

September 16, 2020

American Express - In sickness and in (good financial) health



Jessica Duncan:

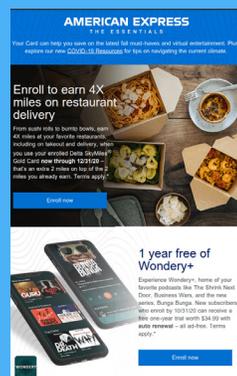
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With a product lineup highly tailored to premium consumer and business travel cards, the drastic shock to everyday life and lack of non-essential travel and leisure has forced American Express and many credit card brands to reposition and build loyalty through new ways. American Express has done just that and in fact could be viewed as a leader of the pack. Their efforts have been consistent and have shown proactive support of cardholder's needs through added perks, complimentary benefits, and overall increased value. Take one example, this latest complimentary offer includes a free one-year trial subscription to Wondery+ podcast service.

For most card issuers, the emphasis on loyalty has moved front and center while acquisition efforts remain light. Competiscan observed a historic 54% reduction in Q2 2020 credit card mail volume year-over-year which comes as no surprise as the 2008 recession is not far enough in the rear-view and credit card issuers are trading cautiously with extending new credit and the additional risk.

Experience
Wondery+, home of
your favorite podcasts.
New subscribers who enroll by
10/31/20 can receive a free one-
year trial worth \$34.99 with auto
renewal – all ad-free

*American Express (Email,
September 2020)*



Quick Insight: Given Competiscan's capability to monitor credit risk attributes of its panelists longitudinally, it was observed that due to the overall scale back in credit card acquisition volume, along with issuers becoming more risk adverse, consumers with FICO® scores* >750 were targeted for Pre-Screened credit card solicitations at a higher rate in Q2-2020 compared to the previous quarter.

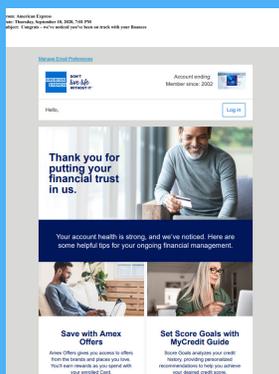
Commentary by

competiscan

American Express caught our attention again with a recent email campaign and a subject line that read, **“Congrats – we’ve noticed you’ve been on track with your finances.”**

Thank you for putting your financial trust in us. Your account health is strong, and we’ve noticed. Here are some helpful tips for your ongoing financial management.

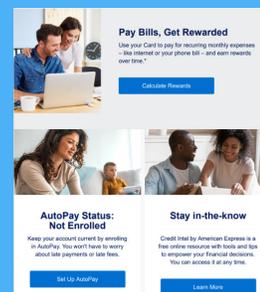
American Express (Email, September 2020)



The economic uncertainty of today naturally puts financial wellness as a top marketing strategy for cardholder retention and many credit card issuers are raising awareness to new tools and resources. Most issuers have been observed targeting these efforts across their card base. Interestingly, this campaign by American Express was observed targeting their high credit quality cardholders.

Based on the makeup of the Competiscan consumer panelists that received this communication, all averaged prime and super prime FICO scores and showed minimal change in their FICO score over the past two years.

The message was simple. It showed praise and acknowledgement for their successful management of their finances and then encouraged a stronger or even stickier relationship by weaving in relevant content and actions, such as paying for recurring bills or enrolling in AutoPay.



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While the likelihood of charge offs and delinquency from this subset of their portfolio has lower odds, these high creditworthy consumers also have the most credit options and possibly more than one premium card product in their wallet. Likely, American Express is looking to minimize attrition on the high end of their portfolio and engaging closely with these relationships now while credit card spend and behaviors are shifting.

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