

Alternative Payment Solution: Amex Express Checkout

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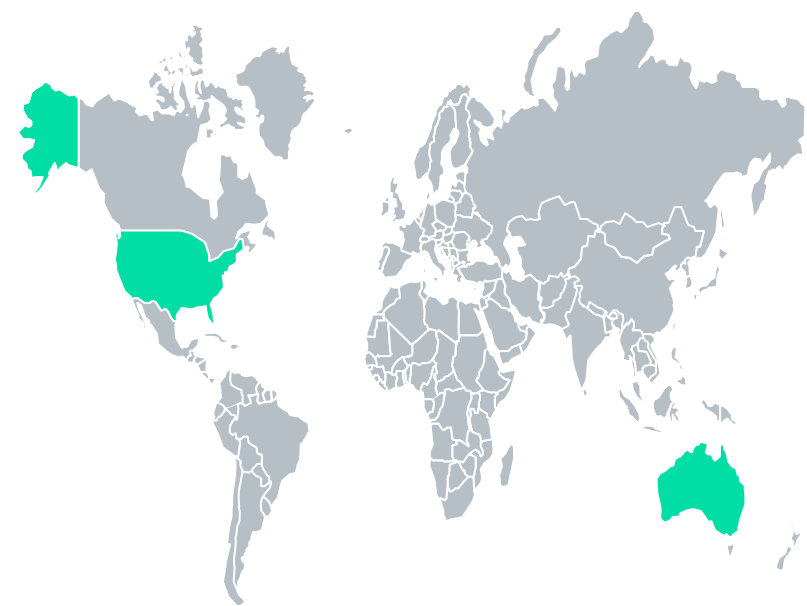
Overview

Amex Express Checkout is an online payment solution developed by American Express. Launched in 2015, it allows American Express card holders to checkout faster on merchant websites and apps by using stored card details and billing addresses.

To use the service, American Express card holders need to have an online account on americanexpress.com with their card and billing details, a user ID, and a password. These details are used for making payments through Amex Express Checkout. At checkout, users need to select Amex Express Checkout and login with their user ID and password, choose their preferred card, review the order details, and confirm the payment.

Amex Express Checkout works on all web-enabled devices including desktops, mobile phones, and tablets. In the US, it is currently supported by a number of major merchants, including Walmart, Airbnb, Boxed, Staples, Sears, Grubhub, Delta Air Lines, Avis, Budget Car Rental, and Ticketmaster.

There are no charges associated with Amex Express Checkout, except for the usual interchange fees charged to merchants. American Express has partnered with payment service providers such as Stripe and Braintree, enabling easy integration of Amex Express Checkout on merchants' platforms.



 Amex Express Checkout's global presence

Market segments

Online checkout

In-app checkout

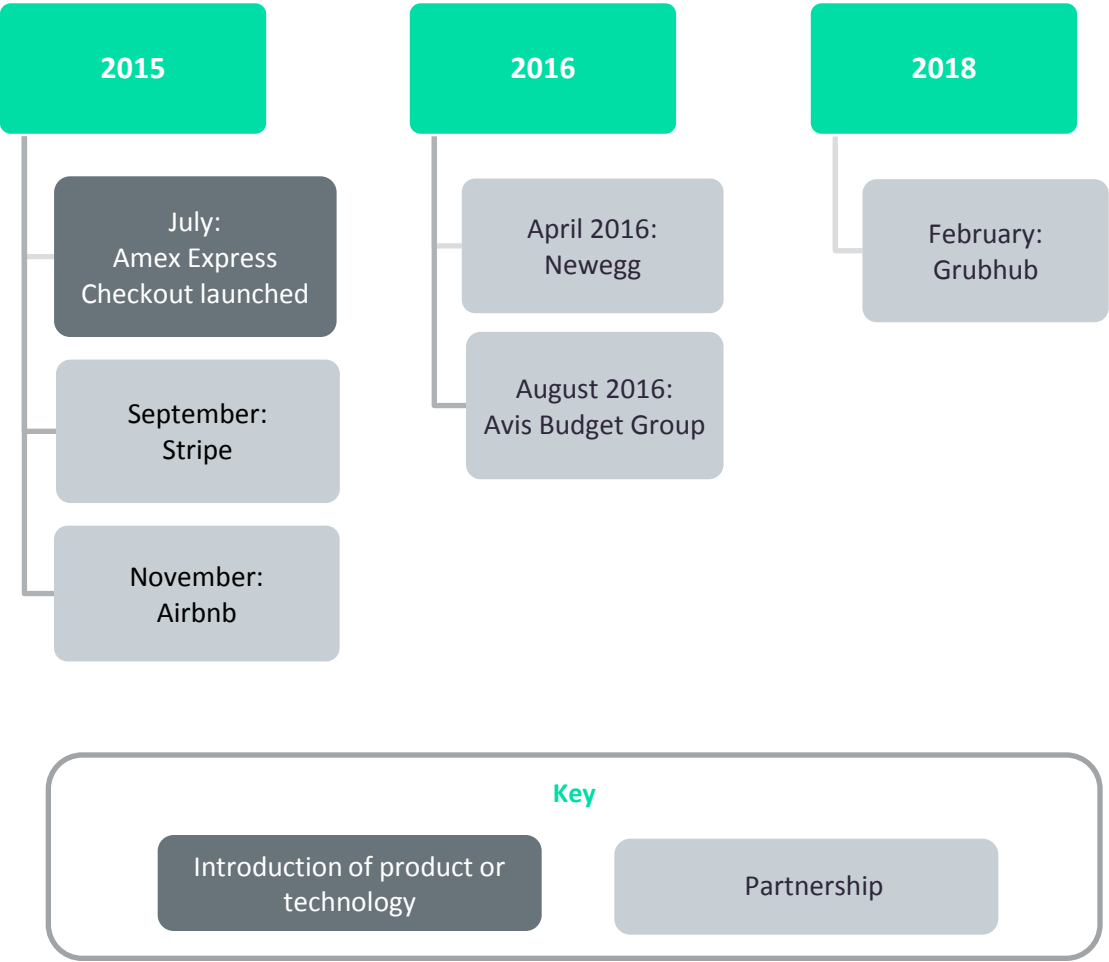
Management

- CEO and chairman of American Express: Stephen J. Squeri
- Executive vice president and chief financial officer of American Express: Jeffrey C. Campbell




Key information

- American Express revenue: \$33.5bn (2017)
- American Express net income: \$2.7bn (2017)
- Geographical presence: US and Australia
- Website: <https://www.americanexpress.com/us/content/express-checkout/>

Historic Milestones



Benchmarking

			
Launch year	2015	2014	2013
Countries	US and Australia	45 (as of April 2018)	107 (as of December 2017)
Supported cards	American Express	Visa, Mastercard, American Express, and Discover	Mastercard, Maestro, Visa, American Express, Diners Club, and Discover
Users	The company does not disclose the exact number of users, but states that 25 million American Express card holders in the US can access the service (as of May 2018)	25 million (as of September 2017)	90 million (as of July 2017)
Merchants	Not disclosed	350,000 (as of September 2017)	7.36 million (as of December 2017)
In-store payments	✗	✗	✓
Online payments	✓	✓	✓

Performance Highlights

- Amex Express Checkout accounted for 1.3% of total e-commerce transactions in the US in 2017, as per our 2017 Consumer Payments Insight Survey.
- According to the survey, rewards and benefits was the primary factor driving the service’s use for online purchases, followed by security. To promote its online payment solution, American Express offers various discounts and reward points. American Express card holders were entitled to two additional reward points on each dollar spent using their cards via Amex Express Checkout until May 17, 2018.

Benefits for merchants and end users

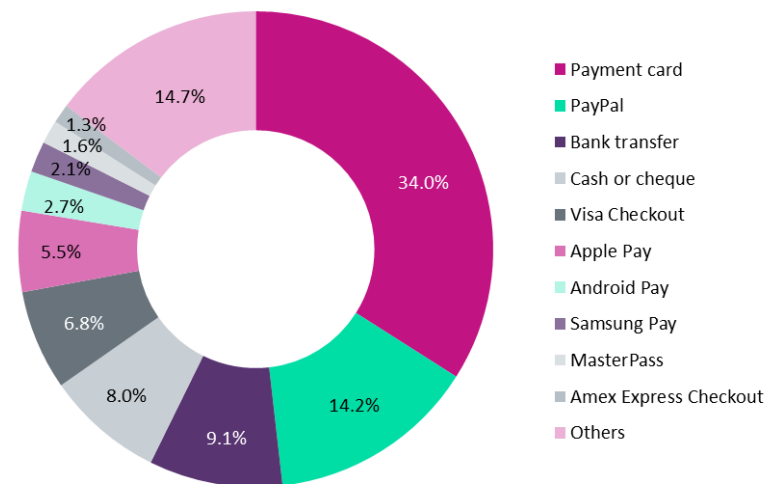
Users

- Enhanced convenience through faster and secure payments
- Omni-device payment solution enabling payments through desktops, mobiles, and tablets

Merchants

- Improved conversion rates
- No additional charges in addition to regular merchant service charges

US e-commerce value share by payment tool, 2017



Top reasons for Amex Express Checkout usage online, 2017



Source: GlobalData’s 2017 Consumer Payments Insight Survey

How Does it Work?

- Amex Express Checkout is a payment solution that stores users' payment and shipping details to provide faster checkout on partner merchants' websites and apps.
- American Express card holders can directly use the service using their American Express account user ID and password. If the user does not have an online account with American Express they need to create one by visiting americanexpress.com. For security purposes, American Express may require either a one-time access code or a card ID to authenticate a card holder.
- Amex Express Checkout users do not need to enter card and shipping details during the checkout process. All payment and shipping information is held within the American Express account and accessed by entering the user ID and password.
- In the US, users can add American Express consumer or small business credit or charge cards issued by a US banking subsidiary of American Express, and American Express corporate card issued by American Express Travel Related Services, to their Amex Express Checkout account. American Express prepaid cards (such as American Express Gift Cards and American Express Serve Cards) cannot be added.
- The solution works on all iOS and Android devices.

Traditional checkout vs Amex Express Checkout



Amex Express Checkout skips the process of entering personal, shipping, and payment details

Products and Services

Products and services	Category	Description
Checkout	Online checkout	Allows users to make payments at participating online websites
	In-app checkout	Allows users to make payments at participating merchant apps using mobile devices running iOS or Android

Checkout

Amex Express Checkout is a pass-through payment solution that does not change the nature of payment transactions. It is free of charge for both customers and merchants. It generates revenue in the form of general interchange fees on transactions through stored American Express cards.

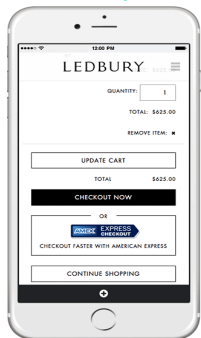
Online checkout

- Users can make payments at partnered merchant websites by selecting Amex Express Checkout as the payment method during checkout.
- After logging into their Amex Express Checkout account, users can then review the products to be purchased and select the preferred card to complete the transaction.

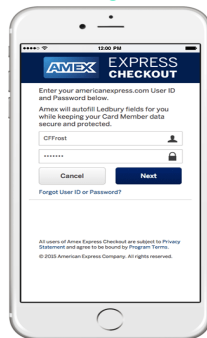
In-app checkout

- Users can make in-app payments using Amex Express Checkout at partnered merchant apps.

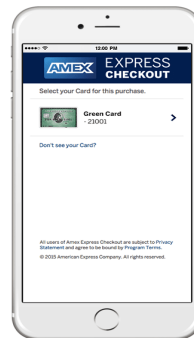
Select Amex Express Checkout



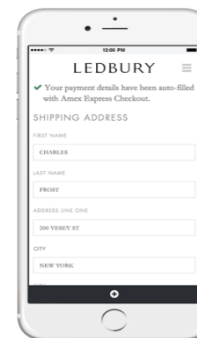
Login



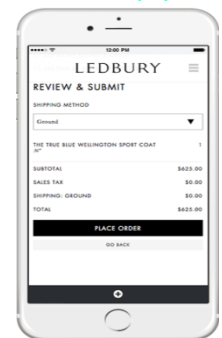
Select card



Review details



Confirm the payment



Significant Events

Date	Event	Description
July 2015	Product launch	American Express launched Amex Express Checkout for its card holders.
September 2015	Partnership	Partnered with online payment processor Stripe, enabling merchants using Stripe to add Amex Express Checkout to their website or app.
November 2015	Partnership	Partnered with online rental marketplace Airbnb, enabling its customers to make payments via Amex Express Checkout as well as redeem their stay against points earned through spending on their American Express card.
April 2016	Partnership	Partnered with e-commerce platform Newegg, enabling American Express card holders to redeem reward points for purchases on Newegg.com.
August 2016	Partnership	Partnered with car rental service Avis Budget Group, enabling customers to make payments via Amex Express Checkout for registrations made on Avis.com and Budget.com
2016–17	Partnership	Merchants including Delta Air Lines, Hulu, Neiman Marcus, Preferred Hotels & Resorts, Staples, and 1-800-FLOWERS.COM integrated Amex Express Checkout into their digital payment platforms.
February 2018	Partnership	Partnered with online and mobile food ordering company Grubhub, enabling American Express card holders to make payments as well as redeem rewards at Grubhub via Amex Express Checkout.

Supporting Merchants in the US

Amex Express Checkout is accepted by a number of merchants in the US, including:

AVIS[®]  **Budget**[®] *ticketmaster*[®] *Neiman Marcus*

Crate&Barrel **COLE HAAN** **GILT** **STAPLES**[®]

BOXED  **Walmart**  **GRUBHUB**[™]

 **1-800 flowers.com**

 **newegg**[®]

sears[®] **BURBERRY**


DELTA


Harry & David[®]
Since 1934

Fannie May
Fine Chocolates Since 1920

PARK 'N FLY[®] 

Definitions

Digital wallet

An encrypted storage medium holding card and account information that can be used to complete electronic transactions without re-entering stored data at the time of the transaction. This also includes electronic prepaid accounts that can store funds (except mobile wallets).

E-commerce

A platform that allows the sale and purchasing of goods and services over an electronic network – typically the internet. Sales are attributed to the country in which the consumer is based. This also includes mobile commerce.

M-commerce

Payments for purchases of goods or services using mobile devices such as mobile phones.

Mobile wallet and carrier billing

The former is a mobile e-money solution linked to a specific mobile phone number. The latter includes charging the purchase of goods/services to the buyer's mobile phone account.

Methodology

All GlobalData cards and payments reports are created by following a comprehensive four-stage methodology. This includes market study, research, analysis and quality control. Our dedicated research and analysis teams consist of experienced professionals with backgrounds in research, consulting, statistics, and economics.

We adhere to the Codes of Practice of the Market Research Society (www.mrs.org.uk) and the Society of Competitive Intelligence Professionals (www.scip.org).

Secondary sources

- [Amex Express Checkout](#) [accessed May 2018]
- [Masterpass](#) [accessed May 2018]
- [Visa Checkout](#) [accessed May 2018]

Further reading

- GlobalData (2018) [Alternative Payment Solution: PayPal](#), March 2018
- GlobalData (2018) [Alternative Payment Solution: Masterpass](#), February 2018
- GlobalData (2018) [Alternative Payment Solution: Visa Checkout](#), January 2018
- GlobalData (2018) [Alternative Payment Solution: Stripe](#), January 2018
- GlobalData (2017) [Payments Landscape in the US: Opportunities and Risks to 2021](#), October 2017

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Our Value Proposition



We empower clients to decode **uncertainties**

they face by providing:

- Unique data
- Expert analysis
- Innovative solutions
- One platform

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- Consulting Services
- Reports

Our Industry Coverage



Our services cover **six primary industries:**

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- Retail
- Technology
- Healthcare
- Financial Services
- Professional Services

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 - Competitive Intelligence
 - Consumer Insights
- Innovation & New Product Development
- Strategy & Planning
- Technology Management
- Marketing Communications
- Channel and Sales Management

Our clients:





Ask The Analyst

If you have questions about the research, data, or findings within this document, please contact us.



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