Chapter 34

Strong Value Proposition through Social Media Tools:
A Case of American Express

Avinash Kapoor
Management Development Institute (MDI), India

Chinmaya Kulshrestha
Management Development Institute (MDI), India

ABSTRACT

This chapter looks into social media tools being leveraged by marketing groups of various organisations. More specifically, this chapter attempts to identify the usefulness, sustainability, and reliability of social media tools in the context of the brand image of American Express. In the last two years, American Express has launched numerous touch points on various social media platforms, which include Facebook, LinkedIn, and FourSquare. The chapter concludes that social media tools do impact the brand building exercise of an organisation to offer strong value proposition, and therefore, American Express should also invest such effort to stay a leader in the payment industry. However, in order to target younger customers there is a need for revamping and rejuvenation the value proposition so as to remain young, meaningful, and contemporary.

INTRODUCTION

Today, social networking for an individual is not just about swapping pictures and music, or discussing the trivial details of a night out, a TV show or a sporting event. Social media is increasingly becoming the space where professional life happens. For example, the recent decision by Facebook to update user profile pages to offer a 'LinkedIn style' professional view, suggests that social media, on the whole, is becoming a medium for work as well as play. The global phenomenon of social media is having a significant impact on every sphere of personal as well as professional life of an individual as social media tools are being used by an individual for seeking public opinion on a general or specific issue, Exchanging thoughts and feelings, Sharing an experience about product, place, people and service, Job seeking & Recruitment, Scheduling any event,

Brand Promotions and consumer feedback etc. Looking at the popularity of such social media tools and their impact various companies like HUL, P&G, American Express, ICICI Bank etc, across segments are seriously working on multiple innovative ideas to make themselves easily accessible to the end customers. Further, social networking has changed the one-way relationship between consumers and the mainstream media. social networks provide men and women with the ability to take their stories to the public without waiting for the media to run with it and are even getting the media to follow them(Luscombe 2010). There are many social media tools but what is more important is to identify your objectives and choose the right set of social media tools.

Further, knowing that social media is a very fluid and dynamic phenomenon, there are many questions which come to mind like what is social media? How is it impacting the business? Can it really influence people and change their perceptions about goods and services. Whether social media can play a strategic role in marketing? In addition to this, look at collaborative, interactive, vibrant and dynamic web 2.0, which has resulted not only in sudden unique change in the consumer perceptions and decision making and but this has resulted in significantly enhanced marketing efforts in the form of various marketing campaigns including viral marketing by organisations. In sum, Social media presents potentially attractive opportunities for new forms of communication and commerce between marketers and consumers. As advertisers typically want to find some way to follow their target audiences, many new media opportunities are presented to advertisers.

What are Social Media Tools?

This is a group of online media, which promotes openness, connectivity, community conversation and participation. There are a wide range of social media tools businesses can use to get more interactive to communicate and exchange information with customers. Businesses are increasingly using these tools because they offer more cost-effective ways to achieve their goals.

- **BLOG:** A blog is a website where entries or posts are listed in chronological order. Blogs commonly allow for readers to provide comments which are posted along with the original entry.
- **Microblogging:** Microblogging is a form of blogging where users provide brief period updates (often on a frequent basis throughout the day) and publish them on microblogging platforms. You've probably heard of Twitter, which is a Microblogging tool. Microbloggers can submit their updates via the web itself or via text messages, instant message, or even email.
- **RSS:** RSS is a syndication format that allows websites and blogs to distribute their updated, dynamic content as feeds to users. Instead of having to visit the website, users can sign up for the feed provided by the website or blog and using an RSS reader or aggregator (like Google Reader explained below), access the feed. Users can sign up for as many feeds from different websites as desired and then access and manage those feeds all at once using their RSS reader.
- **Photo Sharing:** Photo sharing tools allow users to upload and post their photographs online to share them with other users.
- **Podcast:** A Podcast is a digital audio that is distributed via the Internet for playback on a user's computer or portable media device – a mp3 player such as an iPod.
- **Social News and Bookmarking:** Social bookmarking allows web users to save, organize and share their bookmarks of web pages on the Internet (vs. their own computers). Social news sites allow users to submit web pages and articles and have other users vote on them with the # of votes

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