



NO CREDIT CARD? ETIHAD AIRWAYS ROLLS OUT CASH PAYMENT SYSTEM FOR ONLINE FLIGHT BOOKINGS

News /



The rest of the world may be purchasing everything from curries to curtains on credit cards, but cash is still king in the Middle East.

Yesterday **Etihad Airways** announced that it is to become the latest company to offer customers the choice of paying for their flights in cash through a new collection service.

Under its new Pay@home system, Etihad said its customers will be able to book flights online and have the cash collected from their nominated location in the UAE by courier within 24 hours.

Etihad said that it launched the service after conducting research into the wishes of its customers.

“In selecting additional payment methods for our guests, we took a very local approach,” said Justin Warby, Etihad Airways’ vice president of direct sales. “We wanted to give options which catered for the needs of our guests. The addition of Pay@home will make a significant difference to online bookings.”

The service is the latest to be offered with the Dubai-based online payment firm Payfort, which launched in June 2013 in an attempt to plug the widening gap in the market for customers in the Middle East with an increasing desire to shop online but a reluctance or inability to use credit cards.

The Middle East-based online taxi service Careem said it was also currently testing a similar business model which would enable merchants in the region to receive payment from customers via Careem drivers working in Dubai, Abu Dhabi or Sharjah, reducing the need for merchants to accept cash on delivery.

It said that it was in talks with a number of other airlines looking to offer similar services, especially for lower-value flights to the Indian subcontinent.

“In the UAE 70 per cent of e-commerce is currently conducted on a cash on delivery basis,” said Tariq Sanad, chief marketing officer of Careem. “That is actually quite risky for the retailer if the customer isn’t in to pay for the goods when the courier arrives.”

“Credit cards are not as widespread in the Middle East as they are in other parts of the world,” he added. “This is partly because some customers from places like Saudi Arabia are concerned that traditional credit cards charge interest.

“Also, many people living in the UAE on lower wages will struggle to meet the bank requirements to get a credit card. However, these people still want to take advantage of online shopping.”

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