

Q&A with Doug Rose (QVC)



MarketingNPV (MNPV): Given the nature of QVC, you are probably swimming in measurement metrics. How do you keep from drowning?

Rose: Companies that don't have a lot of that data tend to think, "If we just had the answer to that question, it would solve all our problems." We have learned that one question leads to thousands more and there will always be more questions than answers. The more data you look at, the more you begin to realize that maybe the answers are not so much data-based as intuitive. So the biggest challenge is really protecting the value of common sense and intuition.

MNPV: Many people would suspect that creativity gets sacrificed in a data-rich environment. Is that your experience?

Rose: There is always that risk, and to be honest, the pendulum swings back and forth.

For example, we're always seeking to optimize the productivity of our air time. We have meetings with 15 to 20 people in a room reviewing tape of a recent segment, tearing it down, second by second, looking at every nuance. After months of this, we finally woke up to the reality that we were losing sight of what really attracts our viewing audience, which is the liveliness, spontaneity, and lack of over-engineered production values — things that make us more human and easier to relate to. That's where the real creativity comes in.

MNPV: You know who buys what on every transaction and you have a whole data warehouse of all that historic information. How do you really leverage that beyond merchandising input?

Rose: Of course we look at it as a means of prospecting for future purchases. We mail segments of our customer files with targeted information about upcoming programming, because we have solid data predicting they are likely to respond to that kind of information. But overemphasizing the customer transaction data is dangerous if it begins to take you in a direction that feels wrong for the brand.

I suspect that our marketing data warehouse has so far done more to increase our productivity than it has created new programs per se. We send far fewer communications than we could, because this is a permission-based business. We don't believe in invasive marketing tactics and we take opt-in very seriously. Customers by definition opt-in to watch our show. If it's not that interesting to them, they opt right out again without anyone knowing. Only when they are good and ready will they pick up the phone or their mouse and order something from us. So we use the data to encourage more opt-in. That creates the best, highest-value relationships.

MNPV: For a retailer who is not as data rich as QVC, but aspires to be, what areas would you recommend they focus on first?

Rose: If you lean too much on the data, you might continually make the mistake of thinking that this is about selling when it's really about customers buying. If people enjoy coming to your store, you have the best relationship you can possibly hope for. Then you don't have to rely on targeted offers or other artificial stimulus to entice them. Use the data to enhance the experience and the relationship, not substitute for it.

