Case Study- QVC

Your Name (First M. Last)

Date

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**Company Name, Website, and Industry**

The name of the company is QVC which is recognized as the world’s largest retail company when it comes to satellite and broadcast television network. It also referred to the popular business name when it comes to the consideration of shopping channel. The official website of this company is [www.qvc.com](http://www.qvc.com). It is also significant to explore the domain of industry concerning to the specific consideration of QVC company. The company of QVC belongs to the retailing industry.

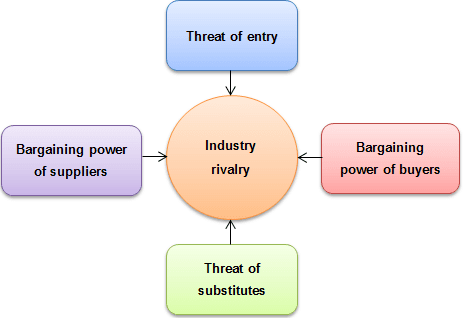
**Background and History**

The company of QVC established as the world’s largest business entity concerning the approach of home shopping. An extensive form of food line is introduced by the company that changes the entire structure of the retail market in a great manner. The following organization started its business in 1986 and rapidly recognized as the major television shopping network. It is worthy to mention that television home shopping shows are the primary source of business for the company around the globe. Joseph Segel is acknowledged as the key player referring to the business domain of QVC. He is the one who initiated the idea of this form of business in 1986. Different and significant business strategies and perspectives were adopted by the founder to enhance the profitability of the business. Mike George is the current CEO of the company of QVC.

Statistics about the monetary aspects for the company indicate that in 2014, the annual sales for the QVC were $8.8 billion which are higher than the previous years. This form of assessment clearly reveals the increasing facet of profitability for the QVC. The great level of company’s performance in the industry can evaluate through its increasing form of market share. The retailing company of QVC established as the leading organization considering the idea of the shopping network. It is interesting to explain that the company of QVC achieved various milestones that lead this organization towards a great level of success. The launch of the internet site in 1996 is identified as the one major event that dramatically changes the business prospect for the company. The year of 2006 was also crucial for the company because Mike George take over his position as the CEO. This particular development opens new and fruitful leadership aspects for the company that further enhanced the consideration of successful business strategies.

**Analysis via Porter’s Five Forces Model**

The competitive business environment for the company of QVC can critically assess through the substantial idea of Porter’s five forces model. The five forces related to the market functioning identify as the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products and services, and finally the intensity of rivalry among competitors function in the market (Grundy, 2006).



***The threat of New Entrants***

The feature of new entrants in the market can be threatening for the company in many different forms. New entrants with the adoption of new innovative ideas have the capacity to put pressure on the business prospect of QVC. New entrants in the market also have the options to attain better market share through the consideration of reduced pricing strategy and lower cost level.

***Bargaining Power of Buyers***

Customers have a great form of potential to adversely influence the profitable paradigm of the existing leading company of QVC. Undoubtedly, buyers have an edge to affect the approach of profitability set by the company approaching the idea of the long run. This form of threat is lower for the company as it shares a large form of market in different parts of the world. Development of a large base of customers makes it difficult to initiate the phenomenon of buying the power of customers.

***Bargaining Power of Suppliers***

Suppliers are also major stakeholders concerning the main aspect of retailer market for the company of QVC. All the companies linked with this business are strongly influenced by the powerful bargaining of suppliers. They have an edge in the form of strong negotiating power in the entire process of supply of the raw material.

***The threat of Substitute Products and Services***

The organization of QVC needs to deliver great attention to overcome the adverse impact related to the component of threats of a substitute. An initiative of new products in the market ultimately decrease the profitability level of the existing products. This form of threat can rank as high if it comes with the attention of a value proposition. The organization of QVC needs to offer more innovative product line to its customers to effectively handle this form of threat.

***The intensity of Rivalry among Competitors***

The phenomenon of competitive advantage is closely related to the influential role of prevailing competition in the market for QVC. The business organization of QVC functioning in the market where the threat of rivalry is high. Different competitive organizations adopt different business techniques to take the edge when it comes to the main idea of television shopping.

**Strategy Used**

The business organization of QVC adopted various strategic approaches time to time to attain the effective paradigm of competitive advantage in the market. Cost leadership, differentiation and focus are three prominent forms referring to the main idea of Porter’s generic strategies (Banker, Hu, Pavlou, & Luftman, 2011). The idea of variation is effectively utilized by the company of QVC to attain an edge in the market and attain increasing domain of profit share. Client focus and exclusive strategic perspectives are established by the company to obtain the business advantage in the market.

**Specific Strategies**

***Value Chain Analysis***

Deep analysis of the business structure of QVC in the form of value chain analysis makes it easy to determine its strategies. Proper consideration of logistics is one key aspect for the company as it ensures the positive performance of the warehousing. The feature of logistics is strong for the company in both forms of inbound and outbound logistics. The company of QVC also focus to attract the attention of its customers through proper marketing of its products and services.

***Industry Life Cycle Strategies***

Critical consideration of industry life cycle strategies helps to determine the operation and development of the company concerning the concept of different stages of the market. These stages established as the components of introduction, growth, maturity, and decline (Ramirez & Rainbird, 2010). It is observed that the company adopted different and innovative strategies related to the paradigm of different stages of the market.

**The course of Action Recommended**

It is viable for the company of QVC to sustain the position of the leading market through the consideration of the strategy of value chain analysis. This specific business strategy has the advantage to guarantees the elements of quality and value for its customers. It referred to as one rational form that guides the leadership of the company to determine different necessary business actions.

**Opinion**

Critical assessment of the business strategies of a certain business entity helps to attain better knowledge about the overall functioning of the business market. This piece of information is fruitful to determine the complex aspect of competitive advantage. This kind of evaluation helps to determine the innovative tools and strategies that can further help organizations to attain and sustain a business position in the market. It also helps to figure out about the various operating dynamics of the market.

References

Banker, R. D., Hu, N., Pavlou, P. A., & Luftman, J. (2011). CIO reporting structure, strategic positioning, and firm performance. *MIS Quarterly*, 487–504.

Grundy, T. (2006). Rethinking and reinventing Michael Porter’s five forces model. *Strategic Change*, *15*(5), 213–229.

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