**Chapter II**

**REVIEW OF RELATED LITERATURE AND STUDIES**

This chapter deals with the related studies and concepts extremely important study. For extensive and wider understanding of the study, especially to related literature and studies were investigated. The proponents used different reading materials related to the e-commerce system, sending message service and PayPal integration such as thesis and online articles that are important in enlightening the intelligence of the proponents.

The information and knowledge gathered by the researchers focus on the advancement of e-commerce to the economy, customers, and businesses. The payment method using PayPal integration and some user interaction with the help of sending message service.

**Local Literature**

April Lacron and Gloria Pasadilla (2006) conducted a study entitled “E-commerce in the Philippines: A Preliminary Stocktaking” because of the fast spread of the information and communication technology (ICT) and the fairly fast advance of the internet. They emerged the e-commerce system to revolutionize the international trade and business. E-commerce has definitely come of age. Unfortunately, the Philippines is not included in that country have an e-commerce. The main issue of this study or article shows that the Philippines has been left behind by its Asian country in terms of e-commerce activity, especially in ranking even with Thailand and Indonesia is greater than the Philippines, which initiated adopting the Internet at the same time or even more recent than the Philippines. This statements that the Philippines loses their own economy could capture to be more focused, aggressive and rapid in terms of improving our human resources and technical capacities and the access to telecommunications framework to support the large majority population as well as in fixing the errors in our valid and administrative plan. The Philippines should take this opportunity in selling merchandise or products since most of the Filipinos is using the Internet. This great marketing strategy isn’t for those who have a big business but also for those people who have some small businesses who can’t afford to fund and to advertise their products. They can buy an affordable website to make their business grow in terms of sales and being popular of the company as well.

According to Roberto de Vera (2006) entitled “Employment Impact of Business to Consumer electronic commerce (e-commerce)”, he stated that the total of e-commerce profit as of 2005 are estimated to account for about 1 percent, providing up to 8 percent of GDP improvement. When he compared Asia and the United States, he figures out that the Philippines’ acceptance is passive. He also demonstrates the Philippine e-commerce company is still distant from being absolutely aggressive competitors in local and international markets. The one main argumentation is they have yet to completely adopt the great business possibility offered by electronic commerce. Pursuing the e-commerce in the Philippines, ways modifying the way Philippines company do their business transaction. The fundamental with the arrival of new technology are the extremely promising about employment. The main objective of the paper is to talk about the impact of e-commerce on employment, could provide the need standard with which to estimate these various employment projections.

In the article of Adrian Carado, April Kwong, Jasmin Frigillano and Kurt Giger (2013) entitled “Sales Management and Inventory System for 8 Telcom Business Center”, they elaborated that the 8 telcom business center which is the center of this enterprise is a telecommunications and technology provider and load provider located in the city of Davao, Philippines. The company is enduring some problems regarding in perception quality service they provided to their customers and limited department space. To propose their concern, they aimed to develop or establish a system that would help the 8 telcom business to entertain and manage their customers or clients and support accessibility for buying their goods, as well as to quicken the development of retrieving and updating of the sales and inventory records. The proponents used web engineering process model for the development of web systems. After some trial and error, they concluded that the advancement of online sales management and inventory system allowed the 8 telcom to entertain the customers or even the client over the world wide web or internet, using PayPal as hosting for payment it they eliminate the increase of labor cost and operating expenses and they stimulate monitoring of the sales and inventory record, online catalog and computerized sales summary.

**Foreign Literature**

Conferring to Dave Chaffey, Fiona Ellis-Chadwick, Richard Mayer and Kevin Johnston (2009) the study named “Internet Marketing: Strategy, Implementation, and Practice”, they described that the internet has reestablished marketing practice, connecting a promising or future customers to businesses in a way never before attainable. The internet becomes bridge for the marketers to make a transaction become easy and fast to their customers that never before. Nowadays, using or with online public spending much time or more time using some price comparison websites, search engines like google, bing, yahoo and etc; and social networks, this statement demonstrates how the marketers can find new and interesting way of getting their message side to side and they used online communications techniques for the brand awareness, familiarity, and favorability, and to getting the attention of the users to visit their website by using advertisement. In the fourth generation of the book named “Internet Marketing: Strategy, Implementation and Practice” they provide all-inclusive, realistic guidance on how the companies can get the maximum of the web to meet their marketing intention. Mr. Dave Chaffey is one of the Europe’s top intellectual on this subject, Internet Marketing links marketing concept with the case studies on large or big companies such as eBay, Facebook, and Dell, to help the students to have knowledge in digital marketing in the real world. They have a bigger revise, so that you can acquire or pick the usual procedure in applying digital media channels such.

It was accomplished by Niklas Aldin, Per-Olof Brehmer and Anders Johansson 2004) entitled “Business Development with electronic commerce (e-commerce): refinement and repositioning” that the marketers have an opportunity to add a value of products and services into the web. Based on their article the electronic commerce allows business development for marketing approach and strengthens their current operations and important management. Refinement is accomplished through a target on activities for internal efficiency, and through dynamic processes for enlarged integration, lesser time and lower cost. The extremely boost of the internet, and a key to emerging more consumers and businesses being interested to grab this kind of benefits of electronic commerce because of World Wide Web. Electronic commerce can make any kind of business transaction through electronically instead of physical changes. The prospective electronic commerce industry needs to be noticed in a business broad development context, containing fundamental change and extending to a new division or markets.

Another study was written by Gary Geissler (2001) entitled “Building customer relationships online: The Web site designers’ perspective”, in his research most presented work concerning productive website design has been based on personal point of view or maturity or knowledge, not on analysis. He uses 50 in-depth questioning and evaluations with website designers to classify key design considerations and customer relationship scenarios. He projected a model demonstrates a sincere relationship between website design and the online user change method. A website should support to authorize, form, and care for long-term customer connection. The success of the website doesn’t ensure of having the right tool and the right product alone. The most consideration of an effective website design is to be satisfied to the audience wants.

**Local Studies**

In the study of Philip Villamin Mojares (2004) entitled “I notified – An SMS and RFID-Based notification system”, he conducted a system development analysis which is examined a newly invented technology which assisted the school or university to resolve their problem in terms of students monitoring. In his study he aimed to construct or develop a system with a help of sending message service module and radio frequency identification technology, a system or software which will assure the privacy and security of the students’ information which saved, the advantage of using the sending message service module and radio frequency identification in developing a system for monitoring and notifying the students or personnel. For him developing this system will help a lot because, in the fast growing of technology, communication turns into rapid and effortless as like as a speed of the thunder. He illustrates communication between school and parents is very important. The parents bother if their child or children are certainly attending or not in the school. With the help of Mr. Mojares system, all the worries of the parents will disappear, they will receive a text message from sending message service module if their children are in the school or not. His system has also a feature MD5 encrypted technique to secure some information against hackers. He also used an evolutionary prototyping and extreme programming as the software process models because of the fast and uses a high software quality. After his evaluating and some testing, his system is functioning well, very usable, decisive, and it performed very well.

According to the study of Simon Diodio (2014) entitled “Online Shopping Management System”, he indicated that e-commerce is the most reliable business services on the world wide web (WWW). The main goal of an e-commerce business is to advertise or change goods and benefits online without difficulty. In his study, he establishing an e-commerce business online for managing their store or businesses online. He implements a catalog to the user of different services. It simplifies the user to get knowledge or instruction in different business and their services before purchasing a product/’s. In his system, he provided a 3-tier approach make his system possible, a back-end for database functionality, an apache, and PHP: Hypertext Preprocessor, and a web designer or front-end developer for the user interface. The objective of his project is to establish a shop management system website which manages their customers and business stores so that they can regularly order and purchase items online. His purpose is to arise with an e-commerce business that is reliable and has secure feature for information and transaction. His system is able to maintain a customer information and transaction. Customers transaction and information will be stored confidential and only the administrator can view that information. In his study, the proponent has an idea on how to establish or develop an e-commerce business.

Based on the study of Bon Nielsen (2012) entitled “Online Shopping – Filipinos are the most online shopper”, he stated that most of the Filipinos are taking on the online shopping in the Asia. In the study conducted by Mr. Nielsen according to the online usage, Filipinos are the most progressive in online shopping. Filipinos are stated the wisest at overflow their shopping carts virtually, he also stated that 72% of the Filipinos are reported used the internet for product exploration and analysis. In the country, lazada is the number one e-commerce business website well-organized to handle and maintain the request for generating products available without difficulty. Currently, lazada obtained a six thousand square meter warehouse that develops and making orders as effortlessly as possible. More than twenty thousand sell products on its website, lazada is the latest shopping destination online, where the customers can minimize their time looking for a specific product, prevent long lines, traffic, and bulk product handling. He also stated that lazada has free shipping and next-day-delivery for Metro Manila locations, and lazada has different payment options such as PayPal, credit card, cash on delivery, BDO installment and ATM transfer via Megalink. But not only that, it has tempting agreements, bargain items, and even promos. Lazada is now one of the rapidly growing e-commerce sites in the Philippines. They offer or bid different products such as home appliances, gadgets, and many more things. Mr. Nielsen wants to explain that having an e-commerce business today is very demand and very easy to maintain and manage.

**Foreign Studies**

Based on the study of Rami Khasawneh and Eveann Lovero (2004) entitled “Review and analysis of internet traffic and its implications on the root name server architecture”, they gathered information and facts about internet user. The Internet success has been increasing firmly over the last ten years. This success has been illustrated in both the number of available websites and the number of web users accessing these websites. A web client goes over several steps before they are able to find and to connect to the target websites. This includes communicating with its local name server and other name servers all through the web or internet. Root name servers are used to enable users to locate and to reach their target websites. Based on their research, there are thirteen (13) root name servers delivered all around the world. The United States of the America and Europe which the most root name servers located. But there are no root name servers can be found in Africa or East Asia. Expect the stretched production of Internet traffic throughout the globe or world, the present architecture or method of the root name servers cannot be able to support those millions and billions of users every day. This statement examines and determine the world Internet traffic tendency, inspection the current architecture of the all root name server, indicate planned changes in Internet traffic and makes a proposal for the changes in the root name server method or architecture. Most of the changes happening right now with regard to the root name servers’ infrastructure aren’t enough to develop and to advance the Internet access time and to supply and support more regulation, command, and rule for other countries. A country such as Africa and the Middle East will need new or more root name servers, not a mirrored one, to upgrade and boost their internet access time for the users.

In the article of Nomi Sinulingga (2012) entitled “PayPal Analysis as e-Payment in the e-Business Development”, he shows the important of having an e-commerce business and he pointed out the PayPal as the main transactions and he also mentioned the Internet as a medium of the business. The Internet can change the business and make the business range of services more broadly. It allows anyone especially those people who don’t have knowledge how to run a business with some potential buyers all throughout the world. Nome Sinulingga explains the advantages of e-business. E-business authorizes sellers and buyers operating business without face to face, however, the transactions and communications can be done over the Internet. Most of the businessman or businesswoman especially in Sumatera are not using the internet as their medium for business. Based on the study of Sinulingga having an e-commerce business is very easy to find products and selling products over the internet. But the main problem is how to make the payment method for all money transactions. In this case, a bank has a very valuable role in this process. Mr. Sinulingga, think a way how it is done. In the domestic payments can do without difficulty through bank transfer, SMS banking or even internet banking. To process these payments to or from overseas and it takes several days to process. But it can be finished without difficulty in real time by using PayPal. PayPal is a payment tool that can support or promote the development of e-business. PayPal will help the small traders all throughout the internet can accept delivery of something from soon-to-be buyers from all over the world and make a payment when generating transactions on the internet.

In the study entitled “An Improved SMS User Interface System to Support University Services” of Mohammad Ibrahim Al Sheikh Eid (2011), he stated that mobile phone influence extreme potential to develop into a universal way of managing services negotiations on an international and local scale in the future. Mobile messaging serves as a strategic agent for the common trade of message between the administrative sector of the students and university. The mock-up of his study SMS User Interface System, he authorizes the students to manage their school subjects and matters such as their assessment performance, subject schedules, and students’ information. This is completed by forwarding message to the students or sending text messages to their phones or functioning an inquiry message sent from a student to accomplish the answer by pulling it. In his study, the software or system can be used to send a message and remove a message. He conducted his study at the Islamic University of Gaza. The decisions from the information analysis undoubtedly demonstrate that the students want Sending Message Services for their exchanging information between school-related services. They also specify the rightness and security of Sending Message Services communication in a situation where they have to update their mobile phone numbers which are available. Students also see this method is more helpful, profitable, valuable, and acceptable since it brings out their extreme goal.

**Synthesis**

Depend on the information gathered by the proponents, in the business field are more likely to be more competitive are the company who take on into online marketing. To attract more customers, the company should have a good image. Conforming to the related literature collected, benefits of both consumer and company are also promoted by e-commerce. Before developing website there are several principles to be examined to have a successful online marketing. Such as ease of use, maintainability, quality, reliability, security, the target visitors, useful, and web design. The proponents’ goals aren’t just to build a website but a customer converter content management system by sustaining enough easy-to-maintain environment, friendly search engine, product details, secured payment transaction, and user-friendly interface. The projected system is to provide a good service to the target visitors but not just to advertise all over the web. These discussions the company will help in terms of gaining a good image and sooner or later to attract more customers to buy their products. Advanced technology has led to the advancement of the e-commerce where the customer can visit e-commerce websites to purchased goods and services. This kind of electronic business makes shopping became simple and not difficult, no need to go to malls to order products and services.