

# [Discuss how branding adds value with reference to the cases namely 3m, singapore ...](https://assignbuster.com/discuss-how-branding-adds-value-with-reference-to-the-cases-namely-3m-singapore-airiness-amex-club-med-haagen-daaz/)

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Discuss how branding adds value with reference to the cases ly 3M, Singapore Airiness, AMEX, Club Med, and Haagen Dasz American Express or AMEX has been a success story of rags to riches of a peripatetic individual businessman in the US. Branding is a strategic approach adopted by organizations to create favorable perceptions about products among consumers. AMEX too adopted such an approach with a series of products including its travelers’ checks and the credit card. However its subsequent success with the American Express credit card came with the most innovative brand value creating efforts of the century in the history of brand value management. Hitherto unheard of concepts were adopted by its management in order to innovate, reorient, strategically position and redefine its then existing strategic branding techniques. An articulate strategy of brand value creation along with a customer loyalty management approach was adopted in the 1980’s in response to competitors’ threat to its core business, viz. the American Express card.   
Indeed almost 900, 000 federal employees use the American Express card to settle bills to the tune of $250 billion annually though the company has had to do everything under its power to avoid being pushed into the red. The 1980’s were marked by stiffer competition from its parallel rivals like the Visa card, MasterCard and so on. In fact while the total expenditure on credit cards increased from a mere $250 billion in 1985 to $1, 000 billion in 1993, the market share of American Express was either stagnant or actually falling.   
It was around this time that the management of the company realized the relative significance of a strategic shift in its brand management and value creation approaches. Coupled with a mammoth advertising campaign, the company sought convincingly to introduce innovation, value for money, smartness and classlessness as the new dynamic concepts in a customer-oriented promotion campaign. This strategic shift in company’s brand equity policy approach worked to such an extent that soon its rivals began to copy some of its fundamental principles (Neal & Strauss, 2008). The loyalty management program of American Express was probably the best strategic tactic that paid handsome dividends later on.   
Unlike its rivals, American Express began to innovate with both adverting and loyalty management. For instance its “ Quality People” advertising slogan appealed to people across class and social barriers because it focused on the dynamic value proposition. Every individual person who had some success in their business or profession was chosen to underline and drive home the message of success. Thus with Body Shop’s Anita Roddick’s presence it automatically created an additional value not just for business travel but also for “ travelness”, an idea which immediately picked up steam among the “ High Street” travelers.   
This was followed by the loyalty management program that further boosted the image of the American card carrier. Thus value creation propositions were adopted one after the other by the company in response not so much to the level of competition but as a strategic policy shift from being mere spectator to unfolding events to a proactive strategy-centric initiator. “ Mass customization” or “ individualized marketing” approach began here. The customer is told that he is the carrier of a “ smart card”. This is a class of people that has a distinct identity and above all a high value-driven existence vis-à-vis the rest of the community.   
Thus American Express has finally come a long way through to the current relationship marketing proposition that effectively redefines the frontiers of brand value creation in a manner that can only be called a revolution in the credit card industry. It has successfully integrated the entire world into its strategic expansionist policy. Europe has been taken by storms of its unique brand value creation efforts and the rest of the world wouldn’t be spared either as shown by its expansion into South East Asia. Brand value management and creation are twins and if well managed the rewards would be far better. Brand equity related synergies have enabled American Express to chart a different path of progress.   
REFERENCES   
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