Advertising Mortgages in the United Kingdom

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Abstract

Structured Abstract:

Purpose: To examine trends in the use of advertising appeals by banks in the UK advertising mortgages, based on a content analysis of the newspaper advertisements of banks, using a coding system to enable an observation of the content of communication and its categorisation, in order to observe trends and frequencies, make comparisons and deduce meanings.

Design/methodology/approach: Mortgage advertisements in 9 National newspapers over twelve consecutive months were content analysed. The advertising appeals, advertisement size, colour and targeted consumers were observed and analysed by two independent coders. Intercoder reliability was assessed using Cohen's Kappa.

Findings: Rates of borrowing and for comparisons were generally presented in UK Mortgage advertisements, first-time buyers were however targeted differently with emotionally appealing advertisements in colourful large advert sizes while advertisements targeted towards existing home owners were printed in single colours and in smaller advert sizes.

Social implications: As the demand for new homes continues to grow in UK, decisions regarding mortgage advertising strategies are critical. It is expected that advertisers will provide first-time buyers, in particular, with relevant information which are truthful, clear, fair and not misleading. It is important that consumers are aware of these rates and charges and do not find themselves caught up in the euphoria of easy and cheap loans from the lenders, which they might not be able to repay.

Originality/value: Perhaps the first attempt at analysing mortgages advertisements in newspapers in the UK, post the global financial crisis. Most previous studies have confined themselves to magazine advertisements.

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