

Continental Airlines Fuels More Sales

Convenient, secure, and flexible alternative payment option Bill Me Later® attracts new customers and increases bookings and revenue.

Continental Airlines is the fifth largest airline in the world. In combination with its Continental Express and Continental Connection lines, the airline provides more than 3,100 departures a day to more than 280 destinations within North America, Europe, and Asia. To fully service the 67 million passengers who fly Continental every year, the airline provides a wide assortment of services for both its business and leisure travelers at continental.com. Those services include everything from enabling customer employees to manage their own travel plans to providing access to all of the information any traveler would need: from the status of their flight, to details about specific airports and destinations.

Another vital area of focus for Continental is the shopping and payment experience it offers its Web site customers. This airline is no newcomer to alternative forms of payment. In fact, in addition to its Continental Airlines Credit Card and Business MasterCard, Continental has offered alternative payments including Bill Me Later® for a number of years. "We've seen great value from alternative payments," says Ken Penny, general manager, continental.com. "Our customers have really responded well to them," he says.

Recently, Continental surveyed nearly 10,000 of its customers who have used alternative payments, and found very interesting results: "Customers who use our web site not only are becoming more aware of alternative payments, but they're also more inclined to use them as well," says Penny.

Continental Finds that Buyers Demand Convenience, Security, and Flexibility When It Comes Time To Pay

While that finding may be an eye-opener to some, it certainly wouldn't surprise payment industry watchers. Research firms Celent, Forrester, Gartner, and others all have shown how millions of online consumers do not want to share their credit card information online, and seek a more secure and convenient way to pay.

"When customers have concerns at checkout, whether they are around security or convenience, it's important that you have the right form of payment that meets their needs," says Penny.

One of the most versatile ways Continental makes certain those needs are met is through the alternative payment solution, Bill Me Later. Through Bill Me Later Continental can deploy innovative payment options

Overview Continental Airlines

Scope: More than 3,100 daily departures throughout the Americas, Europe, and Asia.

Business: World's fifth largest airline with 67 million passengers annually.

Size: \$13.1 billion, 45,440 employees.

Business Challenge: Attract and retain customers who seek alternative payment solutions they find more convenient and secure than traditional payment methods. Continental also sought a way to make it easier for customers to finance their flights and vacations.

Solution: Bill Me Later® provides a safe and convenient way for travelers to pay at online checkout or the call center by requiring nothing more than the last four digits of their social security number and birth date.

such as deferred billing programs to capture lost sales, build customer loyalty, and increase profits. At the same time, travelers appreciate Bill Me Later's security and convenience at checkout.

The move to Bill Me Later has changed forever the way Continental views alternative payments. It wasn't too long ago that nearly all payments at continental.com came through traditional credit card transactions. "But when we added additional forms of payment, customers started using them," he adds. In fact, in Continental's recent customer survey, 61 percent of respondents said that they like the flexibility of different forms of payment and alternative financing, such as Bill Me Later.

Those alternative financing options include Bill Me Later's no payment for 90 days, or 6 months same as cash promotions. "Bill Me Later's creative financing programs have a high level of customer interest. When we put those types of offers out there, customers respond eagerly with purchases," says Penny. "It helps to move the shopping cart through to checkout."

What Continental also discovered is that not only does the value of this alternative payment grow as the number of merchants and consumers increases, but

Bill Me Later buyers are extremely loyal. "We found a very interesting phenomenon when it came to repeat purchases," says Penny. According to Continental's historical payment data, for all of the payments that were processed through Bill Me Later, roughly 36 percent of those transactions were returning Bill Me Later users. Interestingly, 47 percent of all Bill Me Later transactions were from entirely new customers.

Deferred Billing Fills Customer Needs, Increases Sales

Bill Me Later's flexible financing terms also allow Continental to leverage sales. Continental has been able to use promotions such as 90 days same as cash to encourage customers buy their trip or dream vacation sooner than they otherwise would have. "We do many things to try to spur sales. We try new destination offers, special fares, and we also use Bill Me Later's promotional financing. The flexible financing encourages people to buy earlier, or even pay for a first class trip if they want to splurge," he says.

More than half of Continental's customers appreciate how the deferred billing helps them to better preserve their cash flow and available credit during a trip, Penny found. "When they're on vacation, they don't want to use up the balance on their credit card to pay for tickets and their hotel room. They want to keep that balance available so they can enjoy their trip, go to restaurants, buy gifts, and just have a good time. So it's really a matter of convenience, using multiple forms of payment to enhance their entire travel experience," he says.

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Ken Penny, General Manager, continental.com

Many merchants might believe that alternative payment options would take away from their existing private label credit offerings, but that certainly hasn't been the experience at Continental. While the airline does offer its own co-branded credit card, there's no indication that Bill Me Later takes any customers away from this payment method. In fact, Penny found, Bill Me Later enhances Continental's ability to attract different kinds of travelers.

"We find that our credit card is well suited for a specific audience. And we put together the program behind our card with the objective of appealing to that exact audience," he says. "But the card isn't an option for everyone. Some customers already have enough credit cards, or they have other reasons why this isn't the ideal form of payment. But we still want their business. That's why it's important to offer a variety of options—options that meet the spectrum of uses and concerns that customers have," he says. "Bill Me Later helps us achieve exactly that."

Why Continental Chose Bill Me Later®

- Provide buyers the most convenient and secure way to pay.
- Increase sales and average order values through flexible financing offers.
- Easy to deploy and manage.
- Extremely loyal user base who drive high levels of repeat usage.
- Significantly lower transaction costs than traditional forms of payment.

Alternative Payments Attract Business and Leisure Travelers, Cut Transaction Costs

While it could seem that Bill Me Later would target primarily leisure travelers, it turns out there are specific benefits to business buyers as well. "If you're a small business or you're going to expense your business travel, do you want to put all that trip expense on to your personal credit card?" Penny asks. With Bill Me Later, business travelers can submit their expense reports and be reimbursed before the bill is due—thereby improving personal cash flow. "While the values are different, there is benefit to both the leisure and business users," he says.

There also is significant value to Continental for each transaction that goes through Bill Me Later. The airline saves on transaction fees, which often are significantly lower than credit card fees. "It does provide cost benefit from a transactional standpoint," he says. "We're always looking at ways to reduce our cost of distribution or cost of sale, and credit card merchant fees are one component of that," says Penny.

While those savings are welcome, it's more about the customer. Continental is focused on customer satisfaction. "That is our driving focus. And offering varied forms of payment improves customer service, especially when those are forms of payment that customers are comfortable with and find easy to use. It's all about providing a great experience."

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.



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