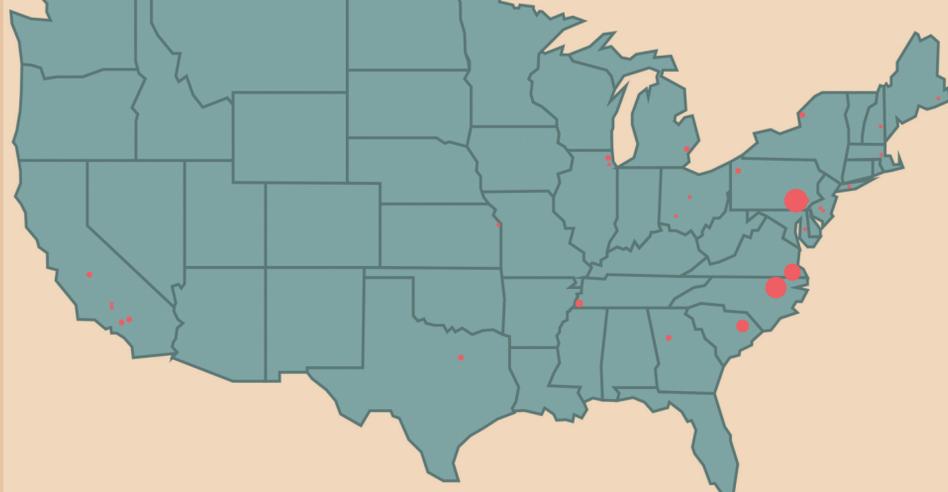


QVC DELIVERY SPEED & REPEAT CUSTOMERS

Julia Martin tuf37349 & David Orsi tuf51955
Fox School of Business and Management

TOP 35 DISTRIBUTION CENTERS BY VOLUME



DEPARTMENTS

by Percent of Sales



By Number of Distribution Centers



by Revenue (in \$000s and average dollars per order)

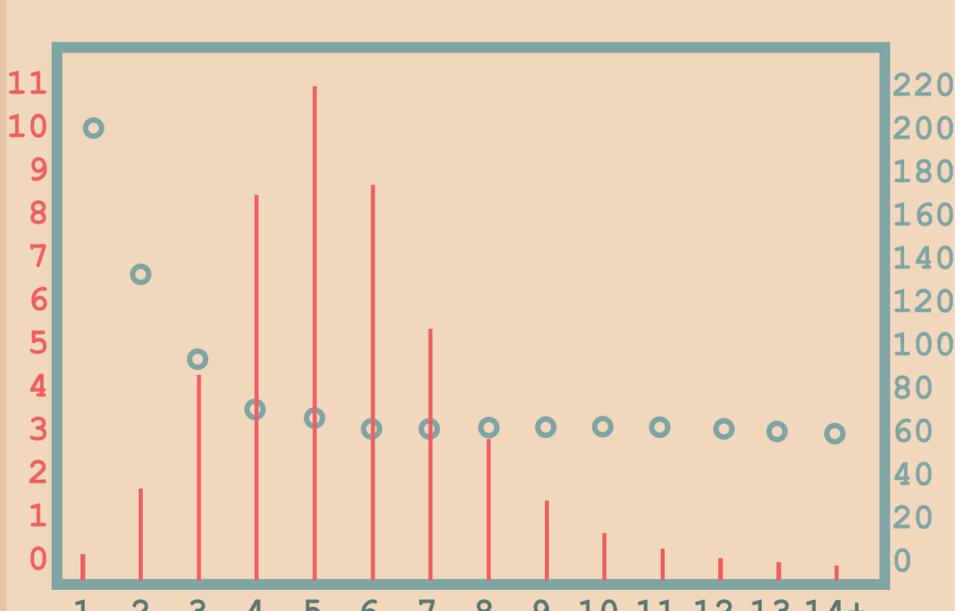


RECOMMENDATION 1

There are almost 2,000 Distribution Centers (DC) in QVC's network yet only 35 shipped more than 2,500 units during the six month period. Many of these DCs are in the same cities or counties. We recommend QVC reduces the number of distribution centers to reduce overhead costs. Additionally, these DCs should only stock departments that ship 1,000 or more units per year.

ORDERS BY SHIPPING DAYS

(In 00,000 orders and average dollars)



AVERAGE CUSTOMER

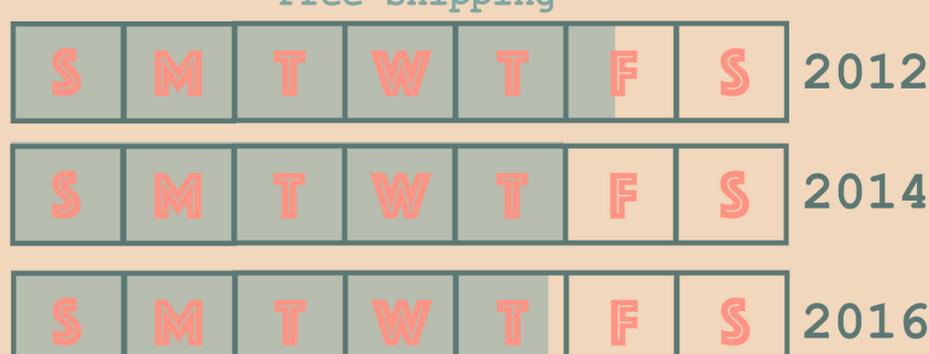
\$65.75 Order Price

9.21 Number of Orders

7.39 Shipping Days

97% say shipping impacts order decisions

Days Willing to wait for Free Shipping



RECOMMENDATION 2

Create a shipping option for 3-6 days to meet changing customer demands for faster ship times. Customers spend more on orders that arrive sooner and shipping options is a factor in 97% of orders.