

# Weather Defines All of Us

# Weather Impacts Everything

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2014 Q1: Weather mentioned in 195 (39%) S&P 500 Earnings  
Conference calls ...

# Weather Impacts Everything

2014 Q1: Weather mentioned in 195 (39%) S&P 500 Earnings  
Conference calls ...

81% higher than the prior year.

# Boardroom Version of the Dog Ate My Homework

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NASDAQ 5,076.69 +62.82

S&P 2,105.20 +25.05

NEWS

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The weather ate my returns

APRIL 24, 2015

Remember Emojli, the emoji-only social network? It's shutting down.

6:55 PM EDT

Box talks up \$500,000 deals, industry ambitions

6:54 PM EDT

Investigation of 'Celebgate' nude photo leak leads to this Midwest city

6:37 PM EDT

J. Crew to lay off 10% of headquarters after horrific sales

by Jen Wieczner

@jenwieczner

APRIL 24, 2015, 12:30 PM EDT

WHAT S&P 500 COMPANIES TALK ABOUT ON EARNINGS CALLS

300 MENTIONS

WEATHER

DOLLAR

OIL

RECESSION

| Year | WEATHER | DOLLAR | OIL | RECESSION |
|------|---------|--------|-----|-----------|
| 2011 | 140     | 200    | 100 | 100       |
| 2012 | 110     | 220    | 100 | 80        |
| 2013 | 100     | 180    | 90  | 50        |
| 2014 | 280     | 220    | 90  | 20        |
| 2015 | 120     | 300    | 230 | 20        |

Data Source: FactSet

Source: <http://fortune.com/2015/04/24/the-weather-ate-my-returns/>

The Weather Company

The Weather Channel

WU WSI

We've Seen The  
Trend Continue...

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JUNE 15, 2015

Bit9 acquires Objective Logistics

NEWS

POPULAR

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FORTUNE 500

Ferocious winter weather slowed car sales in February

MARCH 3, 2015

Exclusive: Bit9 acqui-hires Objective Logistics

2:47 PM EDT

Millionaires now control an even bigger share of the world's wealth

2:41 PM EDT

5 things 'Office Space' can teach you about employee retention

2:30 PM EDT

This U.S. state could win big from the EPA's clean power plan

2:14 PM EDT

AUTOS

AUTO SALES

Ferocious winter weather slowed car sales in February

by Reuters

MARCH 3, 2015, 11:25 AM EDT



We've Seen The  
Trend Continue...



Limited-Service, Unlimited Possibilities

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INDUSTRY NEWS | March 11, 2015

Restaurant Sales Decreased in Boston amid Winter Storms

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First Data

Boston has been under a deep freeze this winter and so has consumer spending according to a new SpendTrend report released by First Data Corporation, the global leader in payment technology and services solutions. While fair weather and an improving economy brought higher sales elsewhere, the analysis of more than 25,000 local Boston merchants showed a drastic drop of 6.2 percent in overall spending during the period of historic blizzards of January and February. Nationally, consumer spending increased 1.5 percent during the same time period.

“While Boston always experiences cold winters, the severity of the storms this year resulted in a major decrease in consumer spending, particularly in merchant establishments that rely on foot traffic or available parking,” says Krish Mantripragada, senior vice president of Information and Analytics Solutions at First Data. “In 2014, Boston actually saw a modest year-over-year spending growth of 0.9



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Source: <http://www.qsrmagazine.com/news/restaurant-sales-decreased-boston-amid-winter-storms>

**THE IMPACT  
WAS FELT**

**FAR BEYOND BOSTON**



**2015 Q1: Jason Furman, The White House Economist, Estimates That The Snow Alone “Reduced Annualized Growth By About A Full Percentage Point This Quarter.”**

# Weather Directly Impacts Consumers

**WEATHER IS**

**EMOTIONAL**

**WEATHER IS**

**DRIVING  
PLANNING**

**WEATHER IS**

+

**DRIVING  
CONSUMER  
BEHAVIOR AND  
PURCHASES**

**During the Summer, forecasted inclement weather drives people to go shopping \_\_\_\_\_.**

- A.) Before the inclement weather hits**
- B.) After the inclement weather hits**
- C.) During the inclement weather**
- D.) Two weeks after the inclement weather hits**



**WEATHER IS**

+

**VOLATILE**



# Across 2015 To Date...

**This February is Now the 3rd Snowiest on Record In Chicago**



| Rank | Amount (Inches) | Year |
|------|-----------------|------|
| 2    | 29              | 2011 |
| 2    | 37.8            | 1896 |
| 3    | 26.4            | 2015 |

**Warmest Winter on Record**



| Site             | 2014/15 Rank | Previous Record Season | Records go back to... |
|------------------|--------------|------------------------|-----------------------|
| San Francisco DT | 29           | 2011                   | 1875                  |
| SFO Airport      | 37.8         | 1896                   | 1945                  |
| Redwood City     | 26.4         | 2015                   | 1930                  |

WEATHER IS

+

LOCAL



COLORADO



MIAMI



CHICAGO



MINNEAPOLIS

**PREDICTIVE ANALYTICS**

**ANTICIPATE  
SHOPPER NEEDS**



# Predictive Analytics To Anticipate Shopper Needs

## Portable Snacks for the Family On-the-go:



Detroit

### When there's...

- Forecasted clear skies, avg temp, avg humidity... [String Cheese sales increase](#)
- 2 consecutive days of high humidity, below avg wind speed... [Single Serve Pack chips increase](#)



Houston

### When there's...

- Forecasted below avg temp, below avg humidity, and high winds... [String Cheese sales increase](#)
- 3 consecutive days of avg humidity, above average cloud coverage, precipitation... [Single Serve Pack chips increase](#)



**SEASONAL IMPACT**

**ON YOGURT  
SALES**

**Which weather condition most impacts yogurt sales across US markets?**

**A.) Wind speed**

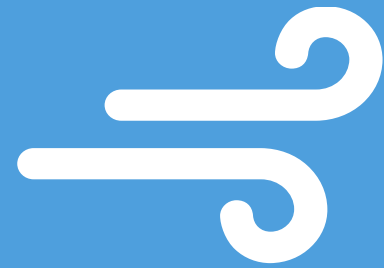
**B.) Humidity**

**C.) Cloud coverage**

**D.) None of the above**

# Yogurt: Wind speed is Consistent Condition but Varies By Geo and Season

22



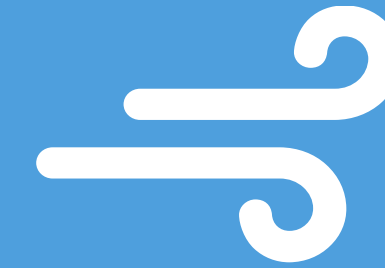
## Chicago

### Winter

- Wind creates clearer skies and below average cloud coverage that drives incremental yogurt consumption

### Summer

- Combination of below avg temperature and above avg wind speed creates a cooler feels-like condition more conducive to yogurt consumption



## Dallas

### Winter

- Below average wind speed and above average temps create a relatively warmer feels-like conditions that drive people to eat colder foods

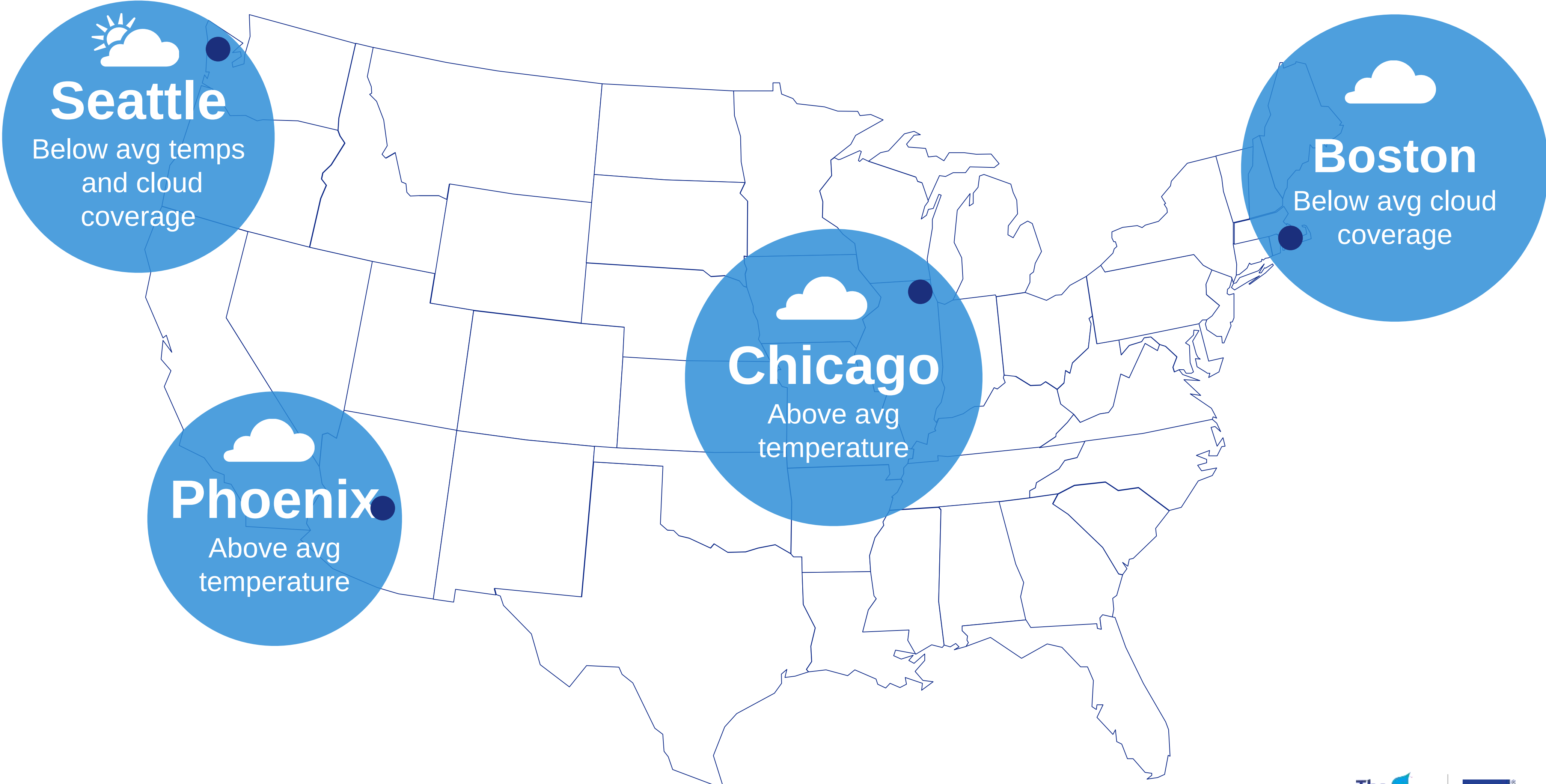
### Summer

- Above average wind speed and cloud coverage result in cooler than average feels-like condition resulting in incremental yogurt consumption

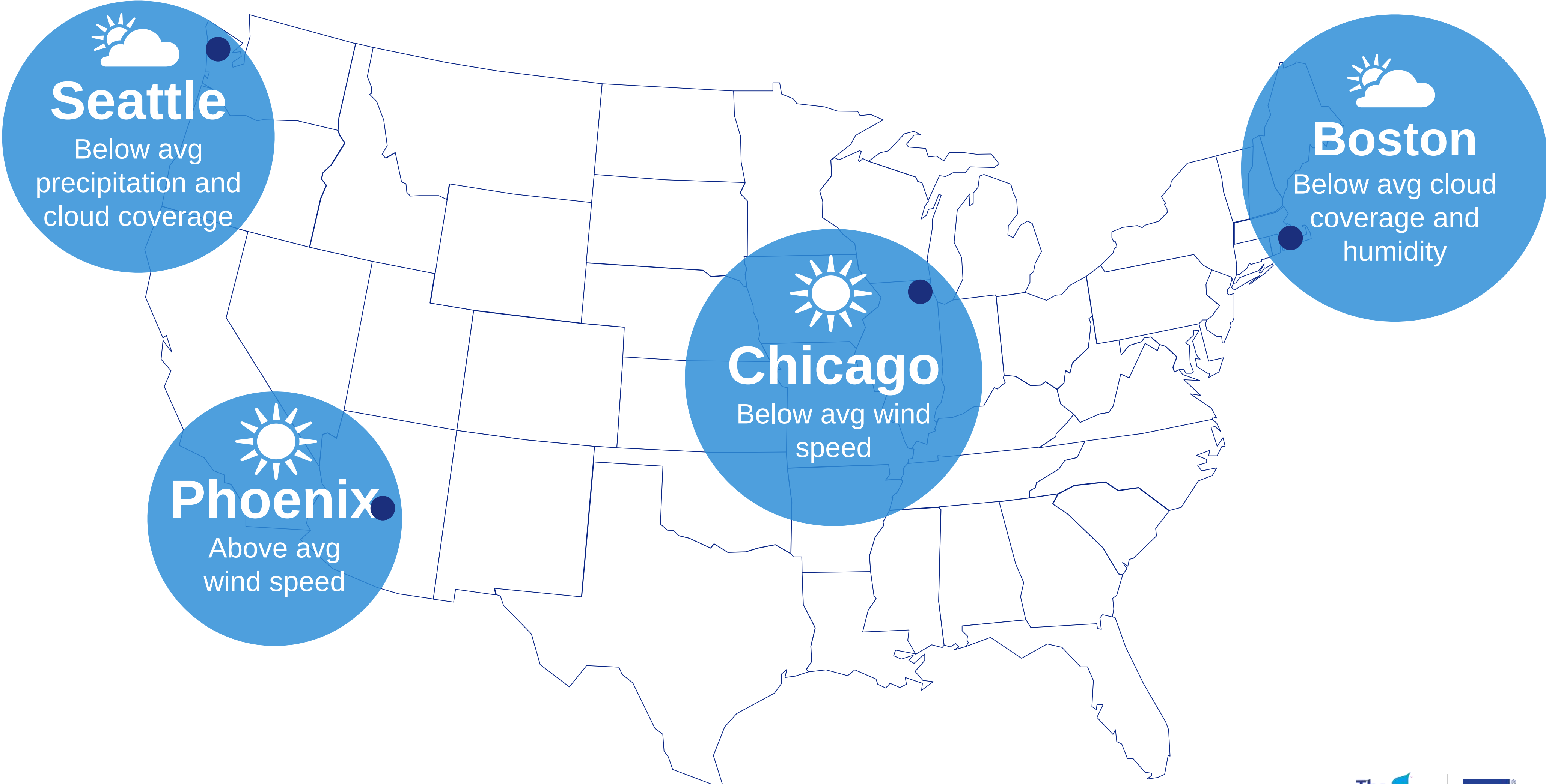
**SEASONAL IMPACT**

**ON LOTION SALES**

# Spring Weather Impact on Body Lotion Sales for NA



# Fall Weather Impact on Body Lotion Sales for NA



**CONDITIONS DRIVING**

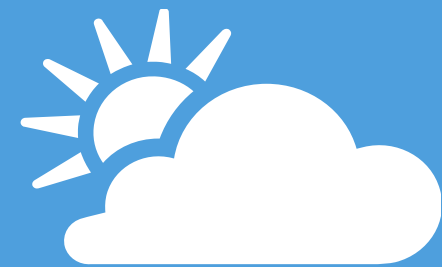
**DIABETES  
SYMPTOM  
FLARE UPS**



The  
Weather  
Company

The  
Weather  
Channel

WU WSI



## Weather Impact

- Everyday and acute mixes of conditions cause core Diabetes symptoms to become more pronounced
- Sweating, blood sugar fluctuations and glucose levels
- Increased risk of sunburn



## Weather Conditions and Seasonality

- Feels like hot and warm; High humidity, extreme temperatures and volatility (hot and cold)
- Due to relative weather, occurs across seasons; strongest in Summer

# Real Time Messaging Is Critical

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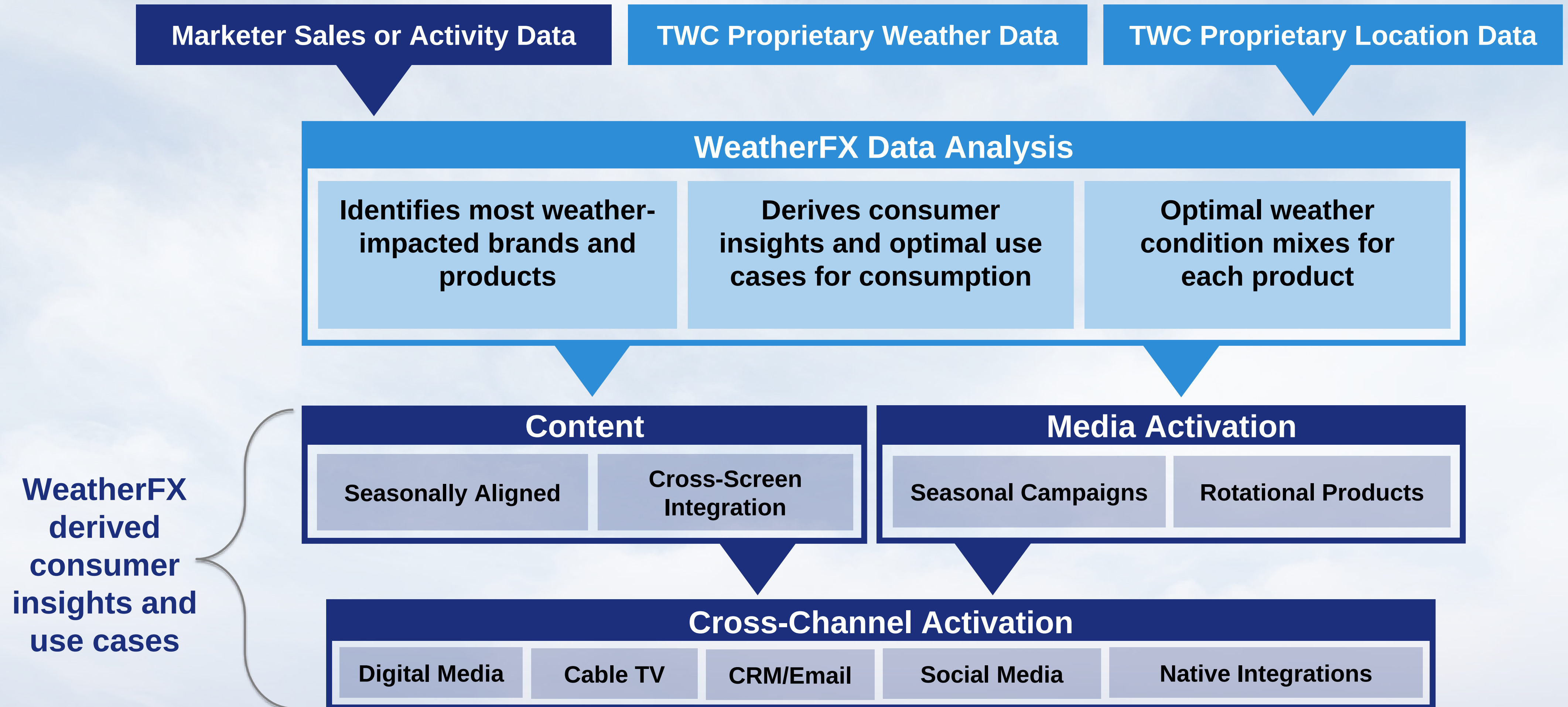
# WEATHER'S IMPACT THROUGHOUT MARKETING PLANNING PROCESS

How marketers are leveraging WeatherFX to:

- Better understand consumer behavior
- Drive increased media efficiency, messaging relevancy, and sales

Macro- Upfront Planning & Strategy  
Micro- Real-Time, In-Campaign

# ANALYSIS AND DECISIONING PROCESS



# RETAIL: PRODUCT SELECTION PROCESS; WEATHER IMPACT



**ADVERTISER**

**CATEGORY**

**SUB-CATEGORY**

**Retailer**

**Bedding**

**Men's Shoes**

**Curtains**

**Quilts**

**Bed Sheets**

**Athletic Shoes**

**Dress Shoes**

**Sheer Curtains**



# RETAIL: MICRO AND MACRO APPLICATION

## In Parallel

### Micro Impact

- Applied at product level
- Weather endemic and non-endemic products
- Drive sales for individual products during optimal weather conditions
- Applied across campaigns and overall top weather impacted products

### Macro Impact

- Applied at overall store or category level
- Increase foot traffic during optimal shopping conditions
- Evergreen initiative across marketing calendar

# AUTOMOTIVE

## Hypothesis

Weather Has a Significant Impact On Auto On-site Actions

## Data Inputs

- TWC Weather Data
- Auto Site Data: Site Visits and Other On-site Actions (Create A Vehicle, Test Drive, Etc...)

## Conclusion

Weather Has a Strong Impact On Site Visits and On-site Engagement

## Impact

More Users Entering the Funnel Will Translate To More Sales

## Recommendation

Apply Weather-triggered Media To Take Advantage of Optimal Weather Conditions And Reduce Wasted Media

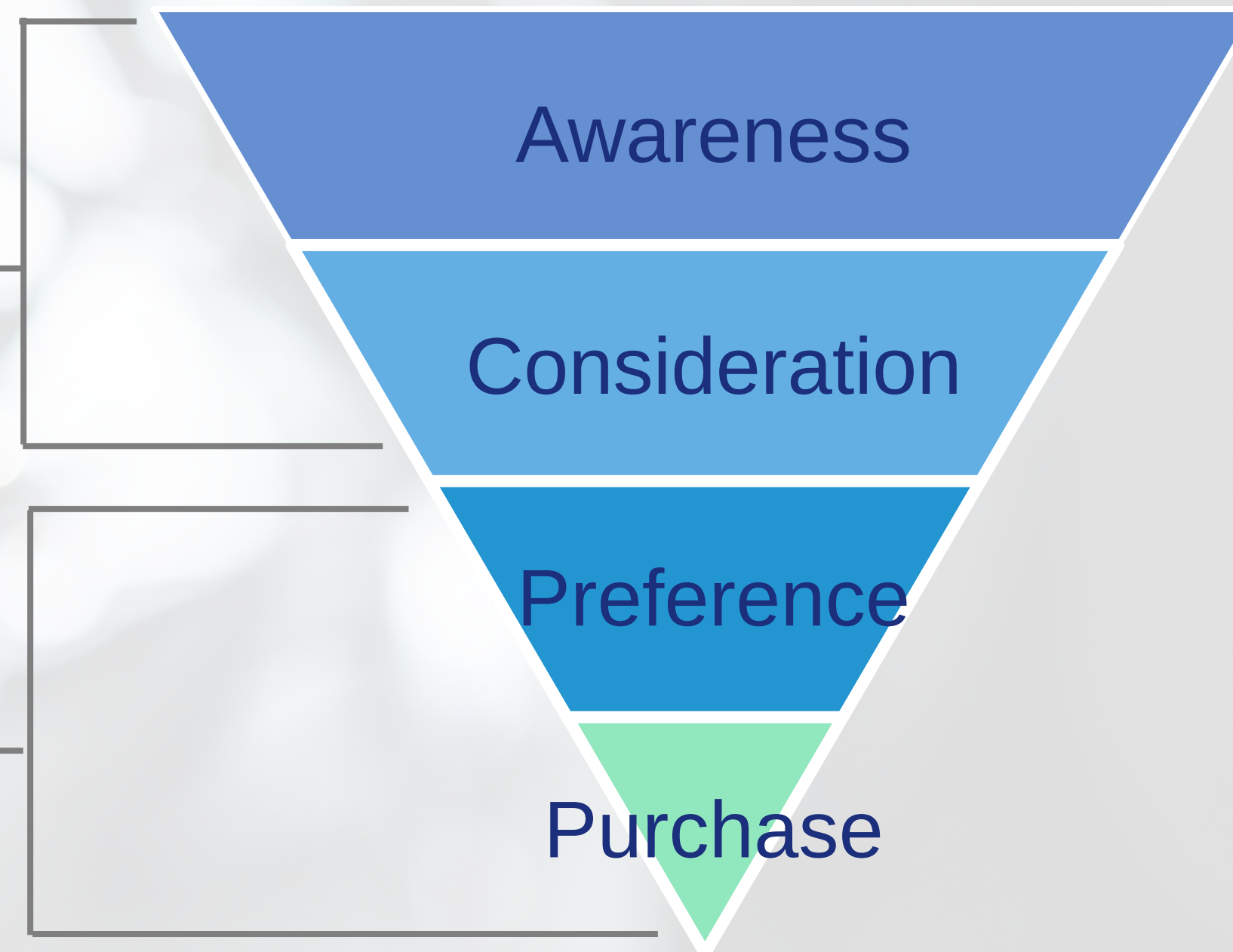
# WEATHER AND THE AUTO

## PURCHASE FUNNEL

**Weather-triggered media drives purchases by increasing traffic to the upper funnel**

Weather-triggered media drives upper funnel actions

Increased traffic in the upper funnel drives purchases



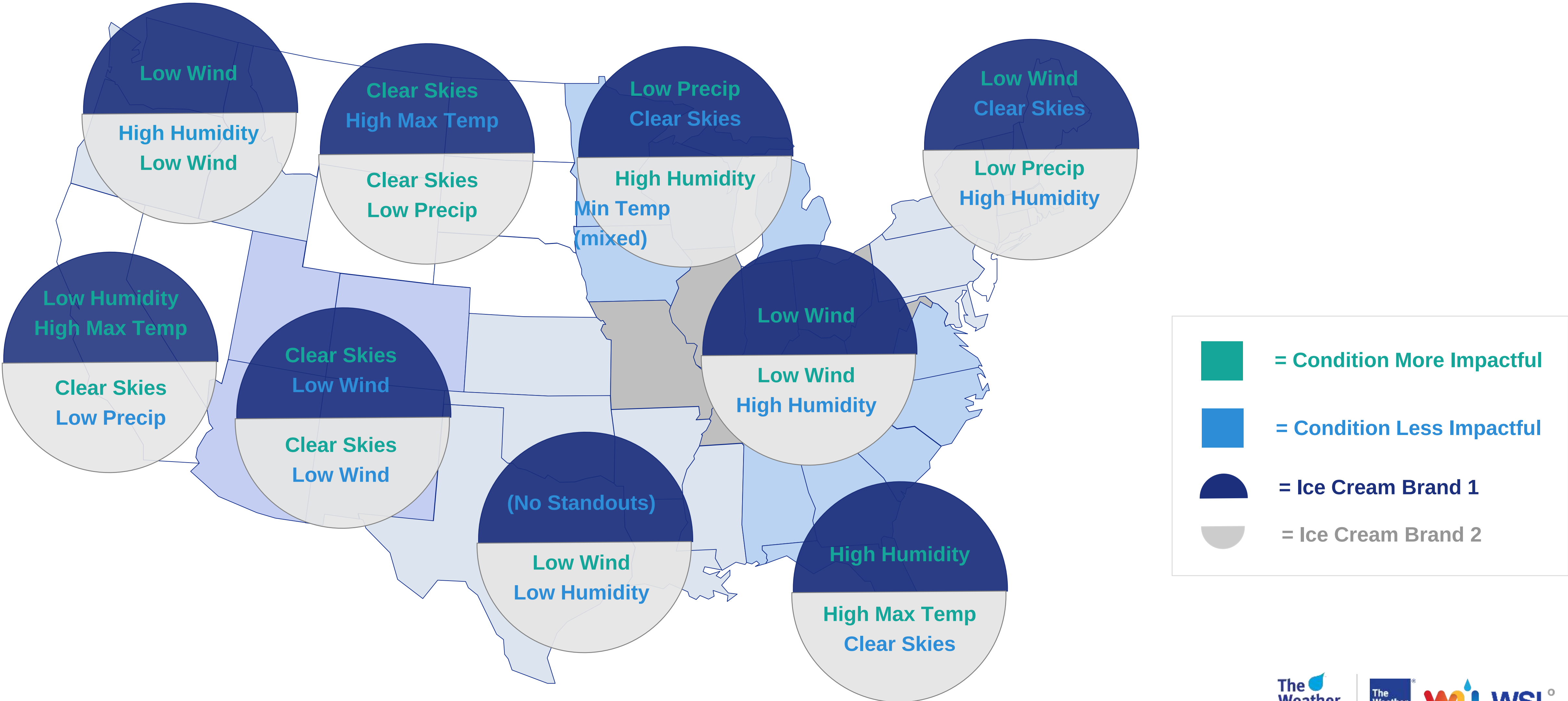
# GSK ALLERGY TRACKER



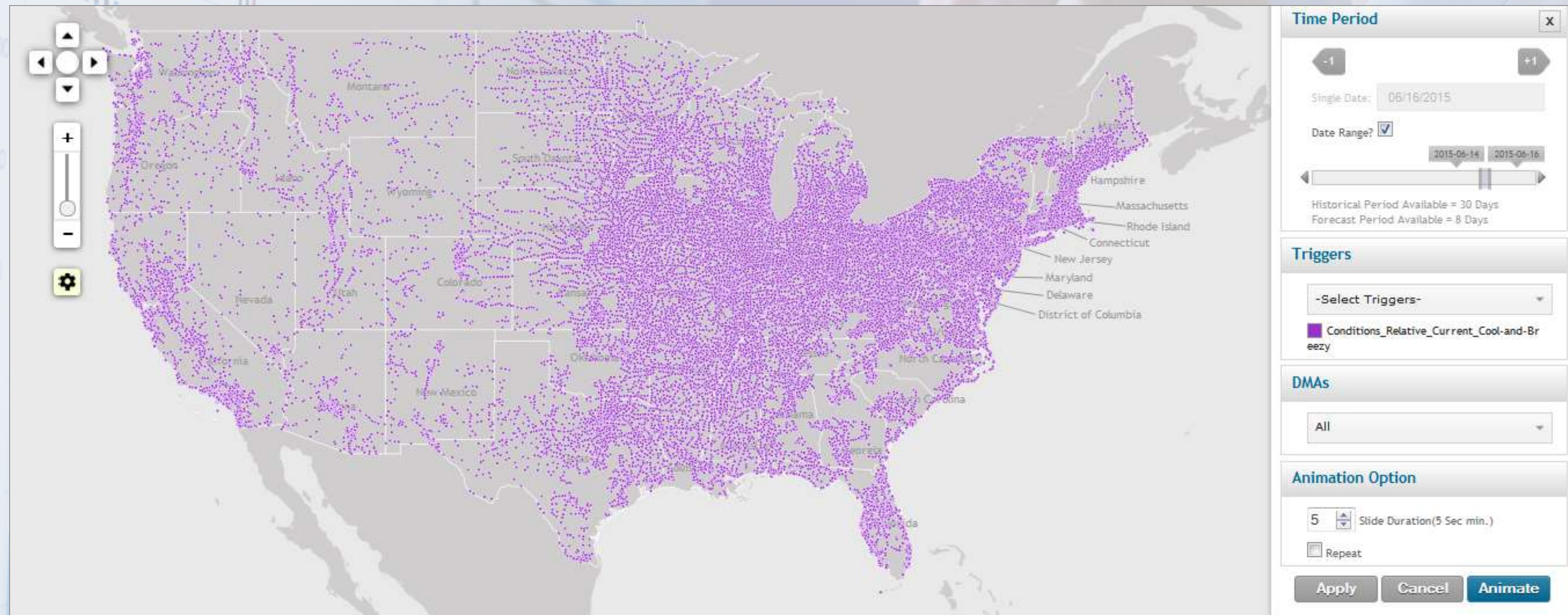
**CONDITIONS DRIVING**

**ICE CREAM  
SALES**

# Regional Effects on Ice Cream Sales for NA



# DATA VISUALIZATION



## Summary: Weather Impacts Everything

- Weather impacts how we feel and how we plan.
- Weather impacts what we buy.

## Weather Data Can Forecast Consumer Behavior

- Weather conditions are relative and ever changing.
- Weather conditions affect consumer and sales differently based on location and season.
- Weather conditions impact consumption in many categories: Retail, CPG, QSR, Pharma, Auto, FinServ.

## Smart Marketers Market Smarter with Data

- Allows for fluid and efficient real time messaging about the right products at the optimal time and place.
- Provides an “always on” strategy

# Thank You.