

US Airways Online Sales Take Flight with Alternative Payments

One of the nation's largest airlines sees its online revenue nearly double since 2005 through the convenient and secure alternative payment Bill Me Later®.

US Airways is the fifth largest domestic airline, and serves more than 230 destinations in 155 countries around the world, including the U.S., Canada, Latin America, and Europe. The combined flights of all of its lines, including US Airways Shuttle and US Airways Express, total more than 3,800 per day.

The past few years—with rising fuel prices and recent economic turmoil—haven't been easy for the airlines, so it's more important than ever that every sale be captured.

Increases Sales, Loyalty

US Airways' Web site, usairways.com, is a powerful tool that provides its customers everything they need for a successful trip—whether it's booking and tracking flights, finding rental cars, or selecting the perfect hotel stay for that dream vacation.

Interestingly, one of the most effective ways the airline found to increase Web site sales was to provide shoppers with forms of payment in addition to credit cards. **"We recognized early that alternative payment methods would be very important for us," says Dion Flannery, vice president, financial planning, at US Airways.** "There are a substantial number of people out there who don't want to use their credit cards over the Internet. And they won't purchase online if they don't have an alternative. In fact, they'll seek out other ways to complete a transaction; or worse: they may not even complete the transaction," says Flannery.

That's why US Airways sought an alternative payment method that would help it reach those customers concerned about credit card fraud and identity theft—those consumers who are growing increasingly wary of providing their sensitive financial information over the Web, at the point of sale. In fact, recent market research shows that concerns surrounding

Overview US Airways Group, Inc.

Scope: 3,800 daily departures throughout more than 230 destinations in 155 countries around the world, including the U.S., Canada, Latin America, and Europe.

Business: Nation's fifth largest airline.

Size: \$11.6 billion, 37,000 employees.

Business Challenge: Attract and retain customers who seek alternative payment solutions they find more convenient and secure than traditional payment methods. US Airways also sought a way to provide its customers flexible and extended payment terms.

Solution: Bill Me Later Inc. and its technology platform enables US Airways to deploy innovative payment options to capture lost sales, build customer loyalty, and increase profits. Bill Me Later® provides a safe and convenient way to pay at checkout by requiring nothing more than the last four digits of their social security number and birth date.

online transaction security affect well over half of online shoppers. **"We knew that if we could reach those customers who are not comfortable with credit cards online, we could drive sales incrementally," adds Flannery.**

To get there, US Airways turned to alternative payment provider Bill Me Later Inc. and its flexible payments technology platform. The platform includes the secure and convenient payment method Bill Me Later®, as well as the ability to make available flexible financing, private label credit card programs, and

co-branded credit. Bill Me Later® provides a safe and convenient way for buyers to pay at checkout by requiring nothing more than the last four digits of their social security number and birth date.

“Bill Me Later represents freedom of choice,” says Flannery. “For folks not comfortable using a credit card online, **Bill Me Later really provides a conduit that allows them to get online and complete a transaction with peace of mind, and settle up on their terms, perhaps at a later date. There’s a lot of appeal,” he says.**

Couple that with the convenience of having to enter only the last four digits of their social security number and birth date to pay, and buyers have security, flexible payment terms and convenience—three very compelling reasons to use Bill Me Later.

US Airways launched a customized promotional financing program, using Bill Me Later, which included US Airways’ frequent flyer awards program. Under this program, customers using Bill Me Later could buy their tickets for travel, take the trip and not worry about paying for 90 days. Members of the frequent flyer program who selected the Bill Me Later payment option while booking travel online received one mile for every dollar spent. In addition, members earned 1,000 elite-qualifying miles for their first purchase made within a three-month period.

“Our members earned valuable miles toward award travel while enjoying the convenience of the Bill Me Later payment option,” says Travis Christ, vice president, marketing, for US Airways. “We’re pleased to have been the first airline to offer the opportunity for deferred payments and for our loyal members to earn bonus miles simply by using this cutting-edge program.”

And those customers are rewarded further because both business and leisure customers can more easily afford special offers such as prepaid air, hotel, and cruise packages.

Bill Me Later helps business travelers better manage their personal cash and credit lines. For instance, business travelers leverage the 90 days (or longer) payment terms so they can be reimbursed for business expenses before they have to pay out of their own pockets. This significantly reduces the amount of spending they must place on their personal credit lines.

For vacationers, Bill Me Later makes it possible for them to afford to travel more—and do so in the style and comfort they deserve. In fact, they’ve learned that Bill Me Later is the perfect way to pay for their more luxurious dream vacations.

Reduced Transaction Costs, Ease of Integration

Bill Me Later also helps US Airways to reduce costs significantly. The airline saves on every transaction because Bill Me Later fees often are 40 percent lower than those charged for credit card purchases.

From a technology perspective, Bill Me Later is deployable within weeks, not months. “Bill Me Later, Inc. understands that payments are 24/7 and mission-critical,” says Joe Beery, SVP and chief information officer at US Airways. “Its technology staff are highly qualified, and they know the business very well. They’re enabling us to move very fast in an industry that’s highly competitive.” Bill Me Later, Inc. is dedicated to turning payments into a strategic and insightful tool to enhance customer loyalty, and drive high sales and profits. That’s exactly what US Airways found.

Future Use

Christ says that the airline is encouraged by the results of the partnership with Bill Me Later, Inc. so far, and looks forward to the years to come. US Airways is exploring other ways to integrate Bill Me Later into its growing vacations and call center business. **“To other merchants considering Bill Me Later, I would say that if you are interested in giving your customers choices as a way to improve your overall offering, then you must consider Bill Me Later,” Christ said.**

About Bill Me Later

Quick, easy, secure Bill Me Later is trusted by millions of consumers and used by hundreds of leading retailers to improve their customer purchase experience, acquire new customers, increase sales and average order value, while lowering interchange costs. Using its real-time credit decisioning platform and its suite of multichannel payment alternatives, Bill Me Later is expert at helping merchants to deploy and market payments as a way to improve customer experience and increase sales and loyalty.

For more information, visit www.billmelater.com.



KNOW HOW AT THE POINT OF SALE®

9690 Deereco Road • Suite 705 • Timonium, MD 21093 • ph 866.380.6577 • fax 443.921.1984 • www.billmelater.com

Contact: salesinquiries@billmelater.com

USAIRCS 1107