

WeatherBill Case Study:

itravel2000 "Let it Snow!"

COMPANY OVERVIEW

itravel2000.com is one of Canada's largest online travel retailers. More than three million Canadians research and book their travel using www.itravel2000.com. Travel is the largest online retail category and according to the Canadian Tourism Commission, tourism spending in Canada totaled \$62.7 billion in 2005.

CHALLENGE

Differentiating in a crowded online travel market

Cutting-edge technology has taken over the traditional travel retail sector, allowing online companies to offer customers competitive pricing, flexibility, and the ability to book vacations instantly. The problem with electronic travel distribution is that it levels the playing field, creating a crowded marketplace. In order to maintain a strategic advantage in the travel retail market, large retail travel services like itravel2000.com have invested heavily in e-commerce solutions and website analytics. Additionally, online branding and marketing have become a necessity. Creativity, simplicity, and visibility are key factors in online travel retail success.

One of the main challenges in the online travel retail sector is advance sales. The ease of online purchasing has also made it convenient for customers to book travel last minute. In 2007, itravel2000 had developed a marketing campaign designed to increase advance sales. However, it was missing a vital component. The campaign required financial backing and a partner who could support what would eventually become the largest single-day weather promotion in history.

SOLUTION

Unique promotion that refunds travelers for snow

itravel2000 teamed-up with WeatherBill to create "Let it Snow," an ambitious, custom-made weather promotion. 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 Years 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.

> On reverse: itravel2000 sends a snow cone truck across Canada

RESULT

Strong year-over-year increase in advance sales

Customers had to wait until New Years Eve to find out if they got their money back, but itravel2000 didn't have to wait long to see the results of the promotion. "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." WeatherBill Promotions are backed by WeatherBill's significant risk capacity. The promotions are simple and automated; available to businesses large and small in almost every industry. While typical promotions have historically been complex, WeatherBill Promotions don't require paperwork, redemption process, or waiting for payment.

WeatherBill Promotions are also affordable and do not require upfront set-up costs. itravel2000 simply purchased coverage in increments to mirror sales. "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.

About WeatherBill, Inc.

WeatherBill launched in January, 2007, created by former Googlers. It is the first online service to help individual businesses, large or small, protect revenue and control costs from bad weather. WeatherBill provides affordable weather protection customers can design and purchase in minutes. There is no underwriting, claims process, or proof of loss. Everything is completely automated. Funds are held in trust for immediate availability, backed by two of the world's largest private equity firms and a leading \$2 billion catastrophe reinsurance and weather risk fund manager.

WeatherBill's flexible coverage can protect a year, season, weekend or a day from rain, drought, heat, cold or snow.

Visit <u>www.weatherbill.com</u> or call 888.924.7475. For more on itravel2000 visit <u>www.itravel2000.com</u>.

