



When Bad Weather is *Good* for UK Business

San Francisco, Calif. – July 24, 2008 – Extreme weather events like heatwaves, torrential rain, and freezing cold are notoriously bad for business. Bad weather can decrease productivity, lower profit, and increase the costs of running business. An estimated 80 percent of global businesses are weather-sensitive, according to the Weather Risk Management Association. Each of those businesses, in a range of industries from outdoor leisure to agriculture, has a different definition of “bad weather.” For some companies, bad weather in a traditional sense, i.e. cold, grey, and rainy, can actually be good for business. The following is a list of ten businesses in the UK that profit from bad weather.

Heatwaves are *good* for...

Beverages

The 2006 heatwave sent bottled water sales almost as high as the temperature. During one scorching week in July, bottled water companies sold 26 million bottles, an 80 percent rise over the same week in 2005, according to the British Soft Drinks Association in 2006. The association also reported that water sales increased 5.2 percent for every degree the temperature rose above 14°C. ACNielsen, a company reporting statistics taken from over 83,000 retailers across the UK, claims that juice and smoothie sales grew 19 percent in 2006. That same year Innocent Drinks, a UK company founded in 1999 that produces smoothies and flavored water, reported 165 percent growth. Cider and perry sales were up 16 percent in 2006; fueled by the Irish-based Magners Cider, who had take-home sales increase £27 million in a year.

Ice Cream

Food sales enjoyed the strongest sales growth in 2006 since the last summer heat wave in 2003, according to a report by the Mintel Group. Ice cream was a huge seller. Sainsbury's, Britain's third largest supermarket, told FoodAndDrinkEurope.com that it sold a record 3.4 million tubs of ice cream during the week of July 17, 2006. Those sales were 60 percent higher than those for the same period a year before.

Resorts & Holiday Locations

Britain's warm weather in 2006 proved a boon for its travel industry, which is accustomed to rained-out beaches and resorts, even during the height of summer. A prolonged heat wave in the summer of 2006 kept many Britons holidaying at home. Hoseasons, a company that offers self-catering holidays at lodges, country cottages, boats, and villas all over Britain, saw a 10 percent increase in calls, many from travel agents assisting customers who did not want to go abroad, according to [The Independent](#) article “The great British holiday boom” from August 19, 2006. London hotels were also experiencing a rise in business in July 2006 with record-high room rates and increased occupancy (up 34.4% from July 2005), according to HospitalityNet.org.

Unpredictable weather forced many Brits to make last minute travel plans during the summer of 2008, boosting traffic for online travel companies, including the aptly-named lastminute.com. Lastminute.com reported that searches on its website were up 23 percent in mid-July when heavy rain hit the UK. Trips to Turkey and Egypt were up 14 percent from 2007, Tunisia was up 95 percent, and Croatia went up 150 percent, according to the [Easier Travel](#) article “Bad weather sparks holiday bookings surge” from July 2008.

Wet weather is *good* for...

Comfort Food

Comfort food consumption increases when wet and dreary, winter-like weather happens during the summer. Asda, the second largest supermarket chain in Britain, saw sales in July 2007 of instant packaged soups rise 40 percent, chilled and frozen pies 162 percent, mince 130 percent, roast beef joints 64 percent, and hot chocolate 31 percent ([The Guardian](#), "Pies in, ice cream out as summer rain turns shopping on its head," July 2007). Premier Foods, the UK's largest food supplier, reported that rainy weather in May and June 2007 increased Kipling cakes and biscuits by 10 percent.

Rain Apparel

2008's severe downpours were welcomed by luxury fashion company Burberry. Rain boosted sales of its iconic trench coat and new wellies line, contributing to a 20 percent rise in revenue for the 2nd quarter.

Pizza

For those who didn't want to go out in storms to grocery shop, a hot, cheesy pizza delivered to their door is the optimal solution. According to Domino's interim report released in July 2007, the company saw sales grow 15 percent in the first half of the year due to lack of summer barbecues.

Agriculture

Drenching summer rains and freakishly warm temperatures in April 2007 led to the biggest British apple crop in history, according to article "How a soggy summer led to the biggest apple harvest in history" from [The Daily Mail](#) in October 2007. The entire apple industry saw a 10 percent increase in yield with many varieties far outstripping that number. Because the early heat wave was followed by torrential rain, growers were able to start harvesting their yields in July, a full month earlier than normal.

UK truffle harvesters cheer heavy rains for their fungus-growing ability. The British black summer truffle, which, while not as highly prized as the French Black Périgord Truffle or the Italian Alba Truffle, can still command high prices, grows best under rainy conditions. Wet weather in 2007 had harvesters of the delicacy expecting a bumper crop, according to [The Independent](#) article "Summer rain boosts UK truffle harvest" from August 2007.

Online Retail

2008's rainy spring kept people indoors and online companies saw their revenues soar. Retail website traffic, which had fallen in April and May, increased two percent from the previous year, according to the internet monitoring group Hitwise. The Interactive Media and Retail Group (IMRG) reported that internet sales in July had risen 80 percent to a record £4.2 billion. Online sales of electronics doubled their previous year's sales while clothing and accessories jumped 56 percent. IMRG said that Internet sales in 2007 were £46.6 billion, up from £30.2 billion in 2006.

Electronics

Electronics companies, both on and off line, see increased sales when homebound masses seek to entertain themselves. Thanks to heavy rain, flat-screen TVs and laptops flew off the shelves between May and August of 2007. Electronics company DSG reported a six percent growth at that time according to their interim report, DSG web traffic increased by 28 percent compared to May through August, 2006.

Indoor Entertainment

The Rank Group, a European gaming business based in the U.K., expected business at its Mecca Bingo halls to plummet by 12 percent in summer 2007 as a result of the smoking ban in England, which went into effect on July 1, 2007. Instead, it only dropped 4.4 percent, and the company's total revenues grew from £277.3 million to £284.6 million, according to an August 31st article "Summer showers bring cheer to Rank's bingo halls" in [The Independent](#). And the British Box Office returns for summer 2007 were their largest ever, according to Nielsen EDI, earning a total gross of £377,965,438 from 75,291,920 admissions thanks to summer blockbuster releases and record rainfall.