

American Express plans inaugural Membership Week as card volume grows

Article

American Express announced its first-ever Membership Week from June 14 to 18, with experiences and promotions in dining, retail, entertainment, wellness, and travel, [per](#) PYMNTS.

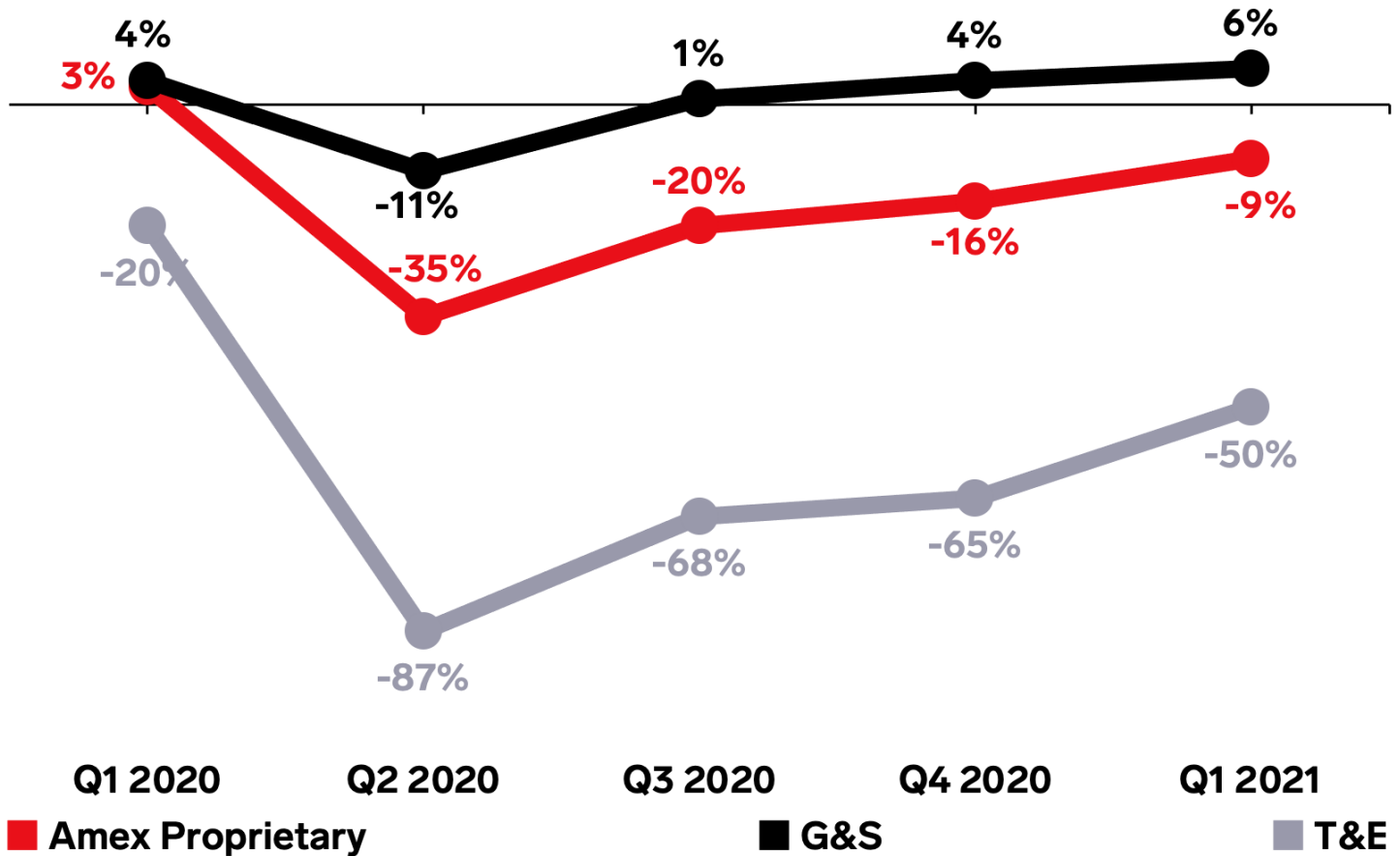
The payments giant is working with popular brands like Equinox, Calm, Momofuku, and Resy to offer cardmembers exclusive perks: For instance, cardmembers can access workout classes from Equinox and guided meditation sessions from Calm. Amex will also give cardholders free access to a virtual performance from American singer SZA and perks at the US Open Championship.

Membership Week can drive volume growth for Amex as US consumers warm up to spending.

- **Limited-time promotions are set to become a popular tactic to increase card spending during pandemic recovery.** A week of perks may expedite Amex's volume rebound, especially in the travel & entertainment (T&E) segment, which suffered the biggest losses in the last year: Amex's T&E volume dropped 50% year over year (YoY) in Q1 after plunging 65% in Q4 2020. Offering perks at popular restaurants and travel sites should also lift Amex's billed business—which declined 9% YoY in Q1 but is steadily improving—and help it return to positive growth sooner.
- **The introduction of Membership Week coincides with a recent spike in card volume.** Visa reported a 44% annual increase in US credit card volume in May and also said travel spend has steadily improved in recent months relative to 2019. And Chase noted that credit card spending is up 17% year to date compared with the same period in 2019 and also saw recovery in T&E spending. These trends suggest that Amex may be on the path to similar results—and could accelerate growth with Membership Week.

The event also sets Amex apart from other issuers, paving the way for increased customer engagement. Amex's Membership Week may generate excitement among cardholders, especially now that most of the US is fully open (thanks to COVID-19 vaccine efforts) and consumers are more eager to participate in social events and more prone to spend with their cards. Perks and promotions increase customer engagement and could tie customers more closely to Amex. The event also makes Amex more attractive because it's one of the first of its kind—helping the issuer redevelop relationships with cardholders and earn or cement primary card status.

American Express Proprietary Billed Business Annual Growth



Note: G&S stands for goods and services and T&E stands for travel and entertainment

Source: American Express, April 2021

Methodology: This data is from American Express's quarterly earnings report published on April 23, 2021. Values cited are on a constant currency basis.

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