Macy & Larry O2O E-Commerce Model Analysis
Shiwei Lin¹, Wenrong Jiang², Shiming Zhang³
School of Computer and Information, Shanghai Second Polytechnic University, Pudong New District, Shanghai, China
¹swlin@sspu.edu.cn, ²wrjiang@sspu.edu.cn, ³smzhang@sspu.edu.cn

Abstract
In this paper, the status of the North American music business model analysis and the O2O e-business models, is lack of issue, and its development forecast. First, this paper speaks the status of Macy&Larry Co., then analyzes the relevant domestic and international research. Next, this paper analyzes the situation of competitors, Macy&Larry's SWOT and problems of O2O. Finally, this paper gives the future prospects of O2O and the improvements.

Keywords
O2O; E-commerce; Macy&Larry; Investigation; Analysis

Introduction
Former CEO Wu Bo, O2O e-commerce experts of Macy’s & Larry, handle network co-founded in California fast fashion clothing brand, the North American music as Wu Bo seventh entrepreneurial projects, take stylish, high quality design, O2O stores plus websites efficient marketing mode of operation.

“Canada Music” O2O marketing model, made innovations to couple online music shopping with physical stores.

California is America's most economically developed and most populous state, another name for the Golden State. Holy Land Hollywood movie fashion, science and technology of Silicon Valley are located. In 2013, Macy & Larry formally entered the Chinese market, and enabled the "North American music" as its official Chinese translation. “Canada Music” is believed to achieve tremendous success in China.

Domestic retail O2O will be a trillion -level market, which is large enough to give the North American music market space.

As the first O2O fast fashion retail chain brand, will give consumers the North American music: "quality service at discounted prices online, offline"; and bring to the store brands:"low inventory risk, low purchase price, both online and offline sales benefit" advantage.

O2O mode means online and offline, the same price, selling clothing and household goods online using websites and APP, the line and the next line direct cooperation shops, results section through the website, the next line store clerk with iPad, you can choose to buy online delivery to the door, you can also go on line to pick up, the business model is based on all the goods which are posted cps to sign the North American music, not the agent.

Currently Canada has launched three music retail women, the future will have more stores soon. The most important feature of the brand is to solve the "zero inventory" issue, with data analysis and system that can be zero inventory. For example, all of the store's POS machines are mobile Internet, sales information is also a timely response to a data processing center.

Macy & Larry, online platform for meijiale.com, is currently a surface landing entrance outlets, consumers can purchase online directly in the store, the entrance of the future may be open to all consumers.

Macy’s & Larry defined as O2O fast fashion chain brand, hope to promote the site’s store O2O marketing model to enter the market, so that consumers enjoy online price and quality outside the line, one can reduce inventory risk, on the other hand users can share offline and online growth dividend.

At the same time, the North American music has changed the traditional dominant electricity supplier personnel supply and demand, a systematic operation. This huge domestic O2O blue ocean, giving Canada a large enough market space music, while on-line, the sale of goods will mainly clothing and building materials category -based, and does not rule out future system knowledge accumulated by the brand, to help other brands retail.

Market analysis
Examples of main types of O2O business enterprises are shown in the following table.
network has advantages in terms of quality of information, which makes the user stickiness higher; and the mobile terminal layout public comment earlier, a very good development trend. U.S. Mission Network can fully realize the "online payment and offline experience" closed loop, and its mobile terminal development is good, but its user stickiness is larger than the gap between the public comment network. 58 cities of poor information quality, lower user level, which will lead to the transformation of its business will face greater constraints. “The 19th floor of Hangzhou”, a regional website is facing large-scale expansion difficulty. Trend is that social networking users will face risk of loss, and the development will face greater challenges.

**SWOT Analysis**

<table>
<thead>
<tr>
<th>Superiority</th>
<th>Disadvantages</th>
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<tr>
<td>1. O2O hottest areas of development time</td>
<td>1. The line extension costs and roll out stores is difficult, difficult to break into the first-tier cities</td>
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<tr>
<td>2 vertical O2O No retail brand concept appears</td>
<td>2 degree of acceptance unknown brand, user groups targeted not obvious</td>
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<tr>
<td>3. Investors for a new model in the field of concern and attention O2O</td>
<td>3 users need time to accept such shopping patterns</td>
</tr>
<tr>
<td>4. Consumers generally accepted consumption patterns and online connections offline</td>
<td>4 Such lack of user stickiness and content platforms</td>
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**O2O Problems**

O2O domestic market is still in its infancy, but its development is still facing many problems. First of all, the service of the local merchant's is low-level while high degree of information is not going to be a long-term constraint, leading online, offline and collaboration between users tremendous cost. Network Awareness offline merchants significantly enhanced service life. O2O drives industry development and on-line business, but the real need for the line under the floor is strong with enterprise.

Second, line merchant service under the local level varies. China's local service businesses are across all areas of life, but few of them are state-owned. Most local businesses are self-employed nature of life services. Lack of industry standards which cause poor service under the local line business service levels.
Furthermore, the level of information under domestic service business is not high. Therefore, the level of information is vital to the line merchants. In China, most local businesses have not yet achieved the basic information, many businesses even basic UnionPay POS machines are not supported.

Finally, a huge variable in local service businesses is that the overall information is embedded in very complicated business. Internet companies often choose the easy way out of the way. There is a disconnection between O2O development of online and offline Internet companies.

The number of distribution of outdoor advertising Huawei in 2012-2014 year in February 20th on the bus ads is 61, the roadside for 67 shows, not propaganda shop, airport advertising a total of 4, a total of 68 subway advertising, TV wall without.

**Conclusions**

North American music, is an attempt to create the domestic first O2O field fast fashion chain brand. At present, it has in many second and third tier cities, a physical store, you can visit the store’s official website for the North American music merchandise purchased, and can experience in-store products. In-store products mainly sell through cooperation with other brand owners.

Its revenue model is mainly under each transaction according to the online and offline pumped into the United States and Canada.

Mobile terminal will be the most important development direction. In 2012, China’s mobile Internet growth rate accelerated, the indicators displayed the mobile Internet era. From the user’s 3G mobile subscribers and accounting point of view, as of October 2012, Chinese mobile phone users went up to 1.095 billion, of which 3G users reached 212 million, accounting for 19.3%, and in January 2012 compared to an increase of 6 percentage. Growth trend has accelerated noticeably. Meanwhile, the Chinese smart phone, have increased significantly from the volume, iResearch data show that in 2011, China’s smart phone ownership is more than 100 million units; 2012 smart phone ownership in China is expected to achieve 84.6%, reaching 240 million units. The popularity of smart phones and 3G networks to promote China’s mobile Internet users increased significantly scale, to the end of June 2012, amounting to 388 million mobile phone users, mobile phones beyond the desktop become the first major Internet terminal, which also marks the Chinese mobile Internet era truly arrived.

**FIGURE 1:** 2011-2015 CHINA’S SMART PHONE MARKET HOLDINGS SCALE

**FIGURE 2:** 2012 SOME LOCAL LIFE SERVICE WEBSITE CLIENT DOWNLOADS

O2O market will show a trend of vertical development O2O is a very wide field, Most enterprises are concentrated in the food-related O2O areas. Local life service will focus on developing vertical O2O market. Local living services are non-standardized commodities. They target quite different online users. O2O market will make the best use of social media marketing tools.

O2O non-standardized property also determines the next line in the marketing business with special attention to the social marketing tool. The presence of various types of parity platform also makes commodity prices more transparent. In the increasingly popular social media and tools today, social marketing will become O2O websites and online services business means the line should be the most important.

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