

Amex posts impressive Q3 volume growth, moves further into business solutions

Article

By the numbers: In Q3, American Express's total network volume surged 29% year over year (YoY) and 4% compared with Q3 2019 (Yo2Y)—reflecting positive growth from pre-

pandemic levels for the first time.

- Making up 85% of Amex's total network volume was billed business volume, which **increased 31% YoY and 4% Yo2Y**, likely thanks to elevated consumer spending in the late summer months. Processed volume, which accounted for 15% of total network volume in Q3, grew 18% YoY and 3% Yo2Y.
- Within billed business, **travel and entertainment (T&E) volume skyrocketed 124% YoY but declined 29% Yo2Y**.
- Making up the remainder of billed business was goods and services (G&S, previously non-T&E), which **jumped 18% YoY and 19% Yo2Y**.

How we got here: In the US, COVID-19 vaccination rates underpinned higher consumer spending on Amex cards.

- Widespread vaccine efforts may have been closely correlated with economic improvements like the drop in unemployment, which likely affected consumer spending. A stronger sense of financial security may have given cardholders a bigger risk appetite and increased their willingness to spend on Amex cards: US retail spending in July, August, and September notched **annual growth above 11%**, per the US Census Bureau.
- And many consumers were able to scratch their travel itch in Q3: Despite uneven growth, **global travel spending hit \$192 billion** in July and August, per data from the US Travel Association—and airline companies like **Delta Airlines** experienced notable growth in Q3 profits. This likely contributed to the bump in Amex's T&E billed business volume.

Amex also updated rewards on many of its consumer and business cards, which may have encouraged cardholders to spend more: It added new perks to its ultra-premium consumer Platinum cards and its Blue Business cards.

What's next? Amex has teed up a number of opportunities to attract more business cardholders and drive growth:

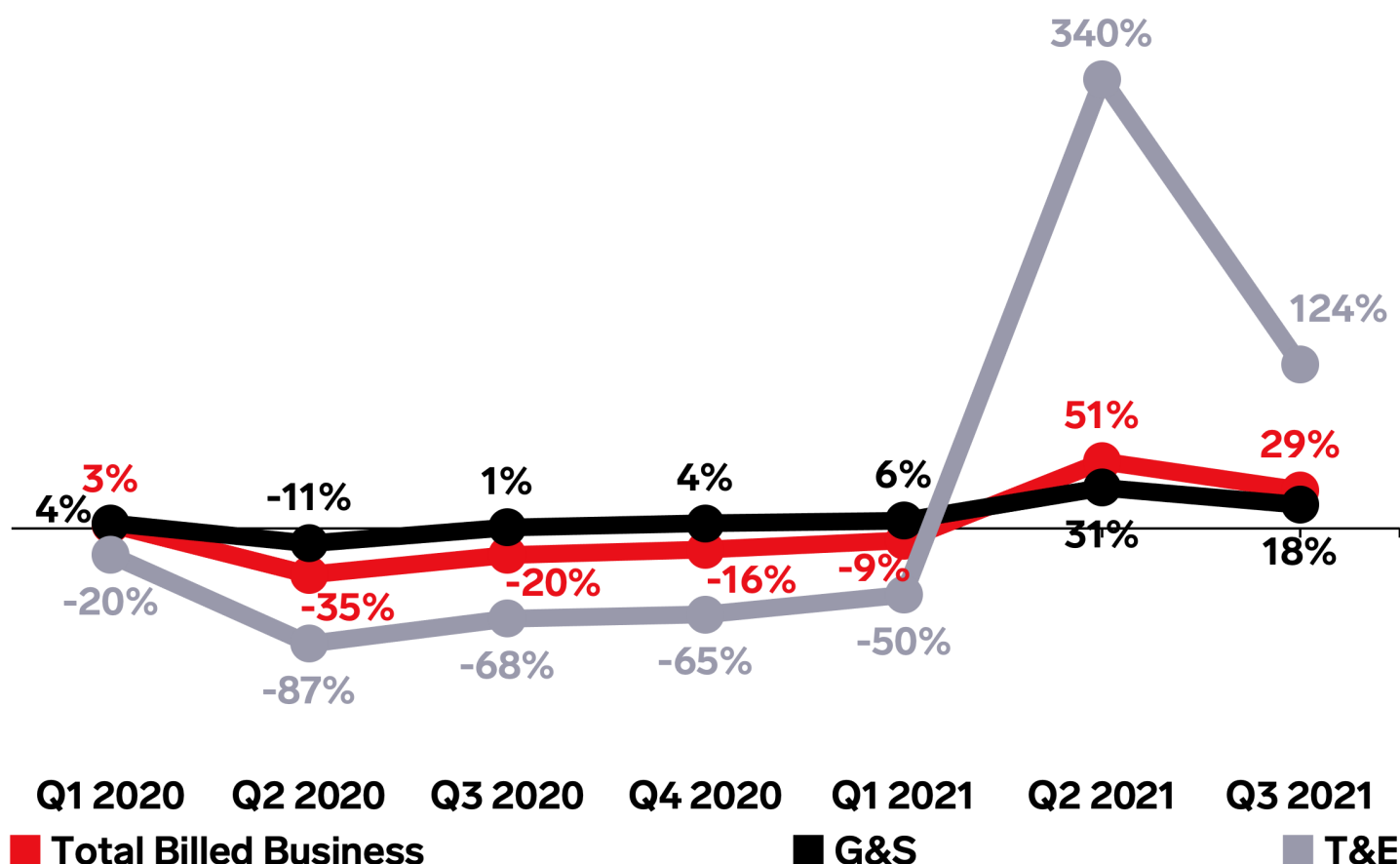
- It launched a new expense management app for its UK Business Gold and Platinum cardmembers that helps streamline employee expenses, which is something that it can bring to the US market.
- Amex also partnered with virtual card fintech **Extend** so Amex Business cardholders can enroll and create their own virtual cards. Virtual cards are gaining popularity among

businesses searching for safer and more streamlined payment solutions.

And it recently [teamed up](#) with **Goldman Sachs** to integrate its virtual card technology into the investment banker's digital cash management offering. Goldman can use Amex's corporate cards to help build its business, and Amex gains a partner that can help it compete in the corporate space.

Related Content: Check out our recent benchmark report "[US Cash-Back Credit Card Emerging Features Benchmark 2021](#)" for a deep dive into some of Amex's cash-back credit cards.

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

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