinokurova A. studied social and communication technologies used in advertisements that are directly related to the provision of credit services by the banks in Russia. Based on the content analysis, two groups of videos were identified – informational and motivational: the former communicate informa-

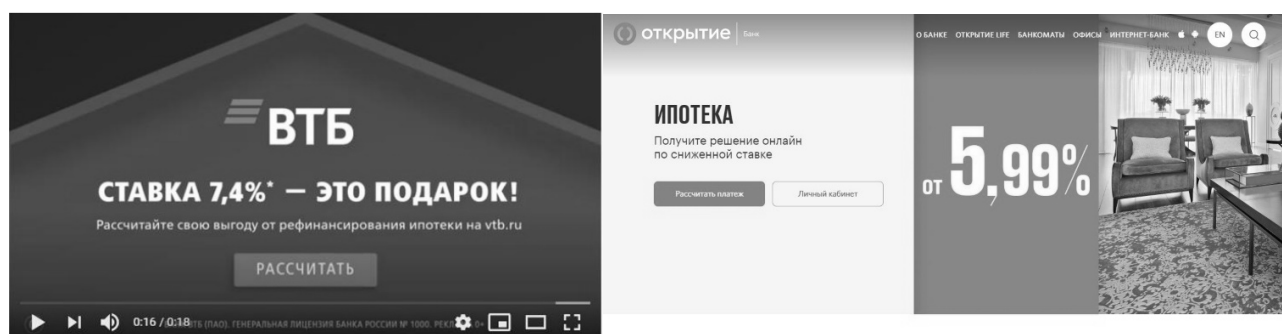


Figure 1. On the left: Bank VTB “Interest rate 7,4 per cent — it is a gift; calculate your benefit from mortgage refinancing”; on the right: Bank Otkritie “Mortgage get a solution online on reduced interest rate from 5,99 per cent”

tion, while the latter motivates using manipulative techniques (Fedulova & Vinokurova, 2018). The manipulation of the behaviour of potential borrowers is based on the exploitation of various symbols, myths, and stereotypes. The authors found that the most convincing stereotypes were the following: the myth of magic suddenly opening up opportunities; “everything is possible to achieve” — this stereotype is more susceptible to women in the age category from 21 to 40 years old (70 per cent of them had credit experience, including 20 per cent it entailed negative consequences); “on a holiday you cannot be left without a gift”; “poverty is a vice”; “the main thing is to want, but there will be opportunities”; “money solves any problem” — this stereotype would overwhelmingly convince women (in the age category from 31 to 40 years old) to apply to the advertised bank; the symbol “heart” had a greater impact on young people (from 21 to 31 years old), and 46 per cent of respondents had credit experience; the symbol “home” was almost equally convincing for both sexes in the age group, mainly from 21 to 30 years old, more than half of the respondents had credit experience, including mortgage lending (Fedulova & Vinokurova, 2018, pp. 300–301).

In M. Melnichuk et al. (2019) the phenomenon of neurolinguistic manipulation has become the object of research. Authors identified criteria for selecting linguistic means to create a manipulative communicative effect in advertising: linguistic, pragmalinguistic, neurolinguistic and neuropsychic criteria. The authors conclude that the combination of the four groups of criteria provides for the selection of language means to realize the advertiser’s manipulative intentions which operationalize the consumer’s mind by starting the neuroprocesses modelling his/her behaviour (Melnichuk et al., 2019).

The aim of our study is to examine the emotional assessment of bank loan advertising and its relationship with real-life borrowing experience.

Hypothesis: the Russians have a negative attitude to the advertising of bank loans; there is a difference between attitude to the advertising of bank loans between respondents with and without borrowing experience.

### Methodology

Respondents: 99 participants aged from 18 to 66 years, mean 58, 37 per cent males. Borrowing experience: 23 per cent no loan, 26 per cent mortgage, 18 per cent different types, 15 per cent consumer credit, 9 per cent loans from friends and relatives, 6 per cent auto, 3 per cent microfinance organizations.

Methods: Along with socio-demographic data, we received respondents’ answers to debt behaviour questionnaire to identify their readiness to borrow, payback and lend money. To determine attitudes toward bank loans advertising, we used the method of semantic differential; as an incentive, respondents were presented with images of advertising (Fig. 1). In both cases, there was a mortgage, but in advertising of VTB it was with an *exact* interest rate 7.4 per cent, and in advertising of “Otkritie” it was with an interest rate *from* 5,99 per cent.

The respondents were given an instruction to evaluate advertising (Fig. 1) respondents had to choose for each pair of opposite (positive and negative) characteristics (ten in total), a number that more closely matches their perception. Thus, the range of answers was from “-3” to “3”.

### Results and Discussion

First, we compared representations of ideal advertising from our previous research [Vlasenkova & Gagarina, 2019] and representations of the

Table 1

*Descriptive statistics and t-test for expectations from advertising of bank loans and advertising on public transportation*

Scales of semantic differential	Ideal ad bank (N=99)		Ideal ad transportation (N=65)		T	p
	M	SD	M	SD		
Aggressive/Benevolent*	1.0	1.9	1.6	1.7	-2.1	0.041
Hostile/Friendly	1.3	1.7	1.6	1.4	-1.4	0.178
Unpleasant/Pleasant*	1.2	1.8	2.3	1.1	-4.4	0.000
Stupid/Clever	0.9	1.9	1.6	1.6	-2.4	0.017
Ugly/Nice*	1.2	1.7	2.2	1.3	-4.0	0.000
Deceitful/Sincere*	0.8	2.1	1.6	1.5	-2.8	0.007
Indifferent/Caring	0.8	1.8	1.1	1.5	-1.0	0.296
Sad/Joyful	1.0	1.6	1.4	1.3	-1.9	0.056
Relaxing/Annoying*	0.1	1.8	-1.0	1.5	4.1	0.000
Unconvincing/Convincing	1.2	1.9	1.6	1.5	-1.4	0.165

Table 2

*Descriptive statistics for expectations from advertising of bank loans and real bank advertisings of VTB and Otkritie banks*

Scales of semantic differential	VTB (N=99)		Otkritie (N=99)		Ideal bank ad (N=99)	
	M	SD	M	SD	M	SD
Aggressive/Benevolent	0.3	1.51	0.6	1.38	1.0	1.9
Hostile/Friendly	0.7	1.24	0.7	1.43	1.3	1.7
Unpleasant/Pleasant	0.4	1.50	0.6	1.48	1.2	1.8
Stupid/Clever	0.4	1.47	0.3	1.36	0.9	1.9
Ugly/Nice	0.4	1.39	0.7	1.46	1.2	1.7
Deceitful/Sincere	0.1	1.60	0.1	1.58	0.8	2.1
Indifferent/Caring	0.1	1.54	0.4	1.28	0.8	1.8
Sad/Joyful	0.2	1.36	0.5	1.42	1.0	1.6
Relaxing/Annoying	0.3	1.24	0.3	1.45	0.1	1.8
Unconvincing/Convincing	0.0	1.67	0.0	1.49	1.2	1.9

ideal advertising of bank loans. The results we present in Table 1.

It can be noted that the estimates of the ideal advertising of banking products lie in the area of weakly positive values. We found several significant differences between ideal bank advertising and advertising on transportation. Respondents expect bank loans advertising to be less benevo-

lent less pleasant, less nice, less sincere and less relaxing. In general, we can admit more negative expectation from bank advertising than for social and political ad on transport.

After that, we compared real advertising of bank loan (VTB and Otkritie) and expectation from ideal advertising, descriptive statistics presented in Table 2.

Table 3

*Descriptive statistics estimates of VTB bank and Otkritie bank advertisings, respondents with and without borrowing experience.*

Scales of semantic differential	VTB				Otkritie			
	Resp. with loans (N=71)		Resp. without loans (N=28)		Resp. with loans (N=71)		Resp. without loans (N=28)	
	M	SD	M	SD	M	SD	M	SD
Aggressive/Benevolent	0.5	1.5	-0.2	1.5	0.7	1.3	0.4	1.5
Hostile/Friendly	0.7	1.3	0.6	1.1	0.7	1.3	0.6	1.7
Unpleasant/Pleasant	0.5	1.5	-0.1	1.5	0.6	1.5	0.6	1.5
Stupid/Clever	0.4	1.5	0.3	1.5	0.4	1.2	0.2	1.7
Ugly/Nice	0.4	1.4	0.4	1.5	0.7	1.4	0.7	1.6
Deceitful/Sincere	0.1	1.6	0.1	1.7	0.0	1.6	0.3	1.6
Indifferent/Caring	0.2	1.4	-0.1	1.8	0.4	1.2	0.5	1.4
Sad/Joyful	0.2	1.4	0.3	1.4	0.5	1.3	0.7	1.6
Relaxing/Annoying	0.3	1.2	0.3	1.3	0.4	1.3	0.1	1.8
Unconvincing/Convincing	0.2	1.6	-0.3	1.7	0.0	1.5	0.2	1.5

The descriptive statistics of the results showed that the scores for real advertisements are quite low and lie around the neutral value.

For VTB Bank T-test identified significant differences for all scales except Relaxing/Annoying, so respondents have a more negative attitude towards real advertisement than to expected advertising.

For Otkritie Bank T-test identified significant differences for all scales except Aggressive/Benevolent, Indifferent/Caring, Sad/Joyful and Relaxing/Annoying and in this case, we also have a more negative attitude towards real advertising.

There are no significant differences between estimates for real VTB and Otkritie advertisings. We expected difference on scale Deceitful/Sincere because in the case of VTB Bank, a higher rate is presented (presumably, more sincere), in the case of Otkritie Bank, the rate is stated "from". Specifying a "from" rate could be perceived as dishonest, but the respondents did not think so.

We compared estimates of real advertising of bank loans for respondents with and without borrowing experience, and descriptive statistics we present in Table 3.

In general, we can say that respondents without the experience of taking loans perceive advertising more negatively. Still, significant differences

found only for VTB advertising on scale Aggressive/Benevolent (T-test,  $p < 0.05$ ).

## Conclusions

Based on the study, we have drawn the following conclusions. The Russians have a neutral attitude to bank loans advertising. They expect advertising to be slightly positive, but in comparison with the expectation from other types of advertising, bank loans people perceived more negatively. Possibly this is due to the general level of distrust in the banking system in Russia (Yurevich, 2019).

Respondents rate real advertising of bank loans more negatively in comparison with ideal advertising. Real advertisings people perceived as not so friendly, pleasant, clever, nice, sincere, and convincing as they should be.

Presenting the respondents with two advertising options: with the exact interest rate and the rate "from" did not give significant differences in ratings.

Respondents with real experience of taking loans rate real advertising as more benevolent than respondents without such experience: as an explanation of such difference famous Russian proverb "the devil is not so terrible as he is painted" could be used.

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## Отношение россиян к рекламе банковских займов

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**Аннотация.** В статье приводятся результаты эмпирического исследования особенностей оценки рекламы банковских продуктов. Опрошены 99 респондентов с разным опытом кредитного поведения, в возрасте от 18 до 66 лет, 37% мужчин. Респондентов просили оценить с помощью методики семантического дифференциала две фотографии с изображением рекламы ипотеки от банков ВТБ и Открытие. Путем сравнения средних значений оценок установлено, что реклама банковских продуктов оценивается более негативно даже в случае представления идеального варианта. Реальные рекламные изображения оцениваются достоверно ниже, чем идеальные. Люди с реальным опытом заемного поведения оценивают рекламу банковских продуктов как более доброжелательную.

**Ключевые слова:** реклама банковских займов; социальная реклама; политическая реклама; семантический дифференциал; опыт заемного поведения