**Background**

In 1850, American Express was founded in Buffalo, New York. The company first started transporting goods, currency, and other valuables around the United States. Later in the 1890s, American Express entered the financial services industry, specialized in providing financial service including credit cards, charge cards, and traveler’s checks. American Express was unique as the company had businesses in credit card issuing industry as well as payment transferring sector. By the end of 2009, the company had a strong, global presence with operations in more than 130 countries with 58,300 employees and reported US$24.5 billion in revenue.

In the mid-1980s, American Express offered extensive lines of credit cards, such as the blue card, the platinum card, and also corporate business cards for the small business. The company developed member rewards program that awarded one point for every dollar spent, and the points could be used for rewards to attract consumers. American Express had a unique closed-loop business model, its direct relationship with its merchants and consumers. One of its business goals is to help small business owners succeed by delivering purchasing power, flexibility, and financial control.

In the mid-2000s, the economy was in a great recession, consumers’ purchase power went down, however, the competition among the payment industry was intense. Major credit-card issuers such as Visa, MasterCard had a larger presence in the industry than American Express. Ed Gilligan, the company’s vice chairman, initiated a set of social strategy to promote the company by various communication channels, such as its first online communication platform called American Express OPEN forum to support their American Express OPEN business card. On November 27th, 2010, with the help of Crispin Porter + Bogusky, AmEx launched Small Business Saturday Americans to invite customers to join together to support their local small business. The communication goal of the campaign was that American Express was a friend to small business and demonstrate the role of the company to drive commerce on Small business Saturday and drive brand consideration.

The idea was to leverage on AmEx’s direct relationship with customers and small business owners to celebrate a holiday after Thanksgiving.

<http://about.americanexpress.com/oc/whoweare/>

<http://www.makingafortune.biz/list-of-companies-a/american-express.htm>

**The Communications Opportunity and Problems**

Communication Opportunities:

There have been great opportunities for the attraction of new merchants and members who hold their cards. According to the Federal Reserve’s 2016 Payments Study, the number of credit card payments has been on the rise after the financial crisis between 2006 and 2009. About 70% of adult U.S. residents owned at least one credit card, and the average credit-card holder had 3.5 credit cards. Moreover, the demand for the credit card is high, since the card-based payments have increasingly replaced cash and check transactions for daily consumer purchases. Differentiating itself from other credit card payment companies is critical. In the highly challenging market, instead of approaching to consumers by direct mailing and telemarketing, American Express OPEN should launch extensive marketing campaign and be the leader in the implementation of change.

Changes in consumer spending habits offered credit card new opportunities. As the E-commerce is dominating the shopping habits of consumers. The online financial transactions were threat to traditional credit cards. American Express had to adapt quickly to the world of Web commerce. Competitors aimed at technology savvy generation X-ers and offered quick credit approval by online applications.

High technology Chip-embedded "smart cards," already used in the United States as the most promising new card technology. Issuers and participating merchants were strongly supporting the use of contactless smart cards for signature-free payments under $25.

There also existed opportunities to make broad the relationships that exist between the company and its customers. As the economy was recovering from the financial crisis, consumer spending and consumer confidence were also growing up. After the research conducted by American Express, they found out helping their small business customers to attract new customers are essential. American Express were helping their customers, which is small businesses to gain more money by creating the Shop Small Saturday Campaign. As early as 2007, the company started to build a business community, OPEN Forum, to bring up business owners together. The OPEN program small business owners to join the conference live at [www.openforum.com](http://www.openforum.com) and discuss shared issues.

There was an opportunity for identification and creation of value addition for their current existing customers and their partners. As people have a cause for shopping more on the black Friday for all major retailers and Cyber Monday for internet merchants. People should also patronize to ‘buy local’ on Saturday to support local businesses. AmEx’s mission was to help businesses do more business. The first commercial ‘Start Booming’ features how small business owners stayed strong and with hopes and smile on their faces as they came out of recession in 2010.

Communication Problems:

According to the survey by United Services Automobile Association (USAA) conducted in 2010, there are 90 percent of people planned to pay in cash for the holiday shopping season, however, only 41 percent planned to pay by credit cards. The competition in the industry is very stiff and thus acquiring and maintaining customers is a challenge. Although, American Express has been offering small business credit cards and services for 20 years. The company was not the first one launched the extensive marketing campaign in 2010. JPMorgan Chase Card Service launched a marketing campaign for its Ink card, targeting small business. Therefore, American Express decided to make defense and set up together with its agencies to enable it to win the support of their consumers, small businesses, officials of the public and most importantly bigger firms that it could form a partnership with for the promotion of its cause.

There has been a lot of pressure on the fees that are usually paid by the merchants. For example, Visa and MasterCard charged the merchant a lower price than American Express, at about 2% of the purchase value, which helped them get more customers. Also, Visa and Mastercard companies earned money from lending fees and revolving credit balances. However, American Express pursued a spend-centric model, which means the company makes most of its money by card member spending and swipe fees charged to merchants. It was an opportunity for American Express Open to create a marketing campaign to gain brand recognition under the environment.

**Situation Analysis**

**Payment Industry Landscape**

The industry has a high barrier to enter due to the tight regulations by the government, large capital requirement and loyal customer bases. However, the money transferring market recovered from the financial crisis as the market rely on transactions. With more services and purchases happened between 2006 and 2010, consumer spending and consumer confidence gained. The improvement in technology increased electronic payment transactions. Moreover, during the financial crisis, consolidation of the banks raise the level of competition among credit card payment industry, the pool of potential clients gets smaller. Cash and checks were replaced by electronic payment, as those methods were more efficient. Also, the increasing in E-commerce sales also helped drive electronic payment. According to McKinsey Global Payment Database, most of the market was dominated by debit cards between 2006 and 2011. Debit card spending increased at 12%, while credit card spending grew at 3%. In the nation, the credit card market can be said to be among the largest markets in consumer credit. Banks have invested heavily in mobile payment products and solutions. The credit balances once peaked to more than one trillion dollars, but they later dropped dramatically to amounts below $800 during the time of the great recession. Such data indicate that the balances as at now are more than $925 billion. It is estimated that 63% of the American adults are usually more than an open credit card. Similarly, the ones that have open, general-purpose cards make up about 57%. Over the last few years, ownership of credit has tended to become more common marginally in the past few years. Even though the increase has been slight, it holds to be true generally for cardholding. According to the National Small Business Association survey in 2008, America’s small business owners ranked credit cards the most common source of financing. In addition, 44 percent of them identifying credit cards as a source of financing that their company had used for the past year.

Small business people are major discounted, small business da

**The Brand**

* What is it? What does it do? How does it work?

Following the economic collapse of 2007-08, financial services media spending fell nearly 19% from 2007 to 2009. Meanwhile, spending by banks and credit-card marketers has remained flat or slightly down since 2008. Bank of America Corp.’s measured-media spending, for instance, peaked in 2007 at $422.9 million. However, the media spending by financial services went up by 3.1%. However, American Express invested more in 2010 at $ 429 million. The largest competitor JPMorgan Chase spent $326.5 million. Visa spent $192.7 million.

* What was the brand’s position in the market versus the competition as the case began? What were trends in the brand’s market position over time?

A 2008 National Small Business Association survey reported that credit cards are now the most common source of financing for America's small-business owners, with 44 percent of them identifying credit cards as a source of financing that their company had used in the previous 12 months. According to Nilson Reports, in 2008, JPMorgan Chase was the largest issuer of small business credit cards with $34.5 billion in total card volume. Bank of America was second with $26.31 billion and Capital One was third with $20.7 billion.

* What were key business or marketing objectives? Aware consumer asked WEIP aware
* The business goal of American Express was to . The marketing goal of American Express OPEN was to show that American Express is a friend to small businesses to demonstrate the role of American Express to drive commerce on small business Saturday, and drive brand consideration.
* What programs were in place, if any, for reaching those objectives? How effective had those efforts been?
* A study conducted by OPEN showed that business wanted to use Facebook to engage with their customers. There were three main pillars of the strategy used. The first pillar was putting tools into the hands of the small merchants and rallying them to make sure that they owned that day. The second element was speaking to as many people as possible and encouraging them to offer support to the movement. They would also be helping to shop in the small shops on the small shop Saturday. The third pillar was urging the officials in the government to make the day an official one.
* How had the organization communicated with its key audiences in the past (targets, messages, programs, spending)? How effective have those communications been?

OPEN FORUM MODEL. ADDITIONAL ADVISE. SMALL business cards, initication can.

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American Express launched its first marketing campaign with the help of the PR agency Ogilvy and Mather. The slogan was “Don’t leave home without them”, attempted to establish American e American Express as the top provider of [traveler's checks](http://www.investopedia.com/terms/t/travelerscheck.asp) and cards that could be used in every-day life. American Express also used celebrity endorsements to help cement this phrase into the minds of consumers. The first commercials featured Academy Award winner Karl Malden. Other celebrities that provided endorsements, over the years

Audiences

For American Express OPEN, their target audience were small business owners, card members, and government officials. Since American Express' revenue was mostly from the transaction fee charged to the merchant at around 3% and card member fee for new customers. After the research conducted by American Express, they found out helping small business owners to attract new customers are essential. The more customers came to the local merchant; the more money merchant will make. Customers are offered 25 credits on their credit card on the small business Saturday when they made purchases. It’s critical to help merchant get customers in the store. According to Mark, the creative director of CP+B, the company has two goals. One of them is to increase the frequency use of American Express cards and attract new consumers to shop in local stores. American Express was helped small businesses to gain more money by creating the Shop Small Saturday Campaign.

* What were each important audience's historical and current relationship to the issue or the brand (e.g., attitudes, beliefs, emotions, behavior, self-image, etc.)? Had those relationships been changing in any significant way over time? Widepreade both smallss business 18+

Competition

Major credit card companies such as Bank of America, JP Morgan Chase, and Capital One experienced competition from debit cards, personal and business checks and cash. Credit Card issuers tried their best to attract customers at different levels to purchase with their card. Companies initiate attractive rewards programs, promotions and advanced technology to attract consumers use cards. According to a survey by Alite Group in 2012, the quality of customer service and the variety of rewards are two major factors when choosing a credit card. Moreover, companies competed heavily through new technologies. For example, JPMorgan Chase launched a credit card which does not require consumers’ signature to save time for consumers.

In 2010. JPMorgan Chase launched its Chase Ink business card to compete directly with American Express OPEN. The campaign delivered through multiple channels which include television, print, newspaper, online, public relations, and direct marketing. The campaign demonstrated chase ink card as a powerful and unique tool to small business owners. The company’s target audience were also small business owners. By advertising on the stories of different merchants’ success, the extensive marketing campaign was very efficient. According to Synovate, in the first quarter of 2010, there was a 256% increase from the same period last year.

American express ranked No.1 on purchase volume for US credit card issuers at 24.6% and 25.3% in 2011. Chase at 17.7 in 2010 and 18.1 in 2011.

A feature of the consumer credit cards is the minimum payments. Averagely on any month, the accounts that make a minimum pay are about 15%.

Goodwell national movement not only on the day but all year around the benefit much more about 2010.

**Relevant Experience From Other Organizations**

Like American Express, the company decided to embark on an extensive advertising campaign. Wells Fargo is the largest commercial lender to middle-sized businesses*.* In 2015, the wholesale group Wells Fargo had started to face a decrease in the number of accounts that were being opened and their interactions with the customers were continuously decreasing. This was implemented by publishing the campaign across various media on April 27th, 2015*.* The campaign marked as the companies’ first time TV commercials and represented its commitment to diversity and inclusion in America.A slogan “Together, we’ll go far” was run in diverse types of media including the broadcast, online, the mobile application of the bank and print media. The main idea was to convey that Wells Fargo is grateful for the hard work people did and connected with their consumers at an emotional level. As the CEO Timothy Sloan put it, it was a bid to create a culture that would be better each day. The company hoped that if the marketing picked up, the bank would benefit from the accounts that could be opened in the months that could follow. The campaign was successful and effective,

[**https://newsroom.wf.com/press-release/marketing-and-sponsorships/new-brand-campaign-wells-fargo-celebrates-why-we-work**](https://newsroom.wf.com/press-release/marketing-and-sponsorships/new-brand-campaign-wells-fargo-celebrates-why-we-work)

How effective—or ineffective--were their communications programs? What lessons can strategic communicators take from these experiences?

**Your Client’s Communications Program**

Help your favourite business start booming 2010.growing it.pulic

Located in San Francisco, Green Apple Books experiences a 20% increase in sales during one particular day each year — Small Business Saturday. The shopping day was first conceived of by American Express in 2009 to help small companies still mired in the recession. (SBS officially launched in 2010.) And it proved effective. In 2012, consumers spent an estimated $5.5 billion at small retailers on Small Business Saturday.

1. Outline the communications program your client employed to solve the problem in this case, or to make the most of the opportunity. Include information about:
   * + Target audience(s)
     + Objective(s)
     + Message
     + Integrated communications tactics
2. Under each element of the strategy, sketch in a rough outline of why the client chose it.
3. Summarize the results of the communications program.

**Results**

**317 words**

Shop small business Saturdays have been a success for AmEx. For instance, in 2011, there were 5000 small businesses that participated and 103 million people did their shopping on that day. The day has become very popular and becomes a trending topic in the top ten lists on twitter. In 2011 for instance, there were 2.7 million Facebook ‘likes’. This was an increase from the previous year. Due to the marketing is done by AmEx, small businesses as well as other partners; the day receives a great percentage regarding awareness

By effectively recruiting officials of the public, a motion was passed unanimously by the Senate for the declaration of Shop small Saturday to be an official day of shopping. This enabled American Express to realize its goal, of ensuring that the day was made part officially to the holiday season of *shopping.* A crucial factor that can be attributed to the success of the initiative was the way its management and coordination were done.

To accomplish its goals, AmEx was prescriptive about what was expected to be accomplished among all the audiences. This required a voice and a direction that was clear the initiative was and can still be considered, to be much greater than only being a campaign for marketing AmEx. It is also about AmEx creating awareness about how important small businesses are

1. Outline the key results of the client's communications programs. Frame the results regarding the objectives of the program.—that is, make it clear whether the communications program did or did not meet its in-going objectives.
2. For each result, list evidence from your research for it. List these facts in a logical order.

**Your Assessment**

**300words**