



Avelo Airlines continues to soar with PayPal's strategic solutions

On April 28, 2021, Avelo Airlines took flight for the first time — ushering in a new era of convenient, affordable, and reliable air travel.¹ Their mission statement is to “inspire travel” and they accomplish this by reducing as much friction as possible for their customers. Avelo never charges a cancellation or change fee. Ever.

They serve over 48 destinations across the United States with an average ticket price of \$100. Flying out of smaller, more convenient airports, saves their customers time and money so that they can fly easily and more often.

We spoke to Avelo's Head of Finance and CFO Hunter Key, and Chief Digital Officer, Sumit Goyal, to discuss their experience with PayPal Braintree, Pay Later, and Fraud Protection Advanced.

The opportunity.

Avelo wanted to simplify and streamline the checkout process to reduce friction for their customers.

Creating a seamless travel experience is paramount for Avelo Airlines. However, they encountered challenges with their prior processor and felt that they were not being heard. As a result, Avelo decided to explore other processing solutions, via a request for proposal (RFP). Their goal was to align with an innovative company that shared their vision for putting the customer first and minimizing friction. Avelo also wanted to offer

their customers flexible payment options to help them easily budget their travel. And, to ensure that they were approving as many customers as possible, they wanted an adaptive machine-learning solution, to help protect them against evolving fraud. Innovation, reliability, scalability, and responsiveness were key factors in their decision-making process. Ultimately, Avelo Airlines chose PayPal.

Said Key regarding the RFP process, “We spoke to a lot of really, good emerging fintech companies who provided compelling economics and value propositions. But PayPal was really the only one from a top to bottom perspective, from IT, economics, overall support, and collaboration. PayPal differentiated itself from the start.”



At Avelo Airlines, customer satisfaction and convenience are key. As a direct result of PayPal's partnership, we have been able to provide a streamlined payment experience and continue to innovate at an incredible pace, supported by our strong PayPal relationship.

Sumit Goyal

Chief Digital Officer, Avelo Airlines

The solution.

Avelo integrated PayPal Braintree's platform to elevate their offerings and decrease turbulence.

With the integration of PayPal Braintree as their processor, Avelo has access to PayPal Checkout, Venmo, Pay Later, Fraud Protection Advanced (FPA), and much more. "The PayPal Braintree integration was our single biggest IT success story that we've ever had at this company," said Keay. "Not just through the speed of integration but through the partnership and collaboration."

And there are so many components to this collaboration. Avelo customers are adopting PayPal Checkout at rates that have exceeded Avelo's key performance indicators (KPI's). Keay explained that "We have better data when the customer books through PayPal and a greater ability to track the demographics, and to better know our customers."

Knowing that their customers were interested in flexible ways to pay for their flights, Avelo integrated dynamic messaging for PayPal's Pay Later solutions. Customers can choose between Pay in 4, a short-term,

interest-free offer for purchases between \$30-\$1,500, or, Pay Monthly, a longer-term, interest-bearing offer for purchases between \$199-\$10,000.² By messaging the Pay Later solutions early in the checkout process, customers are aware of these options.

"Quite frankly Pay Later is delivering above and beyond our expectations," said Keay. "We use dynamic messaging for Pay Later because it drives higher conversion, and it's a beautifully simplistic product."

FPA is like a traffic controller, providing Avelo with critical insights and control relating to the customers on their site. With PayPal's advanced machine learning and analytics, FPA helps Avelo manage fraud and ensure that as many credit worthy customers as possible are being approved.

"The ability to adjust the filters in Fraud Protection Advanced has been exciting for us. The PayPal team confirmed that our fraud filters are optimized and that is evident in our conversion rates," said Keay.

Collectively, these PayPal products provide Avelo with an integrated payments solution that delivers scalability, security, flexibility, and innovation, ensuring their customers a seamless checkout.





The impact.

PayPal helps deliver higher approval and conversion rates, and rich data intelligence to help manage fraud.

The strong collaboration between Avelo and PayPal has been developed with exceptional care and attentiveness, yielding impressive results.

Avelo has seen a 3% increase in overall approval rates since integrating PayPal Braintree.³ According to Keay, "That increase is huge. And that means we are increasing the number of customers who are able to successfully checkout."

PayPal Pay Later messaging assures customers that Avelo offers one of the most trusted brands in payments at checkout even if they choose to pay in full. "With Pay Later, we actually experienced a 22% increase in the average order value," noted Keay.⁴

"Fraud Protection Advanced is working brilliantly against chargebacks."

Hunter Keay

Head of Finance and CFO, Avelo Airlines

"Fraud Protection Advanced (FPA) is working brilliantly as well," said Keay. FPA helps streamline the checkout experience for trusted travelers by creating frictionless customer journeys that help increase conversion rates, reduce good customer declines, and increase customer lifetime value. FPA has helped Avelo to reduce their overall chargeback rate by 15.5%.⁵

As Avelo Airlines continues to strive to make travel easier for their customers, PayPal's solutions align with that goal. The strong collaboration and communication have proven instrumental in streamlining the customer checkout experience. PayPal's strategic offerings help Avelo fuel growth to deliver convenient, nonstop flights so their customers can fly more, for less.

3%

increase in approval rates.³

22%

higher AOV with Pay Later.⁴

15.5%

reduction in chargebacks.⁵

¹ Source: Meet Avelo | Avelo (aveloair.com)

² Source: Pay Monthly is subject to consumer credit approval. Term lengths and fixed APR of 9.99-35.99% vary based on the customer's creditworthiness. The lender for Pay Monthly is WebBank. PayPal, Inc. (NMLS #910457): CT Small Loan Licensee. RI Loan Broker Licensee. VT Loan Solicitation License

³ Data is from Avelo Airlines, comparing their current approval rate with PayPal Braintree against prior processor. These results may not be typical and may vary substantially by business. This content is provided for informational purposes only. You should always obtain independent business, tax, financial, and legal advice before making any business decision.

⁴ Data is from Avelo Airlines, comparing the average order value of credit cards to Pay Later average order value from April 2023 - January 2024.

⁵ Data is from Avelo Airlines, looking at the last 90 days as of 2.12.24.