



# MAPPING CUSTOMER JOURNEY TOWARDS UNDERSTANDING THE NEW GENERATION OF PAYDAY BORROWING BEHAVIOUR

Technical Report

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**THINK**  
**FORWARD** INITIATIVE

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May 2021

### Abstract

The High-Cost Short-Term Credit (HCSTC) credit industry, also known as the payday loans in the UK, is the second biggest lending market in the world after the United States. The industry had experienced a steady growth in the UK following the 2008 economic recession. Lenders aggressive marketing tactics and 'predatory' lending behaviour had caused a number of people to fall into an unknown debt trap in the past. The industry was widely unregulated until the Financial Conduct Authorities (FCA) took decisive action to impose selected regulations within the industry in 2015. Since then, although the giant payday lenders have collapsed over time, the payday lending industry in the UK itself is still well and truly alive. In this research we explored UK middleclass customers' journey to borrowing payday loans and their experience with these lending systems in the age of digital consumerism.

Using the famous Moment of Truth model we highlight the important intrinsic and extrinsic behavioural and motivational factors that guide a prospective customer to become a repentant customer through Zero Moment of Truth (ZMOT), First Moment of Truth (FMOT) and Second Moment of Truth (SMOT) stages. We used a series of life story interviews with 15 selected participants, in addition to performing a keyword search based observation task. Our findings show that journey to payday loan borrowing is complex and context specific. The *need recognition* phase is often triggered by impulsive purchase behaviour, while decision making phase is short lived and often guided by monthly repayment figure (not interest rate). Our endeavour further highlights the importance of digital footprint and online search behaviour towards a person's exposure to payday loan related digital adverts, opening up avenues for future research.

**Keywords:** Payday Loans, High Cost Short Term Credit (HCSTC), Predatory Lending, Digital Profiling, Customer Journey, Moments of Truth

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# 1. Introduction

High-Cost Short-Term Credit (HCSTC), also famously known as payday loans in the UK, are a controversial lending system, historically labelled as 'predatory lending' or 'legal loan sharks' by the Financial Conduct Authorities (FCA) (FCAB 2013; Goff and O'Connor 2011). Lenders in this industry have developed a well-known reputation for targeting financially vulnerable people with a poor credit rating, imposing "unfair and abusive loan terms...often through aggressive sales tactics; taking advantage of borrowers' lack of understanding of complicated transactions; and outright deception" (FDIC, 2006, p.1). The industry had seen a steep year on year growth since the 2008 economic recession, not only through imposing four figure APR rates on customers, but they were also accused of taking advantage of people's vulnerability by rolling over interest on unpaid interest, even when people reported financial hardship (Citizen Advice 2013; Knapman 2017).

The payday loan market grew rapidly between 2008 and 2012 with lenders issuing approximately £10.2 million loans and generating revenue worth £2.8 billion (FCAB 2014; Gov.uk 2013). An exponential growth of the market up to 50% per year is a testament to demand for this type of credit (CMA 2015). Responding to a wider call, between 2012 and 2015, the Financial Conduct Authority took decisive action by introducing strict financial regulations and interest caps against payday lending systems. Consequently, in May 2016, the search engine and digital advertisement giant Google also banned opportunistic payday loan advertisements (BBC 2016). Since then, the industry has seen cessation of exponential growth with no new lenders emerging regularly onto the market (CMA 2015).

Since the 2015, regulatory reformations, no academic or public research has tried to establish the transforming lending and borrowing behaviour in this industry. Previous studies engaged in understanding payday borrowing behaviour extensively focused on borrowers need, requirements and reason for borrowing. In this study we present a comprehensive journey map of payday loan borrowers' borrowing journey and their lived experience with 'predatory loans' in the post legislative reformation era. Following the famous 'Moments of Truth' model popularised by Google, we present a coherent picture of consumer borrowing stories at different stages of the payday borrowing cycle. Our study accounts for how the modern digital space (search engine, social media and digital advertising) affects people's exposure or borrowing decisions at individual 'touchpoints', and how online profiling could be playing a significant role in targeting and retargeting prospective customers of payday lending industry.

## 2. Theoretical Framework

### 2.1 The Payday Loan Industry

The High-Cost Short-Term Credit (HCSTC) or payday loan industry has reached its peak by luring financially challenged customers to borrow relatively small amount for a short period of time. The industry has boomed through 2008's recession to 2012 by charging four figure interest rates along with additional charges to financially vulnerable customers (CMA 2015). Due to the lenders' 'predatory behaviour' they have earned a reputation of being called the 'legal loan sharks' (FCAB 2013).

The payday lending system is unique and differs from other high-cost lending as customers can borrow small to medium value loans for a short period of time in return for an interest charge up to a gigantic 3,752% APR along with associated fees (Euromonitor 2010). Payday loans are relatively easy to obtain and are mostly offered by private financial companies who are not often subjected to tough responsible lending regulations. Payday loans were also described as 'sub-prime lending', that resembles the wider lending principles adopted by pawn shops, doorstep lending etc. (Budd et al. 2020).

The payday lending industry started as a niche industry focused on people who lived from payday to payday. However, the transforming socio-political and economic landscape has fuelled people's consumer centric desire beyond personal affordability and sustained economic growth within western countries (Budd et al. 2020). Economically, governments have always perceived increased consumer spending as a way to economic prosperity and GDP growth, but on the downside a section of society falls victim of such initiative by borrowing beyond means (ibid). The payday lending industry had seen an astronomical growth since 2008 recession, a diverse range of customers have subscribed to the high cost short term credit concept representing diverse socio-economic groups within the UK. The average income of a payday loan borrower was identified to be £16,500 in 2013, during the pre-legislation period. Majority of the customers of payday loans confirmed that 52% of them took the loan due to unexpected increase in expenses, while 19% mentioned it was due to unexpected decrease in income. Customers cited various reason for obtaining payday loans ranging from living expense increase (53%) to general shopping (7%), vehicle expenses (10%), unexpected decrease in income (19%) and others (11%) (CMA 2015). According to the watchdog, Competition & Market Authority (2015), average loan size borrowed in the UK in 2012 was £260, and 64% of the customers were able to repay in full within the agreed time period. Studies also found that despite financial independence a section of middleclass borrowers approached UK payday lenders due to bad credit rating (35%), country court judgement (11%), visited by bailiff (10%) and other unknown reason (CMA 2015; Citizen Advice 2016).

Many studies have reported how the borrowers admit to have an understanding of acquiring high interest and the complexities of the lending process, yet they default on their payment due to lack of pre-planning and appropriate pre-evaluation (Ipsos MORI 2013; Knapman 2017). The increased risk in the industry comes from borrower's inability understand the implications of non-repayment. An unpaid payday loan can quickly stack up to exceed the original borrowed amount, making it extremely risky for people without appropriate knowledge of compound interest. What also makes the payday borrowing practice risky is how easy the loans could be obtained without appropriate



credit history or repayment affordability checks. Lenders in the industry were found to be luring and trapping people into a cycle of spiralling debt through sponsorship and innovative marketing practices, due to lack of strict financial regulations (Ipsos MORI 2013). A previous government led investigation has identified how selected television advertisements and sports sponsorships were used to reach targeted demographic, while marketing messages and lending terms were over simplified to encourage risky borrowing behaviour (Gov.uk 2013; Ipsos MORI 2013).

Here, it is important to note that based on payday loan industry's lending and marketing practices, mainstream media has overwhelmingly portrayed payday lenders as 'villainous predators' (Budd et al. 2020). Negative evaluation of these lenders is a common practice, as the industry receives little credit for supporting people with genuine need. Supporters of payday lending industry suggest that payday lenders help to improve 'consumption smoothing possibilities', while critiques argue that it creates overoptimism and false sense of security amongst a group of people (Gathergood et al. 2019). Critiques' version of the story is more apparent by looking at the high number of people who defaulted on their loan repayment facing legal action. For example, £7.8 million total payday loans taken out in 2012, nearly £2.6 million were not paid back in time and 14% of payday loans were never paid back. Gathergood et al.'s (2019) study provides quantitatively measured insight into the various risk factors associated with borrowers including age, credit score, credit status, missed payment history etc. In their compelling article, Rowlingson et al. (2016) argued that payday lending is not 'necessary evil', in fact it helps a part of society to cope with financial uncertainties, and therefore, tighter regulatory enforcement can lead to negative consequences. For the purpose of this study, we take a neutral stance to the lender and their lending behaviour. Also, due to the surge in studies evaluating socio-economically marginalised group's experience with the payday lending industry, we provide a new dimension to this study by exploring UK middleclass payday borrowing journey.

## **2.2 Post Legislation Period**

Government or Financial Conduct Authority made very little intervention until 2015, and since the introduction of new legislation, there has been positive changes in lender behaviour with market size reduction (Citizen Advice 2016a). Responding to a wider call, between 2012 and 2015, the Financial Conduct Authority took decisive action by introducing strict financial regulations and interest caps against payday lending system, consequently, in May 2016 the search engine and digital advertisement giant Google also banned opportunistic payday loan advertisements (BBC 2016). The main legislation changes involved the following:

- A cap on amount of borrowing
- Limits on number of times a loan could be rolled over
- Stronger affordability check and financial health warnings

Since then the industry has seen cessation of exponential growth with no new lenders emerging into the market everyday (CMA 2015), while the Citizens Advice (2016b) bureau has also reported deceleration in the number of people seeking to borrow payday lending.

Before 2015, a number of government and private sector studies can be identified trying to capture the full extent of damage caused by HCSTC industry, the reports identified a range of alarming and unethical behaviour shown by the payday lending industry (Gov.uk 2013; Euromonitor 2010; CMA 2015). However, since regulatory reformation in 2015, not a single study could be identified at government or policy level trying to describe current practices in the industry. The shrinking industry size was possibly taken as a measure of success, ignoring the importance of understanding how customers are left to deal with payday lenders in a society with increasing digital footprints. This

notion becomes especially important as payday borrowing remains steady, on par with other guarantor based high cost borrowing and the fundamental problems are noted to have rarely changed (Citizens Advice 2016a). The number of customer complaints that The Financial Ombudsman recorded had more than tripled by the end of 2019 (The Guardian 2020), suggesting these are still deeply flawed finance products continuing to affect people's lives in a negative manner.

### **2.3 Behavioural Insight into Payday Borrowing**

From an academic perspective, research on payday lending so far has majorly focused on Legal (Lawrence and Elliehausen 2008) and Behavioural Economics literature (BE) (Bhutta 2014; Bertrand and Morse 2011; Gallmeyer and Roberts 2009). The body of literature is exclusively focused on quantitative methodology and it does not appear to grow, incorporating customer's digital identity and online behaviour. Implying statistical validation, these studies have often missed consumer voices and lived experiences essential to get deep into the cause of sensitive issues like irresponsible payday lending and the loan sharks.

Rowlingson et al. (2016) tried to capture customers' lived experience by highlighting three major social trends that were responsible for increased payday loan borrowing.

- Labour Market Insecurity
- Welfare Cuts
- Financialisation of Everyday Life

In their opinion, decreasing state welfare and inequality in labour market wage has created a 'squeezed middleclass' status. The product of state 'neo-liberal projects' on the hand, has facilitated de-regulation, privatisation and individual responsibility. Such transfer of responsibility from collective state welfare to individual financial accountability has accelerated demand for 'fringe finance' (Rowlingson and McKay 2014).

In another study, Anderson et al. (2019, p.420) noted that "persistence of payday lending in the UK closely related to changing economic conditions, growth has also entitled a shift to online provision". Their culture led approach provides an overview of how obligations lead to spiralling debt. In their view, payday loans function as 'an infrastructure of continuity and discontinuity', characterised by long term transformations and socio-political changes in debt economy.

#### *2.3.1 Targeted Advertising*

Since the positive turn very little research has gone into understand customers' journey and lived experiences of obtaining payday loans in an increasingly digital world. This becomes especially important as digital identities and footprints are used to create accurate models and customer persona's leading to more accurate and aggressive marketing and sales behaviour (Henman 2019; Nadler et al. 2019). This study proposes to understand customer vulnerability to payday lenders and how their online and offline activities are silently monitored to manipulate and compel them to participate in irresponsible borrowing behaviour.

Digital footprints are traces of digital activity trails that internet users leave behind (knowingly or unknowingly) as result of their online activities (Muhammad et al. 2018). Starting from search engine usage, behaviour to social media interaction, individual consumer movements and actions are captured as valuable data for remarketing purposes. Previous studies pointed how users create their digital DNA through their digital actions in terms of search

behaviour, purchase behaviour, social media engagement behaviour etc. (Rosenberger et al. 2017). These digital information are often transmitted live to track consumer online behaviour that are capable of revealing buyers' personality, shopping habits, spending behaviour and other consumption related behavioural dimensions (Aswani et al. 2018). These information are often valuable for targeting and retargeting a prospective customer who are in search for a specific product or service at a given time. Digital remarketing through targeted advertisements are an integrated part of large internet giant's marketing algorithms. If a user visits a web portal or search for specific keywords, selected algorithms trigger an associated advertising network aiming to push targeted ads. These are also known as 'persuasive communication' (Matz et al. 2017). Research has suggested that these types of communications are particularly effective because of their behavioural and psychological relevance to someone's immediate purchase needs (Lambrecht et al. 2013). In specific, persuasive ad appeals that are suited to individual user's 'extraversion or openness-to-experience' resulted in greater online exploration and enhanced purchase motives by up to 50% (Matz et al. 2017).

In the age of big data, analytics driven by behavioural and psychological assessment of digital footprint helps organisation establish persuasion and purchase influence at an individual level following consumers' own interest. In the age of social media and digital personification where customer footprint data sells as a hot commodity for targeting and persuasion, payday lenders' activities in social media and other digital space remain a grey area that no study has addressed so far. The dark side of social media in laundering customer data with agencies like Cambridge Analytica raises questions about whether outside the traditional marketing space, customer vulnerabilities are exploited through digital identities and data privacy to lure customers into taking payday loans (The Guardian 2019). Also, with the rising digital advertisement space worth \$333.25 billion in 2019 (eMarketer.com 2019), even though Google chooses to morally withdraw from payday lenders' marketing practices, other major ad distributors remain silent about posing restrictions. This is evident from a simple search carried out on the second biggest search engine Bing, that returned an alarming number of payday related advertisements.

As lead generation is an important tactic used by payday lenders to lure customers into high cost borrowing, the industry was found to be investing and competing against each other within a 'ping-tree' system to be ranked and classified by digital ad distributors and search engines (CMA 2015). Therefore, more accurate digital profiling and personification makes it easier for lenders to target the most vulnerable customers. With more than 83% of payday borrowers borrowing online (CMA 2015), the call is as high as ever to understand the role of digital space in encouraging borrowing behaviour by taking advantage of digital social identity and behaviour.

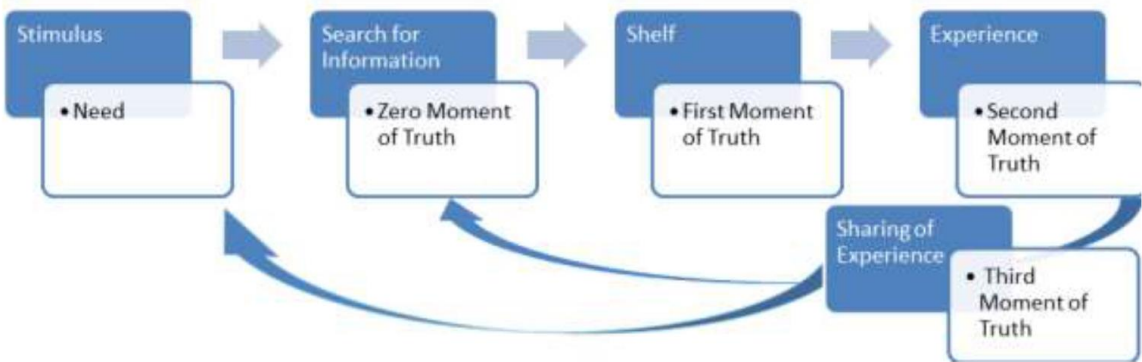
## **2.4 Moments of Truth**

The Moments of Truth (MOTs) model presents an intertwined decision making journey of consumers in various purchase and consumption context. The model has barely received academic attention, despite its wider practitioner based applications (Moran et al. 2014). As digitally empowered customers are becoming more meticulous in their decision making process, a series of online and offline channels, and factors have started to play key roles in their decision making process. The online environment has widely transformed consumer behaviour, not just at the purchase decision stage, but it also facilitate opportunities for consumer influence (ibid). Moral et al. (2014) defined this phenomenon as "consumer led information cycle".

The Moments of Truth model (Lecinski 2014) has become an integral part of customer journey process in modern day marketing practice. A number of studies have identified key purchase decision making moments in a physical shop, but purchase journey can be constructed very different in an online purchase environment. The traditional

three step mental model involved three key phases of purchase decision making: Stimulus, First Moment of Truth (FMOT), and Second Moment of Truth (SMOT). Stimulus is the phase where people recognises the need to purchase a product or service. First moment of truth is when a prospective customer enters a store to search and evaluate information followed by the purchase process. Finally, Second Moment of Truth is the phase where customers experience the product or service and share their opinion about it. Considering transforming online shopping behaviour, Google proposed a modified version of the mental model where a Zero Moment of Truth (ZMOT) precedes the first moment where consumers use online mediums to search, understand and make decisions about their purchase choice. ZMOT is deemed to be the key moment of purchase decision in the age of digitalisation and its importance has been measured across industries documenting how customer journeys and decision making alters with available choices (Lesinski 2014). The Moments of Truth model has been applied in mapping customer journeys in credit card, loans, insurance and other finance related products, however, no effort has gone into understanding how customer journey materialise in payday lending industry.

**Figure 1: Moments of Truth Model**



Source: Moral et al. (2014)

According to Lecinski (2014), the ZMOT concept matters now more than ever. Today customers know about their product/service purchase choice through ZMOT, even before they encounter a (physical) product or service. With the surge of digital consumerism, the way consumers search information online and translate that into their decision-making facet has majorly transformed, making it an important avenue for organisational competitive advantage. Limited advancement of research in this area clearly indicates that companies can benefit from strategic management of consumer experience by developing sustained consumer engagement relationships.

It is important to understand that ZMOT is not a single discrete moment, instead it's an integral part of a constant search process. Organisations that understand the importance of ZMOT and adapt its consumer engagement practices accordingly gains strong competitive advantages. A research conducted by Google showed that 84% of the purchase decisions are made during the ZMOT, making it more important than the FMOT (77%).

The study also pointed how consumers invest time in ZMOT towards a product/service evaluation using various online sources, i.e., Search Engines, Comparison shopping online, Reading reviews, Friends and family opinion etc. In addition to searching for more product or service related information, during this stage, prospective customers also seeks experiential elements of their consumption process along with the availability of offers, discount etc. Dwell time at the ZMOT is also reported to be greater than any other stages. In financial industry, such as banking,



91% consumers claimed to have a greater decision influence at ZMOT and on an average they used 10.8 sources to reach a decision. In case of insurance ZMOT was deemed crucial for 94% of the respondents while 11.7 sources were considered before reaching a decision. In contrast, within credit card industry consumers reported to explore lesser number of options (8.6) while comparatively lower number (81%) of people reported highlight ZMOT as an important decision-making step (Shopper Sciences 2011). Further studies are required to understand how these behaviour translate into payday borrowing journey process.

## **2.5 Research Objectives**

Addressing the widespread research gap in consumer journey related to payday loan borrowing behaviour, our objectives for the research are set as following.

- How customer journey pans out towards obtaining High-Cost Short-Term Credit (payday) loans in the UK? In doing so we aim to identify consumers' journeys and lived experiences undertaken through Stimulus, Zero moment of truth (ZMOT), to the ultimate post-purchase Second Moment of Truth (SMOT).
- What are the different sources or mediums used by prospective customers of payday loans to research and obtain a payday loan in the age of digital consumerism? In doing so we also aim to identify the role of various digital/traditional marketing and other triggering factors that strategically encourage or compel customers to obtain HCSTC/payday loans at each stage of the journey.
- Is there an effect of digital footprint and search behaviour on exposure to digital payday advertisements?

## 3. Methodology

### 3.1 Introduction

A mixed qualitative method approach was designed to maximise insights generated in developing comprehensive recommendations. The **first stage** of data collection involved in-depth life story interviews (Holt 2002; Fournier 1998) with 15 selected respondents who have either taken a payday loan in the past two years, or considering taking a payday loan at time of this research. During the **second stage** of data collection, a logbook keeping observational exercise was performed with the above group, and the results were compared against a group of people who performed the same exercise but had no history of payday loan borrowing. and were not considering a payday loan at the time of the research. This section of the study was designed to understand whether people with a payday loan history are targeted and pressured to take payday loans based on their demographic and digital footprint. During the **final stage** of the study, follow up interviews were carried out to understand the effect of pre-planned actions taken during the observational exercise and resulting influence on the subject's decision making and action.

### 3.2 Participant Selection & Participant Characteristics

Participants for the research were recruited using a combination of convenience and snowball sampling methods. An open call for participants were disseminated using popular social media websites, alongside other offline recruitment methods (i.e., poster on community noticeboards). Initially, 48 responses were received with interest for participation but after using a screening questionnaire only 15 participants were chosen to participate based on their suitability for the research. Final selection criteria involved various factors including timeline for the last loan obtained, duration of past loans, history of borrowing, geographic location, online usage habit etc. Out of the 15 selected candidates, 9 of them had a history of payday loan borrowing and obtained a loan within the last two year of this research. 4 participants had an ongoing payday loan borrowing history and were looking to continue to borrow in the near future. 2 of the participants did not have any payday borrowing history but they were considering taking a loan during the course of the study. Participants were recruited from across the UK and all the participants self-identified themselves as UK middleclass. The selected participants had a minimum yearly income of £18, 500 or higher that is higher than the national minimum wage in the UK.

### 3.3 Life Story Interview

Previous studies have noted that people find payday loans a sensitive social topic for discussion (Ipsos MORI, 2013), therefore individual interviews provide the best opportunity to capture an individual's personal story and motivation behind their journey to obtain payday loans. Following the life story interview principles 15 participants were interviewed via Zoom. A standard discussion guide was used to structure conversations with participants to ensure consistency and adaptation to capture appropriate experiences. Individual interviews lasted between 1 and 3 hours based on individual participant's depth of life experience with payday borrowing. Interview discussions were based on the respondent's financial situation, their understanding of debt and money management, their loan search and (post) borrowing behaviour, their attitude towards payday loans etc.

Unlike regular interviews life story interviews are more robust and in depth in revealing potentially rich and detailed information (Thompson et al., 1989). The depth of discussion within interviews was regarded as vital instead of

obtaining a superficial excavation of the topic under question (Belk et al. 2013). Focusing on the participants' life world descriptive dialogues were facilitated to understand an individual's experience of obtaining and using payday loans. In our endeavour gathered detailed self-explanation of individuals' journey and post-purchase reflection. These individual life episodes were invaluable in understanding and developing customers' lived experience through the journey starting from Zero-Moment-of-Truth (ZMOT) through to the ultimate Second-Moment-of-Truth (SMOT).

Although the sample size may appear to be restricted in this study, it is important to note that exploratory research encourages small number of participants to achieve rich and 'thick description'. According to Fossey et al. (2002, p.726) "...no fixed minimum number of participants is necessary to conduct sound qualitative research", as deep and meaningful information can be generated with limited samples to fully describe a phenomenon.

### **3.4 Observational Exercise**

After the completion of life story interviews, the second stage of the data collection process was initiated. During this phase of the research, participants were instructed to actively engage in a payday loan search process by using popular search engines and social media networks. They were asked to use a list of search keywords in addition to running voice search using smart devices (mobile phone, personal assistants) that are known to collect speech-based keywords for marketing purposes. The idea here was to recreate a scenario where it appears that the participants were actively looking to obtain a payday loan during the study period. Beside social media and search engines, participants were also asked to use other digital mediums such as comparison websites to pretend they are in the market to obtain a payday loan. The observation exercise ran for a pre-defined period of 3 weeks. A standard journal was provided to the participants asking them to record the number (and nature) of financial product related advertisements seen during the set observation period. Participants recorded the date/time, nature of advertisement (payday loan, credit card, debt relief), platform where the advertisement seen and any other relevant remarks.

The same observational exercise was repeated with a group of 15 respondents with a stable financial status and a minimum 881 credit score that is deemed to be 'good' by credit rating agencies in the UK and eligible for normal regulated credits or loans. This group of people had no history of obtaining payday or short-term high-cost loans.

Both groups were asked to document the entire observation process and identify influential factors that could compel them to obtaining a payday loan.

### **3.5 Follow up Interview**

During the final stage of data collection, follow-up semi-structured interviews were carried out with the original group of 15 people. These interviews lasted between 30-40 minutes. These interviews were particularly helpful in unravelling participants' experience through the observational exercise process (Denzin and Lincoln 2013). These interviews helped to understand the variety of messages and mediums used to target prospective customers based on their digital activities, and whether at any point of the experiment participants felt compelled or convinced to obtain a payday loan due to specific reason.

All the interviews were transcribed and analysed using thematic analysis principles (Brinkmann 2013, Cresswell 2013).

## 4. Results

### 4.1 Payday Loan Borrowing Journey Mapping

Unlike other financial product related customer journeys, the journey to obtain (and lived experience) a payday loan turned out to be much more complex than previously thought. Our primary findings indicated that, as previously perceived, payday loans are not just obtained by people with no financial education belonging to lower income groups. The majority of the respondents in our study self-identified themselves as the UK middleclass, their combined average yearly salary was £23,248, and the highest degree qualification within the group was identified as an MBA (Master of Business Administration) from a recognised UK university. Although the majority of respondents admitted not having a great knowledge of payday loan interest characteristics and the implication of non-payment, 3 participants in our study had explicit knowledge of interest and repayment calculation. According to these participants, their knowledge of loan and interest calculation derived from their higher education or their experience with a previous payday loan. As one of the candidates described...

"I was very meticulous about my [payday] loan selection, every company had a different offer, but I calculated and compared top offers on a spreadsheet to check where I could save money in terms of repayment...the finance module I studied at the university was very useful in developing the knowledge."

- John

Previous studies have highlighted how payday loan borrowers lacked knowledge of financial repayment and affordability. As we discuss later, our study confirms that statement, but a part of our respondents also claimed that they had acquired knowledge of repayment implications though past payday loan borrowing experiences.

"I have learnt from my past mistakes, I try to avoid payday loans as much as possible, but when I take them, I make sure I can pay them back within one or two months with the lowest possible interest."

- Dina

Contrary to existing belief, most of the participants in our research had a well-established job including a payroll assistant at a top social media company in London, a secondary school teacher, an associate head of a secondary school, an assistant at Virgin Money, a matchday operations assistant at a top English premier league football club, and an assistant human resources executive at an NGO. Other respondents had a full time or part time roles in small to medium sized enterprises and confirmed to have a steady source of income at the time of the research.

In the following section we describe the complex nature of the customer journey and their lived experience with payday loans by adapting and modifying the famous Moments of Truth model.

#### 4.1.1 Stimulus (Need Recognition)

The starting point of the journey to obtain a payday loan was identified to be the most important stage. A number of intrinsic and extrinsic motivations were identified as a reason for obtaining payday loans, however, two dominant themes from our participants life stories were identified as: external stimulus and impulse purchase behaviour. Our study further showed that the stimulus or need recognition phase in payday loan borrowing journey is multifaceted and no single dimensional. Participants' need and reason for borrowing (or thinking about borrowing) varied across the board but our data suggest that none of participants obtained a payday loan (or thought about borrowing one)

during the past two years of this study due to necessity. Previous studies suggested that payday loans are obtained during emergency situations as a last measure, our study suggests that some of the described episodes may appear to be important and necessary, but ultimate purchase intentions were more impulsive than required.

“I have been maintaining a clean record for a while but then my 30<sup>th</sup> birthday is coming up. If my friend rings me and says let’s do something, like go to Las Vegas, I wouldn’t say no to that. I would not let my friend realise how I am getting the money, but saying no will really look bad on my part.”

- Stephanie

Clearly Stephanie’s justification for possibly obtaining a payday loan is not a necessity but she presented it as a necessity due to peer pressure. Later in the discussion, Stephanie also admitted how she felt compelled to keep up her social image by living beyond her means and then compensating her debt with payday loans. Others recognised their need due to exposure to a desired stimulus.

“Throughout the lockdown I have been browsing social media quite a lot to keep up with my friends and family. Suddenly, one day I saw an advertisement about a gardening company. I could have a decorated garden of my choice for only £4000, that was actually essential given my kids need a place to play during the lockdown.”

- Natalie

Once again, Natalie tried to present her story as an ‘essential’ purchase but on careful evaluation garden decoration can rather be seen as an impulsive desire (Iram and Chacharkar 2017). She did not recognise the need until she was exposed to an external stimulus in the form of a Facebook advertisement. Similar trends can be noticed in other participants’ need recognition behaviour.

“I was searching through a second hand online marketplace for some household stuff, then this vintage BMW just popped up for £3600. I am a great admirer of old cars, and for that price I knew it wasn’t going to last long. I could have a loan from the bank, but the process would have taken a lot longer. I am sure the car would have been gone by the time I even started my application. A payday loan was the easiest way to obtain the money at the point.”

- Martin

Martin paints a similar picture by saying how his quest for second hand household products ignited his impulse for a vintage car that he perceived “great value for money”. However, despite having the option to obtain regulated financial credits through banks, Martin chose to search for Payday loans because of convenience and easy access. In this respect, it is important to highlight that online financial brokers have also started to promote high-cost short term loans as more and more high street lending branches became obsolete due to regulatory implications. Jason, a middle age working father was never keen on a payday loan until...

“I was looking through a [third party] credit broker website to check my eligibility for a loan. I needed the money at that point as I was changing job and had some debt from an earlier house renovation. This is where I found out that I was eligible for a payday loan, until then it really didn’t really strike my mind.”

- Jason

There were numerous thematic episodes like these where our participants’ account clearly indicated that they had no active intention of obtaining a payday loan, until they were exposed to a pressured social scenario or an external

stimulus in the form of digital advertisement or affiliate marketing. Despite claiming to block active payday loan advertisements, social networks silently play a role in inflating and influencing people's purchase desire. One of the participants, Jenny, wanted to move to a better river facing apartment in the same building after seeing her neighbour's balcony river view on social media. Her initial thought was to compensate the rising monthly cost by using short-term borrowing methods.

Similarly, major search engines have declared their responsibility towards curbing predatory lending behaviour, but in our study, we found that search engines remain the major source of how people find these lenders in the first place.

"As an immigrant to the country I had no idea about payday loans or short-term borrowing options. I came to know about them from Google. After being turned down by so many banks, for not having a credit history, I started searching for quick loans, easy loans etc....and this is when I came to learn about the payday lending system."

- Dinesh

As a new immigrant to the UK Dinesh came in contact with the payday borrowing idea through search engines, as a result he ended up obtaining a loan using Google's search engine just 3 years after the company announced banning payday loan advertisements on their platform. Gemma, also confirmed that after being stimulated by the Facebook advertisement her next instinct was to...

"...look for a quick loan. So, I went to Google and searched for quick loan and was surprised by the amount of easily available options out there."

- Natalie

It is important to note that not all the need recognition stories in our interviews were driven by impulse. There was emergency or extenuating circumstance that drove the participants to obtain a payday loan.

"The recent payday loan I took was because of an unexpected vet [veterinary] bill. My cat needed to have an operation because of an accident, and I didn't have a pet insurance. It was the easiest and quickest way I could get the money and pay my bills."

- Lyndsey

"I was supporting me and my wife after we immigrated to the UK, then my dad lost his job and I had to support my family and my sister's studies. That drained all my savings. We were just coping, but then I knew money was going to run out sooner or later. Then my dog started to get ill and unhealthy due to lack of attention back in my home country. I had to bring her over, I had no choice. That was a lot of money and I had no other means of paying my bills anymore and I had to desperately turn to borrowing. Soon I realised that none of the banks would give me a loan because I was new to the country."

- Dinesh

Beside necessity, another important reason why people turned to payday loans was debt consolidation.

"I had maxed out on my credit cards, so there was no chance of me getting another credit card or a loan. I didn't know how to get out of the situation as I had to pay all the default amounts or face CCJ [County Court Judgement]...after a bit of thinking I realised that payday loans could be the way out...actually I keep getting emails



and phone calls all the time from these companies, possibly because my previous loan histories. I thought the best solution was to consolidate everything in one place, I was looking at the monthly payment affordability, not the total amount of interest I will have to pay back.”

- Owen

Defaulting on previous regulated bank loans often leaves borrowers with no choice. Government and policy making institutions need to realise that the borrowers borrowing need does not change overnight as a result they turn to risky borrowing behaviour without fully understanding the consequences. Despite the stricter regulations, it is obvious there are no clear guidelines on whether previous payday loan borrowers could be tempted or even pressured to obtain another payday loan as discussed in the following stages based on the experiences of a group of our participants.

#### *4.1.2 Zero Moment of Truth (Information Search)*

Since its induction, the Zero Moment of Truth (ZMOT) concept has continued to grow in importance in understanding consumer behaviour in twenty first century. As the ZMOT signifies a consumer's journey through the search for information process before they make a purchase decision. As a number of respondents had an ongoing history of payday loan borrowing behaviour, they admitted that high street payday lenders (i.e., Wonga) and pawn shops had a big influence in the search process and decision making during the pre-legislation era. Once people developed a habit of borrowing then they eventually switched to online payday borrowing due to two reasons: (i) ease of access, (ii) number of alternatives available.

“It all started walking down the high street and seeing these lucrative loan offers....as I started defaulting on my existing loans I started to look for other companies [payday lenders]. This is when I realised that it was actually very easy to find them online. If one of them had rejected my application, there will be at least another 20 options there.”

- Tracey

While Tracey's account was recalled from the pre-legislation era, it seems not much has changed in terms of how information is searched in the post 2015 legislation era to obtain a payday loan.

“The most convenient way of finding payday loans is to run a Google search. It is scary how many of them are still out there and how easily accessible they are.”

- Gabrielle

“I get emails and phone calls all the time saying I am eligible for up to £500 loan, the offer will expire in 4 days....I have been specially selected for a discounted [interest] rate etc. Some of these companies I do not even recognise. Not sure where they got my details from or how they know I had taken payday loans before.”

- Owen

“I had spent at least three weeks searching through various [payday loan] offers. I compared the interest rates first, then my next criteria were to calculate who was offering me the longest term. Finally, I thoroughly read through customer reviews on independent review platforms...I did not make my decision in one day as I knew the consequences of making a wrong decision.”

- Dinesh

Due to the collapse of payday lenders' high street presence in the post legislation era, online search engines have become a key source in searching for payday loan lenders. However, people with a past history have repeatedly pointed how their email inbox gets flooded with 'tempting loan offers' and 'sometimes they are hard to resist'. An element of competition or time limitedness is added to the offer to force the recipient to make quick and impulsive decisions.

Previous studies (Rowlingson et al. 2016) have noted that payday borrowers make instant borrowing decisions without clearly justifying the rationale for their choice. Our study shows this statement is not entirely true, there is an element of rationalisation that goes into the information search and decision making but an individual's degree of involvement varies based on their knowledge and experience with payday loans.

Therefore, consumers' motive to obtain a payday loan maybe driven by impulse purchase desire, but the information search and evaluation phase is not a quick and easy one. Some people invest more time evaluating their options, some people invest less evaluative criteria, but often information is presented to prospective borrowers forcing them to make a quick decision.

#### *4.1.3 First Moment of Truth (Encounter and Purchase)*

The first moment of truth or the ultimate moment of truth is the timeframe when people encounter their desired product and make purchase decisions. In the post legislation era, encounter and the decision-making process was noted in various shape of form, although it is important to highlight that all the encounters and purchases happened in online platforms. The most important decision-making criteria was identified to be monthly repayment amount and not interest rate.

"I choose a payday loan based on how much I need to payback per month and for how long."

- Joel

"The first thing I look at is the affordability of the loan. Will it fit my monthly budget so I can pay it off. Interest factors are too complicated, and I don't I pay that much attention to interest rate."

- Tracey

Almost 90% of our respondents admitted that monthly repayment amount was more important than understanding and factoring interest rate. Not many respondents understood the concept of APR (Annual Percentage Rate) or the total amount of interest to be paid, which often appeared to be similar or more than the borrowed amount. Decisions made on monthly repayment affordability is a dangerous proposition that often gets people into trouble in the first place.

"I did not understand the nitty gritty of repayment plan. I thought I was only borrowing £300 and will be able to pay that back in six months taking money out of my salary, but then I got a default letter saying the borrowed amount had tripled in six months."

- Karen

Another reason people highlighted was to switch unpaid loan amounts to another lender. When some of the respondents fell behind their planned repayment schedule, they borrowed from another lender (often at a higher

interest rate) to compensate default amount getting into a vicious cycle of interest upon interest. In this scenario, alternative lenders were chosen by lenders who had less formalities, paperwork and background check protocols.

“Often, I had to borrow from a different company to repay my existing payday loans...normally I looked for companies that asked me fewer questions, it is always easy to obtain another loan online...mostly no questions asked and money approved within ten minutes. Often, I had lied through my applications about my income and debt status and still got my application accepted. They don't seem to check background information at all.”

- Jenny

The ease of access to money through these lenders was a recurring theme why our respondents repeatedly relied on payday borrowing. One respondent even reported obtaining a loan in three mins using her mobile phone.

“It was an awkward situation as I had to pay the money then and there and I nothing left in my bank account. As I am not eligible for a credit card, I had no other means to get £1200 then and there. I looked at my mobile [phone], searched for fast loans and just randomly went with one of the lenders that popped up. The application took three minutes, and I had the money in my account within ten minutes. All they asked was if I had a job and if I had a bank account.”

- Lindsey

Overall, the encounter and purchase decision making phase appeared to be much more swift compared to ZMOT. Our respondents also reported to choose lenders based on ‘attractive’ and ‘catchy’ lender names such as ‘Lolly’, ‘Instant lolly’, ‘Cashpanda’ etc. Often the lenders also highlight the maximum amount (in £2000 circa) that can be ‘borrowed instantly’ providing more ammunition to irresponsible borrowing behaviour. Some of the lenders websites explicitly mention “It won't affect your credit score” with small contradictory underprints that provides false sense of security.

During this phase, family, friends and influencer driven interventions can be essential in stopping an individual becoming vulnerable to the system.

“Now I look back and think it was a moment of madness. My wife would have killed me. Luckily, she came at the right time and stopped me from taking the loan. She asked was it really necessary... her comments struck me hard.”

- Martin

Similar respondent accounts were noted in other respondent stories where a family member's intervention, nudging or joint decision making had saved them from falling victims of vulnerable moments.

#### *4.1.4 Second Moment of Truth (Lived Experience)*

Based on our respondents' account lived experience with payday loans mostly do not have a positive ending. In one or another shape or form respondents had defaulted on their payment or are still working to pay off their interest through more borrowing. Not understanding interest repayments was identified to be the biggest issue, followed by complacency about consequences for non-repayment.

“I think I had a sense of entitlement, and wrongly so. When I realised that I couldn't pay the loan back I stayed put and did nothing about it. I thought my credit rating was bad in the first place so what worst could have happened?!”

- Dina

Such a sense of complacency identified to be the main reason why payday borrowers fall into bigger debt traps. Instead of seeking help from friends, family, partner or government agencies they fail to recognise it as an issue and actively blindsides possible consequences.

“I didn’t want to talk to anyone about my defaults. Not my partner, not my parents. It’s a personal issue and I didn’t want to them think that I was incapable of managing my finances.”

- Lesley

“I didn’t have anyone to talk to at that point...didn’t want to seek help from Citizen Advice as my previous experience was really bad. They judge people, no matter what they judge who you are. That’s not a nice thing and I didn’t want to be humiliated.”

- Karen

From most of the interview responses it was evident that borrowers do not like to talk about their borrowing experience whether it’s positive or negative. They believe that social stigmas are attached to payday borrowing and the borrowers are often perceived as ‘financially irresponsible’ belonging to the ‘working class’. Similar accounts from other respondents also confirmed that during the time of uncertainty there is very little help available. Government support in the form of Citizens Advice Bureau was not deemed to be adequate or appropriate, as borrowers felt ‘judged’ when contacted this organisation. Suffering in silence often had dire consequences with respondents suffering from mental health issues and often contemplating suicide.

“The reason I am openly talking today because I don’t want anyone else going through what I have been through. There was a time when I didn’t leave my room for a very long period of time. I just went through a really bad patch of my life and these default letters were making it even worse. I had no one I could speak to, felt helpless and thought about committing suicide.”

- Lindsey

Despite the new regulations, it is clear lenders are strict and invasive in terms of debt collection even if some missed a payment by just one day.

“I missed a payment by one day and they started ringing my office number, calling the reception. It was so embarrassing. It was my place of work, a school, people respect me and I have a reputation. That was scary and I could have lost my job because of that.”

- Jenny

In addition to payday lenders, respondents also commented on how debt relief companies show predatory behaviour during this time of crisis. Respondents pointed that without appropriate knowledge of a borrower’s background debt relief companies often forces them to take a settlement for their profit. Very rarely candidates can stipulate the consequences of a settlement that often ruins their financial prospect for a very long time.

“I used to get debt relief companies convincing me to take a settlement offer. At that point it seemed like the best way out. Now I have realised how big of a mistake I have made. I can’t get a mortgage [to buy a house], I can’t get a credit card or a loan and this will last on my credit file for a very long time.”

- Karen

Some people were often lucky to get support from charities and religious groups but despite warnings and formal lessons, some of these borrowers went on to borrow more while their debt was absorbed by a humanitarian organisation.

“I was very lucky, the local church had a cooperative who helped out people with severe debt. A friend of mine introduced me to the group, they heard my story and offered to write off 50% of the debt. I took the offer, but then went on to borrow more behind their back. This not something I am proud of but there was no strict criteria or regulation set by the committee.”

- Stephanie

Our respondents’ lived experience with payday loans were episodes of personal struggles and surmounting debt that they could not get out of, and this is the picture after strict regulations were imposed to protect consumers. People who were able to end the vicious cycle through settlement, debt relief or self-determination, admitted that they remain vulnerable to their own moments of misjudgement leading to initiating another vicious cycle. This is especially true when pay loans remain easily accessible during the time of COVID-19 crisis.

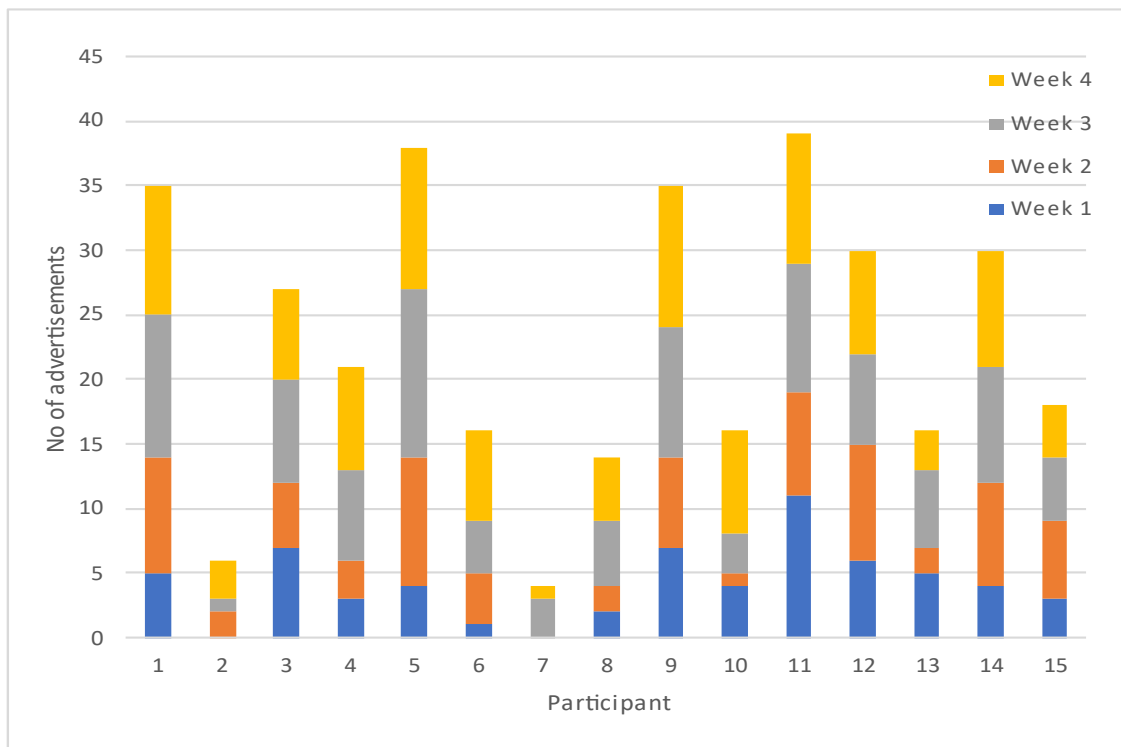
**Table 1: Highlights of Consumer Journey in UK Payday Loan Industry**

Stimulus	ZMOT	FMOT	SMOT
<ul style="list-style-type: none"> <li>• Impulsive purchase desire</li> <li>• Social Pressure</li> <li>• Emergency or extenuating circumstance</li> <li>• Loan consolidation. Lack of ability to obtain regular loans.</li> </ul>	<ul style="list-style-type: none"> <li>• Demise of high street stores means search engines provide the most convenient way of accessing payday loans.</li> <li>• People with previous loan history are often subjected to aggressive marketing campaigns in the form of emails and phone calls.</li> </ul>	<ul style="list-style-type: none"> <li>• This stage is short lived, and decisions are made swift.</li> <li>• Main evaluation criteria for loan selection are repayment value and the amount of loan available, not interest rate.</li> <li>• Often it takes less than 5 mins to obtain a payday online through simplified online applications</li> </ul>	<ul style="list-style-type: none"> <li>• Most of the time lived experiences lead to complacency and failure to pay back.</li> <li>• People often fall behind repayments due to unexpected life events or due to further borrowing needs.</li> <li>• Further loans are obtained to make up lost payments. In most cases such a scenario leads to a spiralling debt cycle.</li> <li>• Some people are lucky to receive charity and government support. Some people live with detrimental consequences.</li> </ul>

			<ul style="list-style-type: none"> <li>Family and friend intervention often help people to break out of the spiralling debt cycle or subscribing to it in the first place. These episodes seem to educate people about future high cost borrowing risks.</li> </ul>
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#### 4.2 Digital Profiling

Across both groups a total of 436 instances of payday loan advertisements were registered over a 4-week period. Of these group 1 (individuals with a history of payday loans or considering one) saw an average of 23 advertisements. In comparison, group 2 (no history of pay day borrowing) was exposed to average 6 advertisements over the same period (see Table 3 & 4).



**Figure 2: Frequency of Exposure to Digital Payday Loan Advertisement (Group 1: People with Loan History/Considering Loan)**

Figure 2 shows that for group 1, the majority of participants were exposed to an increased number of online advertisements that saw a 69.35% overall increase between week 1 and week 4, rising from a total of 62 to 105



across all Group 1 participants. Individuals with a previous or ongoing use of payday loans were 1.84 to 2.44 times more likely to see an advertisement when compared to the individuals with no history.

In group 1, two specific individuals (Participant 2 and Participant 6) who had never taken a payday loan, but were actively considering one demonstrated interesting patterns. Despite being in group 1, participant 2 was exposed to similar number of advertisements as group 2 average. However, participant 6 was exposed to a total of 16 advertisements that is higher group 2 average.

Such findings suggest that history of payday borrowing may make an individual more susceptible to viewing payday loan related advertisements in an online environment. Some participants also reported receiving increased amount of cold calls and emails selling loan products. In addition to payday loan advertisements, participants also reported to see increased amount of debt product related advertisements including high APR credit cards, high APR loans, debt relief organisations etc.

This exercise was an eye opener to many participants as some of them said that - "I never thought my search results can produce so many payday loan advertisements. Normally I see few here and there, but I don't tend to pay much attention to them, but this time they were quite noticeable." [Owen].

Our study provides an initial ground for further experiment based future research development into the area with larger participant sample size. Long term large scale quantitative studies can help to measure the significance of digital footprint on targeting and encouraging people to uptake more loans in the future.

## 5. Conclusion and discussion

The foundations of this study were laid to understand payday lending and borrowing behaviour in the age of digital consumerism after strict regulations were imposed to the industry. It is evident that a number of dominant players in the industry have shut their doors since then and a section of society may have escaped predatory lending behaviour as a result. However, with the rise of digital consumerism it is time for the government and regulatory agencies to draw more restrictions to online predatory behaviour. The 2015 regulations were mainly focused on restricting interest rates, enhancing consumer rights, and strong affordability guidelines. Despite these impositions, it seems payday lending businesses have started to thrive once again by taking advantage of people's impulsive purchase behaviour. Their new target market, the UK middleclass, are often driven by purchase choices that are beyond their affordable range. However, these lenders feed these desires through a false sense of security by honing on people's entitlement to easy borrowing without highlighting the consequences of falling short on repayment terms. Easy loan, quick loan, loans for bad credit are the keywords used to overshadow search engine and social media space, while our research also shows there could be a clear link between historic borrowing behaviour, digital profiling and exposure to payday loan advertisements.

Consumer journeys in this industry appeared to be a complex affair but consumers' lived experiences revealed stories of regret and despair. Unexpected impulsive purchase events, more so than unexpected emergency events, were identified to be key triggering factor why our respondents felt the need to consider payday lenders. Occasionally previous experience, but mostly easy availability, of these loans often make them a convenient choice over traditional regulated loans and lenders. At the ZMOT, people mostly search information about how much they can borrow and for what duration, but their decisions are heavily influenced by the amount of monthly repayments instead of actual interest rate.

Contrary to popular belief, people do invest time to evaluate their options, hence the lender often puts pressure by adding time limits or presenting limited time special offers. Lenders also try to lure customers by promoting upper borrowing limits. The FMOT in these purchase journeys are short lived, consumers often choose organisations based on catchy names. Some consumers are lured into taking further loans by constant email and telephone marketing messages. Respondents in our study admitted to borrowing in order to repay previous debt related interests, initiating a vicious cycle of debt.

The previous legislations may have restricted the number of loans that can be obtained from one lender, but due to regulatory loopholes our respondents have admitted to switch companies to avoid such burden. Regulatory authorities must consider greater information sharing and control across lenders with strict background check protocols. This process will help to stop people who switch companies to obtain fresh payday loans despite defaulting on previous loans; people should also be stopped from providing false information to receive an instant loan without thinking about resulting consequences.

More education is required along with proactive campaigns to raise peoples' awareness of payday borrowing, and how they should approach these lenders and how to best evaluate repayment affordability before obtaining a loan. Also, data sharing in the industry must be tightly controlled in order to stop upselling, cross selling and other

predatory behaviours. Rules and regulation also need to be reviewed regarding how consumers digital footprints are used to selectively target people who are likely to fall into the dark cycle due to limited self-determination. Government must also review Citizen Advice support system and make them more reliable, impartial and accessible. This is because a number of respondents claimed that they felt humiliated approaching Citizen Bureau services because of the fear of being 'judged'. As shown in our research, more family, friends or influencer-based invention is essential to stop people repeating the same mistake, while more targeted educational advertisement and messages will be helpful in transforming people's mindset towards irresponsible borrowing behaviour.

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## 7. Appendix

**Table 2: List of Research Participants**

<b>Participant Name**</b>	<b>Gender</b>	<b>Education</b>	<b>Occupation</b>	<b>Payday status</b>	<b>Loan</b>	<b>Future borrowing plans</b>
<b>Dina</b>	Female	School level	Operational assistant	Previous loan within the last 2 years.		Strictly no plans
<b>Natalie</b>	Female	University level	P/T administrative worker	No history		Undecided
<b>Martin</b>	Male	Undisclosed	Self Employed	Previous loan within the last 2 years.		Undecided
<b>Dinesh</b>	Male	University level	Assistant HR Executive	Ongoing		Continue to borrow
<b>Jenny</b>	Female	University level	Teacher	Previous loan within the last 2 years.		Undecided
<b>Jason</b>	Male	University level	Undisclosed	No history		Highly likely
<b>Lindsey</b>	Female	University level	Assistant head of school	Previous loan within the last 2 years.		No plans
<b>Owen</b>	Male	Undisclosed	Undisclosed	Ongoing		Continue to borrow
<b>Tracey</b>	Female	School level	Administrative assistant	Previous loan within the last 2 years.		Undecided
<b>John</b>	Male	University level	Office worker	Ongoing		Continue to borrow
<b>Stephanie</b>	Female	University level	Payroll assistant	Previous loan within the last 2 years.		Undecided
<b>Gabrielle</b>	Female	Undisclosed	Undisclosed	Previous loan within the last 2 years.		Strictly no plans
<b>Karen</b>	Female	Undisclosed	Shop assistant	Previous loan within the last 2 years.		Undecided
<b>Joel</b>	Male	School level	Operations Supervisor	Ongoing		Continue to borrow
<b>Lesley</b>	Female	University level	Freelance worker	Previous loan within the last 2 years.		Undecided

\*\*Pseudonyms were used to conceal participant's real identity following ethics protocol.

**Table 3: Observational Exercise (Participants with payday loan history/considering loan)**

Participant	Payday Loan Status	Week 1	Week 2	Week 3	Week 4	Total
1.	Previous	5	9	11	10	35
2.	None	0	2	1	3	6
3.	Previous	7	5	8	7	27
4.	Ongoing	3	3	7	8	21
5.	Previous	4	10	13	11	38
6.	None	1	4	4	7	16
7.	Previous	0	0	3	1	4
8.	Ongoing	2	2	5	5	14
9.	Previous	7	7	10	11	35
10.	Ongoing	4	1	3	8	16
11.	Previous	11	8	10	10	39
12.	Previous	6	9	7	8	30
13.	Previous	5	2	6	3	16
14.	Ongoing	4	8	9	9	30
15.	Previous	3	6	5	4	18

**Table 4: Observational Exercise (Participants with no payday loan history)**

Participant	Payday Loan Status	Week 1	Week 2	Week 3	Week 4	Total
1.	None	0	1	3	3	7
2.	None	1	3	2	1	7
3.	None	0	0	0	3	3
4.	None	0	1	3	5	9
5.	None	2	0	4	1	7
6.	None	0	1	0	3	4
7.	None	0	2	1	1	4
8.	None	1	1	2	1	5
9.	None	3	3	4	1	11
10.	None	1	4	1	3	9
11.	None	0	0	1	1	2
12.	None	2	4	1	2	9
13.	None	1	0	0	2	3
14.	None	0	2	1	1	4
15.	None	1	1	1	4	7

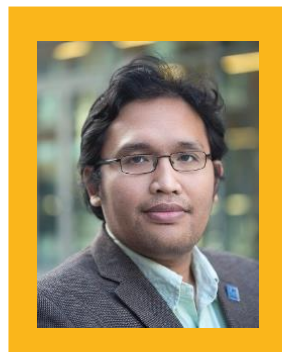
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