



## Western Union Company: A Case for Global Expansion

"Is the 3% Yield on Western Union Worthy of Taking a Position in the Name?"  
Abba's Aces, 31 Oct. 2014, *Seeking Alpha*

### Introduction

The Western Union Company is the largest United States-based provider of money transfer services. Through a network of over 510,000 agent locations, Western Union provides its services in more than 200 countries and territories and pays money transfers in more than 120 currencies worldwide. In 2013, the company recorded \$5.5 billion in total consolidated revenues and \$782 million in consolidated net income.<sup>1</sup> As a trusted brand with a long and storied history, Western Union provides millions of immigrant workers a safe way to transmit money. Despite its success and global reputation, critics have long complained about its fees, which run on average from 4% to 22% of the total transaction cost depending upon the amount sent and its destination. In addition, the company's lobbying in support of immigrant-friendly laws has raised the ire of people who say it profits from illegal immigration and the poor.

The main issues addressed in this case revolve around the marketing and operational successes of Western Union in the face of shifting global economies, rapidly changing technology, and growing migrant populations. Specifically, Western Union benefited from a 2003 restructuring designed to transform it from a US-centric company to one that better reflected the global nature of its business. This reorganization allowed it to continue growing in the face of a struggling United States economy. Through additional refocusing of its marketing strategy, Western Union tried to overcome a perception that the company was both a stealthy advocate of illegal immigration and a financial predator of those very same immigrants.

### Company History

With roots dating back to 1851, when it began selling telegram services as the New York and Mississippi Valley Printing Telegraph Company, Western Union was one of 11 companies—all American—included in the first Dow Jones average in 1884. The company changed its name to Western Union in 1856 to mark



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