



Buying and invoicing travel services
more efficiently:

How Umfulana gained more
time for its customers with
virtual payments

Great passion for travel meets a special promise: Umfulana organizes and plans trips for its customers as individually and carefully as if its own employees were going themselves.

But when it came to the payment and accounting of such unique experiences, the tour operator faced many challenges – and has done throughout its almost 25-year company history.

We had the chance to sit with CEO and co-founder Tobias Garstka for an exclusive insight into what these challenges were and how our digital payment solutions have contributed to Umfulana's success story.

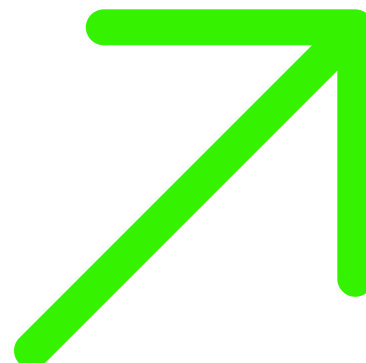
The great adventure from Kürten to KwaZulu-Natal

Even the story of Umfulana's founding sounds like a great adventure: Emigrating from Kürten in the 'Bergisches Land' region of Western Germany to KwaZulu-Natal in South Africa, the pastor Martin Bach founded a small travel agency together with Tobias Garstka in 1998.

His surname – Bach – has a Zulu language counterpart: Umfulana. And just like that, the company name was decided.

Martin Bach set up his office in the garage of the vicarage, while Tobias Garstka prepared a desk in his parents' house over in Kürten – the very same room he grew up in as a child. For context, the internet ran via ISDN at this time, with landline telephones and fax machines making up the normal office set-up.

In contrast, their business concept was timeless: Umfulana found its very own niche in South Africa and began to continuously expand its range of destinations.



Hotel bookings on their own account. And at their own risk.

As a smaller tour operator, Umfulana buys travel services such as hotel accommodation directly in the destination country using its own account and markets them to its end customers. The individualized travel advice and ability to fulfill the extra wishes of customers quickly prove to be a unique selling point.

Even though the company has responsibilities under German travel law § 651, hotel platforms and incoming agencies still play no role in its business model.

“We never thought about offering travel through any intermediaries. We always wanted to buy the services for our customers directly,”

Tobias Garstka recalls. In practice, this meant that Umfulana had to deal with the respective country-specific requirements – especially with regard to payment. It quickly became clear that while South Africa showed its progressive side when it came to payment, this was not at all the case in other countries.

“In Hawaii, hotels sometimes wanted to be paid with stamps, while in other countries you were only considered a serious business partner with a credit card,” he says.

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Tobias Garstka



Detective work instead of easy payment reconciliation

But, having to purchase all hotel services using only one – or a handful – of credit cards was an enormous hurdle, even back then. And this in several respects: „**At the end of the month, we had super-long credit card bills of 20 to 30 pages. It was not only a challenge, but more like detective work,**” Tobias Garstka laughs, looking back.

Few cards plus high limits equal enormous risk

To make matters worse, there were fraudulent activities in which unauthorized amounts were charged to credit cards. This was a particularly high risk for Umfulana, as the few credit cards it used had to have very high limits for the extensive purchase of travel services – sometimes six digits. „**There was also always a risk of fraud when we passed on our credit card details to new hotel partners. We never knew in advance how trustworthy they would be,**” he explains.

The small number of credit cards was accompanied by further problems: If there were limit overruns, payment delays or incorrect payments, this not only resulted in card blockings, but above all in the mistrust of the hotel partners.

“**Sometimes it took a whole week to increase the card limit. A waiting period that the booked accommodations were of course anything but happy about,**” says Tobias Garstka.

And while there’s still a sizeable accommodation market today that only accept credit card payments – especially in the US – Umfulana can realize them in a much more relaxed way today. “**It works very differently from, say, transfers to the service provider’s account, as we once had a case,**” he recalls. “Because the payment was stuck somewhere unnoticed for 3 weeks, there was a lot of chaos when our client wanted to check into the hotel. In this respect, credit card payments are of course beneficial for both sides as they give the feeling of payment security.”

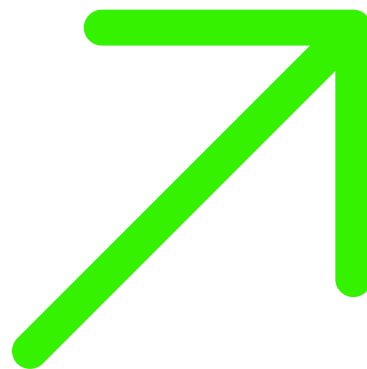
New payment process: More flexibility and security

The fact that Tobias Garstka can be so relaxed when talking about these earlier payment problems is mainly due to the new payment process that Umfulana implemented in 2016 together with AirPlus. The topic of individuality also played a key role in this integration: Umfulana has continuously developed its own systems over the years, in which all the data of its service providers, like hotels, national parks, and car rental providers, flow together.

The challenge now was to seamlessly integrate the payment solution into this unique system. **“We looked together at how we could embed the solution in such a way that it would best suit our business and all function smoothly,”** Tobias Garstka explains.

Since the smooth integration could be realized via a proprietary XML interface, Umfulana employees are able to create virtual credit cards from the company’s own system at any time. In addition, every time a hotel booking is made, a virtual credit card is automatically generated in the background, linked to the booking and sent by e-mail to the respective accommodation. But that’s not all.

“Today, with AirPlus, we can assign the corresponding invoice directly to each booking in an automated way, thus completely sparing ourselves of what was previously a very tedious process,” Tobias Garstka reports.



Satisfied service partners, happy customers

Cooperation with both new and old partners has also become much easier. Without limit problems, any fraud risks, or payment defaults, mutual trust can now be established more quickly. The fast receipt of payments plays its part too. Unlike in the case of a bank transfer, service partners no longer have to wait to receive their payment. **“Handling has become much easier. If necessary, we can immediately create a new card and make the payment,”** explains the managing director.

This also has an impact on customer service, as all details about the booking and the debit status of the respective virtual credit card can be retrieved from the system at any time. Long

searches or status queries are therefore a thing of the past at Umfulana.

Thus, the virtual payment solution from AirPlus not only supports all processes related to the payment and billing of travel services, but also provides Umfulana with more convenience and flexibility:

“We can now respond to special customer requests much faster, meaning we can concentrate on what is most important to us, which is making our customers happy all around,” says Tobias Garstka.

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