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Analysis of Marketing Techniques used by American Express

American Express continues to attempt to expand its customer base, while at the same time trying to keep its reputation as a card of status. Its successful marketing tactics in the United States compared to the slow expansion into markets abroad show its lack of consideration of the differences of these markets. By preparing a more decisive plan as to what type of consumers to target and what products to push in each of its market areas, American Express could have a much greater success with foreign expansion.

American Express has been known as a commodity to most business travelers. In order to build its customer base, other consumers need to see the card as an indispensable convenience in their lives. American Express offers convenient methods to obtain account information, pay bills, find discounted products, and even make travel plans via the Internet. The Internet site offers these options, as well as other services, such as on- line help and assistance for small businesses. American Express realizes the need for many consumers to save time and money, but to still feel important and respected. The ingenuity and thought put into the services offered on the web site shows that American Express is genuinely concerned with the satisfaction of its customers.

American Express has always been known for its benefits to travelers. Some of the new travel discounts; such as the “ Bahamas Getaway” packages offer significant discounts for planning a vacation in the Bahamas through a travel agent. The catch is that one must charge it on the American Express card to get the discounts. Coupon books that offer discounts at many shops, restaurants and attractions are given to those who buy a package. Over $11 million in “ Bahama Getaway” packages were sold in 1999. Other getaway packages are available to consumers all over the world. American Express has successfully used this marketing strategy, as it realized that consumers want an opportunity to enjoy an exotic vacation, while at the same time, getting value for their dollar. Saving money is important to most consumers. Once again, American Express aims to please its customers.

With these successful ventures, it is difficult to imagine that American Express is struggling in many parts of the world. The lack of appreciation and understanding of foreign consumers is the cause. In order to promote its charge card in Japan, American Express has tried to appeal to the elite. But as stated in the Marketing text, its charge card applications are found in the back seats of taxicabs. A more logical approach to soliciting the upper echelon in Japan would be to display applications in elite clubs, or to mail solicitations to high society neighborhoods. Making the application less available to the general public may be more appealing to the targeted market.

In Europe, American Express has been limited due to its high merchant fees, making businesses bypass the opportunity to work with American Express. American Express should offer a “ trial membership” to merchants to entice them into offering consumers the ability to purchase with American Express cards. Possibly offering a discounted fee to new merchants may show the merchant how many new customers carrying the card will shop in the store . After the first year, the company can choose to continue with American Express at the regular fee, or cancel their membership. American Express has a very large customer base that travels. In order to have customers use their American Express card when visiting these merchants, American Express could offer either promotional travel in these areas, or discounts to cardholders that make purchases in these stores. Helping merchants promote their goods on a web site or a travel brochure can also help secure a new merchant.

American Express has developed several market areas to increase consumers’ usage of their card. With more consideration of the needs of merchants and consumers in each of these markets, American Express may be able to better expand its presence in the foreign market. With planning and analysis of what has worked in other markets, as well as what has worked for the competition in each market, American Express could build its merchant and customer bases worldwide.

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