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Sunshine Guaranteed or Your Money Back

By WeatherBill, Inc.

BREAKTHROUGH WEATHER REFUND PROMOTIONS

TABLE OF CONTENTS

2	The Problem with Rebates
3	The Weather Refund Promotion Alternative
3	The Four Ways Weather Works Better
7	How Weather Refund Promotions Work
8	Success Stories: Weather Refund Promotions
10	Protecting Advertising, PR and Sale Events from Bad Weather
11	About WeatherBill



The popularity of money back refunds (or rebates) is universal – who doesn't like to get money back? However, the way in which rebates have typically been executed, esp. mail-in rebates, has tainted this powerful promotional tool with both Marketers and consumers.

The good news is money back refunds just got better thanks to the weather. In this report, you will learn about new ways to promote sales with weather in ways that are beneficial to both consumers and the companies. You will understand how Weather Refund Promotions work, read real success stories, and see some examples of creative ways your business can implement them. We'll also provide some suggestions for protecting your advertising, PR and sale events from the financial impact of bad weather.

Let's start though with a little background on the challenges with traditional money back refund (or rebate) promotions.

THE PROBLEM WITH REBATES

Rebates are big business. Although it is difficult to track the popularity and scale of rebates, volume is believed to be in the billions. In 2003, “the volume of rebates was about \$4 billion”, up from “\$1 billion in 1999” according to Slate Magazine. Rebates are especially popular with high-tech goods. “Almost one-third of all computer gear is now sold with some form of rebate, along with more than 20% of digital cameras, camcorders, and LCD TVs,” according to BusinessWeek¹

However, as rebate popularity has increased, so has implementation complexity and controversy. To maximize results and minimize costs through breakage, mail-in rebates became the norm, requiring complex terms and conditions and burdensome redemption (for both consumers and companies). More complex terms and conditions lead to less consumer understanding and perceived transparency, and ultimately, over the years, increasing consumer dissatisfaction.

In 2003, Slate reported that “one-third of Best Buy's merchandise came with rebates, but by 2007, Best Buy had ended their rebate program”.² In 2006, OfficeMax announced that it was eliminating its mail-in rebate system due to overwhelming customer dissatisfaction. Rebates were the biggest customer complaint at the time, according to OfficeMax's chief merchandising officer. The office supply chain instead began offering in-store discounts. Other companies followed suit including Dell and Panasonic.

Other companies are rethinking their rebate strategies because of lawsuits. In 2007, a lawsuit was filed against AT&T charging that the company engaged in false and misleading advertising on cell phone rebates. Instead of getting money back on their purchase, cell phone buyers received a “VISA Reward card” with a tight expiration date and numerous restrictions. A class action lawsuit was also filed against CompUSA and its rebate processor, TCA Fulfillment Services, by consumers who said they were wrongfully denied rebates for products purchased from CompUSA.

The lawsuits have put rebates in a legal spotlight. “As more legislators and regulators begin to focus on rebates, they will undoubtedly ask how the ‘problem’ of rebates should be solved,” writes Matthew A. Edwards of the Zicklin School of Business at Baruch College in a working paper titled The Law, Marketing and Behavioral Economics of Consumer Rebates for the Stanford Journal of Law, Business and Finance.³

¹ http://www.businessweek.com/magazine/content/05_49/b3962074.htm

² <http://www.slate.com/id/2084210/>

³ <http://law.bepress.com/cgi/viewcontent.cgi?article=7450&context=expresso>

Unfortunately, rebates have gotten a bad rap with consumers. The problem is not rebates, They are incredibly effective at driving incremental sales. Rebates help retailers and manufacturers differentiate their products by getting consumers to focus on the price of the product *after* the rebate. They can also incentivize consumers that are sitting on the fence and encourage consumers to purchase high-end goods they may want but not necessarily need. Again, everyone loves a deal and money back.

The problem is the rebate redemption process that results in the breakage necessary to prevent unnecessary revenue cannibalization (from those price insensitive consumers who would have purchased anyway). Unfortunately, 20-30% redemption rates (60-70% on incremental sales) leaves 70-80% of buyers potentially dissatisfied. Those who do not redeem (often due to complex terms and conditions that aren't transparent and burdensome redemption) don't see value add and may resent being influenced by a price they never received.

So, how can you provide cost-effective rebates that provide more value to consumers with simple, transparent terms and conditions and no redemption burden? By promoting the weather..

THE WEATHER REFUND PROMOTION ALTERNATIVE

“In a world that is increasingly global, increasingly connected, and increasingly digital, one thing crosses cultural and geographic divides,” writes Sean Park in his blog *The Park Paradigm*. “The weather is universal.” It's also viral, easy to understand and comes in endless variety. It also turns out that those factors make weather the ideal promotional tool.

Guarantee Good Weather

Imagine all the ways in which you can guarantee a good experience that depends on weather. All the ways you could offer money back guarantees with seasonal merchandise, services and events. Consider sunshine guaranteed vacations or car washes, snow guaranteed alpine skis, guaranteed dry concerts or warm sporting events. Good Weather Guarantees provide refunds when bad weather reduces the use and enjoyment of products or services. By offering compensation for a bad experience due to poor weather, Good Weather Guarantees can significantly enhance consumer confidence, customer loyalty, seasonal and advance sales.

Example: Super Bowl Tickets

“Does that \$5,000 ticket come with a Good Weather Guarantee?”

On February 4th, 2007, rain fell on Super Bowl Sunday for the first time in history. Miami's Dolphins Stadium was soaked with 0.37 inches of rain between kickoff and the final whistle. The bulk of the rain, 0.25 inches, fell during the game's final hour.

The field, with a new drainage system, and the players, with rainy hometown climates, were prepared for rain. Many of the game's ticketholders, on the other hand, were not. A large number of fans didn't even show up; opting instead for dry homes with televisions. Other ticketholders left at halftime. The remaining fans sat miserably in expensive, wet seats. Super Bowl XLI tickets cost between \$600 and \$10,000.

Most fans will endure the elements to get their money's worth out of an event like the Super Bowl, but what about a local concert or minor league sporting event? Spending hundreds, even thousands of dollars on tickets doesn't guarantee a dry seat – or does it? A Good Weather Guarantee can be designed for a

variety of ticketed events, large and small. They work especially well for high-priced events where bad weather doesn't always cancel the show. Imagine the impact Good Weather Guarantees have on advance ticket sales.

Many of the fans who missed Super Bowl XLI because of the rain would have been delighted to have received a full refund within days of the game. Good Weather Guarantees produce strong testimonials, often in large number, worthy of press attention.

Create Memorable Promotions

Breakthrough marketing promotions can be created around any kind of weather – for instance, jewelers can offer free engagement rings to January buyers if it rains on Valentine's Day, or outdoor furniture manufacturers can offer \$500 off patio sets to spring buyers if it reaches over 100 degrees on July 4th. Weather Promotions typically increase sales more than 40%, while attracting press attention and creating buzz when customers receive refunds. Promotions are infinitely customizable and can be used to differentiate and improve your company's brand, customer loyalty and new customer appeal.

Example: Crowley's Jewelers & Goldsmiths

“How do you get a Christmas engagement ring for free?”

Jewelers Circular Keystone documented one of the more famous examples of a Weather Refund Promotion in the jewelry industry. In the article, “These Jewelers Love Bad Weather,” Keystone writes about how Crowley's created a custom weather promotion that would refund 4,000 customers making purchases in Alberta, Canada if it snowed three inches on New Year's Day. Customers qualified by making purchases in the six weeks before December 26th.

The promotion caught the attention of locals, and then it went international. The BBC, German newspapers, Italian radio hosts and even a Hong Kong newspaper called the store for interviews. As word of the promotion spread, sales at Crowley's went up. Store sales went up 30% over prior year. That winter was a mild one, but on New Year's Day a storm hit and 4,000 customers were refunded \$500,000 CDN. “On top of that”, writes Keystone, “the following first quarter brought in revenues 40% over prior year, as nearly one third of the refunded customers immediately respent their refund.”

Keystone also writes Crescent-Westwood Jewelers' “Let it Rain” promotion in Los Angeles sent sales soaring 400% over prior year. “During the two-week promotion, the store offered refunds if it rained on George Washington's birthday (Feb 22). The store booked \$250,000 in sales, roughly 10% of annual revenues – not bad for a \$5,000 weather coverage expense and minimal marketing”, writes Keystone. One of the most interesting things about this example is that even though the promotion didn't pay out, customers begged the store to run it again.

THE FOUR WAYS WEATHER WORKS BETTER

Retailers and manufacturers use rebates for a good reason: when implemented smoothly, without complicated rebate request obligations and with clear communication, rebates differentiate products and drive revenue. Rebates are popular with consumers because of the savings appeal. The problem starts when rebate redemption requirements lead to consumer dissatisfaction. While many retailers and manufacturers have “solved” the issue by doing away with rebates, they are missing out on the benefits they offer.

Weather Refund Promotions eliminate rebate redemption problems and consumer dissatisfaction, while maintaining the key strength that made rebates so popular in the first place – a price off refund that costs companies much less than the advertised value to consumers. Weather Refund Promotions:

1. Provide more value to consumers.
2. Offer transparent refunds.
3. Simplify terms and conditions.
4. Eliminate redemption burden (for companies and consumers).

Provide More Value to Consumers

Consumers know value when they see it, and the more value they see, the more likely they are to buy. “People are incredibly sensitive to the percentage of the list price that a rebate represents... it’s the percentage of the discount, not necessarily the absolute value of a rebate that seems to be driving the incremental sales,” said Tim Silk, an Assistant Professor of Marketing at the Sauder School of Business at the University of British Columbia.⁴

Weather Refund Promotions can be customized to affordably provide full refunds (or percentage or dollar amount variations of any size). For example: “buy a new set of alpine skis and if it snows less than 60 inches this winter in Mt. Snow, Vermont, get a full refund.” Retailers and manufactures can also offer partial refunds: “buy a new set of alpine skies and if it snows less than 60 inches this winter in Mt. Snow, Vermont, get a 50% refund of your purchase price.” The variations are almost endless and can be designed to fit any budget.

Weather Refund Promotions can also offer a flat dollar refund. This was what Bombardier, a Canadian transportation equipment giant, did in the winter of 1996 in a historic example of a Weather Refund Promotion. Bombardier offered a \$1,000 rebate on its Ski-Doo snowmobiles to Midwestern customers in 16 cities. If the customer’s local snowfall was less than half the average of the past three years, they would be refunded. That winter, Ski-Doo sales increased 38% compared to the previous year. Customers also purchased snowmobiles months earlier than normal, breaking traditional sales patterns.

In some industries, vouchers may be the best way to provide refunds and value add to consumers. For example, in the Travel industry, where vouchers are quite common, a travel agency could offer vacationers a voucher for a new vacation if their previous vacation gets rained out.

Offer Transparent Refunds

Consumers appreciate and increasingly demand transparency. Weather-related refunds are easy to understand – consumers are getting paid for specific weather – it’s that simple. The refund doesn’t happen because consumers are taking the time to fill out and mail-in forms. They are being rewarded for choosing a product from a retailer or manufacturer that guarantees or promotes weather.

Weather, although unpredictable, does have history and trends that are readily available. Weather Refund Promotions can include historical information on the likelihood of receiving a weather refund to help consumers in their purchase decision-making. For example, a weather promotion that pays for diamond rings if it snows 5 inches on Valentine’s Day sounds like fun. But consumers will automatically wonder “how often does it snow on Valentine’s Day in my city?” Weather Refund Promotions can provide how often that happens, so consumers understand their chances based on history. Vacationers can also see the

⁴ <http://www.ftc.gov/bcp/workshops/rebatedebate/transcript.pdf>

likelihood of it raining on their vacation enough to qualify them for a refund. This transparency instills a greater sense of trust and positive brand associations.

The transparency of Weather Refund Promotions can also make unpredictable weather exciting and media worthy. From the small town jewelry store to a large international travel company, Weather Refund Promotions get both consumer and media attention. One of the main reasons is that the concept of using weather as a marketing tool is relatively new. Fortunately, because of how highly customizable these types of promotions are, they will stay timeless. No two Weather Refund Promotions are alike because they are designed to meet the diverse needs of the retailers or manufacturers using them and the consumers buying them. We never lose interest in the weather.

Simplify Terms & Conditions

There are few things less appealing to consumers than a paragraph of fine print on a rebate form. Clear communication with consumers before, during and after a rebate process is critical to success. Failing to do so not only prevents consumers from returning, it can also be illegal.

In 2007 the FTC announced a settlement with InPhonic, which, at the time, was the largest online cell phone and calling plan retailer. InPhonic was offering consumers free phones via a complex rebate. Having a complicated rebate isn't unethical, but what is unethical is not disclosing the extent of the rebate requirements up front. The FTC ruled that the company's hyperlink to the rebate terms and conditions failed to adequately disclose the terms and conditions of the rebate offer.

"The settlement with InPhonic stands for the principle that consumers must be put on notice in advertisements that offer rebates that the terms of the rebate program may be unusual, complicated, or significantly different than what a consumer might reasonably expect," says Eileen Harrington, the Deputy Director of the FTC Bureau of Consumer Protection.

Weather Refund Promotions are designed to be uncomplicated. Their simplicity not only makes them easy to implement, it also makes them easy to understand. There are no surprises. Either the weather event stipulated in the promotion happens and consumers get a refund or it doesn't. Weather measurement locations are described up-front and data sources (usually the National Weather Service) are secure and accurate to avoid any controversy. While retailers and manufactures can add additional terms and conditions to make their unique Weather Refund Promotion more affordable, these additions easy for consumers to comprehend.

Communication *during* a refund promotion is also critical to success. If consumers have questions they should be answered promptly and completely. Purdue University's Center for Customer-Driven Quality found that when a customer service experience exceeds a customer's expectations, 95 percent will use the company again. 63 percent of consumers will stop using a company's products or services after a negative experience. Weather Refund Promotions use technology to make communication between retailers, manufactures, and consumers flow smoothly. One example is through personalized e-mail confirmations to consumers that automatically notify them if the weather necessary for a refund did or did not happen. These emails can also provide detailed outlines of the weather data gathered during the refund process, removing any doubt that a consumer has a refund coming to them or not.

Eliminate Redemption Burden

Tim Silk, the Assistant Professor of Marketing at the University of British Columbia, mentioned earlier, has found that 40% of consumers who fulfill rebates become repeat purchasers. Consumers who don't complete the process are less-likely to be repeat buyers. How do you increase redemption to improve

customer loyalty, while reaping the cost-saving benefits of breakage? By completely automating redemption, retailers and manufacturers eliminate the burden for consumers and companies.

Weather Refund Promotions eliminate redemption burden by automating pay out when the specified weather happens. There are no claims to mail or proof of purchase labels to send. There's no need for stamps and envelopes, coupon cutting or managing pages of redemption forms. If a refund is due when it rains 1 inch on July 4th, weather measurements are recorded that day and refunds are processed and checks are mailed automatically. Weather Refund Promotions eliminate administrative costs and hassle for both consumers and companies.

Weather Refund Promotions also get refunds into the hands of consumers immediately thanks to technology. The speed and accuracy of refund processing is enhanced with an automated, online platform. There's no need to worry about submission deadlines. Silk conducted a controlled study using real consumers spending their own money and found that long submission deadlines increase the rate of breakage which, in turn, decreases customer satisfaction. Silk found that giving people more time to redeem the redemption drove redemption rates down. "[If] you give people a long time you basically foster procrastination and forgetting behavior," said Silk.

Most importantly, the cost-saving benefits of breakage are replicated with affordable weather coverage that provides refunds, typically priced at 2-5% of refund pay out. Plus, coverage can be customized to maximize advertising and PR impact with full refunds or to maximize the frequency of pay out with smaller refunds for weather that happens more frequently. Weather Refund Promotions can be customized to every business need, sales goal and budget.

HOW WEATHER REFUND PROMTIONS WORK

Weather Refund Promotions eliminate the risks associated with traditional guarantees and promotions – you buy coverage only after the customer has made a purchase. Weather Refund Promotions don't require set-up costs, advance purchase or redemption costs. Weather Refund Promotions are simple, affordable and limitless in size, with no budget or execution risks. Differentiate your business, increase revenue and improve customer satisfaction and loyalty in four easy steps.

1. Start your Weather Refund Promotion, risk-free

Traditional rebate contracts are often risky and expensive, requiring upfront volume commitments, costly administrative fees, and complicated redemption processes. Weather Refund Promotions have none of these requirements – there are no upfront volume commitments, set-up fees or redemption costs. There's no guessing about response rates or response curves before starting the promotion and no minimums or maximums.

2. Purchase weather coverage that mirrors sales demand.

Demand can sometimes be as unpredictable as the weather, especially when it comes to seasonal goods. Weather Refund Promotions alleviate the risk of high implementation costs and low demand – you buy coverage when customers purchase, not before than. The cost of weather coverage always mirrors sales demand. Weather Refund Promotions typically cost 2-5% of potential refund pay out. For example, a potential \$1,000,000 refund would cost between \$20,000-50,000.

3. Complete your Weather Refund Promotion and measure revenue results.

40% increases in revenue are typical with well constructed Weather Refund Promotions. Additionally, improved customer satisfaction and loyalty, press attention and buzz differentiate and positively affect brand, even when the weather doesn't pay out. When you add it all up, there's simply no better way to cost-effectively grow sales and stand out from the crowd.

4. Automatically refund customers and enjoy the PR opportunity.

Imagine the delight of customers that receive refunds when bad weather disrupts their enjoyment of products, services or events. Or picture the excitement of customers who receive free holiday purchases if it snows on New Year's Day. Weather Refund Promotions generate substantial word of mouth and media attention when refunds are paid, esp. in large numbers or in locales. Did your last promotion make the evening news?

SUCCESS STORIES: WEATHER REFUNDS & PROMOTIONS

The best way to demonstrate the effectiveness of Weather Refund Promotions is through real-life success stories. Here are some powerful case studies of businesses that have benefited from Weather Refund Promotions from WeatherBill.

Case Study: Priceline.com "Sunshine Guaranteed" Vacation

You can buy trip or event cancellation insurance, but until now there was nothing to compensate for a bad experience while traveling due to poor weather. Spending thousands of dollars on a luxurious vacation doesn't guarantee sunny days and predicting good weather is next to impossible. Now travel companies can offer their customers a refund when bad weather happens to travelers after they've arrived.

In 2008, Priceline.com offered consumers a "Sunshine Guarantee" that would refund travelers if it rained during their vacations. "Rainouts may be a particular concern for some destinations during the peak hurricane season," said Tom Trotta, Priceline.com's Senior Vice President of Vacation Packages. Priceline's *Sunshine Guaranteed* promotion includes over 100 destinations in the U.S., the Caribbean, Canada and Europe. Destinations throughout Florida are included, as well as New Orleans, Hawaii, Nassau/Freeport, Costa Rica, Jamaica and San Juan.

Priceline refunded hundreds of packages for families and individuals whose rainy vacations qualified for *Sunshine Guaranteed* refunds, amounting to hundreds of thousands of dollars in coverage. In addition to refunding 100% of the airfare, hotel and rental car, some of the refunds even included Disney theme park passes and other tours and attractions purchased as part of the *Sunshine Guaranteed* packages.

Customers were happy to talk about their refunds. "I purchased the package through Priceline because the price was fantastic and no other service was offering *Sunshine Guaranteed* vacations," said Hannah Singleton of Rockport, IN, who qualified for a refund for her trip to Charleston, SC. "Now, because of the refund, I can take two vacations. Thank you, Priceline."

There was no additional charge to book a *Sunshine Guaranteed* vacation package. Qualifying customers booked a 3-8 day vacation package to any one of over 100 qualifying destinations in the U.S., Canada, the Caribbean and Europe between August 4th and September 12, 2008 and travel between August 16, 2008 and November 16, 2008. If it rained more than 0.50 inches per day on half or more of the days of a *Sunshine Guaranteed* vacation (including travel days),

priceline.com provided a refund for 100% of the cost of airfare, hotel, rental car and attractions and service components of the *Sunshine Guaranteed* vacation package.

Case Study: itravel2000.com “Let it Snow!” Weather Promotion

WeatherBill’s winter weather promotion for a leading Canadian online travel company was awarded the “Weather Risk Management Transaction of the Year” from Environmental Finance in 2008. The “Let it Snow!” promotion was customized for itravel2000.com and it became the largest weather promotion in Canadian history.

WeatherBill provided financial backing of up to \$100 million CDN that would refund itravel2000 customers if it snowed five inches or more at Calgary, Halifax, Montreal or Toronto airports on New Year’s Day, January 1, 2008. To be eligible, Canadians booked their vacations by midnight Wednesday October 31st for departures between November 1, 2007 and April 30, 2008. If it snowed, consumers would be reimbursed for the retail price of their packaged vacation, cruise or flight. Travel packages and flights eligible for the promotion included Sunquest Vacations, Signature Vacations, Sunwing Vacations, Air Canada Vacations, NCL cruises and WestJet flights. Customers qualified for the refund based on where they lived in Canada. The four airports provided secure, Environment Canada weather stations that verified the snowfall amount.

The promotion did not require upfront set-up costs from itravel2000. Instead, the company simply purchased coverage in increments to mirror sales.

“In an arguably ‘flat’ advance booking market, the ‘Let it Snow!’ promotion and its weather guarantee delivered a significant year-over-year increase in advance sales,” says Brian Hewlitt, Executive Vice President of Business Development. “We found that the promotion provided a competitive advantage and served as a very strong closing-tool for our agents.”

“The ‘Let it Snow!’ promotion and its Weather Guarantee represented an easy to understand value proposition to our customers,” says Hewlitt. “When combined with our product selection and Lowest Price Guarantee, it was a clear differentiator for itravel2000.”

While WeatherBill makes it easy to create and implement a promotion, the company utilizing the promotion still has work to do. But if you ask itravel2000, the work that’s left is the fun part: getting the word out. The company sent a snow cone truck across Canada to spread the word of the promotion. Along with snow cones, they handed out five inch rulers and snow globes.

Best of all, when it snowed the requisite five inches at the Montreal airport on New Year’s Day 2008, travelers and media alike started the New Year off right. Excited customers were eager to speak with interested press. iTravel2000 said the awareness benefit of the media buzz was worth years of advertising. Additionally, the positive word of mouth led to press and consumers alike saying “why would you buy your vacation travel anywhere else”. The 2008/2009 season’s “Let it Snow” promotion is expected to perform even better.

Case Study: Flagstaff Nordic Center Guaranteed Season Passes

For the past 14 years, Arizona winters have been extremely dry. The conditions weren’t helping season pass sales at Flagstaff Nordic Center. The ski area’s owner, Wendell Johnson, used WeatherBill to create a custom Weather Refund Promotion that would overcome his customers’ fears of buying season passes for another dry winter. Johnson also wanted to increase early sales.

The weather guarantee was simple. If Flagstaff's airport received less than two feet of snow (which equals four feet of snow at the ski area's elevation) between November 23 and March 23, pass holders would be refunded the full purchase price of the pass.

"The promotion was very well received and easy for customers to understand," said Johnson. "We sold more preseason passes this year than in the past two years, especially since the promotion helped attract new customers and people that were sitting on the fence."

PROTECTING ADVERTISING, PR AND SALE EVENTS FROM BAD WEATHER

From advertising to public relations and major sale events, marketing is increasingly expensive and scrutinized for its ability to make the cash register ring. In today's economic climate, it is more important than ever to protect marketing results from the negative financial impact of bad weather. Weather affects 70% of businesses each year; causing trillions of dollars in loss. Weather is particularly disruptive to demand and income, especially during major promotional events.

Unfortunately, weather is becoming increasingly volatile in many regions around the world. A winter with higher than average snowfall can prevent holiday shoppers from seeing billboards. A rainy holiday weekend during a giant mattress sale could keep the crowds away. Unusually warm winters can reduce television viewing and consequently advertising reach. Weather coverage can be used not only to power Weather Refund Promotions, but to protect traditional marketing and advertising investments.

WeatherBill covers low turnout to sales and promotions due to bad weather that reduces revenue and results in wasted advertising investments. Protect a day, a weekend or even a season from rain, snow, heat or cold. Control weather's impact on revenue with coverage that guarantees expected income rain or shine. Best of all, there is no underwriting, no claims process, no proof-of-loss and no waiting for payment. Weather is unpredictable. Your bottom line doesn't have to be.

For example, a company could protect outdoor advertising from bad weather that causes lower visibility with coverage that pays for above average snowfall. Or a major retailer with a once a year weekend sale event could guarantee income with weather protection that pays for cold or wet weather that keeps customers away. Lastly, a film crew shooting a commercial on location in Toronto could use weather coverage to cover the costs of bad weather delays. Let's say a crew is expected to wrap production in three days to stay on budget. The production company can buy Rainy Day Coverage that pays \$50,000 for every day when the level of precipitation is above 0.5", which prevents shooting, for a maximum payout of \$150,000 to cover the costs of rented equipment and wages.

Another example is protecting an outdoor PR event or promotion from bad weather. The MediaCorp-Subaru Impreza Challenge has drawn hundreds of contestants for the past seven years to compete for a car. The challenge is that contestants must stand as long as they can with their palms on a car. The last person standing wins the car. Usually the contestants are given a five minute break every six hours. In 2008, bad weather gave them a 45 minute break. It was the first time in the event's history that contestants were given an extended break. Weather coverage could have paid to have tents brought into the event, or even relocate the challenge to an indoor facility. During a bad weather break, the media cameras stop rolling. Weather coverage could help cover the loss of anticipated responses due to fewer eyes seeing the challenge.

Protecting sale events from bad weather is also critical. Winter weather is notorious for making and breaking holiday sales. In 2002 an unusually mild winter lowered heating bills, reduced snow-removal and transportation costs, and put the extra cash back in the pockets of consumers (who had no problem

getting to stores thanks to snow-free roads). This resulted in an increase of consumer spending to such a degree that experts said the mild weather kept the US from falling into a major recession.⁵ However a winter with intense storms and unusually cold temperatures can have the opposite effect; keeping shoppers stuck indoors on critical shopping days before and after holidays. Weather coverage can help ease the pain of winter storms on retail sales promotions by smoothing out retail revenue regardless of what Mother Nature has in store.

CONCLUSION

Money back refunds are better thanks to the weather. Weather Refund Promotions eliminate rebate redemption problems and consumer dissatisfaction, while maintaining the key strength that made rebates so popular in the first place – a price off refund that costs companies much less than the advertised value to consumers. Weather Refund Promotions provide more value to consumers, offer transparent refunds, simplify terms and conditions and eliminate redemption burden (for companies and consumers). We've covered new approaches to promote sales with weather, how Weather Refund Promotions work, real success stories and suggestions for protecting your advertising, PR and sale events from the financial impact of bad weather. We hope this information is helpful in improving your marketing campaigns, and ultimately, your bottom line.

ABOUT WEATHERBILL

WeatherBill, Inc. (www.weatherbill.com) provides the only online service that allows businesses to protect revenue and control costs from the impact of bad weather. Founded by CEO David Friedberg and CTO Siraj Khaliq, former members of the Google team, WeatherBill is funded by New Enterprise Associates, Index Ventures, and Allen & Company and is backed by Nephila Capital, one of the world's largest weather risk and catastrophe reinsurance fund managers.

Visit www.weatherbill.com or call 888.924.7475.

⁵ <http://news.illinois.edu/scitips/02/0618winter.html>