



A spring snow storm means skimpy bikinis are not going to be flying off the rails.

G.N. Miller

# Weather the storm

## Predicting retail trends depends on the forecast

**A**SK a retailer about the weather and they will grin and bear it.

Snow keeps customers buying soup and snow blowers and hot weather's good for soda and swimsuit sales. But what if you have to order your merchandise from China a year in advance and need to know if it will be a cold winter or wet summer?

Enter Captain Kirk — also known as Bill Kirk, CEO of Weather Trends International, based in Bethlehem, PA, who offers math-based forecasting technology.

Kirk insists that while most weathercasters have about a 20 percent accuracy rate, over the last five years his company has notched a rate of 80 percent, giving his clients triple the chance of getting it right a year in advance on a weekly basis.

"If we say it's going to be a hot summer, it will be, and retailers won't get stuck with \$1 billion worth of the wrong goods," Kirk said.

Clients pay up to \$220,000 a year for his product, but "the wins are staggering," Kirk claims.

In 2005, they predicted a warm summer and, when every other retailer dumped air conditioners in the early cooler days of the summer, their client bought all the excess inventory and was in the position to sell them when the weather turned. "They made \$130 million off

a five minute phone call with us," Kirk said.

For a client like Anheuser-Busch Companies, a one degree difference can mean selling beer or not. For every one degree warmer, adjusted on a national weekly basis, the company sells 1.2 percent more beer, but if it's one degree cooler they sell 1.2 percent less, Kirk explained.

Weather Trends' accuracy has also made a believer out of Wal-Mart, Kohl's and even institutional clients like Citigroup who also need to follow the fortunes of the retailing stocks.

Kirk, who got his weather predicting expertise figuring out the right days to set up flight training missions for the Air Force, notes that when last year's seasonal data is used to predict the weather, it's wrong.

"It's the year-on-year subtle changes that kill retailers until we work with them," he said. "What appears to be small changes are huge."

When Hurricane Katrina hit New Orleans, Kirk says Wal-Mart trucks were ready to roll into the city. That's because he predicted a year like just like 1969 when Hurricane Camille struck.

"We said a major category storm hitting the Gulf States in the early September time frame was highly likely and to position safety stock in the region," Kirk recalled.

Lois Weiss



Bill Kirk: Retailers heed his weather accuracy.

## Mercury rising

**T**HIS summer Kirk predicts "brief moments of heat" in July and August but nowhere like last year's heat waves. Too, last year there was an abrupt end to the summer season with the coldest, wettest fall in many years. "We think this time the El Nino will give us a nice dry fall without the extremes," said Kirk.

Kirk predicts December will be a "double-edged sword" for retailers because there will be about six inches of snow for the New York area. "It's great if you are in the ski resort industry, but the bad news for them is how good the end of the winter is," Kirk said, predicting an extremely warm February.

Kirk noted: "We think we will see the strongest El Nino in the last 10 years but the strength will reverse in mid to late January/February, so the heat you saw last year will be shifted to the end of the winter."

Clients have been so awed by Kirk's predictions that they check in with him before scheduling golf trips, vacations and wedding dates.

Kirk is now preparing a website at [www.myskeye.com](http://www.myskeye.com) that should go live by June. No costs are yet available, but eventually, he expects the information will be provided free through travel sites.

Weather Trends International is at [www.wxtrends.com](http://www.wxtrends.com)