

# American Express – From the Wild West to the Money Tree

The story of American Express mirrors<sup>1</sup> the journey of the United States itself from frontiers of the Wild West to the outer limits of the digital age<sup>2</sup>. George Sandford gets on board<sup>3</sup> to take a ride with the company that went from stagecoaches<sup>4</sup> to money trees.



<sup>1</sup> to mirror /tə mɪə/ | odzwierciedlać

<sup>2</sup> the digital age /ðə 'dɪdʒɪtl eɪdʒ/ | era cyfrowa

<sup>3</sup> to get on board /tə get ɒn bɔːd/ | wsiąść na pokład

<sup>4</sup> stagecoach /'steɪdʒkəʊtʃ/ | dylizans



## A Watchdog in the Wild West

If you've ever watched a western, you'll know that the days of the Wild West were lawless<sup>6</sup> and dangerous times. The US postal service<sup>7</sup> was far from speedy and often ran the risk of<sup>8</sup> attack; transferring money from one side of the country to the other was a hazardous<sup>9</sup> and difficult proposition. Enter the posse<sup>10</sup> of founders<sup>11</sup>, Wells, Fargo and Butterfield to come to the rescue<sup>12</sup> in 1850. Using stagecoaches and individual riders, the American Express Company

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quickly and safely transported post and money around the ever growing<sup>13</sup> network of towns and cities throughout the United States. A picture of a watchdog on top of a blue box reinforced<sup>14</sup> their image of being trusted with the customer's money. It stood to reason<sup>15</sup> that one of their main

client groups would be banks and this consequently led to them transporting cash, certificates and gold. However, like all postal services, they discovered that it was far more profitable<sup>16</sup> to move major consignments<sup>17</sup> between large cities than two bit<sup>18</sup> letters from a one horse town<sup>19</sup> to the back of beyond<sup>20</sup>.

## The Move into Money

It became apparent that there was no need to physically carry cash around when you could more safely travel with a money order<sup>21</sup>. (A written order for the payment of a sum to a named individual; obtainable<sup>22</sup> and payable at a post office or bank) Furthermore, it occurred to the smart business owners that there was no need to deliver for other banks when they could create their own money orders, which they did in 1882 and in 1991 brought in the world's first traveler's cheques<sup>23</sup>; a form of payment which endured for a hundred years. By the turn of the century<sup>24</sup>, America was undergoing<sup>25</sup> major waves of immigration from Europeans and this provided the context for it to expand its services to a European and transatlantic one. Many of the immigrants proved to ►

<sup>5</sup> **watchdog** /'wɒtʃdɒg/ | pies stróżujący; instytucja nadzorująca

<sup>6</sup> **lawless** /'lɔːləs/ | bezprawny

<sup>7</sup> **postal service** /'pəʊstl 'sɜːvɪs/ | usługi pocztowe

<sup>8</sup> **to run the risk of** /tə rʌn ðə rɪsk əv/ | być narażonym na ryzyko

<sup>9</sup> **hazardous** /'hæzədəs/ | ryzykowny, niebezpieczny

<sup>10</sup> **posse** /'pɒsi/ | grupa, oddział

<sup>11</sup> **founder** /'faʊndə/ | założyciel

<sup>12</sup> **to come to the rescue** /tə kʌm tə ðə 'reskjʊː/ | przyjść na pomoc

<sup>13</sup> **ever growing** /'evə 'grəʊɪŋ/ | rosnący

<sup>14</sup> **to reinforce** /tə riːɪn'fɔːs/ | wzmacniać

<sup>15</sup> **it stood to reason** /ɪt stʊd tə 'riːzn/ | zrozumiałe było, że...

<sup>16</sup> **profitable** /'prɒfɪtəbl/ | zyskowny

<sup>17</sup> **consignment** /kən'saɪnmənt/ | przesyłka towarowa

<sup>18</sup> **two bit** /tuː bɪt/ | mało znaczący

<sup>19</sup> **a one horse town** /wʌn hoːs taʊn/ | dziura zabita dechami

<sup>20</sup> **the back of beyond** /ðə bæk əv bɪ'jɒnd/ | zapadła prowincja

<sup>21</sup> **money order** /'mʌni 'ɔːdə/ | przekaz pieniężny

<sup>22</sup> **obtainable** /əb'teɪnəbl/ | do uzyskania

<sup>23</sup> **traveler's cheque** /'træveləz tʃek/ | czek podróżny

<sup>24</sup> **by the turn of the century** /baɪ ðə tɜːn əv ðə 'sentri/ | na przełomie stuleci

<sup>25</sup> **to undergo** /tə ʌndə'gəʊ/ | przechodzić, poddawać się czemuś



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be easy pickings<sup>26</sup> for rogue<sup>27</sup> money traders and as a protective measure<sup>28</sup>, in 1905, the US government granted Amex a licence to act in currency exchange<sup>29</sup>. By this time, the company had totally established itself<sup>30</sup> as a reputable<sup>31</sup> and trustworthy<sup>32</sup> money services provider<sup>33</sup>. The First World War also provided further opportunities for the company to demonstrate itself as a trusted<sup>34</sup> partner for war time deliveries and provision<sup>35</sup> of cash for stranded<sup>36</sup> tourists. As if through a stream of consciousness<sup>37</sup>, this provided the direction for the next organic activity development.

## The First Age of Travel

The First World War and post war years heralded<sup>38</sup> the beginning of a boom in foreign travel and American Express officially entered the travel industry in 1915. This of course, included the provision of travellers' cheques but also the organisation of tours, cruises<sup>39</sup> and accommodation to exotic locations such as the Caribbean, South America, the Eastern Mediterranean and the Far East. Now, not only was the company synonymous with<sup>40</sup> reliability but also luxury, a factor that would be used to their advantage in later years but there in the short term<sup>41</sup>, there was trouble on the horizon.

## A Surprise Attack

The Great Depression of the twenties and the calamitous<sup>42</sup> stock market<sup>43</sup> crash<sup>44</sup> of 1929, seriously dented the company's stability but not as much as the actions of Chase National Bank who, in the same year, it became apparent<sup>45</sup>, had for some time been aiming to<sup>46</sup> acquire<sup>47</sup> Amex by stealthily<sup>48</sup> buying up<sup>49</sup> company shares<sup>50</sup>. However, the government's Glass-Steagall Act of 1933 prevented banks from getting involved in<sup>51</sup> non-financial business and despite its involvement with<sup>52</sup> money orders, Amex was not classed as<sup>53</sup> a bank



and Chase were forced to sell the shares that they'd acquired. All the same, it was a wake-up call<sup>54</sup> for the company who thereafter<sup>55</sup> paid much more attention to defending its interests.

## The Golden Days of Cards

The fifties saw recovery<sup>56</sup> from the bad times and a new consumer boom

– a fertile ground<sup>57</sup> for the growth<sup>58</sup> of credit and charge cards<sup>59</sup>. Amex issued its first credit card in 1958, showing Elvis Presley as one of their headlining<sup>60</sup> card holders<sup>61</sup> and later followed this with their exclusive Gold (charge) Card in 1966. Consistent with<sup>62</sup> its line in travel, it was branded<sup>63</sup> as a prestige<sup>64</sup> card and targeted at<sup>65</sup> richer than average people. The liking for<sup>66</sup> featuring<sup>67</sup> celebs in Amex adverts was

<sup>26</sup> **easy pickings** /'i:zi pɪkɪŋz/ | łatwy łup

<sup>27</sup> **rogue** /rəʊg/ | łajdaki

<sup>28</sup> **protective measure** /prə'tektɪv 'meʒə/ | środek zaradczy

<sup>29</sup> **currency exchange** /'kʌrənsi ɪks'tʃeɪndʒ/ | wymiana walut

<sup>30</sup> **to establish oneself** /tə ɪ'stæblɪʃ wʌn'self/ | wyrobić sobie renomę

<sup>31</sup> **reputable** /'repjətəbl/ | renomowany

<sup>32</sup> **trustworthy** /'trʌstwɜ:ðɪ/ | godny zaufania

<sup>33</sup> **money services provider** /'mʌni 'sɜ:vɪsɪz prə'vaɪdə/ | instytucja świadcząca usługi finansowe

<sup>34</sup> **trusted** /'trʌstɪd/ | zaufany

<sup>35</sup> **provision** /prə'vɪʒn/ | dostarczanie

<sup>36</sup> **stranded** /'strændɪd/ | porzucony, opuszczony

<sup>37</sup> **stream of consciousness** /'stri:m əv 'kɒŋʃənsəs/ | strumień świadomości

<sup>38</sup> **to herald** /tə 'herəld/ | zapowiadać

<sup>39</sup> **cruise** /kru:z/ | rejs

<sup>40</sup> **synonymous with** /sɪ'nɒnɪməs wɪð/ | równoznaczny z

<sup>41</sup> **in the short term** /ɪn ðə ʃɔ:t tɜ:m/ | na krótką metę

<sup>42</sup> **calamitous** /kə'læmɪtəs/ | katastrofalny

<sup>43</sup> **stock market** /stɒk 'mɑ:kɪt/ | giełda

<sup>44</sup> **crash** /kræʃ/ | krach

<sup>45</sup> **apparent** /ə'pærənt/ | oczywisty

<sup>46</sup> **to aim to** /tə eɪm tə/ | mieć na celu

<sup>47</sup> **to acquire** /tə ə'kwɪə/ | nabyć

<sup>48</sup> **stealthily** /'stelθɪli/ | ukradkiem

<sup>49</sup> **to buy up** /tə baɪ ʌp/ | skupować

<sup>50</sup> **shares** /ʃeəz/ | akcje

<sup>51</sup> **to get involved in** /tə get ɪn'vɒlvəd ɪn/ | wdać się w

<sup>52</sup> **involvement with** /ɪn'vɒlmənt wɪð/ | udział w

<sup>53</sup> **to class something as** /tə kla:s 'sʌmθɪŋ əz/ | klasyfikować

<sup>54</sup> **a wake-up call** /ə weɪk ʌp kɔ:l/ | dzwonek alarmowy

<sup>55</sup> **thereafter** /ðeə'a:ftə/ | potem, następnie

<sup>56</sup> **recovery** /rɪ'kʌvəri/ | poprawa

<sup>57</sup> **a fertile ground** /ə 'fɜ:təɪl graʊnd/ | żyzny grunt

<sup>58</sup> **growth** /grəʊθ/ | wzrost, rozwój

<sup>59</sup> **charge card** /tʃɑ:dʒ kɑ:d/ | karta kredytowa

<sup>60</sup> **headlining** /'hedlaɪnɪŋ/ | główny, najważniejszy

<sup>61</sup> **card holder** /kɑ:d həʊldə/ | posiadacz karty

<sup>62</sup> **consistent with** /kən'sɪstənt wɪð/ | zgodny z

<sup>63</sup> **to brand something as** /tə brænd 'sʌmθɪŋ əz/ | promować coś pod marką

<sup>64</sup> **prestige** /pre'sti:ʒ/ | prestiżowy

<sup>65</sup> **to target something at** /tə 'tɑ:ɡɪt 'sʌmθɪŋ ət/ | kierować coś do kogoś

<sup>66</sup> **liking for** /laɪkɪŋ fə/ | upodobanie do

<sup>67</sup> **to feature** /tə 'fi:tʃə/ | prezentować, umieszczać



perpetuated<sup>68</sup> with famous stars over the years including Jerry Seinfeld, Kate Winslet and Beyoncé. It's not going too far to say that having an American Express Card had something of an elitist<sup>69</sup>, snob value as firstly only people within a certain income<sup>70</sup> level were eligible<sup>71</sup> to have one and secondly, account clearance<sup>72</sup> had to be made in full<sup>73</sup> at the end of each month. Furthermore, the companies that accepted Amex as a form of payment were typically expensive, designer brands<sup>74</sup> which reinforced the status and lifestyle attributes.

## All that Glistens Is Not Gold<sup>75</sup>

Perhaps carried away<sup>76</sup> by their own success or influenced by the corporate fashion of the time, the company sought

to<sup>77</sup> expand its business empire still further through unrelated diversification<sup>78</sup> buying up<sup>79</sup> a range of businesses, some in financial services but others not. In short, they got their fingers burnt<sup>80</sup> and were forced to offload<sup>81</sup> a number of unsuccessful acquisitions<sup>82</sup> and go back to focussing on the core brand<sup>83</sup>. This was allied to<sup>84</sup> some fairly brutal cost cutting<sup>85</sup> and business reorganisation plus strategic partnerships<sup>86</sup> and mutual advertising<sup>87</sup> with businesses such as airlines, banks and top brand retailers<sup>88</sup>. However, the eighties and nineties saw increased competition from other card providers and increasing retailer resistance<sup>89</sup> against the more expensive processing costs<sup>90</sup> of Amex. In order to increase its client base<sup>91</sup>, it was obliged to widen its availability<sup>92</sup> and in so doing, lost some of its exclusivity<sup>93</sup> but right back from the

**Amex issued its first credit card in 1958, showing Elvis Presley as one of their headlining card holders.**

start, the company has shown its ability to adapt to changing times.

## Jumping on the Technology Bandwagon<sup>94</sup>

Never slow to adopt new technology, in 1999, the company launched<sup>95</sup> its Blue Card which was the first smart card in America. The current digital age is a million miles away from the dusty<sup>96</sup> state tracks<sup>97</sup> that lone<sup>98</sup> riders once travelled but the trusty Amex watchdog is keen to enter the garden.

In something of a bizarre turn<sup>99</sup>, the company has cooperated with Zynga's Facebook game, FarmVille to offer a prepaid card linked to<sup>100</sup> the game. This will mean that card purchases in the high street<sup>101</sup> will accrue<sup>102</sup> in game 'virtual cash' credits, while the planting of a Money Tree in FarmVille and harvesting<sup>103</sup> it, will result in the potential for real cash credits going back to the card account. Perhaps all that's needed now is a virtual stagecoach in American Express livery<sup>104</sup> to transfer your money safely from the virtual world to the real one and back again; who said money doesn't grow on trees<sup>105</sup>? ■

<sup>68</sup> to perpetuate /tə pə'petʃueɪ/ | kontynuować, utrwać

<sup>69</sup> elitist /eɪ'lɪtɪst/ | elitarny

<sup>70</sup> income /'ɪnkʌm/ | dochód

<sup>71</sup> eligible /'elɪdʒəbl/ | kwalifikujący się

<sup>72</sup> account clearance /ə'kaʊnt 'kliəəns/ | rozliczenie rachunku

<sup>73</sup> in full /ɪn fuːl/ | w pełni, w całości

<sup>74</sup> designer brand /dɪ'zaɪnə brænd/ | marka z wyższej półki

<sup>75</sup> all that glistens is not gold /ɔ:l ðæt 'glɪsənz ɪz nɒt ɡəʊld/ | nie wszystko złote, co się świeci

<sup>76</sup> to get carried away /tə get 'kærɪd ə'weɪ/ | dać się ponieść emocjom

<sup>77</sup> to seek to /tə si:k tə/ | tu: próbować

<sup>78</sup> unrelated diversification /ʌnrɪ'leɪtɪd daɪv:s.sɪfɪ'keɪʃn/ | dywersyfikacja niezależna (uzyskiwanie dochodów z produkcji i sprzedaży kilku niezwiązanych ze sobą produktów)

<sup>79</sup> to buy up /tə baɪ ʌp/ | skupować

<sup>80</sup> to get one's fingers burnt /tə get wʌnz fɪŋgəz bɜ:n/ | sparzyć się na czymś

<sup>81</sup> to offload /tə ɒf'leɪd/ | tu: pozbyć się

<sup>82</sup> acquisition /ækwɪ'zɪʃn/ | nabytek

<sup>83</sup> core brand /kɔ: brænd/ | marka podstawowa

<sup>84</sup> allied to /ə'laɪd tə/ | związany z

<sup>85</sup> cost cutting /kɒst 'kʌtɪŋ/ | redukcja kosztów

<sup>86</sup> strategic partnership /strə'ti:dʒɪk 'pɑ:tnəʃɪp/ | partnerstwo strategiczne

<sup>87</sup> mutual advertising /mju:tʃʊəl 'ædvətaɪzɪŋ/ | wzajemne świadczenie usług reklamowych

<sup>88</sup> top brand retailers /tɒp brænd 'ri:teɪləz/ | najbardziej znaczące marki detaliczne

<sup>89</sup> resistance /rɪ'zɪstəns/ | opór

<sup>90</sup> processing costs /'prəʊsesɪŋ kɒsts/ | opłaty manipulacyjne

<sup>91</sup> client base /'klaɪənt beɪs/ | klientela

<sup>92</sup> availability /ə'veɪlə'bɪləti/ | dostępność

<sup>93</sup> exclusivity /eksklu:'sɪvətɪ/ | ekskluzywność, wyłączność

<sup>94</sup> to jump on the bandwagon /tə dʒʌmp ɒn ðə 'bændwæɡən/ | podążać za trendem

<sup>95</sup> to launch /tə lɔ:ntʃ/ | wprowadzić, zapoczątkować

<sup>96</sup> dusty /'dʌstɪ/ | zakurzony

<sup>97</sup> track /træk/ | szlak, tor

<sup>98</sup> lone /ləʊn/ | samotny

<sup>99</sup> in something of a bizarre turn of events /ɪn 'sʌmθɪŋ əv ə 'bɪzɑ: tɜ:n əv ɪ'vents/ | dziwnym zbiegiem okoliczności

<sup>100</sup> linked to /lɪŋkt tə/ | połączony z

<sup>101</sup> high street /'haɪ stri:t/ | tu: sklepy, centra handlowe

<sup>102</sup> to accrue /tə ə'kru: / | narastać, gromadzić się

<sup>103</sup> to harvest /tə 'hɑ:vɪst/ | zbierać plon

<sup>104</sup> livery /'lɪvəri/ | barwy firmowe

<sup>105</sup> money doesn't grow on trees /'mʌni 'dʌznt grəʊ ɒn tri:z/ | pieniądze nie spadają z nieba