

the people, production & pursuit of the q special premiere edition SEPTEMBER 19, 2007

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iQdoU?

the brand has landed.





Welcome to iQ! We're very pleased to present you with this special inaugural edition of *iQ*-our new employee newsletter. The launch of our brand strategy inspired Internal Communication to give your favorite monthly publication a complete makeover. You'll read the same great stories about your fellow team members who make extraordinary contributions every single day. And it all will be presented under the umbrella of the QVC brand look and feel. Read on to find out about QVC's exciting brand strategy and how it all came together...

WHO ARE WE?



"It's not about *changing* who we are, it's about consistently *being* who we are, 24/7."

- Mike George, President & CEO, QVC

In June of 2006, QVC's Senior Management Team (SMT) decided it was time to ask, "Who are we?" and find out exactly what QVC means to the outside world. "It was time to take a good, honest look at our brand through consumers' eyes," says Mike George, President and CEO. "It's not about changing who we are, it's about consistently being who we are, 24/7."

"Millions of people shop with QVC," explains Mike. "But on the other hand, millions don't. All those noncustomers are telling us we need to earn their trust, and it's our current customers who will show us how, every step of the way."

Researching and executing on the QVC brand is a four-phase process. The first two are complete, the others are just days away.

phase 1: The Research-Tell Me How You Really Feel

"To look inside, you have to look outside," says Jeff Charney, SVP & Chief Marketing Officer. He's referring to our first-ever comprehensive brand study. QVC partnered with IDEO, a San Francisco-based design and branding company that has worked with top-tier *Fortune 50* companies to help find out what consumers think and feel. "We at QVC have our own opinions, but naturally, they're going to be biased," explains Jeff. "We wanted someone from the outside to provide a realistic, neutral perspective. IDEO was a great partner."

It's a job QVC and IDEO took very seriously. Over many months we poked and prodded the QVC brand, conducting interviews with customers and noncustomers alike. We talked in depth and shopped with customers to get inside their heads and understand their true feelings about QVC.

And we found a unique situation. The home shopping stigma is alive and well, and polarizing—with customers loving us and noncustomers having less affinity for the brand. Our research confirms that it takes a long time to earn the trust of a noncustomer because of this dated stigma. Our goal is to reduce the time it takes to get to know and ultimately try QVC.

what does it take to *define* a brand?

1,442 interviews with customers, noncustomers, and employees

146 proposed logos before 'Q-ribbon' was selected

30 campaign proposals before "Voices" and "Because" were chosen

161 "iQdoU?"s recorded by employees, customers, vendors, celebrities

1,100 television commercials purchased, with over half-abillion brand impressions

13,000 employee tee shirts worn on a once-a-week basis will generate over 10 million brand impressions in 8 weeks

THE QVC BRAND EXPERIENCE

ENGAGE ENTERTAIN ENRICH

phase 2: Know Thyself

The months of research and analysis led to a set of traits inherent in our brand. QVC's personality is welcoming, innovative, relevant, genuine, fun, dynamic, affirming, and engaging.

But how does all that happen? What are we doing when we're at our best? We summed it up in The QVC Brand Experience. When we're at our best, all QVC people are consistently delivering on the brand experience.



the QVC brand experience

Every day we will strive to ...

ENGAGE the customer in a welcoming community of people, ideas and experiences

ENTERTAIN the customer by being genuine, dynamic and alive

ENRICH the customer's shopping experience with compelling finds, creative presentations, and legendary service

*Want to learn more about the Three Es? Check out the Brand Pillars on myQVC or email mybrand@qvc.com with questions.

A better understanding of ourselves led to the next question-

"What would that look like, and how can we freshen up the corporate look a bit?" We started with our logo... >

BRAND IDENTITY



"Why just create a logo when you can create a long-lasting icon?"

Jeff Charney, SVP
& Chief Marketing Officer
on the new 'Q-ribbon' logo





owning the Q: Why focus on the Q?

Many customers and employees already affectionately refer to QVC as the "Q," a sort of shorthand. We hope to make it a verb, as well as a noun-just like people Google, they might also get in the habit of "Q-ing."

The new logo was tested and retested, first online and on air. "It looks great animated-it has a lot of personality," says Angie Simmons, SVP of Broadcasting and TV Sales. "It's an innovative design that visually gives us endless possibilities to engage our customers!"

It was also given practice runs in print advertising and marketing materials. "It's current, fresh, and relevant, and will stand the test of time," says Mark Stieber, VP of Marketing.

worldwide Q?

So will the new logo become the worldwide QVC logo?

Eventually. But it will first be of QVC.com Bob Myers. "For on air and online in the US, ultimately making its way to boxes, business cards, and signage. "It's a very comprehensive process that will take time, and we want to do it effectively and efficiently," says Mike. Of shopping online or watching course, as a multi-media retailer, our online ownership of the Q will be critical. "The new logo has an excellent visual impact," says SVP

GVC.com, it was a great opportunity to update our look and complement our brand identity while remaining one brand in our customers' eyes, a seamless experience whether you are the hmadcast"

(editor's note: more on the updated QVC.com look in the November issue of (Q.)

evolution of a Logo:









1986

This old-fashioned TV logo launched an unknown television-shopping channel that was all about Quality, Value, and Convenience as well as a little telephone. (We loved it way back when...)

1988

We got rid of the tiny telephone and tried a new and fancy logo. It was clean and kind of big and bold.

Our logo got fin! We sharpened and streamlined our logo's appearance. bringing it not only inno the '90s, but making it edgier and a bit lighter.

2007

We have arrived! Clean, customer tested with incredible animation capabilities, it takes us into the future with milimited possibilities.



New on-air visual treatment/concepts





before

QVC homepage

11





before

Insider



before

after



7

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Corporate identity materials

BRAND EXPRESSION





Even with a new logo, the QVC brand needs to be expressed to the outside world in other ways: through advertising and marketing.

"It's five simple letters that describe what our customers have known all along—that special feeling of pride...the kind of 'wink' that defines all powerful brands," says Jeff Charney, of "iQdoU?" The phrase is a headline, a tagline, a positioning statement, and a mantra all rolled into one. "iQdoU?" captures the emotion of our customer in a fun way.

The triple play

"iQdoU?" is just part of a three-pronged approach to QVC's Brand Expression. "It's like opening a package," says Jeff. "First you're curious about what it is. Then you unwrap it. Then you see what's inside. We want to give consumers the same experience as they learn about QVC."

Here's how it will work:

1. Curiosity: For the first few weeks "iQdoU?" will be used as a tease in billboard advertising and on the Internet (go to iQdoU.com), part of QVC's first-ever national media buy. The tease is meant to generate buzz, something that will get into people's heads and make them wonder.

2. The unwrapping: The next phase is to reveal what's underneath—QVC. It will be our "coming out." Our new logo, look and feel will be revealed.

3. What's inside (the package): More television and print ads will carry a strong QVC message that will reinforce the brand to consumers again and again. In a larger sense we'll be showcasing who we are for the long term—on air, online, in everything we do.

going national! When will this happen?

Viewers will see our new look on Sunday, September 23, on QVC and with the launch of our first-ever national television advertising campaign. Segments of online visitors will experience it on a gradual basis over several weeks as we fine-tune based on their feedback. The new look, the new logo and new advertising will all be part of an integrated launch, expressing our brand as truthfully and effectively as possible.

"This was not putting just another ad campaign together," says Jeff. "It was a long-term, 'ground up' strategic process that started with customers and employees and only then went to the creative process."

QVC's national media buy will include print ads in major publications, national TV commercials and selected billboards: 42nd Street in New York City, Sunset Boulevard in Los Angeles and I-95 in Philadelphia. "Our locations are seen by hundreds of thousands of people per week," says Mark.

QVC's first television commercial "Voices" creatively launches "iQdoU?" in many...voices. The second spot, called "Because," will express customers' many reasons for shopping with QVC. "The campaign is real," says President and CEO Mike George. "It's in synch with who we are as a brand."





Philadelphia & LA





National holiday print ad campaign



To view TV spots go to the QVC portal on September 23.



TV Guide ads







NYC • Times Square billboard tease and reveals

ONWARD

"It's an exhilarating time for QVC. We're changing the way consumers think about shopping from home. People know us—or think they know us but now we're going to reintroduce ourselves to the world."

Jeff clarifies that we're not changing who we are. "We're being who we are when we're at our best on a more consistent basis," he says. "Our new logo and ad campaigns simply reflect that." On the contrary to changed perceptions, the SMT sees the campaign only as a reinforcement of the QVC message—one that will be fully embraced by our customers.

According to Jeff, this change wouldn't be possible at all if it were not for the positive feedback from the very people who've been with us for years. "This all came from the customers," he declares. "This is what they wanted from us. It's funny; it was our noncustomers who showed us we needed to evolve, but it was our customers who showed us how to do it."

As we move forward with these exciting changes, QVC leadership stresses that their desired effects will not be apparent for some time. "Branding is not a quick fix," Mike states, "it's a long-term strategic investment." Regardless, Mike reminds us that we should be proud of the fact that we are all an integral part of something truly great. "It's an exhilarating time for QVC. We're changing the way consumers think about shopping from home. People know us—or think they know us—but now we're going to reintroduce ourselves to the world."

For questions or comments on the *iQ* newsletter email Communication@qvc.com.



iQdoU?

