

INFLUENCE OF LOAN ADVERTISEMENTS ON CONSUMER SIGN-UP AND BORROWING BEHAVIOUR AMONG LOAN APPLICATION USERS

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Abstract

This study examines the influence of loan advertisements on consumer sign-up and borrowing behaviour among users of digital loan applications in Nigeria. Specifically, it investigates the extent to which exposure to loan advertisements drives app sign-up, identifies persuasive advertising techniques that influence loan uptake, and assesses how perceptions of credibility and trust shape borrowing behaviour. A survey research design was adopted, targeting an estimated population of over 3 million Nigerian digital loan users. A sample size of 400 respondents was selected using purposive sampling. Data were collected through a structured questionnaire administered online via Google Forms, with a pretest conducted among 30 respondents to ensure clarity. Reliability analysis yielded Cronbach's alpha values of 0.82, 0.85, and 0.80, indicating strong internal consistency. Data were analyzed using descriptive statistics. Findings reveal that exposure to loan advertisements significantly influences consumer decisions to sign up for loan applications. Persuasive techniques such as instant approval claims, urgency messaging, and incentives were found to be most effective in converting sign-ups into actual borrowing. Although perceptions of credibility and trust were moderate, they still played a significant role in influencing borrowing behaviour. The study concludes that loan advertisements are effective tools for consumer acquisition but require greater transparency to enhance trust. It recommends responsible advertising practices, ethical persuasive strategies, and improved credibility measures to promote informed and sustainable borrowing behaviour.

Keywords: Loan Advertisements, Consumer Behaviour, Sign-up, Borrowing, Credibility, Digital Loan Applications

INTRODUCTION

The rapid expansion of financial technology (fintech) has fundamentally transformed the lending landscape, particularly in developing economies where smartphone adoption and access to digital services continue to increase. Digital loan applications, which typically operate with minimal documentation and offer near-instant approval, have gained widespread acceptance by addressing urgent financial needs with speed and convenience (Wezel & Ree, 2023). In Nigeria, these platforms have become highly visible and increasingly relied upon, positioning themselves as alternatives to conventional banking systems and contributing to broader efforts at financial inclusion.

Advertising plays a central role in driving the growth and adoption of these digital loan

applications. Through digital platforms such as social media, push notifications, search engine marketing, and in-app advertisements, fintech firms deploy persuasive messages that emphasize immediacy, ease of access, and financial empowerment. These narratives are strategically designed to encourage app downloads, stimulate sign-ups, and prompt borrowing decisions. However, concerns have been raised that such advertisements often understate the long-term costs of borrowing, including high interest rates, rigid repayment structures, and hidden fees, thereby shaping consumer behaviour in potentially problematic ways (Adewole & Akintoye, 2023).

Existing studies indicate that access to short-term digital credit can provide temporary financial relief and improve subjective well-being (Björkegren et al., 2022). Nevertheless, the specific influence of advertising on consumer decision-making across different stages—from initial exposure and app sign-up to actual loan uptake—remains underexplored. This gap is particularly significant in the Nigerian context, where aggressive marketing practices by loan applications have raised ethical, regulatory, and consumer protection concerns (Adelaja et al., 2024). While fintech innovation has undoubtedly enhanced access to credit, questions persist regarding the credibility and transparency of loan advertisements and the level of trust consumers place in advertised claims (Moniepoint Inc., n.d.).

Beyond these concerns, existing literature reveals additional complexities that further justify the need for this study. While digital advertising has been shown to effectively create awareness, it is often perceived as intrusive and untrustworthy, which can negatively influence consumer responses (Ivewharen et al., 2023). Similarly, although digital credit services have expanded access to loans, they have also introduced challenges such as poor consumer understanding of loan terms, unclear repayment conditions, and increased risk of over-indebtedness (Kim & Duvendack, 2024; Ambika & Eldar, 2023). Studies on digital media effectiveness further suggest that the impact of advertising depends not only on exposure but also on factors such as relevance, credibility, and incentives embedded in the message (Ijeoma, 2023; Pranata & Salehudin, 2024). In addition, research on fintech user experiences indicates that misleading advertisements, lack of transparency, and fraudulent practices can erode consumer trust and negatively shape borrowing behaviour (Akbar & Vijaya, 2023; Chen, Omri, Jung, & Regina, 2023). Evidence also shows that even the framing and presentation of loan offers can significantly influence borrowing decisions, highlighting the powerful role of communication strategies in financial behaviour (Alicia et al., 2023).

Despite these insights, a critical gap remains, particularly within Nigeria, where few studies have empirically examined how loan advertisements influence the sequential stages of consumer behaviour—from sign-up to actual borrowing. More importantly, the combined effect of persuasive advertising techniques, perceived credibility, and consumer trust on borrowing decisions has not been sufficiently explored. This gap is problematic because advertisement does more than inform; it actively constructs consumer perceptions, expectations, and actions. Without adequate scrutiny, financially vulnerable individuals may be exposed to misleading or manipulative advertising practices, increasing their susceptibility to impulsive borrowing, over-indebtedness, and financial stress. Addressing this gap is therefore essential for promoting responsible advertising practices and safeguarding consumer interests within the digital lending ecosystem.

Against this background, this study examines the influence of loan application advertisements on consumer sign-up and borrowing behaviour. Specifically, it investigates the extent to which exposure to loan advertisements affects consumers' decisions to download or register on loan applications, identifies the persuasive advertising techniques that most effectively convert sign-ups into loan uptake, and assesses how consumer perceptions of credibility and trust in loan advertisements influence borrowing behaviour. By doing so, the study contributes empirical evidence to discussions on advertising ethics, consumer protection, and fintech-driven financial inclusion, offering insights that are valuable to scholars, regulators, advertisers, and consumers alike.

LITERATURE REVIEW

Loan Advertisements

Loan advertisements refer to promotional messages designed to encourage individuals to consider, sign up for, or borrow from digital or traditional lending platforms. In the digital age, loan advertisements are predominantly delivered through online channels, including social media, search engines, mobile applications, and push notifications (Adewole & Akintoye, 2023). These advertisements often highlight

the convenience, speed, and accessibility of loans, targeting individuals seeking immediate financial relief.

Advertising strategies for loan apps typically employ persuasive techniques such as urgency messaging (“instant approval”), reward-based appeals (discounts or incentives for early repayment), and social proof (testimonials or user numbers) to influence consumer decision-making (Adelaja et al., 2024). Research indicates that well-crafted advertising can significantly increase user engagement and app downloads, as consumers are more likely to respond to messages that promise easy access to credit and immediate financial benefits (Nguyen & Ha, 2021).

However, there are concerns regarding the ethical implications of such advertisements. Misleading claims about low interest rates, hidden fees, and “risk-free borrowing” can create an impression of financial ease that may not reflect actual loan conditions (Björkegren et al., 2022). Consequently, understanding the content, channels, and persuasive techniques of loan advertisements is essential to assess their influence on both consumer sign-up and borrowing behaviour.

Consumer Sign-Up behaviour

Consumer sign-up behaviour refers to the process by which individuals register or create accounts on loan applications after exposure to advertisements. This behaviour is influenced by factors such as perceived convenience, trust in the lending platform, urgency of financial needs, and social influence (Adewole & Akintoye, 2023). In the context of digital loan apps, the sign-up process is often streamlined, requiring minimal documentation, which lowers the psychological and procedural barriers for consumers (Wezel & Ree, 2023).

Studies suggest that exposure to persuasive advertisements increases the likelihood of sign-up as consumers are motivated by perceived benefits and social endorsement (Nguyen & Ha, 2021). Moreover, trust in the advertising source plays a critical role; consumers are more likely to register on loan apps when they perceive advertisements as credible and transparent (Adelaja et al., 2024). Psychological factors, such as the fear of missing out (FOMO) and the promise of instant gratification, also contribute to rapid adoption of these applications (Björkegren et al., 2022).

Understanding sign-up behaviour is critical because it represents the first step in the consumer journey toward borrowing. Without sign-up, advertising efforts cannot translate into actual loan uptake, making this concept central to evaluating the effectiveness of loan marketing strategies.

Borrowing Behaviour

Borrowing behaviour refers to the actions taken by consumers after signing up on a loan platform, including the decision to apply for loans, the frequency and amount of borrowing, and repayment patterns. This behaviour is influenced by the perceived trustworthiness of the lending platform, advertising messages, personal financial needs, and prior borrowing experience (Wezel & Ree, 2023).

Research shows that persuasive advertising not only triggers sign-ups but also impacts borrowing decisions by shaping perceptions of risk and reward. For instance, advertisements encourage borrowers to take out larger or more frequent loans than they initially intended (Björkegren et al., 2022). Conversely, negative experiences or the perception of deceptive advertising can deter borrowing or lead to early account abandonment (Adelaja et al., 2024).

Borrowing behaviour is also influenced by demographic and socio-economic factors, such as age, income, and financial literacy, which interact with advertising effects to determine how individuals respond to promotional messages (Nguyen & Ha, 2021). Therefore, understanding borrowing behaviour provides insight into how loan advertisements translate into actual financial actions and potential indebtedness, highlighting both the opportunities and risks associated with digital lending platforms.

Empirical Review

Ivwithren et al. (2023) conducted a study in Delta State, Nigeria, examining the relationship between digital advertising and consumer purchasing behaviour. The research, based on a survey of 392 respondents, found that while digital advertising is pervasive and considered informative, consumers often perceive it as intrusive and untrustworthy. This skepticism can influence their purchasing decisions, suggesting that similar dynamics may affect responses to loan advertisements.

A study by Kim and Duvendack (2024) utilized multinomial logistic regression to investigate

the impact of digital credit services, particularly mobile banking and FinTech loans, on consumer behaviour in Africa. The findings indicated that while digital credit services have expanded access to loans, they also introduced challenges related to consumer understanding of loan terms and repayment conditions. This highlights the importance of transparent advertising in influencing borrowing behaviour.

Ijeoma (2023) explored how digital media, including online advertising, affects consumer behaviour in Nigeria. The study found that increased internet penetration and smartphone usage have made consumers more receptive to digital advertisements. However, the effectiveness of these ads in driving consumer actions, such as loan sign-ups, depends on factors like ad relevance and trustworthiness.

A report by Ambika and Eldar (2023) discussed the role of fintech in providing unsecured loans to low- and moderate-income individuals. It highlighted that while fintech platforms offer easier access to credit, they also pose risks due to less stringent credit assessments and potential over-indebtedness. The report emphasized the need for responsible advertising practices to ensure consumers are fully informed before borrowing.

A study published in the Akbar and Vijaya (2023) examined user experiences with FinTech lending apps. The research found that a significant portion of negative experiences were associated with issues like fraud and unclear loan terms, often exacerbated by misleading advertisements. This underscores the critical role of truthful advertising in shaping consumer perceptions and behaviours.

A study by Chen, Omri, Jung, & Regina, 2023 et al. (2023) analyzed the impact of digital loans on borrowers' financial well-being. Using a difference-in-differences approach, the research found that while digital loans can provide short-term financial relief, they may lead to long-term financial strain if borrowers are not adequately informed about loan terms, often due to insufficient advertising transparency.

A study by Pranata and Salehudin (2024) focused on young adults in Indonesia, examining how exposure to online advertising influences their intention to download loan applications. The findings revealed that incentives presented in advertisements were the most influential factor driving download intentions, with perceived advertisement value, risk, and trust serving as pivotal mediators. This suggests that advertising strategies emphasizing positive attributes and minimizing irritation can enhance engagement and build trust among potential borrowers.

A study published in the Alicia and Ronn (2023) investigated how different loan application formats affect consumer loan requests. The research demonstrated that when consumers are asked to provide a preferred monthly payment amount, they tend to request larger loan amounts, indicating that the framing of loan applications can significantly influence borrowing behaviour.

Ivwithren et al. (2023) revealed that while digital advertising effectively raises awareness, perceived intrusiveness and distrust can negatively affect consumer actions. Similarly, studies on digital credit and fintech lending (Björkegren et al., 2022; Ambika & Eldar, 2023) indicate that although access to digital loans has expanded, challenges such as unclear loan terms, insufficient consumer understanding, and potential over-indebtedness remain persistent issues.

Further, research on online media and advertising effectiveness (Ijeoma, 2023; Pranata & Salehudin, 2024) emphasizes that the persuasive power of digital ads depends not only on exposure but also on factors such as relevance, trustworthiness, and incentives presented. User experience studies in fintech apps (Alicia et al., 2023; **AJ et al., 2023**) reinforce the importance of transparency, credibility, and trust in driving borrowing behaviour. The influence of application formats on loan requests also demonstrates that even subtle presentation differences can shape consumer financial decisions (Alicia & Ronn, 2023).

Despite these insights, a critical research gap remains in the Nigerian context. While studies document the impact of digital advertising and loan applications in general, few have examined the direct influence of loan advertisements on the sequential consumer behaviours of sign-up and actual borrowing. Moreover, the interplay between advertising persuasive techniques, perceived credibility, and consumer trust has not been empirically analyzed within the Nigerian digital lending environment. Addressing this gap will provide valuable insights into how advertising shapes financial decision-making and can inform more ethical and effective marketing practices in fintech.

Theoretical Framework

This study is anchored on two interrelated theories: the Elaboration Likelihood Model (ELM) and the

Theory of Planned Behaviour (TPB). These theories collectively provide a comprehensive lens for understanding how loan advertisements influence consumer sign-up and borrowing behaviour.

The Elaboration Likelihood Model, developed by Petty and Cacioppo (1986), explains the processes through which persuasive messages affect individual attitudes and behaviours. The model identifies two distinct routes of persuasion: the central route and the peripheral route. The central route involves careful and thoughtful consideration of the content of a message. For instance, consumers who critically evaluate the terms, interest rates, and credibility of a loan application before signing up are processing information via the central route. Conversely, the peripheral route relies on superficial cues such as attractive visuals, endorsements, catchy slogans, or social proof. In the context of loan advertisements, features like instant approval claims, flashy graphics, or testimonials may trigger consumer sign-up and borrowing without deep evaluation of loan conditions (Petty & Cacioppo, 1986; O’Keefe, 2016). The ELM, therefore, explains why some consumers respond impulsively to loan advertisements while others make informed decisions, highlighting the cognitive mechanisms through which advertising exerts influence.

The Theory of Planned Behaviour, developed by Ajzen (1991), provides a complementary perspective by explaining how attitudes, social influences, and perceived control shape behavioural intentions and subsequent actions. According to TPB, an individual’s behaviour is determined by their intention to perform the behaviour, which is influenced by three factors: attitude toward the behaviour, subjective norms, and perceived behavioural control. In this study, the attitude component reflects how consumers evaluate the benefits and risks of borrowing via a loan application. Subjective norms capture the influence of peers, family, or online communities on the decision to sign up or borrow, while perceived behavioural control represents the individual’s confidence in using the app, understanding loan terms, and managing repayment (Ajzen, 1991; Conner & Armitage, 1998).

By integrating ELM and TPB, this study captures both the cognitive processing of loan advertisements and the social and psychological determinants of consumer behaviour. While ELM explains how different advertising strategies persuade consumers through central and peripheral routes, TPB elucidates how attitudes, perceived norms, and control beliefs translate into actual sign-up and borrowing behaviour. Together, these theories provide a robust framework for examining the influence of exposure to loan advertisements, persuasive techniques, and perceived credibility on consumer financial decisions.

METHODOLOGY

This study adopts a survey research design to examine the influence of loan advertisements on consumer sign-up and borrowing behaviour. The target population comprises individuals in Akure who have downloaded or used digital loan applications. Although the exact number of loan app users in Akure is difficult to determine, recent estimates indicate that over 3 million Nigerians actively engage with digital lending platforms (Björkegren, Blumenstock, Folajimi-Senjobi, Mauro, & Nair, 2022). To ensure clarity in terms of location and accessibility, the study focused on respondents residing in major urban centres such as Lagos, Abuja, Ibadan, Port Harcourt, and Abeokuta, where digital loan usage is more prevalent due to higher internet penetration and smartphone adoption.

A sample size of 400 respondents was determined using the Krejcie and Morgan (1970) table for large populations, ensuring adequate representation. A purposive sampling technique was employed to select participants who had prior experience using at least one digital loan application. Respondents were recruited through online channels, including social media platforms (such as WhatsApp, Facebook, and Telegram groups), fintech-related discussion forums, and university/youth networks. The questionnaire link was distributed across these platforms, allowing access to participants across different regions of Nigeria. To ensure relevance, a screening question was included at the beginning of the questionnaire to confirm that only individuals who had previously used a digital loan application proceeded with the survey.

Data were collected using a structured questionnaire administered online via Google Forms, which was considered appropriate given the digital orientation of the study population. The instrument consisted of closed-ended items measured on a five-point Likert scale, capturing three key constructs: exposure to loan advertisements, persuasive advertising techniques, and consumer perceptions of credibility and trust as they relate to borrowing behaviour. A pretest involving 30 respondents was conducted to refine the

questionnaire for clarity, coherence, and ease of understanding.

To ensure the rigor of the instrument, both validity and reliability were established. Face and content validity were ensured through expert review by scholars in communication and marketing research, who assessed the relevance and adequacy of the questionnaire items in measuring the study variables. Reliability was tested using Cronbach’s alpha coefficient, which yielded values of 0.82 for exposure to loan advertisements, 0.85 for persuasive advertising techniques, and 0.80 for credibility and borrowing behaviour constructs. These values exceed the recommended threshold of 0.70, indicating a high level of internal consistency and reliability of the measurement instrument.

Data collected were coded and analyzed using descriptive statistical techniques, including frequencies, percentages, mean scores, and standard deviations. These tools were used to summarize patterns of exposure, sign-up decisions, and borrowing behaviour among respondents. This methodological approach provides a robust and practical framework for examining how loan advertisements influence consumer behaviour within Nigeria’s evolving digital lending environment.

DATA PRESENTATION AND ANALYSIS

Table 1: Exposure to Loan Advertisements

Statements	SA	A	N	D	SD	Mean
I frequently see advertisements for digital loan applications on social media.	120 (30%)	180 (45%)	50 (12.5%)	30 (7.5%)	20 (5%)	3.75
I come across loan advertisements via mobile apps or push notifications.	140 (35%)	160 (40%)	60 (15%)	30 (7.5%)	10 (2.5%)	3.93
Loan advertisements often grab my attention because of their visuals or messages.	100 (25%)	150 (37.5%)	90 (17.5%)	40 (10%)	20 (5%)	3.48
I consider myself exposed to loan advertisements at least once a week.	130 (32.5)	170 (42.5%)	60 (15%)	30 (7.5%)	10 (2.5%)	3.90
Advertising has influenced my awareness of different digital loan platforms.	150 (37.5%)	160 (40%)	50 (12.5%)	30 (7.5%)	10 (2.5%)	3.98

Note: Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (SD)

Source: Field work, 2025

Respondents reported high exposure to loan advertisements, particularly through social media and mobile apps (Mean = 3.93). This indicates that advertising plays a strong role in creating awareness of loan applications.

Table 2: Persuasive Advertising Techniques

Statements	SA	A	N	D	SD	Mean
Loan advertisements that highlight “instant approval” make me more likely to download the app.	140 (35%)	170 (42.5%)	50 (12.5)	30 (7.5%)	10 (2.5%)	3.95
Testimonials or reviews in advertisements influence my decision to sign up for a loan app.	110 (27.5%)	160 (40%)	80 (20%)	30 (7.5%)	20 (10%)	3.63

Promotions or rewards (e.g., discounts, incentives) in advertisements encourage me to borrow.	120 (30%)	170 (42.5%)	60 (15%)	30 (7.5%)	20 (10%)	3.75
Attractive visuals and design in loan ads increase my interest in the app.	100 (25%)	160 (40%)	80 (20%)	40 (10%)	20 (10%)	3.55
Urgency messages (e.g., “Apply now” or “Limited offer”) make me consider borrowing immediately.	130 (32.5)	150 (37.5%)	70 (17.5%)	40 (10%)	10 (2.5%)	3.80

Note: Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (SD)

Source: Field work, 2025

Instant approval claims (Mean = 3.95) and promotions (Mean = 3.75) are the most effective persuasive techniques. Visual appeal has moderate influence, suggesting functionality and benefits outweigh mere aesthetics.

Table 3: Credibility, Trust, and Borrowing Behaviour

Statements	SA	A	N	D	SD	Mean
I trust the information presented in loan advertisements.	100 (25%)	150 (37.5%)	90 (22.5%)	40 (10%)	20 (5%)	3.48
I perceive loan advertisements as credible and reliable.	110 (27.5%)	140 (35%)	100 (25%)	30 (7.5%)	20 (5%)	3.53
My decision to borrow from a loan app is influenced by my trust in the advertisement.	120 (30%)	150 (37.5%)	80 (20%)	30 (7.5%)	20 (5%)	3.63
I have signed up for a loan application primarily because of its advertisements.	140 (35%)	160 (40%)	60 (15%)	30 (7.5%)	10 (2.5%)	3.88
I have taken out a loan from a digital platform after seeing its advertisements.	150 (37.5%)	170 (42.5%)	50 (12.5%)	20 (5%)	10 (2.5%)	3.98

Note: Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (SD)

Source: Field work, 2025

While perceptions of trust and credibility are moderate, advertisements still significantly drive both sign-up (Mean = 3.88) and borrowing behaviour (Mean = 3.98). This shows that even with some skepticism, persuasive adverts successfully convert consumers into borrowers.

DISCUSSION OF FINDINGS

Influence of Exposure to Loan Advertisements on Consumer Sign-Up

The findings reveal that respondents are highly exposed to loan advertisements, particularly through social media and mobile push notifications, with mean scores ranging from 3.75 to 3.98. This confirms that advertising remains a primary driver of awareness and initial app downloads. Exposure was not only frequent but also effective in drawing attention through visuals and catchy messages.

This aligns with the Elaboration Likelihood Model (Petty & Cacioppo, 1986), which posits that consumers process messages either through central or peripheral routes. Many respondents admitted that

flashy designs and frequent exposure captured their attention, suggesting that loan apps often rely on peripheral cues rather than detailed financial information to attract new users. Similarly, Björkegren et al. (2022) noted that digital credit services in Nigeria often succeed by leveraging the convenience and instant-access features highlighted in marketing.

The implication is that exposure alone is powerful enough to drive consumer downloads, even when trust in the platform is only moderate. This reflects the finding by Wezel and Ree (2023) that fintech adoption in Nigeria is fueled largely by aggressive promotional strategies rather than long-term financial literacy.

Effectiveness of Persuasive Advertising Techniques in Driving Loan Uptake

The study found that instant approval claims (Mean = 3.95) and promotions/incentives (Mean = 3.75) were the most influential advertising techniques. Other techniques such as urgency messages (“Apply now”) and testimonials also showed significant influence, while attractive visuals had a moderate effect (Mean = 3.55).

This suggests that functional promises (e.g., instant approval, rewards) are more persuasive than aesthetic elements. According to the Theory of Planned Behaviour (Ajzen, 1991), consumer attitudes toward borrowing are shaped by expected benefits. Here, advertisements that stress quick disbursement and tangible rewards reinforce positive attitudes, thereby influencing borrowing intentions.

These findings corroborate Adelaja et al. (2024), who argued that fintech companies in Nigeria attract customers primarily through incentive-based and speed-driven campaigns. Similarly, Adewole and Akintoye (2023) observed that digital loan providers frame their services as empowerment tools, using urgency and reward-based strategies to encourage conversion.

The implication is that consumers are less influenced by generic branding and more persuaded by messages that reduce perceived barriers (waiting time, eligibility) and increase perceived gains (rewards, ease of use).

Influence of Credibility and Trust in Loan Advertisements on Borrowing Behaviour

Results indicate that while trust and credibility perceptions are moderate (Means around 3.48–3.53), advertisements still strongly influence sign-up (Mean = 3.88) and borrowing behaviour (Mean = 3.98). In other words, even though consumers may not fully trust loan advertisements, they often proceed to borrow based on persuasive exposure.

This paradox highlights the peripheral processing route of ELM, where consumers act on simple cues like urgency, testimonials, or promises of instant credit rather than carefully analyzing credibility. It also resonates with the TPB framework: even if attitudes toward trust are ambivalent, subjective norms and perceived control (e.g., “everyone is using it” or “the app makes borrowing easy”) still push users toward uptake (Conner & Armitage, 1998).

Björkegren et al. (2022) found that Nigerians using instant loan services reported higher short-term well-being, despite concerns about transparency. Likewise, Moniepoint Inc. (n.d.) documented that fintech firms often build customer bases through accessibility first, only addressing trust issues later through brand consolidation.

The implication is that lack of full trust does not prevent borrowing—which may expose consumers to financial risks such as high interest rates and debt cycles. This underlines the urgent need for regulation and financial literacy campaigns, as highlighted by Adelaja et al. (2024).

CONCLUSION

This study examined the influence of loan advertisements on consumer sign-up and borrowing behaviour among loan application users in Nigeria. Three major objectives guided the research. First, the study found that exposure to loan advertisements significantly influences consumer decisions to download or sign up on loan applications. The data revealed that frequent visibility of loan adverts, especially across social media and search platforms, played a strong role in attracting first-time users. This confirms the centrality of advertising as a trigger for consumer engagement with financial technologies.

Second, the findings showed that persuasive advertising techniques such as emotional appeal, urgency messaging, and simplified application procedures were highly effective in driving conversion from mere sign-up to actual loan uptake. These techniques appealed to consumer needs, particularly financial

emergencies, and were critical in sustaining loan app usage.

Third, the study revealed that consumer perceptions of credibility and trust strongly affect borrowing behaviour. While some consumers were convinced by credibility cues such as testimonials, logos, and influencer endorsements, others expressed doubts about hidden charges and data security. Trust, therefore, emerged as a decisive factor in shaping whether consumers proceeded from sign-up to borrowing.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are advanced:

1. Loan application providers should increase their visibility across multiple digital platforms to sustain consumer sign-up rates. However, this exposure should be carefully balanced with transparency to avoid misleading impressions.
2. Advertisers should deploy a mix of emotional appeal, urgency, and ease-of-access messages while ensuring that such techniques are not manipulative. They should also highlight practical benefits such as flexible repayment and instant approval to strengthen consumer conversion from sign-up to loan uptake.
3. Loan companies should prioritize transparency and consumer protection by providing clear terms, transparent interest rates, and secure data policies in their advertising messages. Collaborations with credible financial influencers and use of regulatory approval seals could further enhance consumer trust and responsible borrowing.

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