



Southwest Airlines used Hyperwallet to distribute \$250 million to customers



Dallas-based Southwest Airlines carries more travelers nonstop within the U.S. than any other airline and offers as many as 4,000 flights a day to 11 countries. The airline is famous for the way it cares for nearly 70,000 employees and the millions of passengers it serves every year.¹ Such a massive operation needs cutting-edge payment technology, which is why Southwest began using PayPal in 2008. The relationship has evolved, particularly as Southwest has moved towards transacting digitally and via mobile.

“We’re over 90% digital now, and a lot of that volume runs through PayPal,” remarks Chris Priebe, Managing Director of Payments and Risk at Southwest.

The opportunity.

A holiday challenge presented the chance to show customers that Southwest cares.

Southwest experienced a significant operating challenge during the 2022 Christmas holiday, resulting in cancelations and delays that inconvenienced many of the company’s travelers.

“We immediately knew we needed to compensate our customers that didn’t have the Christmas they were expecting,” says Priebe. “It’s bad to mess up, but it’s really even worse not to apologize and make up for it.”

Southwest saw this as a pivotal opportunity to show customers how seriously they take the hospitality and customer service the company is known for.

The first order of business was refunding travelers’ tickets purchased with cash, followed by sending out refunds for tickets bought with points. Both were accomplished with the airline’s existing tech stack.

The final piece of the puzzle was compensating people for their inconvenience, which meant quickly sending millions in payments to a huge number of passengers. This is where Southwest needed a solution outside its existing framework.

“How do you compensate passengers with several hundred million dollars in a tight timeframe?” Priebe says. “We just didn’t have the accounts payable systems ready for it.”



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Managing Director of Payments and Risk, Southwest Airlines

The solution.

Southwest implemented Hyperwallet to quickly put things right with its customers.

Priebe's team immediately started looking at options and quickly found Hyperwallet,² a PayPal solution that enables users to send mass payments to recipients like contract workers, freelancers, sellers, or in this case, airline passengers. Hyperwallet's full-stack technology can send payments quickly and securely to both banked and unbanked payees around the world.

Priebe and his team initiated talks with PayPal executives to assess whether the solution could solve Southwest's dilemma. The answer? No problem. The PayPal executives worked through all of Southwest's concerns and questions, helping the airline feel confident it had found the right solution for the situation.

"We were very conscientious about making sure we didn't create another problem down the road," says Priebe. "That meant talking it through with the PayPal team and making sure that there weren't any problems from a tax standpoint or anything else."

After getting the green light, Priebe's team rapidly used Hyperwallet to send \$250 million dollars to approximately 200,000 Southwest customers within six weeks.³

"For us, the functional use case of Hyperwallet was never more readily apparent than in that week," he says.

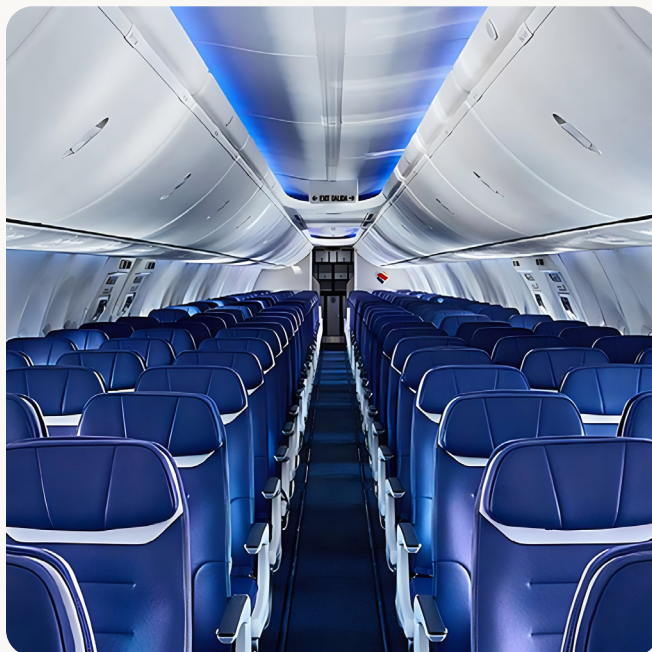


The impact.

Hyperwallet enabled Southwest to compensate approximately 200,000 people.

Priebe and his team could not have been more satisfied with the Hyperwallet solution, which allowed the company to act extremely quickly to gain back customers' trust and satisfaction.

"It was an unbelievable solution," Priebe raves. "It is a very functional product, and we were able to compensate several hundred million dollars in under six weeks. The product is wonderful."



For Southwest, one of the best things about using Hyperwallet to compensate its customers so quickly was having the ability to demonstrate in real time the positive culture and proactive customer care it is famous for.

"I think one of the strongest traits we have at Southwest is our humility," says Priebe. "You've got to be humble enough to admit when you make a mistake. And I'm really proud of our leadership for getting out and doing that, and I'm proud of PayPal for helping us to execute on that vision of making it right."

\$250M

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¹ Data source is from Southwest Airlines, "About the Company," <https://swamedia.com/pages/corporate-fact-sheet>

² For more information, please visit: <https://www.hyperwallet.com>

³ Data source is from Southwest Airlines, 2023.