**CHAPTER II**

**REVIEW OF RELATED LITERATURE AND SYNTHESIS**

This chapter presents related concepts, theories, and studies that are used in the development of the study. They were gathered from different sources like books, journals and internet. Specifically, this includes the conceptual literature, related literature, synthesis, and conceptual framework.

**Conceptual Literature**

The researchers gathered information from different sources for the conceptual literature of the study.

**E-commerce** has become an essential way for business to trade with the necessity and ability of an organization to promote their service/product. It has become one of the quickest growing technologies in the retail industry. Various strategies can be employed to the development of e-commerce, yet a gap is still presented in the technology which is used for ecommerce. One of the most important things in any business is the unique selling proposition. This is no different in e-commerce. The ability to identify the USP is the ability to install a productive and profitable e-commerce strategy. (i.e. the internet) may sometimes contribute to the USP, such as supermarkets allowing people to purchase goods online and provide delivery to their doors. It is also important that the consumer feels that they can shop at their leisure without the problems of going to a physical location.

**Electronic mail (email or e-email)** is a method of exchanging messages (“mail”) between people using electronic devices. Invented by Ray Tomlinson, email first entered limited use in the 1960s and by the mid- 1970s had taken the form now recognized as email. Email operates across computer networks, which today is primarily the internet. Some early email systems required the author and the recipient to both be online at the same time, in common with instant messaging. Today’s email systems are based on a store-and-forward model. Email servers accept, forward, deliver, and store messages. Neither the users nor their computers are required to be online simultaneously; they need to connect only briefly, typically to a mail server or a webmail interface for as long as it takes to send or receive messages.

**Cash on Delivery (COD)** is a type of transaction in which the recipient makes payment for a good at the time of delivery. The terms and accepted forms of payment vary according to the payment provisions of a purchase agreement Cash on delivery can also be referred to as collect on delivery since delivery may allow for cash, check, or electronic payment. A cash on delivery transaction can potentially take different forms and may affect a company’s accounting in different ways. Public companies are required to use the accrual accounting method, under generally accepted accounting principles (GAAP).

**SMS Notification (Short Message Service)** are text messages that are sent when an event occurs. An event, in this case, can refer to something as exciting as an app update to something as urgent as a weather alert. SMS notifications are sent the same way as any other text message. Usually, they’re limited to 160 characters. With our expanded messaging feature however, you can send SMS notifications that are up to 306 characters long. While SMS can be used as a marketing tool, it can also be used for marketing time-sensitive notifications. Many businesses and organizations choose to use SMS notifications because they work on every device, every time. There’s no app to download or software to install. Nearly all cell phones can receive SMS. Plus, customers actually prefers texts. 75% of people would like to have offers sent to them via SMS.

**Service Quality** has its connection with the events that are behavioral like the outcomes from a mouth of human being. There’s a lot of attention that has been focused in the relationship between service quality and its outcomes such as profitability and retention of customers and their loyalty. Five proportions of service quality are reliability, responsiveness, quality, empathy and assurance. Service quality is an important criterion that is being used by the customers in selecting a bank. Accounts, transaction accuracy, carefulness, factors in subject with functional quality, availability of the information technology, helpful and friendly personal and effectiveness in correcting mistakes are the most important determinants for the customers to determine the bank.

**Software** is a set of instructions, data or programs used to operate computers and execute specific tasks. Opposite of hardware, which describes the physical aspects of a computer, software is a generic term used to refer applications, scripts and programs that run on a device. Software can be thought of as the variable part of a computer and hardware the invariable part. Software is often divided into application software, or user downloaded programs that fulfill a want or need, and system software, which includes operating systems and any program that supports application software.

**Online Advertising** is a marketing strategy that involves the use of the internet as a medium to obtain website traffic and target and deliver marketing messages to the right customers. Online advertising is geared toward defining markets through unique and useful applications. It is also known as internet advertising or Digital Advertising.

**MySQL** is an integrated environment for accessing, configuring, managing, administering, and developing a database. The developers used this as the database of the developed system because it is much easier to manipulate as well as it has a user-friendly platform. It can also carry large databases that fit in the system. In addition, MySQL helped the developers in running a server that provides a multi-user access to a number of data bases, exploiting its good quality like scalability.

**Related Literature**

This contains the related studies or systems that serve as the guide to the systems objectives. This provides an idea to develop a system that has certain differences to those existing systems.

From the study of Pan (2007), the author cited from Engel, Blackwell and Miniard (1990), that defines purchasing intention as a psychological process of decision-making. According to pan (2007), “purchasing decision process” is when the relevant information is searched by the consumers that are motivated by the fulfillment of demands according to personal experience and the external environment; then after accumulating a certain amount of information, they begin to evaluate and consider; and finally after comparison and judgment, they make the decision on certain products.

In the recent study of Monsuwe, Delleart and Ruyter (2004), there are five external factors to understand consumer’s intention to purchase in the internet which is the consumer personality, situational factors, product characteristics, previous online shopping. Consumer’s trait includes their demographic factors such as age, income, gender and educational level will lead them to have the intention to shop online. For age factor, consumers that aged under 25 has more potential to shop online because of their interest in using new technologies to search for product information and compare and evaluate alternatives (Wood, 2002). For educational level, higher educated consumers are more likely to use the internet for their shopping medium because they are more computer literate (burke, 2002).

The system developed by Fernandez, is an online ordering system that is developed to know and to apply the benefits of having an online website for a business. The purpose of online website is to help the company to reach more customers by showing them the latest ultimate fashion of El Grande Fashion house. The aspects looked into were the establishment of internet advertising, efficiency of handling customer transaction as well as the automatic calculation of payments.

The system developed by Inciong, J., et.al, aimed to provide computerized cart catalogue information about the products of AVON San Juan Branch for their dealer. The system provides a convenient shopping experience to the dealer rather than walking around the shop to look for products. Thus, it consumes a lot of time when they are not familiar with the shop. Bottom of the basket loss prevention starts with a visual scanner with recognizes items without reading the UPC code. The solution can easily be integrated with any Point of Sales (POS) system, including self-checkout. A smart camera is flush mounted in the checkout lane. Continuously watching for items. When an item is recognized using the patented ViPR (Viper) technology, its UPC information will be sent directly that will be found under the basket and will close the transaction. The item will remain under the basket and Lane Hawk BOB. When doing the inventory, the administrator would have to go in the stock room to check the availability of stocks while the cashier generates a receipt of purchased product. As a result, the proponents came up with creating a system which will aid the business to be unique from others. The system will also help the cashier in generating reports about the sales and the administrator can easily add new product.

A web shop online system was created for small organizations, companies and even small business to present simple and non-technical skills for an administrator to input and to create product information including text and pictures in order. The administrator can easily control a web shop and manage all the information from the system.

The system developed by Leung is a system that uses an internet as the shopping channel to reach existing and potential customers. It also aimed to demonstrate that with better interactive features in clothing website sales can be improved for online retailers. The developed system also generated reports about all the critical stocks, daily sales report to annual sales report and monitored the ins and outs of a particular supply

The project developed by Elhumri is a web-based online shopping system. It provides an interactive online shopping system that can gratify the customers to buy products without physically visiting the shops to make a purchase can be done through PayPal wherein customers are required to have their PayPal account to pay the orders.

**Synthesis**

The developed system is related to the proposed project because the clients aim to reach more customers by showing them information about the latest products. It is also similar in terms of automated calculation on the amount of products needed to be paid. It only differs on having more payments options and delivery service provide by the website. The developed system by Fernandez gives an idea and help to the developers to put an analytics feature that can predict the sales and compute the sales of the product/s.

This study has many similarities such as the fast generation of reports and its ability in checking and updating records of item. It maintains and summarizes an information database in more efficient and easy way. The administrator can easily check if the stock is still available and the administrator can easily add new product.

Similarly, the related study of Tinglan needs an internet connection to be able to do the process. In this study, the administrator has all access in putting or adding products in web online shop as many as they want. They can also edit it quickly. They can change or update the picture of the product, and give discounts to their customers for business better selling.

The developed system by Leung is also related to the system since both are in the concept of online shopping and have the purpose of providing a solution to reduce or save time and expenses and having a report about daily, monthly and yearly sales. The developed system by Leung give idea to the developers to put a sales forecasting and report sales generating feature to the system. However, the previous system differs from the current system since the latter has different features compared to the previous.

The developed system has similarities to the developed system by Elhumri in terms of providing an interactive online shopping to promote ease in buying products for the customers. In addition, systems aim to lessen the workload of the employees because using an online shopping system, the system can already manage the orders with the only one administrator to accomplish the orders. The developed system by Elhumri helps and gives idea to the developers to develop a system that can be lessen the work and provide a report for the sales of the business. The only difference of the developed system of Elhumri, is that the payment can be done through PayPal wherein only those customers who have PayPal account can be accommodated by the system. In the developed system, the payment can be done upon delivery of the products or can be paid through the store.

**Conceptual framework**

Conceptual framework is the diagrammatic representation of the concepts of the study. This study aims to design and develop “TalipapaUp”.

Figure 1 shows the Input, Process, and Output necessary to develop the system. The input phase contains the data or information gathered from books and internet, information on online business.

Specifically, it comprises the information with regard the online selling wherein the researchers got the knowledge from the people concerned in online selling. They found enough ideas on what data are needed in the system.

On the other hand, the process block contains the following methods involved in the development of the proposed system. It includes analyzing the system, design used, the process of developing the system and testing and evaluating the system based on its functionality.

After considering the necessary input and undergoing he vital process, the expected and desired output shall be achieved in terms of the functionality, reliability, efficiency, maintainability and profitability of the system.

The output of the study is the completed “TalipapaUp” that is useful to the people in market industry.

**INPUT PROCESS OUTPUT**

“TalipapaUp”

* Analyzing
* Designing
* Developing
* Testing/Evaluating
* Implemantation / Maintenance
* Information fathered from internet.
* Information about market.
* Information on stall owner
* Computer Hardware and Software
* Information about traffics

**Figure 1. Conceptual Paradigm of the Proposed System**