



Powering Travel Payment™

On July 10, 2007 **southwest.com** sold its first PayPal transaction (30 seconds after turning the product on).

“Implementing PayPal allowed us to provide additional options to our Customers. UATP approached us with an opportunity to implement PayPal utilizing our existing relationship with them. This was the type of solution we needed to overcome our inability to implement an alternative payment option. As a current UATP merchant, our systems were set up to accept the UATP card. UATP’s solution allowed PayPal transactions to enter our system as if they were UATP sales, making it possible for us to speed our time to market and keep implementation costs low.”

-Brian Carroll,
Southwest Airlines

MAXIMIZING PROFITS AND LOWERING DISTRIBUTION COSTS – DON’T YOU WANT THIS TOO?

With total US online transaction volume estimated to grow to more than \$355 billion by 2012 and non-traditional payment methods representing 30% of that total¹, the rapid adoption rate of non-traditional payment methods presents an immense opportunity for many of the world’s airlines. Airline reservations have shifted to internet purchases, with 65% completed online.²

As everyone knows, with every great opportunity, there are also challenges, but there is a solution - UATP.

Opportunities:

Airlines who offer non-traditional payment methods have realized:

Lower Distribution Costs: new payment options typically carry a lower merchant rate than traditional credit cards. Emerging technologies such as, *Acculynk’s PaySecure™*, *HomeATM ePayment Solutions* and other internet PIN debit options can dramatically lower credit card fees by as much as 100 basis points (1%) per transaction. In 2007, credit cards garnered 60% of online retail purchases; this is predicted to decrease to 40% as growth in online purchases trend toward debit-based payments³ and cash transactions with technologies such as Ukash, which converts cash into a ready-to-spend PIN code useable with the thousands of Ukash-friendly websites.

Increased Revenue: Airlines that offer non-traditional payment methods are able to increase shopping cart conversion rates. *PayPal* Express Checkout conversion rates are 23% higher than standard checkout at some of today’s largest online retailers.⁴

Cast a wider net: Adding new forms of payment allows airlines to tap into new demographic segments; in a 2008 survey by Edgar Dunn & Company, 82% of respondents who used an alternative payment option said they were very likely or extremely likely to use it again.⁵ Currently there are over 150 million *PayPal* customers worldwide, *Bill-me-Later* is accepted by over 1,000 online stores⁶ and Moneta’s access to more than 200+ million consumers through its bank distribution network.

Challenges:

- Many airline back-office systems are not engineered to support non-traditional payment methods, so implementation costs in terms of time and capital can be high.
- Back-office reconciliation procedures for new payment offerings can be difficult. In some cases, non-traditional payment transactions require vastly different accounting procedures to enable reconciliation.

Solution:

UATP allows airlines to utilize existing connections and technology to enable non-traditional payment methods.

- Enables speed to market – leverages existing system connections
- Dramatically lowers implementation costs
- Streamlines back-office reconciliation – to the airline, the transaction flows through accounting systems as a UATP transaction. UATP provides reconciliation reports which allow the carrier to easily identify the exact payment method.
- Customer experience remains unchanged- the customer follows the familiar procedures to utilize their non-traditional form of payment on the airline web site.

Learn more at uatp.com

Airlines using existing UATP connections to facilitate non-traditional payment methods include: AirTran Airways, American Airlines, Continental Airlines, Delta Air Lines, jetBlue Airways, Midwest Airlines, Northwest Airlines, Southwest Airlines and US Airways

Contact sales@uatp.com to connect today!

¹ More Online Consumers Turn to Alternative Payment Methods for Security and Convenience, Javelin Strategy & Research, September 2007

² Internet PIN Debit: Aligning the Needs of Merchants, FIs and Consumers for Online Payments, Javelin Strategy & Research, June 2009, 4

³ Internet PIN Debit: Aligning the Needs of Merchants, FIs and Consumers for Online Payments, 4

⁴ comScore, PayPal Express Checkout Study, August 2007

⁵ INSIGHT Strategic Viewpoints for SUCCESS, Edgar Dunn & Company, February 2008

⁶ www.billmelater.com