MAXIMIZING SPEED

HOW QVC CAN BOOST COMPETITIVE ADVANTAGE WITH E-COMMERCE

8 DEPARTMENTS WITH MOST ORDERS

1st HOME DECOR
2nd APPAREL
3rd HEALTH/ BEAUTY
4th ACCESSORIES
5th HOUSEWARE
6th ELECTRONICS
7th TEXTILE/FURNITURE
8th JEWELRY

These departments account for **93.2%** of QVC's total orders

QVC IS FACING SLOW DELIVERY

which affects customer loyalty

13% customers stop buying after their first purchases

90% of those one-timers have their products delivered slower than average

Average waiting time of each product department

One-time customers experience longer period of waiting than returning customers

WHAT SLOWS DOWN SPEED?

Besides possible delays caused by carriers, there are two reasons related to the current distribution network of QVC

Warehouses are being used to store products inefficiently

1762 Warehouses with **1** order

139 Warehouses with **1 - 1000** orders

6 Warehouses with over **1000** orders

Almost **92.5%** of total warehouses distribute no order at all

Only 6 warehouses distribute **93.5%** of total orders

Warehouse locations significantly affect waiting times

IDEAL WAITING TIME < AVERAGE WAITING TIME OF LOYAL CUSTOMERS

WITHIN **8** CORE DEPARTMENTS

ELECTRONICS | HOME DECOR | HOUSEWARES | JEWELRY

Have warehouses EVENLY located THROUGHOUT the U.S.

Therefore, 75% customers of the above departments receive orders **within the ideal waiting time**

ACCESSORIES | APPAREL | HEALTH/ BEAUTY | TEXTILE/ FURNITURE

Less than 27% customers of the above departments receive orders **within the ideal waiting time**

The warehouses of the 4 latter departments are located mainly on the East side

So customers on West coast cannot receive their orders within the ideal waiting time, which ultimately deters those customers from ordering again

SOLUTIONS

QVC can fix its inefficient warehouse and product distributions using these following strategies

1 PLACE THE RIGHT PRODUCTS IN THE RIGHT WAREHOUSES

PRODUCT DEPARTMENT	SUGGESTED WAREHOUSES	FORCASTED WAITING DAYS
ACCESSORIES	0125 - CA 0111 - CA	CA: 5 - 5.5 WA: 6 - 6.5 NV: 5 - 5 AZ: 5.5 - 6
APPAREL	0125 - CA 0111 - CA	CA: 5 - 5.5 WA: 5 - 5.5 NV: 5 - 5 UT: 5.5 - 6
HEALTH/BEAUTY	0125 - CA 1914 - TX	CA: 5.5 - 6 WA: 6 - 6.5 AZ: 5.5 - 6 UT: 5.5 - 6 Tx: 3 - 2.5
TEXTILE /FURNITURE	0125 - CA 0647 - IL	CA: 5 - 5.5 UT: 5.5 - 6 MN: 5 - 4 IN: 3

New delivery times meet the ideal waiting time for each department

2 ELIMINATE WAREHOUSES WITH NO OR FEW ORDERS

By eliminating warehouses that poorly perform, QVC can cut down a huge amount of expenses

3 INCREASE CAPACITY OF WAREHOUSES THAT DISTRIBUTE MOST ORDERS

Increased capacity can help QVC store sufficient products to satisfy the large demand

QVC'S SMALL DATA SET

SOURCE

QVC CHALLENGE

CONG NGO - TUG63265 | FOX SCHOOL OF BUSINESS
QUYEN LE - TUG15472 | FOX SCHOOL OF BUSINESS
TUNG NGUYEN - TUG61730 | FOX SCHOOL OF BUSINESS

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