



Spanish airline Vueling's buy now, pay later sales soar 210% with PayPal's Paga en 3 plazos

Vueling, born as a digital native company in 2004 and part of the International Airlines Group (IAG), is one of the main low-cost airlines in Europe and a key player in connections with Spain.

Vueling offers direct flights to more than 100 destinations in 30 countries in Europe, North Africa, and the Middle East. Vueling is committed to ensuring connectivity within Spain, Europe, and the rest of the world.

Vueling's mission is to connect people and places in the best possible way.

The opportunity.

Vueling sought to provide customers with more choice in how to pay within a seamless checkout experience.

Over the past four years, Vueling's customer interaction shifted from a preference for desktop to mobile transactions. As mobile is now likely to be the airline's first touchpoint, Vueling wanted to offer frictionless checkout with robust payment options that would enhance shoppers' experiences on any device.

"At Vueling, we wish to offer an easy payment journey, both in mobile and desktop devices, as improving the overall customer experience is a key pillar of our transformation program," says Eric Olmos, Fraud and Payments Consultant for Vueling.

Capturing more sales from mobile requires offering the most customer-friendly ways to pay, including the possibility of paying in installments.

The solution.

PayPal's buy now, pay later solution Paga en 3 plazos allowed Vueling to enhance its checkout experience.

At the end of 2021 PayPal introduced a Pay Later solution in Spain, Paga en 3 plazos. This allows eligible customers in Spain to pay in three equal installments for purchases between €30 and €2,000 without interest or late fees.¹

PayPal's Paga en 3 plazos gives Vueling's customers in Spain more options and helps optimize the experience of buying online, particularly by mobile. By allowing customers to divide their purchases into installments, Paga en 3 plazos can help customers better plan their spending.

"The beauty of Paga en 3 plazos with PayPal is that it is directly offered to PayPal customers within the PayPal checkout flow without any kind of additional integration from our side," says Catia Silva, Commercial Projects Manager for Vueling.

"We are really happy with the results we are achieving with Paga en 3 plazos. The increasing sales are a result of offering customers what they really need."

Catia Silva
Commercial Projects Manager, Vueling



However, the Vueling team decided to integrate dynamic messaging in Spain for Paga en 3 plazos in March 2023. PayPal's dynamic messaging allows customers to see the amount of each installment in real time. The process of integrating dynamic messaging for Paga en 3 plazos was worthwhile.

Vueling was also able to integrate dynamic banners of PayPal's buy now, pay later solutions (BNPL) in the UK, US, Germany, Italy and France, with minimal integration effort.²

The Vueling team was unsure whether splitting purchase totals into multiple payments would prove appealing to customers. As it turns out, not only did many customers opt for installments, but their Average Transaction Value ("ATV") increased as well.



The impact.

Customers embraced PayPal's Paga en 3 plazos, leading to a surprisingly large boost in sales and average transaction value.

Over the first year of offering PayPal's Paga en 3 plazos from Q1 2022 to Q1 2023, Vueling saw an increase of 210% in sales made through Paga en 3 plazos, a rapid upturn they had not anticipated.³

"We were impressed with the rate of adoption despite our Average Transaction Value (ATV). Again, this reflects how we were able to identify our customer needs, offering them a real and tangible solution," says Olmos.

Vueling recorded an 8% increase in ATV on Paga en 3 plazos purchases from Q1 2022 to Q1 2023.⁴ Additionally, Vueling's ATV for Paga en 3 plazos purchases has been 64% higher than the ATV for their standard PayPal purchases overall in Spain.⁴

The Vueling team believes the increase in ATV is due to customers purchasing more extras and upgrades for their flights. And with PayPal's dynamic messaging detailing the amount of each instalment, customers can better budget what they can afford.

"PayPal's Paga en 3 plazos allows customers to fly the way they want to fly and increases loyalty for our airline," adds Silva.

PayPal Pay Later has also enabled Vueling to pursue its goal of building up its customer base beyond Spain. For example, the team saw an unexpected uptake of this payment option in France, where it is not typically available for airfare purchases.²

"PayPal's BNPL solution is contributing to our international consolidation as well, reinforcing our commitment with passengers from countries such as France, the UK, or Italy," remarks Silva.

Vueling customers are choosing to purchase with PayPal due to its ease of use and the trust that they feel for the PayPal brand. They are opting for Paga en 3 plazos in Spain to better budget for their preferred travel choices. For Vueling, this is all good news.

"Paga en 3 plazos has surpassed our expectations," says Silva. "We didn't expect it to prompt so many sales. But it is working."



210%

increase in sales made through Paga en 3 plazos.³

8%

increase in ATV for Paga en 3 plazos.⁴

64%

higher Paga en 3 plazos ATV compared to standard PayPal ATV.⁵

¹ The APR is 0%. Paga en 3 plazos is subject to approval by PayPal and to conditions. For more information, please visit: <https://www.paypal.com/es/webapps/mpp/paga-en-3-plazos>. A credit is a binding commitment and shall be reimbursed. Please check your ability to reimburse before making any commitment.

² PayPal Pay Later eligibility and availability is subject to merchant status, sector and integration. Consumer eligibility is subject to status and approval. Product features differ by market. See relevant product terms for more details. PayPal Pay Later cross-border messaging is subject to approval by PayPal.

³ Data source is from PayPal, comparing Vueling's sales made through Paga en 3 plazos in Q1 2022 to those made in Q1 2023 for Spain. 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 source is from PayPal, comparing Vueling's Average Transaction Value (ATV) of sales made through Paga en 3 plazos in Q1 2022 to those made in Q1 2023 for Spain.

⁵ Data source is from PayPal, analyzing the Vueling's average Paga en 3 plazos ATV against the average standard PayPal ATV in April 2021 and April 2023 for Spain.