

Why did the customer cross the road?

Building a customer obsessed brand culture is no joke

Steve Van Valin, July 2010

I only see it once or twice every couple of months if the timing is just right. The experience is provocative and memorable and even seems to increase with intensity each time it happens. The "it" is having an eyewitness encounter to one of the great moments symbolizing our QVC brand and culture. It is when the customer crosses the road.

Leaving Studio Park, the global headquarters for multi-channel shopping juggernaut QVC, my first concern is putting on my seat belt, and whether or not the traffic will be brutal on the way home. I coast leisurely through the curvaceously wooded drive that feels more like an arboretum than a corporate park. One last feature snaps me to attention before exiting the campus. I must navigate around a well-landscaped island in the middle of the road. The island creates a large triangular intersection and a thought provoking convergence of traffic from three directions. This is where it takes place.

Pedestrians should feel very wary at any spot within this tricky triangular intersection since it's impossible to determine which way cars will be angling. Plus, I have noticed that employees tend to throttle-up when they get to this zone seeming to sense that home is their next stop and dinner is getting cold. It is dangerous and unnerving to say the least to risk crossing these roads. Yet, our customers do it all the time, and yes, the corny punch line is true... to get to the other side.

What seems to be worth risking life and limb for on the other side of the road is a prominent Q logo sign designed to welcome visitors to the land of all things Q. It is carefully tucked within shrubbery and has a backdrop of large Locust trees. Our customers actually stop their cars, cross the road, and climb through the shrubs to have their picture taken next to the sign.

When I see it happening, my heart skips a beat like a big game hunter spotting the elusive and prized trophy. "Yes! There they are!" I have made it a personal and mandatory act of privilege to always stop, put on my flashers, get out, and say hello. And, of course offer to take their picture. Once they realize that I am not Security intending to chase them off the island, they instantly lighten-up. The first thing I notice is the satisfied looks on their faces that say they have truly arrived in more way than one. Weary travelers from afar reenergized by finally being at the Q. It reminds me of the time my Mom teared up at Disney World when we came into view of the iconic Cinderella's Castle in its full glory for the first time. These folks are tickled to be there and down right giddy to meet a real live QVC employee. Oh wow. "Are you on the air?" That is the universal and expected question I receive every time. They study me closely for any sign of recognition. My rehearsed and punky response makes them laugh, "Heck no, I've got a face for radio, not 90 million viewers." They are now very happy they crossed the road. How many other people are having their picture taken next to the Target or Wal-Mart sign today I always wonder. Crossing the road is very special indeed.

So, why do they cross the road?

Understanding this death-defying act of brand adoration is something I have always wanted to fully comprehend. Like a fleeting emotion, you can sense it, but never totally grasp the reality. Trying to articulate it is even harder. Going back to Branding 101, I could explore the rational aspects of our brand, our USP's and competitive advantages and still miss it completely. When I stop to quantify the rational reasons, I realize there just aren't that many to explain why our customers continue to engage and shop with QVC at this level of ferocity. The rational factors surrender to an emotional context that would make any data-head go bald. Placing the customer

emotional connection factor on top of all the left-brain data makes the entire thing unravel. Our customers have connected with us deeply. We have made their life better somehow, and it has become personal to them. Along the way QVC has evolved into an essential touchstone that lifts their spirit. We have opened a door for them into a welcoming comfort zone. They engage QVC for the love of it.

How did this happen?

Not even QVC founder Joe Segel could have envisioned the connection would run this deep when he started the company in 1986. Mr. Segel's agape-like customer focus put into motion the personal touches and trusting elements that came from hard rigor to the philosophy. At the time QVC was born, the entire category of TV shopping was very ugly as a brand. The terms schlock, hucksterism, hawking, and hyper-selling were fair labels applied to the other shopping networks that came before QVC. Being called an infomercial channel would have been considered a compliment back then. It was a monumental task to separate QVC from the rest of the pack in the minds of investors, but fortunately the customers picked up on it early on.

As employees we knew that we had something very special as a strategic foundation, and it helped us built a lot of confidence to do even more of the right thing. Staying true to our core customer philosophy was the key. Essentially, the philosophy came down to, "Do right by them, even if it means sacrificing in the short-term, because they will be loyal to us in the long-term." Mr. Segel and QVC never wavered from this approach. A true faith in human nature applied to hard-core entrepreneurial capitalism. For an entrepreneurial venture to be this bold took a lot of grit and guts avoiding the temptation to hop on the quick money in favor of a long-term and patient strategy. Our leadership has continued to be so strong and obvious to this strategy that it would be nearly impossible for

the culture to not fully absorb it into our DNA as an organization.

Philosophy in action

The most prolific example of long-term customer focus came from the decision to be "soft-sell" with a warm neighbor over the backyard fence approach. The natural repartee that ensued from our hosts quickly allowed them to become familiar friends and confidants to customers. Our representatives reflected the same spirit and made it a unified experience for the customer. Just as Johnny Carson used to tuck people in bed every night with a laugh, or Walter Cronkite was a daily after-dinner guest in people's homes, our hosts and representatives became like best-friend shopping buddies available 24-7. Admittedly, we originally thought that QVC would be all about product, that simply delivering Q, V, and C would be the primary ticket. The magic of the emotional connection and affinity to QVC as a love-to-do "sport" was a surprise beyond our wildest imagination.

Our selling strategy has made a profound difference in the way customers view us. Getting down to the nuts and bolts of it, QVC has always been about communicating emotional right-brained benefits first, and then the features that allow that to happen. The price feature is always placed in the context of being a value instead of "must-have steal". Treating customers as smart consumers and being openly transparent to the customer have clearly paid off. Ironically these are attributes that all brands are desperately trying to achieve right now 20 plus years later. Every company covets the brand perception of being transparent and authentic mostly because they are forced to do so via product reviews, and the advent of social media. We were way ahead of game on this and have earned the hardest to come by brand attribute of all. Customers trust us. Each encounter is meant to reinforce that brand promise.

Making a dramatic difference

To witness how the philosophy won out for QVC was both positive proof and inspiration to our culture. Within our first 10 years we had surpassed HSN in sales even though they had both a three year head start on QVC, and had become the generic brand name for the entire category. Home Shopping Network was the Kleenex and Jell-O of the TV shopping channels at the time. Ironically, nearly all of our systems, processes, distribution, and service platforms were essentially the same. The dramatic difference came from the "How". Treating the customer with respect, seeking higher quality products, and building a culture prepared to innovate and execute, made the ultimate difference and widened the gap.

When QVC announced its first vision in 1995, to *Change the Way the World Shops*, I don't think we knew how far we had already taken it by being true to the customer. Indeed we were doing it one customer at a time, and never had a revolutionary advertising or PR campaign that moved the needle in a wholesale fashion to get us there. Success came from incredible rigor to the philosophy applied to the three crucial touch-points of the customer experience trilogy. The on-air / on-line shopping experience, the ordering and customer service experience, and the receiving experience designed to surprise and delight the customer by getting it there before they ever expected it. The vision became a very influential "what" in the over-all strategy especially because it was coupled together with the newly defined "how" called the QVC Difference Values. For the first time, we officially put a stake in the ground declaring how we needed to operate together to create a culture that would become a strategic advantage.

The QVC Difference values became a powerful decision making guide for us as a company both internally and externally. In a sense, it served as a GPS system to steer us in the right direction at a very crucial time in our company's history. It also worked to give us a strong sense of purpose and pride for what we stood for and what made us special to the customer and as an employer. There is no doubt our customers have been able to look through the window here at QVC and see the values in action for themselves. It has made a difference in our relationship.

True community

When we looked at our brand under a microscope in 2007, we identified that when we were at our very best, QVC was able to engage, entertain, and enrich the customers' shopping experience. This is our ultimate goal and our designated brand experience. Our new vision capitalizes on taking the idea of being at our best to the next level by becoming A Global Multimedia Shopping Community.

You would think it is somewhat cocky to call ourselves a "community" doesn't it? But, when you stop and consider how appropriate that descriptor is for our customer base and their relationship to us and each other, it begins to make perfect sense. We have been the number one shop-opera on television over the past 24 years. Where else could you hear a LIVE unedited, unscripted caller speak directly about a product in front of other potential customers? Ironically, QVC was reality TV way before reality TV was cool.

One amazing statistic that supports the idea of QVC as a community is the fact that we receive nearly 4 times the number of product reviews on our site than other retailers. Our customers not only are actively engaged with QVC but also want to communicate their opinions to the rest of the

community. We have over 160,000 QVC fans following our every move on Face book.

Q what you love. Love what you Q.

When you think about the concept of what we do at QVC, we invite customers to vote with their credit cards 24 hours a day in the greatest LIVE retail experiment of all time. We get instant feedback. Do they love it or not? America is voting right now! QVC could be considered the equivalent of America's end-cap in the multichannel universe. For 6 to 8 minutes on the air, a product is on the end-cap in front of 90 million potential viewers with the greatest sales people in the world exploring its potential with you. That is powerful and compelling especially to anyone with a sense of the value of the end-cap shelf space in traditional retail. There are thousands upon thousands of viewers taking the QVC off-ramp from the multi-channel super-highway at any given minute. All of them are driving by our end-cap for a moment of fun and a break from stale TV. On the floor in studio and in the control room there is a palpable sense of energy from customers heating up the phone lines and internet when a product is hot. It may seem bizarre, but somehow this energy builds into a sales velocity that is transmitted to the customer's psyche further turbo-charging additional sales. It is almost like going fishing in the piranha pond when that happens.

When I take visitors or candidates on a tour and show them what we are doing, their eyes get as big as saucers. If they have even a single drop of marketing blood flowing through their veins you can feel their excitement build. You know they belong here if they have that built-in passion and spark. The unique sport we have created seems to be about living LIVE. That is what our customers are doing through us by engaging in the action. When our culture reflects that same positive attitude we create a natural synergy. It is the ultimate example

of living a brand on the inside and expressing it on the outside with our customers.

Living LIVE

I have watched the most successful teams and endeavors here at QVC reflect this attribute of living LIVE together. The easiest way to describe it would be a total commitment to communicate and collaborate with speed, agility, and openness with each other. Working effectively as a team creates a positive vibe that takes on a life of its own. The real difference is evident in the way the way people capitalize and thrive on change instead of being crushed by the never ending pace of our 24/7 business. The mode of Living LIVE as a team seems to elevate the vision for the outcome (which is always about the customer experience), and lowers the crippling effects of hierarchy and bureaucracy in the execution of the work. The powerful teams that are living LIVE have a certain buzz. You can sense it, feel it, and see it in action by the way they execute. They are the ultimate brand warriors for QVC, and we are fortunate to have so many of them making the difference every day. I am blown away by their positive spirit and highly energized passion to chase something big here at QVC. It is compelling, and automatically raises the game of every one they encounter.

Positively Q

One of my very favorite learning's here at QVC came from the research that IDEO did during our efforts to retool our brand in 2007. IDEO famously institutes an "observer approach" within their research practice to uncover the hidden gems that lie below the obvious. In our case, they spent a lot of time with groups of QVC customers and non-QVC customers having dinner and freeform discussion. They designed these sessions as "wine and dines" with an open agenda. They started making some curious observations about the difference between the

energy and spirit level of these dinner parties. One group consistently made the event feel like a party while the other group made it feel uneventful and downright normal. Even though the two groups essentially shared similar demographics (women, higher than average income, TV watchers, shoppers, suburbanites, etc.), the experience of the events were vastly different. The QVC customer groups were electric, full of energy, fun, and positivity. They seemed like they were full of life, had more mojo, and were seeing the glass beyond half-full. By the way, they didn't know they why they were there specifically and only made the QVC connection with each other on their own. For me, this is the epiphany that explains who we are as a company. It is by the customers we keep. We attract customers with this unique and highly sought after attitude and help to perpetuate it! Crossing the road is simply an acknowledgment of that truth.

QVC is not of the ilk of the New York Yankees or Dallas Cowboys as a brand, or are we? The affinity is strangely similar. We are world champions of the customer in their favorite personal sport; shopping. Here is another perspective. It is conceivable that our customers view us like the way Harley owners revere "all things Harley". Did you ever wonder why a mild mannered accountant Monday through Friday would enjoy terrifying mothers and small children on a Saturday, all leathered up on their fire breathing Harley machine? Most people say, "You have to own a "hog" in order to get it." Otherwise, don't even bother trying to understand. Ok, I think I get that concept now, because just like Harley, QVC's brand connection runs so deep and strikes a well-spring of intrinsic emotions that it is nearly impossible to fully convey the sense of it all. I have spoken to so many brand and marketing experts over that years that expect me to tell them in one or two factoids what our brand experience is all about, and I simply shake my head and tell them about the customer crossing the road.