

Slide Deck Regarding QVC, Inc. Provided to Employees of zulily, inc.



Let's change *the way the world shops.*

US | JAPAN | GERMANY | AUSTRIA | UK | IRELAND | ITALY | FRANCE | CHINA / CNR MALL



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Who is QVC?



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World's leading video and ecommerce retailer

- \$8.8B net revenue worldwide (2014)
- Programming reaches 9 countries and approximately 340M homes
- \$3.5B eCommerce revenue (2014)
- Ranked #8 in mobile commerce among multi-category retailers by Internet Retailer



29-Year Track Record of Growth

\$9B In its first three decades, QVC has shown remarkably steady growth, and truly transformed itself -- from a US TV shopping channel to the world's leading video and ecommerce retailer. Sure enough, with \$8.8 billion in global 2014 revenues and \$3.5 billion in 2014 ecommerce sales, QVC now ranks as the #8 largest mobile commerce retailer among multi-category retailers.

\$8B

\$7B

\$6B

\$5B Clearly, QVC is more than a TV network. At its heart, QVC is a retailer. And like any good retailer, its success is rooted in a deep cultural commitment to pleasing its customers.

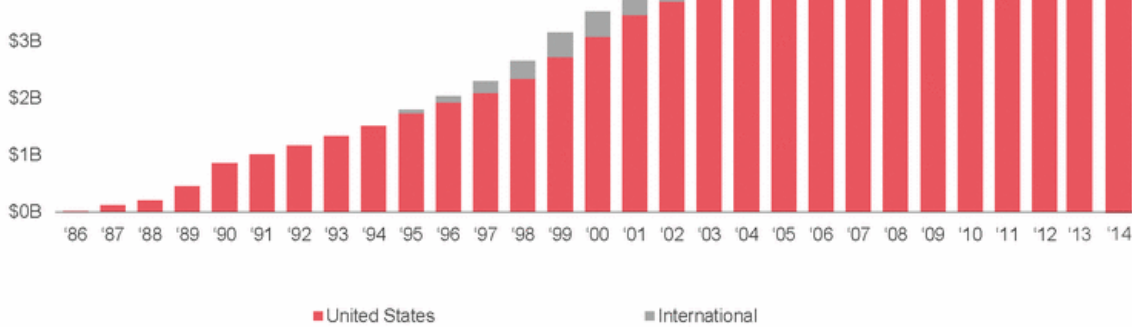
\$4B

\$3B

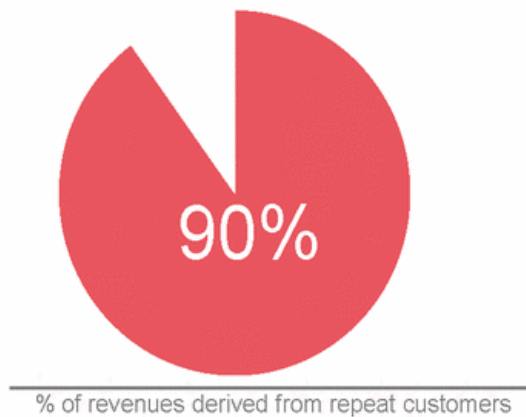
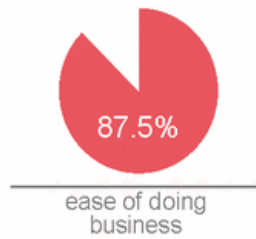
\$2B

\$1B

\$0B



Our Most Revealing Statistics



The secret to QVC's sustained growth is no secret: it's all about trust.

We've found the best way to nurture customer relationships is to under-promise and over-deliver with demanding quality standards and efficient and friendly service.

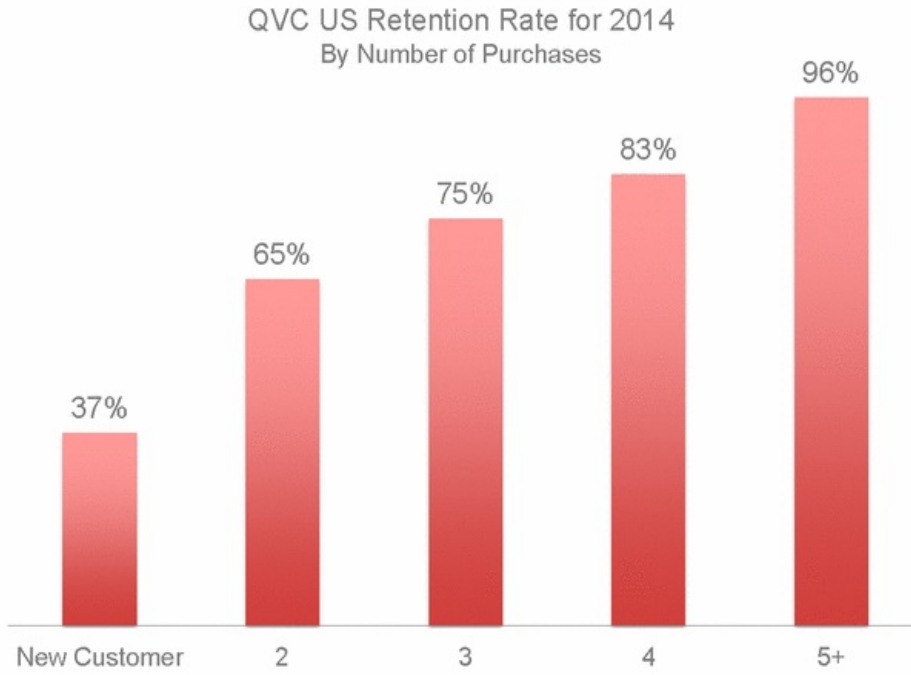
While QVC reads and responds to customer feedback in real time, every decision we make is ultimately governed by a concern for what's right for the customer long term. We know that while the productivity of our next 5 minutes will be driven by how compelling our product presentation is, the productivity of our next 5 years will be driven by how our customer feels about the whole experience of shopping with us.

In contrast to traditional retail, QVC does not believe in markdowns as a strategy. Instead we focus on how our customer will feel when she receives the package and actually uses the product at home. Did it arrive when we promised? Did it live up to her expectations? Have we earned her trust, so that she will shop with us again?

QVC's customer-centric culture helps explain why over 90% of QVC's annual revenues each year come from *repeat* customers – people who have come to know and trust us. And it's a big reason QVC people are proud to work here.

Source: QVC Customer Insights – February 2015 – Order Entry Rate

Our Most Revealing Statistics



Source: QVC Customer Insights – February – US 2014 Repeat Purchase Rate

QVC
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Fostering Relationships

QVC has an advantage over most retailers: our ability to foster relationships.

QVC associates interact live with our customers, 24/7, through our commerce platforms, contact centers and community forums. Of course, our most visible ambassadors are our program hosts. They are incredibly talented multitaskers, presenting products while interacting with guests and receiving real time updates from their producer, all at the same time. There are no rehearsals, no scripts. And they are at their best in those moments when the barbecue sauce gets spilled, and their true selves are revealed.



Example: program host David Venable, "QVC's Resident Foodie", truly enjoys his job. He attracts an avid following of fellow foodies by sharing his passion for the social rewards of cooking and entertaining, and for dishing out memorable one liners like *"I do not want to live in a world without potatoes"*...and *"I need some private time with that sandwich"*... For Halloween last year, David dressed up as a 6'5" strip of bacon. In a recent New York Times profile, he confessed to the reporter: *"Tofu was a tough sell"*.

These are what we call moments of truth. And they are an essential part of the QVC experience.

Karen Morgan Annapolis • 23 hours ago

I wouldn't have been caught dead watching a home shopping channel a few years ago, but then, a friend suggested I look for a Vitamix on QVC. I bought the 7500 Vitamix for \$499.95. That was in 2012, and to this day, I have yet to see any other store, online or brick, match that QVC price. I have been watching QVC ever since and it's David Venable, Mary DeAngelis and the kitchen gadgets that keep me watching. It's really enlightening to get information, not only about recipes, but new tools that make cooking an easier and more pleasurable experience. It might be easy for some to "poo-poo" or otherwise dismiss home shopping and David Venable. However, I went to a QVC Weekend last year, and was truly impressed, not only with the intensely hard work that goes into making "ITKWD," but with also how unfailingly warm and friendly David, Mary, and the entire QVC production team were. I have since bought other kitchen gadgets that have really helped me to work more smartly in my kitchen. I have an egg cooker that works exactly as advertised, a fabulous knife sharpener, the most powerful and well-designed kitchen shears I have ever owned, and collapsible colanders, among other things. Not every item sold on the network is a hit, but that's what customer reviews are for. Anyway, David and Mary struck me as quite genuine, extraordinarily hard working and professional. After my visit, I can see why the ITKWD team has brought so much success to QVC.

[Reply](#) • [Recommend](#)

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Awards and Recognition

THE ANSWERS™ EXPERIENCE INDEX

2014 U.S. RETAIL EDITION

#1 in the Customer Satisfaction for Web and #2 among mass merchants for Mobile in 2014

Forbes®

America's Top Employers in 2015

rcm
TOP 50 COMPANIES
FOR CUSTOMER SERVICE

QVC UK named one of the 2014 Top 50 Companies for Customer Services Awards

2014 EDITION
MOBILE 500
Rankings of the World's Largest Mobile Commerce Businesses

#8 largest mobile commerce player among multi-category retailers

Corporate
Giving
2014 Summit
PHILADELPHIA BUSINESS JOURNAL

#1 for creative fundraising strategies

SERVICE TEST
Testsieger
Kundenerwartung
sehr gut
Im Vergleich mit 40 Online-Shops
3.950 Kundenurteile | 01 | 2014

QVC Germany received the highest score overall for best online shop

NRF NATIONAL
RETAIL
FEDERATION

THE FAVORITE 50 2014

#5 among general merchandise online retailers

**TOP
WORK
PLACES**
2015
philly.com

Philadelphia Top Workplace

THE SERVICE
FOR SALES &
CUSTOMER SERVICE

Silver award in e-Commerce Customer Service and a bronze in the Contact Center of the Year for 2015

FORRESTER

#3 on the 2015 US Customer Experience Index

TellyAwards

7 Bronze and 1 Silver award



**WWD
BEAUTYINC
2014
AWARDS**

2014 Prestige Beauty Retailer by WWD Magazine

Brands












A growing family of the world's most progressive brands are finding QVC to be more than just a new source of sales volume: It serves as a powerful multimedia brand-building platform.

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- GIVENCHY**
- Canon**

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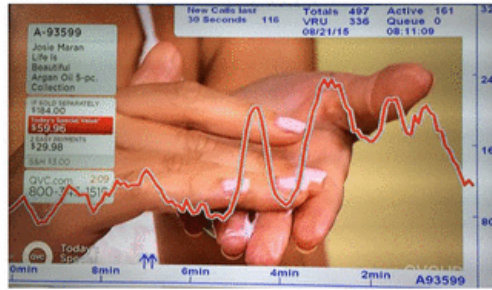
The Makings of a Great QVC Item

QVC Merchants have a keen eye for stories. Some of the story elements that make for successful QVC items include...

- An innovation that is new to the marketplace and addresses a common, everyday problem;
- A unique design inspiration or point of view that fills a void in the market;
- A demonstrable benefit, with features that add real value, but that might be overlooked in conventional brick & mortar or ecommerce environments;
- An authentic human story behind it;
- Lasting quality that delivers on the promise.

This recipe is naturally suited to entrepreneurs:

- Entrepreneurs and small businesses have always been the engine of innovation in the economy
- Product differentiation is essential to their success
- As retail market share becomes increasingly concentrated, small businesses are increasingly challenged to get their foot in the door
- As marketing costs rise, and retail becomes increasingly search driven, QVC represents a new way for small businesses to create marketplace demand
- Great brands typically start small, with great items.



QVC is a living organism. Virtually the entire enterprise, from the broadcast studios and digital platforms to the call centers and inventory management system – is 'live', with customer response visible in increments of 6 seconds.

Getting real-time consumer feedback can be a humbling experience, or an adrenalin rush. Either way, we've yet to meet a merchant or marketer who isn't fascinated by this aspect of QVC's business.



A Community of Storytellers

"It was such an exhilarating experience to be on QVC speaking to so many women about my philosophy, and hearing their concerns and thoughts on makeup... This was an amazing opportunity."

Bobbi Brown

Rachel Ray



Josie Maran



Joe Zee



Lori Greiner



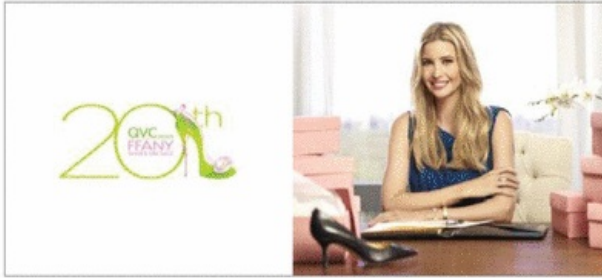
Isaac Mizrahi



Ellen DeGeneres



Supporting the Success & Wellness of Women



Supporting the success and wellness of women through the power of relationships is our charitable mission. It is a community involvement strategy that allows us to give back to the women who have helped us become the company we are today.

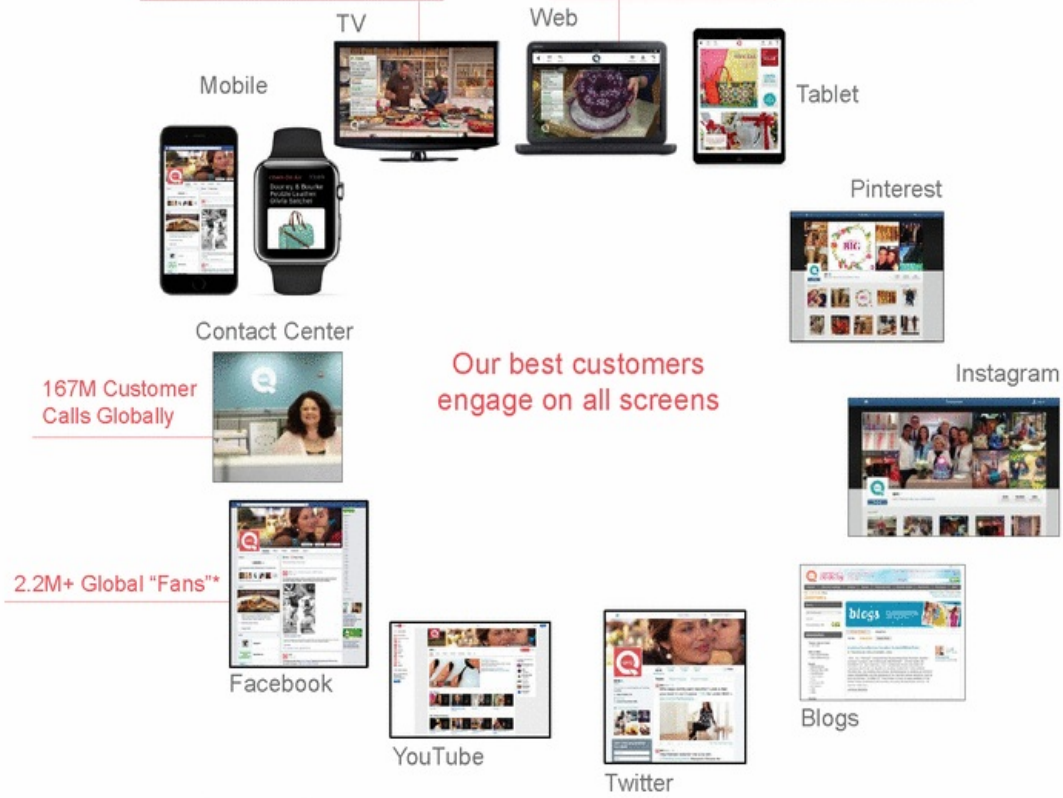
QVC generated over \$5.1 million in 2014 for breast and ovarian cancer research and services for working people with cancer through our flagship cause marketing broadcasts: FFANY Shoes on Sale, Super Saturday Live and Beauty with Benefits.



A Multiscreen Shopping Experience

340M Homes Reached Globally

880M+ Visits to eCommerce Sites Globally



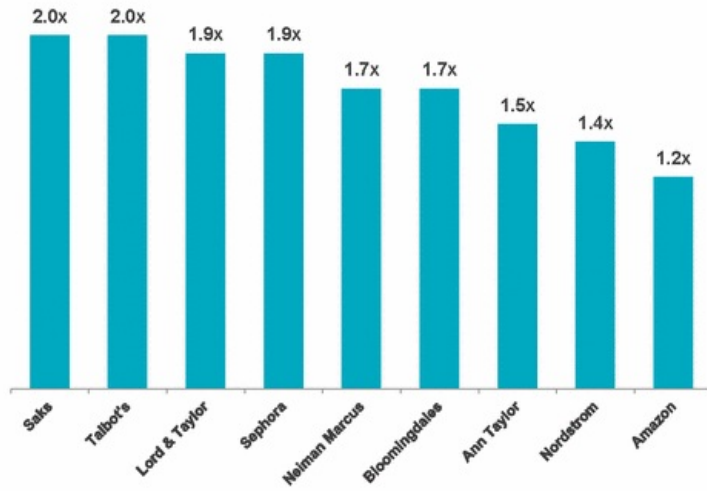
*Facebook flagship page as of Sept. 9, 2015
Does not include QVC program host pages



Retail Omnivore

From Saks to Sephora and everything in between, QVC is influencing the brand preferences of people who shop everywhere. This data from Experian Simmons shows the propensity of QVC viewers to make purchases at a sampling of better retailers.

Propensity to Shop Selected Retailers
QVC Customer vs. US avg.



Source: Experian Simmons, 2014



Win-Win for Our Vendors

*"QVC has been a pioneer in building brands,"
says Karen Grant of NPD,
"and has carved out a space that doesn't
compete with prestige but is complementary."*

*"...Executives are finding that the increased awareness
that comes from appearing on QVC is actually
driving more customers to department stores
and specialty store counters, rather than
cannibalizing from a brand's existing sales."*

- Women's Wear Daily

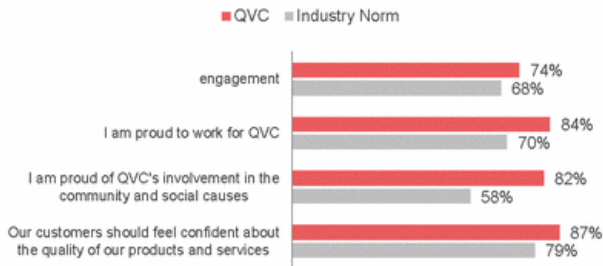
Culture & Values

Visitors routinely tell us they are struck by a pervasive sense of positive energy when they walk the hallways of a QVC site. It could be a reflection of the real time nature of our business; but it's also reflective of the sort of people QVC attracts: affirmative, can-do, team oriented people who thrive in an environment where yesterday is ancient history.

Spend some time with QVC team members and you quickly get a sense of what a unique, values-driven organization it is. They'll tell you that our greatest strength – our collaborative culture – is in some ways also our greatest challenge. We're working on improving our agility without losing that special team dynamic.

You'll also sense in them a deep feeling of pride in where they work.

QVC Associate Attitudes



Our Values

Customer Focus

Exceeding the expectations of every customer.

Teamwork

Working together to succeed.

Pioneering Spirit

Initiating and embracing new ideas with enthusiasm.

Commitment to Excellence

Acting to make a difference, being responsible for our actions, and continually striving to improve.

Respect and Concern for Each Other

Accepting and supporting each other personally and professionally.

Ethics and Integrity

Keeping our word and doing the right thing.

Openness and Trust

Relying on each other and communicating with honesty and acceptance.

Fun Along the Way

Recognizing contributions, maintaining perspective, and celebrating successes.

We live them every day.

We foster them through leadership.





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