

## Can social media become a platform for social commerce?

American Express Case Study: Applying social media analytics to evaluate *Link, Like, Love*



### Overview

American Express® launched several successful online initiatives that monetize the unique features of social media, such as Location Services check-ins for discounts with Foursquare (Sync, Explore, Save) and discounts through Facebook® (*Link, Like, Love*).

Here's how the Facebook *Link, Like, Love* program works. You link your American Express card to your Facebook account. Then American Express delivers deals and offers based on your Facebook activity, pages you like and share, as well as the activities of your Facebook friends. See something you love? With just one click, the discount is attached to your account. When you make the related transaction with your Amex card within a specific time period, the discount is credited to your account.

It's "Groupon without the Coupon," making it easy for users to redeem offers. And there is no cost or risk to users if they choose not to take advantage of the offer. The promotion offers customers a seamless way to earn rewards for using their Amex card.

#### Lessons from American Express' *Link, Like, Love*

- *Design your social media presence with the customer in mind. Create a seamless user experience that drives conversion.*
- *Design your program to exploit features unique to social media such as social networks, viral advocacy, and scalability.*
- *Tailor your approach for the target customer. Customized methods can yield greater engagement and use of goods and services.*

### Our approach – analyzing social media posts to evaluate the program's effectiveness

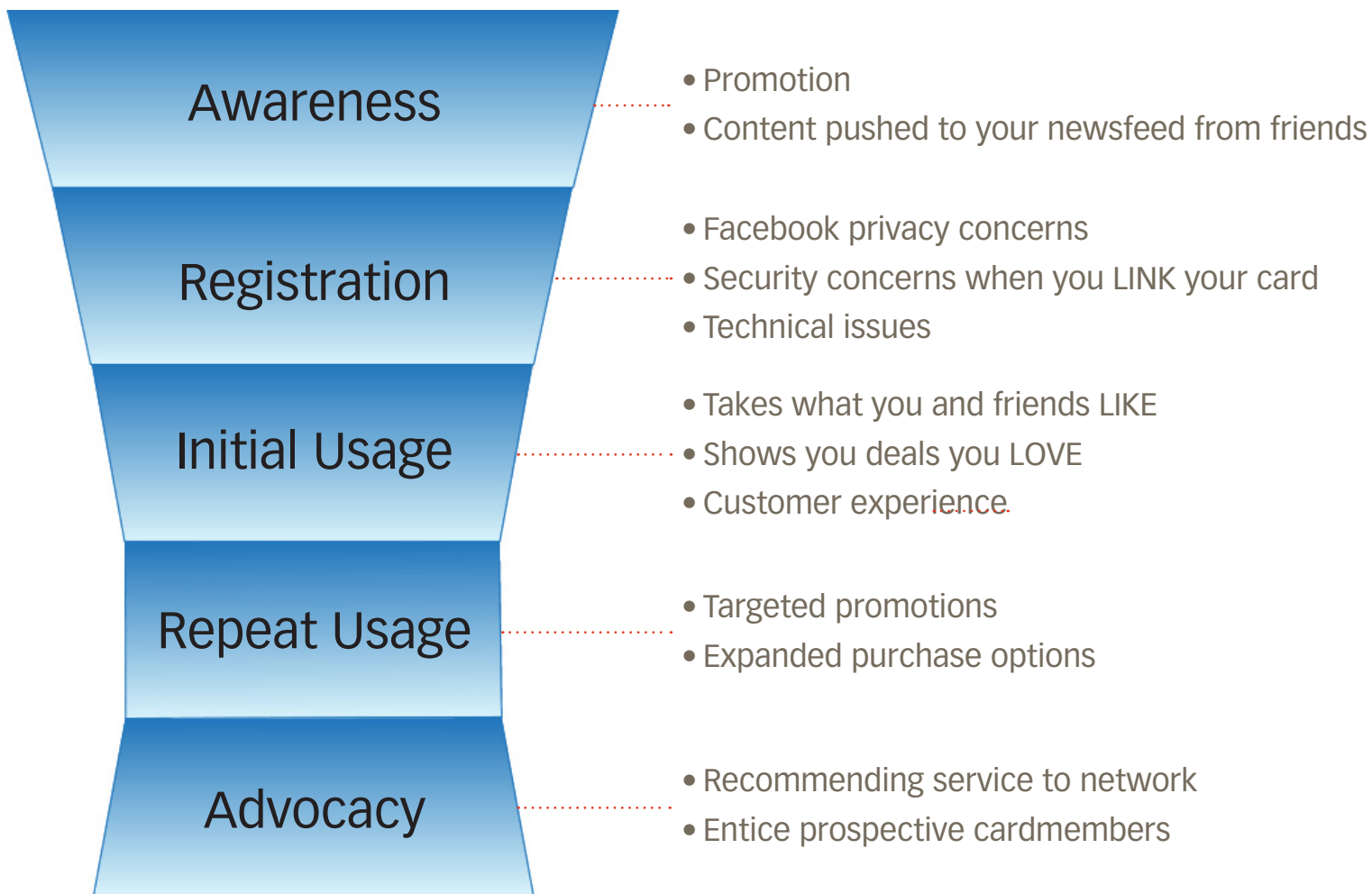
To get started, our team of social media analysts took a sample of two million posts on Facebook and Twitter over a two-month period. Applying text analytics and business intelligence, the team distilled this high volume down to 21,000 relevant posts that focused on issues related to American Express, which in turn were segmented across a range of the company's initiatives and applicable customer experiences.

As we examined the data on *Link, Like, Love*, we gained insights on the customer experience from acquisition to retention, as well as brand advocacy. From these insights, we assembled a picture of the customer experience at each major stage of the program.



## The path to *Link, Like, Love...* and beyond

### The 5 stages of the "conversion funnel"



### Key themes

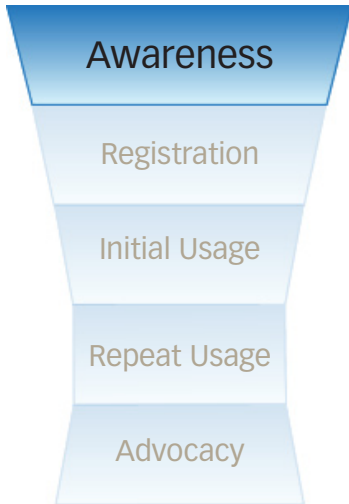
Overall, customer responses to *Link, Like, Love* in social media centered around the 5 key themes shown above in the conversion funnel. Most customer comments were generated during the **Registration** and **Usage** stages.

#### Registration:

- Privacy and Security Concerns (Facebook & American Express)
- Technical issues (Demand crashed the American Express system)
- News and discussion on American Express and its new innovation (mostly positive retweets & shares), which also raised awareness.

#### Initial and Repeat Usage:

- Usage and Functionality (How does it work)
- Deals and Sharing (Enjoy benefits and share opportunities)



**American Express is creating awareness** of *Link, Like, Love* through direct promotion, and enrolled users help promote the program by sharing their Likes.

### Promotion by American Express

On July 19, 2011, American Express introduced the program with a post on their main American Express Facebook fan page.

This approach enabled deals to be seen directly from the Facebook app where users registered.



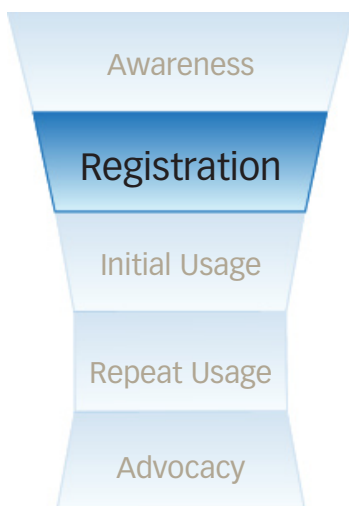
*“Turn what you ‘Like’ into the deals & experience you LOVE! Link, Like, Love from American Express. Get American Express deals and experiences based on the things you and your friends Like and Share”*

### Shares from your network

When your friends sign up, they have the option to LIKE both American Express and the *Link, Like, Love* campaign, as well as share their participation in the program. This efficiently spreads awareness to others.

### Insights

- **Company promotion:** American Express designed and executed programs to drive initial awareness.
- **Exploiting social media networks:** American Express increased program awareness through customers’ ability to “like” the company and the *Link, Like, Love* program.
- **PR and the public social media universe:** Companies should be prepared to manage consumer response, both on other social media sites and channels outside of social media.



Once people are aware of the program, they need to enroll to gain the rewards. **What is the registration experience?** There were privacy, security, and technical hurdles for the potential user to overcome.

### LINK your card

Users go to the American Express Facebook page and click the *Link, Like, Love* app link.

Note the “*Not a Cardmember?*” link circled here – it’s an important opportunity for American Express to grow card membership.





## Privacy and Security

These concerns came into play during the next two steps, which require users to share personal information:

1. Give permission to the Facebook app
2. Give permission to American Express

Privacy concerns about sharing personal information, and security concerns about entering their financial information stopped some users from completing the *Link, Like, Love* registration process. The company made the experience so seamless that users often didn't realize they were entering their card information into an American Express hosted site, not Facebook.

The American Express Facebook page does note *"This is a secure American Express page. Your card account information will remain private, protected, and will not be shared with Facebook."* However, this disclaimer is easy to miss. To read it, users had to proceed past the Facebook privacy permission. It also appears the existence of the secure American Express site was inconsistently communicated to potential registrants, increasing resistance to complete registration.

American Express actively worked to address user concerns after they initiated registration. The community effect of social media also worked to their advantage as non-company users contributed helpful tips to explain and encourage participation.

## Technical issues

The *Link, Like, Love* program and its Facebook app were so popular, it crashed during its debut. Again, American Express engaged via social media, and had non-Facebook support in place as well.

*(Twitter user): Facebook, AmEx Users "Link, Like, Love" New Deal Site So Much It Crashes <http://cnt.to/ole>*

*(Facebook user): Site couldn't link my card*

*(Facebook user): Have tried All morning to link but the link doesn't work*

*(Facebook user): @AMEX... still DOES NOT WORK... Error 503. Fix your app!!!*

*(Facebook user): When I select Contact Us, nothing happens. Who can I contact? I'm having issues with the app*



### Request for Permission

Amex: Link, Like, Love is requesting permission to do



#### Access my basic information

Includes name, profile picture, gender, networks, user ID, list of friends, and any other information I've made public.



#### Access my data any time

Amex: Link, Like, Love may access my data when I'm not using the application



#### Deals

Amex: Link, Like, Love may read my deal activity.



#### Access my profile information

Likes, Music, TV, Movies, Books, Quotes and Interests

*(User): Is this a scam? If real, is this secure?*

*(User): Are you kidding me?!?? I should give my AmEx Credit Card info via Facebook!!? Their security is notoriously POOR at best; non-existent is more like it.*

*(American Express): You connect your Card on a secure Amex website. Your Amex Card account number will never be shared with Facebook.*

*(User): Not a scam...USA Today ran a story on it yesterday!*

*(User): Why not link the card. Amex guarantees fraud protection.*

*(American Express): A lot of people are coming to the page at the same time, causing delays. We're working on it, so please check back shortly.*

*(American Express): @Jill - We are sorry you are having issues. You should be able to access the desktop application now. Try one more time. If the problem persists, submit your info at <https://sync.americanexpress.com/facebook/CustomerService.aspx> so we can help troubleshoot with you.*



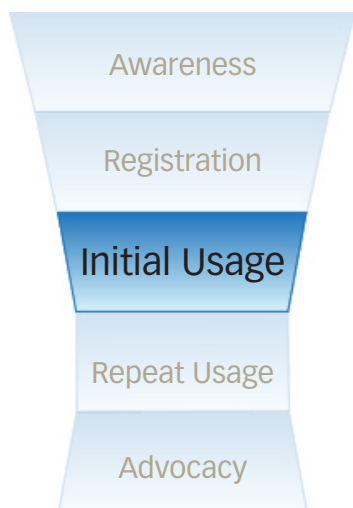
## Registered!

If the user proceeds past this point, they are now registered with the *Link, Like, Love* program:

- Their Facebook account is now linked to the *Link, Like, Love* Facebook app so they can access offers.
- Their Amex card is now linked to allow discounts to be credited directly to their card's statement.

## Insights

- **Privacy and security issues were prevalent among early users:** American Express did not adequately inform or prepare for the privacy and security concerns of users. They needed to anticipate and preempt user concerns about entering their information into the system during the **Registration** stage. Although they intended the experience to be seamless, the security distinctions were not clear enough for users.
- **Resources for new program did not support heavy user traffic:** As the initial response crashed the *Link, Like Love* app, it appears that American Express systems were not ready for the high traffic of the program launch. However, they did have an external secure website and social media support resources in place.
- **Support engagement was in place to manage customer concerns:** American Express actively engaged consumers in social media channels, and via secure company-hosted resources to assist users with sensitive account issues.



The program is intended to take what users and their friends LIKE, and show them deals they'll LOVE. So **what was the customer experience like when people began using the program?** How easy was it to receive targeted promotions from American Express?

After consumers registered as users, their comments centered around the following themes:

- Usage and Functionality (How does the service work)
- Deals and Sharing (Enjoy benefits and share opportunities)

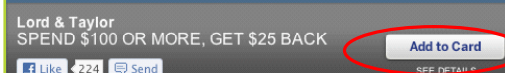
Once linked to a user's accounts, the Facebook app displays special deals and experiences based on their own likes and interests, and those of their Facebook friends.

(In this analysis, we did not explore whether offered deals are influenced by the card member's American Express purchase history; however, differences in deals across users suggest this might be an added factor.)

Users select the LIKE or SEND button for a favorable offer and the deal is shared (promoted) within their friends' network.

To attach the offer to their card account, users can click the ADD TO CARD or REDEEM NOW button.

*(Amex Facebook app): "John, these deals are based on the likes and interests of you and your friends. Just click 'Add to Card' or 'Redeem Online' and use your linked American Express Card to enjoy couponless savings."*







Selecting an offered deal involves no financial commitment. If a customer accepts the terms of the deal using their Amex card, the credit automatically appears on their card statement. Having accepted the deal, users can share (promote) it within their Facebook network. Positive engagement often spreads faster from trusted sources (friends).

## Usage and Functionality

As American Express addressed most technical issues during the initial launch, the user response focused on two key areas: usage and functionality. Customers were active in social media to express concerns about how the program worked. Again, American Express engaged directly:

*(Facebook user): How do I know about the offers? Do I have to log into Facebook Places ?*

*(Twitter user): @amex my like link love credit has not posted to my acct after 3 business days. Need to book my air today*

*(Facebook user): how do i get the 20% savings on virgin america added to my card?*

*(American Express): @John - There's a link for "Your Added Deals" at the top right of your dashboard, right above the large offer image, where you can view all deals currently added to your card.*

## Deals and Sharing

American Express earned the desired reaction - customers were delighted and actively using their AmEx cards:

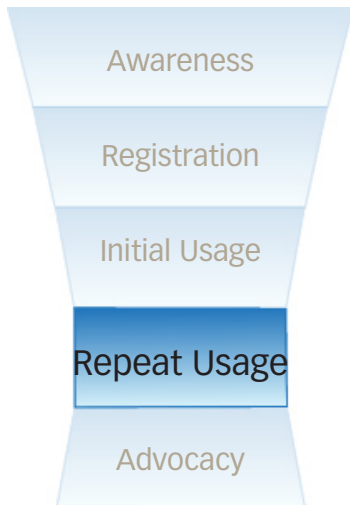
*(Facebook user): Way cool...saved \$200 on a trip to Vegas*

*(Facebook user): Shopped at Whole Foods... spent \$20 to get my \$5 credit. Before I got to my car, had email from AMX acknowledging the purchase!!*

*(Twitter user): Surprise & delight: a Link, Like, Love deal from Amex going on here. Thankfully my card is synced.*

## Insights

- **American Express grew user engagement:** Based on their responses to users' questions and issues, American Express engages users and supports their questions concerning usage of the *Link, Like, Love* platform and campaign.
- **A seamless experience drove initial usage:** Getting started was quick and easy for customers. And there is no financial penalty or risk in participating.
- **Sharing with friends in the user's network increased program awareness:** By making it simple for users to get the deals they want and share them with friends, the program leveraged the social network to build engagement and grow business.



There is no general offer profile for all users, as offers are tailored to each card member, their activity, and their friends. However, the types of offers are geared **to motivate repeat usage**, can be grouped as follows:

- **Merchant discounts**

*Cardmembers can enjoy special deals from top fashion brands like Tory Burch, DVF & more, now thru 9/30. Check out your deals on “Link, Like, Love” to start saving! (166 LIKES)*

- **Travel**

*10% off a main cabin ticket purchase with Virgin America! (111 LIKES)*

- **Food**

*Spend \$10 or more and get \$2 back from Dunkin’ Donuts! (5 LIKES)*

- **Events**

*Hey Glee, Glee the 3D Concert Movie is in theaters this August! For access to advance tix & free exclusive song download, link your Amex Card now! Amex Takes What You ‘Like’ & Gives You What You LOVE! (1385 LIKES)*

- **Special or Free**

*SuperHeavy - Get a Complimentary Copy of their Album! AmEx Cardmembers can download SuperHeavy’s new album for FREE through Link, Like, Love, now until 9/27 (297 LIKES)*

In our analysis, we found that merchant discounts were over 70% of all recently observed deals, followed by travel (15%), food (10%) discounts, and 5% others.

The number of LIKES and overall engagement appeared to be more dependent on the brand associated with the deal than the nature of the deal. However, greater discounts tended to generate greater numbers of LIKES. “Free Shipping” failed to generate a high level of excitement. There were also “terms & conditions” associated with each deal that restricted the customer’s usage of a particular discount: for example, a 20% discount or \$50 rebate may be limited to certain less desirable items. However, these conditions were readily available to view before selecting an offer, so users experienced few surprises.

Users also expressed a desire for deals offered to others in their network that weren’t offered to them. American Express listened and stayed engaged with program participants.

*(Facebook user): How do i get the 20% savings on virgin america added to my card?*

*(Facebook user): I have the same question as Jane above. I have checked-in at Bonefish Grill recently. But, it isn’t in my list? I would love to have this deal! I have already added Outback! Great idea AMEX!*

*(American Express): We’ve extended the Virgin America and Bonefish Grill deals due to popular demand. Please re-visit Link, Like, Love & if these deals are relevant to you or your friends, you’ll be able to “add to card.” Hurry before they’re gone!*



Some event-oriented offers generated both engagement around the deal and around the event itself or the related brand. For example, the Glee advance tickets and song offer resulted in the expected favorable response. Facebook also provided a forum for a general discussion on the brand, separate from the actual American Express offer. Users were engaging just as much with each other.

## Insights

- **Tailoring the deal to the user’s specific tastes generated positive responses.** Use business intelligence, customer knowledge, and users’ social graph to personalize offers.
- **Discounts alone won’t drive a successful user experience.** Users like merchant discounts, but they need to provide tangible value above and beyond free shipping.
- **Listening and responding to users improves their experience.** They’ll tell you when to extend offers and what new offers to make.

*(Facebook Users): Go AMEX! Please add backstage passes and premium seats for next GLEE concert to your gold rewards. i have lots of points i need to spend!!*

*i love this show i am going to get my tickets and r going to be there the first nite it opens*

*Everyone this sucks I mean dont waste money on something stupid.*

*im addicted my dad showed it to me and i watch the entire season in like two weeks*



American Express wants users to enjoy the *Link, Like, Love* campaign and expand usage of their card. They also view it as an opportunity to gain new card members and **build brand advocates** in social media. This starts with sharing.

There are frequent and easy opportunities to share the experience and discounts. Users can share via *Link, Like, Love*, and also through the inherent sharing nature of social media networks. Facebook is an effective platform to increase user sharing and grow the business.

We found that satisfied users shared the program, and more importantly, included links to attract new customers.

*(Twitter user): Link, Like, Love from @americanexpress is great. Take a look and get on board. Here’s a brand that’s on it.*

*(Facebook user): AMEX NEW Promotion “Link, Like, Love “ ...Like Amex in facebook and spread the LOVE guys*

*(Facebook user): Everybody link, like, and love this idk why tho just do it. Livestream Event - Amex: Link, Like, Love & “Go Social”*





## New cardmembers

These are the kind of posts American Express loves to receive... new card member acquisition:

Potential users also learned about *Link, Like, Love* via social media. News about the program was shared via Twitter with numerous tweets made soon after the launch. Facebook comments were observed more from registered users and through sharing of bookmarks.

## External links in posts can provide additional insights and advocacy

Our analytics team found that external links included in social media posts could supply additional insights that are only briefly addressed in the post itself. For example: Following post links to Slickdeals.net provided us with feedback on perception and issues with individual *Link, Like, Love* deals. And following Twitter links to Frequent Flyer forums exposed a strong travel community discussing both the *Link, Like, Love* travel deals as well as general issues with American Express travel rewards programs.

Although hosted externally from more primary social media platforms, these user communities can provide insights and advocacy from a population with a higher interest in a company's service or product offering. These are often frequent users, and provide a valuable resource to exploit.

## Do deals drive engagement with the merchant partner?

An open question is whether deals generate LIKES and engagement for American Express' deal partners. Will members LIKE a company hoping for a deal? Or will they hear of a deal offered to someone else but not themselves, and try to influence the deal availability by LIKING it, or encouraging their Facebook friends to do the same?

While there is not yet enough feedback to confirm this view, it suggests that *Link, Like, Love* may help motivate members to engage with merchant participants of the program, in addition to American Express. It represents an added incentive for merchants to engage with American Express and participate in the program.

## Insights

- **The sharing inherent in social media helps create new users, new customers, and merchant partners.** Facebook is an effective platform to increase user sharing and generate business.
- **Social media can identify external resources via links with valuable additional insights and advocacy** (e.g., links to frequent flyer forums, which revealed insights on travel offers and issues from frequent flyer consumers). These external communities are a valuable source of advocacy for favored programs.

*(Twitter user): I kind of want an @americanexpress card now so I can try the "link, like, love" Facebook application ... <link>*

*(Facebook user): Can sumone tell me how I can get on this?*

*(American Express): @John - If you are interested in getting an Amex Card, you can go to [www.americanexpress.com/getthecard](http://www.americanexpress.com/getthecard)*

*(Twitter user): @americanexpress link, like, love has potential to expose major faults in @groupon and @livingsocial*

*(Twitter user): Lose friends, save money by 'liking' AmEx? The credit card issuer launched "Link, Like, Love" <http://bit.ly/p4Erbk>*



## Key takeaways – social media offers unique ways to bring value to customers

With its unique features, social media offers new opportunities for increasing transactions and gaining new customers through promotions and rewards programs. It's also a way to successfully compete against evolving business models such as Groupon, through customized offers to distinct target audiences.

If you are planning a program to generate social commerce from social media, consider these best practices distilled from American Express' *Link, Like, Love* social media campaign:

- **Design your social media presence with customers in mind.** After building your social media strategy, it's critical to create a seamless user experience that drives conversion. Capturing, analyzing, and acting upon customer input in the various stages of the "conversion funnel" is key to reaching your objectives.
- **Design your program to exploit features unique to social media.** Social media provides cost efficient, highly leveraged, and unique engagement opportunities (e.g., social networks, viral advocacy, one-click transactions, check-in/location services, scalability, etc.).
- **Minimize privacy and security issues before launch.** If your social media promotion requires users to provide personal or financial information, anticipate and preempt user concerns about privacy and security during the Awareness and Registration stages. American Express customers were initially skeptical about linking their credit cards for *Link, Like, Love*. While the company responded to these concerns, they could have avoided them by building reassuring messages into the registration process.
- **Tailor your approach for the target customer.** Different methods can yield greater engagement and use of goods and services. In *Link, Like, Love*, tailored promotions and the ability to share them with one's social network enhanced the appeal of the program.
- **Leverage your social media presence to drive customer advocacy.** American Express customers got answers to their questions about the *Link, Like, Love* program from the company's customer service representatives on Twitter and Facebook, and on American Express websites dedicated to the program. Favorable customer experiences were multiplied via the much larger base of general Twitter and Facebook users, as well as through third-party user community websites.



## About Beyond the Arc

Beyond the Arc provides social media data mining solutions that help financial services companies meet their business objectives.

We work with banks to:

- **Increase new customer acquisition** by leveraging social media to increase awareness and educate consumers about the brand.
- **Grow share of current customers** by understanding how to optimally increase customer engagement via social media and drive new business with existing customers.
- **Improve retention** by understanding and providing actionable insights about service breaks as they occur.

### Let's Talk

Beyond the Arc, Inc. is based in the San Francisco Bay Area, with offices in Seattle and Los Angeles.

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