

Vendor Supply Chain Manual: Product Samples



Table of Contents

Product Samples	22
Table of Contents	23
Purpose and Objectives	24
Buyer Samples	25
Quality Assurance (QA) Samples	26
Showroom Samples	39
Showroom Samples: Domestic Shipments	30
Showroom Samples: Import Shipments	31

PURPOSE AND OBJECTIVES

Our Purpose

How This Section is Set Up

This section is designed to provide an understanding of what types of samples are needed, where they are needed, what they will be used for and who will cover the cost for each sample needed. There are three subsections, each detailing the types of product samples used by HSN and the guidelines for sending them:

- **Buyer Samples:** how your samples are used to plan shows and market your product
- **Quality Assurance (QA) Samples:** how your samples are used to evaluate your product
- **Showroom (SR) Samples:** how your samples are used to present your product to the customer

It's our goal to prepare your product for HSNtv and HSN.com as quickly and efficiently as we can. This requires a coordinated effort from many different HSN Teams, simultaneously. As a result, it is necessary that multiple teams obtain their own samples of your product. Product Samples are essential to help HSN to accomplish both the strategic and tactical preparations needed to effectively bring your product to our customers including:

The amount and distribution of samples needed for your product depends on the type of product and will be established by your Buyer before the Purchase Order (PO) has been approved and sent to you. It is important to the entire process that all Product Samples be sent in the correct amounts to the correct destinations.

Strategic

- Building our merchandising assortment
- Marketing the product

Tactical

- Evaluating the product
- Positioning the product
- Demonstrating the product on HSNtv and HSN.com

Key Contacts for Product Samples

Please refer to the HContacts section of the HSN Vendor Portal to locate the most up-to-date contacts for product samples.

BUYER SAMPLES

Why We Need Buyer Samples

Buyer Samples are essential for driving sales and preparing successful shows. They help us ensure that your product fits seamlessly in our assortment and help us to gather valuable information about your product before it's presented to the customer on HSNtv and HSN.com. Though the Buyer is ultimately responsible for these samples, they will be used in a variety of ways by a variety of people. Here are a few of the reasons that Buyer Samples are essential to your product's success:

- Product Development and Assortment Planning Planning– building the perfect product for the perfect show
- Presentations and Style Outs Outs– demonstrating your product's features and benefits to other teams
- Marketing – igniting customer interest in your product before the show

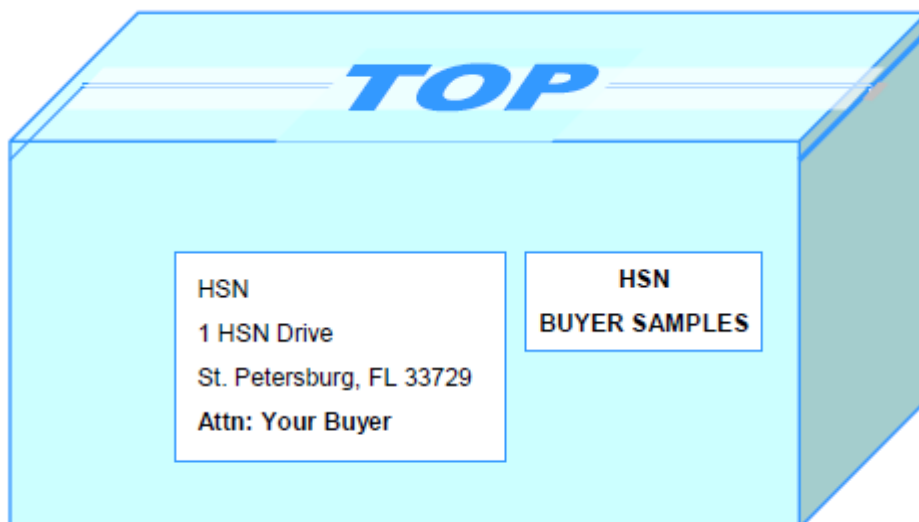
QVC/HSN exercises best efforts to return all merchant jewelry samples to Vendors. However, QVC/HSN has no legal obligation to keep track of or to return samples. Vendors are expected to follow up with their Buying Team if samples are not returned to them within six months, so that the Buying Team can decide whether to hold the samples for longer or return them. No compensation will be provided for lost or missing samples.

Sending Buyer Samples

Buyer Samples should be sent to the following address:

HSN
1 HSN Drive
St. Petersburg, FL 33729
Attn: (Buyer's Name)

Also, please affix a sticker next to the address label that says "HSN Buyer Samples" in bold black text. This will help to ensure the samples are easily identified and correctly routed.



QUALITY ASSURANCE SAMPLES

Why We Need Quality Assurance Samples

For Moderate and High Risk Vendors, regardless of whether the product is being Drop-Shipped, imported or shipped domestically, our Product Validation Approval Specialist (PVAS)/Evaluators need to receive a sample for the item in the exact manner (branded, labeled, packaged, etc.) as it will be sent to the HSN Customer. This allows our PVAS/Evaluator Team to gain first-hand knowledge of the product and allows HSN and our Vendors to work together to ensure that the product will meet or exceed our customer expectations.

- Quality and Labeling Evaluation – to confirm that your product meets HSN's specification and quality requirements
- Product Descriptions – to ensure that the HSN Customer has all the information she needs to make an educated buying decision

QVC/HSN exercises best efforts to return all merchant jewelry samples to Vendors. However, QVC/HSN has no legal obligation to keep track of or to return samples. Vendors are expected to follow up with their Buying Team if samples are not returned to them within six months, so that the Buying Team can decide whether to hold the samples for longer or return them. No compensation will be provided for lost or missing samples.

Inspecting QA Samples

To properly inspect a product, HSN's PVAS/Evaluator Team must have product samples that accurately represent the actual production run, as well as any future production runs of the product.

This must include the same:

- Appearance
- Packaging
- Construction
- Design
- Features
- Labeling
- Materials
- Measurements
- Protective Packaging

QUALITY ASSURANCE SAMPLES, CONT'D

Sending QA Samples

In an effort to provide quick turnaround times, for product evaluations, we ask that your QA Samples be sent to the following location (unless otherwise directed):

HSN
1 HSN Drive, Tower—5th Floor
St. Petersburg, FL 33729
Attn: (QA Evaluator's Name)

In addition to the address, you will also need to affix the QA Sample Label next to the address label. This will help to ensure the sample is easily identified and properly routed.

Print QA Sample Label Preview



SHOWROOM SAMPLES

Why We Need Showroom Samples

Because they will be used for a variety of purposes, by numerous teams, over a long period of time, HSN will purchase (at HSN's expense) multiple Showroom Samples as detailed in your PO. They are processed, stored and routed internally by the HSN Showroom. The following are just a few of the many people and processes that rely on Showroom Samples to drive sales and create a successful show or product presentation:

- **HSN.com Imaging** – to photograph your product for web presentation
- **HSNtv Hosts** – to present your product on-air
- **Product Studio Demonstrations** – to educate a variety of HSN teams, including Sales Representatives, on the features and benefits of your product
- **Style Outs** – to demonstrate your product in inter-departmental meetings where shows are developed, and positioning is established

Sending Showroom Samples

Showroom Samples are ordered in greater quantities and used for different purposes from QA Samples and Buyer Samples. As a result, specific requirements must be followed when they are sent to HSN. For the most part, these requirements will vary depending on whether they are imported or shipped from a domestic location as covered in the following pages. However, the following are general guidelines that apply to both Import and Domestic shipping of showroom samples:

- Your Showroom Samples must be shipped on the Required Ship Date as designated for the Showroom warehouse allocation on your PO (warehouse 1).
- Showroom Samples must be shipped in the exact quantity of Showroom Samples as specified on the PO.
- All Showroom Samples must follow the same brand packaging and labeling requirements as outlined for your actual product shipments in the *Packaging* and *Labeling* sections of this manual. Additional Domestic or Import-specific requirements will be outlined in the following pages.
- All Showroom Samples must follow the same packaging requirements as outlined for your actual product shipments in the *Domestic Shipping* and *Import Shipping* sections of this manual. Additional Domestic or Import-specific requirements will be outlined in the following pages.

Showroom Sample Requirements For Footwear

Showroom Sample POs for footwear reflect sample allocations for one unit in each color variant in sizes 6, 8, 9 and 10. These samples will be used for imaging for HSN.com, and for on-air product presentations.

Imaging Sample Requirements For Apparel

In order to successfully support HSN's long-standing commitment to understanding and catering to the unique style needs and sizes of all our customers, we image apparel items on both size 4 and size 18W/1X models. As such, Showroom Sample POs for apparel items reflect sample allocations for imaging. Because we schedule models for these imaging sessions, these samples are required to be sent ahead of your show room allocation.

The following summarizes the requirements and processes for submitting your apparel imaging samples:

1. From your show room allocation, select one **unit in all colors for Size 4 or Small** and one **unit in all colors for Size 18W or 1X**.
2. Ship the samples so they arrive at least 14-days* before your ship date, separate from the remainder of your show room allocation, to: **HSN, Attn: 2400 118th Ave. North, St. Petersburg, FL 33716 Attn: Showroom Dock B**
3. Please ensure that the samples sent for imaging are clearly labeled as imaging samples **note: it is critical to adhere to this existing lead-time requirement for imaging samples so that the Photo Studio can effectively manage the increased volume of photo shoots and scheduling of additional models that will be required to ensure successful execution against this initiative.*

SHOWROOM SAMPLES: DOMESTIC SHIPPING

Domestic Shipping Of Showroom Samples

Shipping Showroom Samples domestically is much like shipping actual products to HSN Fulfillment Centers domestically. You will be required to complete and submit a Shipping Authorization Request (SAR) as outlined in the *Domestic Shipping* section of this manual. You will also be required to pack and label the shipment according to HSN standards, just as you would your actual product. However, unlike your actual product, domestically-shipped Showroom Samples will be sent through *Collect Freight Terms* (at HSN's expense) by UPS to the address below, not to an HSN Fulfillment Center through a large package carrier.

HSN 2400 118th Avenue North St. Petersburg, FL 33716 Attn: Showroom Dock B

All Showroom Samples should be shipped via a traceable, ground method (UPS or FedEx). If you are using a UPS shipper, then all Showroom Samples will be shipped using account number **A1908E**. This account is set up as a third party billing, and all shipping charges will be billed directly to and paid by HSN. This account is only to be used for Showroom Samples shipped to HSN. If you are not using a UPS shipper, then you are required to pay for the freight, which should be shipped by FedEx, Emery or another small package shipper. If you are using a UPS shipper, this means that all of your Showroom Sample shipments will be process electronically in the UPS system prior to pick-up. Here are a few guidelines to remember when processing your shipment through UPS:

1. Select shipper and profile details.
2. Select HSN's shipping address within the third party billing account screen (the HSN address will be loaded into the WorldShip system during setup).
3. Specify shipment level details (for example, 1 of 3) and package details for the entire shipment.
4. Vendors are required to enter the following information in the reference fields: **VENDOR ID#, PO#, ITEM#**. This is for both tracking and billing accountability.
5. Select "Add Shipment" for each additional package.
6. Select "Process Shipment" once all packages have been entered to facilitate the printing of the UPS shipping labels.
7. If incorrect labels print, void shipment on UPS WorldShip under the pickup log screen and repeat steps for processing a shipment.

Please note: any time a shipment is voided, you must immediately contact our Shipping and Handling Specialist Raymond Moyer III at moyerr@hsn.net or 727-872-7187. He will facilitate any follow-up required with UPS.

Helpful Hint

Manifest your package in UPS WorldShip before entering your SAR as your SAR for Showroom Samples will require a UPS tracking number.

SHOWROOM SAMPLES: IMPORT SHIPPING

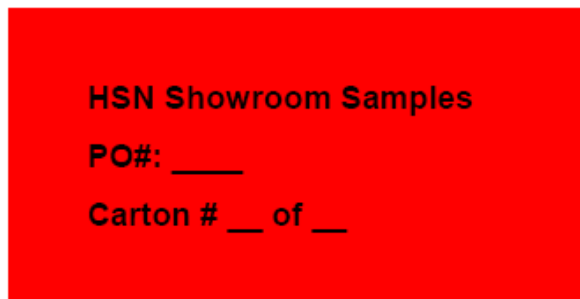
Import Shipping Of Showroom Samples

Unlike domestically shipped Showroom Samples, imported Showroom Samples are shipped in conjunction with your actual products. This means that close coordination is required to ensure the Showroom Samples make it to the correct location in plenty of time to prepare for the HSNtv show date, or the HSN.com post date.

Packing And Labeling Imported Showroom Samples

The first step is packing and labeling your Showroom Samples in a manner that will allow them to be identified and process quickly once received on the other side of the ocean. The following requirements have been established to help accomplish this:

1. Showroom Samples are to be labeled and inner-packed (polybag, carton sleeve, gift-boxed, etc.) the same as your actual selling units, according to the requirements in the Packaging and Labeling sections of this manual.
2. Showroom Samples can be boxed only after the production is completed and On-Site Inspection is passed
3. Showroom Samples should be packed in shipping cartons to best utilize the size of the shipping carton.
4. Mixed-SKU cartons are permitted only when the carton contains just Showroom Samples.
5. In addition to required bar code labels and import shipping carton markings, the following label must be placed on the front side of each shipping carton for Showroom Samples. The label should be 8-½" x 11" with a red background and bold black lettering:



6. The packing list must identify number of Showroom Samples (by SKU) and number of Showroom shipping cartons. import shipping of showroom samples Unlike domestically shipped Showroom Samples, imported Showroom Samples are shipped in conjunction with your actual products. This means that close coordination is required to ensure the Showroom Samples make it to the correct location in plenty of time to prepare for the HSNtv show date, or the HSN.com post date. packing and labeling imported showroom samples The first step is packing and labeling your Showroom Samples in a manner that will allow them to be identified and process quickly once received on the other side of the ocean. The following requirements have been established to help accomplish this:

7a. (Ocean Shipments Only): All Showroom Sample cartons must be loaded on the tail of the container (last carton loaded) regardless of number of POs loaded into the container. The Showroom Sample's shipping carton red label must be facing outward for ease of visibility. This applies to factory-loaded services and Consolidated Freight Services (CFS).

7b. (Airfreight Shipments Only): All Showroom Sample cartons must be delivered to the airline or overseas consolidation point at the same time the rest of the order is delivered.

SHOWROOM SAMPLES: IMPORT SHIPPING, CONT'D

Import Shipping Of Showroom Samples

SKUs allocated to HSN's Showroom warehouse must be tail-loaded in the appropriate container as follows:

- Jewelry – not applicable
- Apparel & Accessories – tail-loaded on the back of the container shipping to the Roanoke warehouse
- All Others – tail-loaded on the back of the container shipping to the Fontana warehouse
- Exceptions – shipments originating in India or Europe should be tail-loaded on the back of the container shipping to the Piney Flats warehouse

For more information on packaging and labeling your showroom samples for shipment, please refer to the Labeling section of this manual.

The logo consists of a solid blue circle with the letters 'HSN' in white, bold, sans-serif font centered horizontally within it.

HSN