

Digital Platforms and the Growth of Micro-Enterprises: Evidence from Mobile App-Based Delivery in Nepali Markets

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Abstract

Background: In Nepal, there are several emerging mobile app-based delivery platforms that help grow micro-enterprise businesses and make the local economy vibrant. Some delivery services include Pathao, Indrive, and Yango, which deliver products from the point of origin to the customer, thus helping to sell the products. These platforms have global networks and are successfully taking the market in Nepal in the recent period. This digitalisation of the economy through digital platforms and the rise of micro-enterprising activities in the country is an emerging concept that is only limitedly discussed in the literature.

Objectives: Grounded in Two-Sided Market Theory, this research aims to identify opportunities, challenges, and policy gaps while using these delivery platforms in the country.

Method: This research applies a literature-review research method, reviewing literature related to journals, policies, and reports.

Finding: Findings show that the use of mobile apps to find delivery vehicles and riders has increased business sales of SMEs effectively and efficiently. The SMEs have found more customers, and their business catchment has expanded. The growth of digital platforms is helpful in transforming the conventional economy toward a more virtual and advanced generation. Despite this, many customers lack digital awareness to use these apps. This intervention in the Nepali market needs to scale up with trustworthy mechanisms.

Conclusion: A business ecosystem is essential, that networks four stakeholders: government oversight, mobile-app intermediary services, micro-entrepreneurs delivering products to customers, and customers. This will ensure that customers receive their desired goods through convenient and trustworthy mechanisms, promote the SMEs, and contribute to the local and national economy.

Novelty of the Study: This study contributes to the limited literature on how mobile app-based delivery mechanisms support the growth of SMEs in developing nations. The application of Two-Sided Market Theory uniquely interprets how mobile apps act as intermediaries between delivery platforms and SMEs to expand their customer reach and scale their operations. This study is important for informing evidence-based policymaking to strengthen digitalisation efforts within the SME sector.

Keywords: digital platforms, mobile-based delivery apps, SMEs, Nepal Government

Introduction

Nepal, a South-Asian Nation is passing through several ups and downs in its socio-economic development. The country is full of potential, with 62% of its population aged 16-59 years ([Nepal Ministry of Finance, 2024](#)). Nepal has planned to upgrade its status from a least developed country to a developing country by 2026 and to a middle-income country by 2030 ([Nepal National Planning Commission, 2024a](#)). The current Sixteenth Periodic Plan aims to achieve national prosperity as one of its key goals, along with good governance and social justice ([Nepal National Planning Commission, 2024b](#)). Despite this potential, there are challenges: 20% of people still live below the poverty line ([Nepal National Statistics Office, 2024a](#)). Nearly 77% of households have sent their youths abroad, and they send remittances to support their families. Most of this money is spent on daily consumption (72.4%) and loan repayment (15.8%). Surprisingly, only 1.2% is invested in capital formation and 0.4% in business or other investments ([Nepal National Statistics Office, 2024b](#)). The current state of less enterprising activities, which results in low employment and high poverty, needs a breakthrough.

In Nepal, SMEs (Small and Medium Enterprises) play an important role in mobilising local economy and resources. However, challenges like poor marketing strategies, low technology adoption, and weak management skills restrict their competitiveness in local and global markets. Micro-entrepreneurship also allows farmers to engage in off-season activities like running teashops, fast food outlets, and handicraft production, contributing to rural economic upliftment ([Ghimire, 2011](#)). Nearly fifteen-year old data shows that, handicrafts sector contributed 8% of Nepal's exports through SMEs, but government support was limited. Challenges to SMEs include weak marketing, low technical knowledge, low budgets, and informal operations. Utilising rural farmers during off-farm seasons for activities like knitting, weaving, and small shops can increase household income ([Ghimire, 2011](#)). Positively, Nepal's policy supports establishing IT hubs for promoting micro, cottage, and small enterprises in collaboration with cooperatives and the private sector ([Government of Nepal, 2011](#)). Policy



11.9 of Nepal's Micro, Cottage, and Small Industry Promotion Policy prioritises research and market analysis in coordination with universities, research institutions, and the private sector ([Nepal, Ministry of Industry, Commerce, and Trade, 2024](#)). However, the mainstreaming of SMEs in national economic development and their transformation through technology and innovation is limited in the country.

This article mainly focuses on the role of digitisation in micro-enterprise development in the country. Micro-enterprises are established by maximum number of youths in Nepal. Criteria for micro-enterprises in Nepal include "(1) with the fixed capital not exceeding two million rupees, excluding house and land;(2) the entrepreneur himself or herself is involved in the operation and management of the industry;(3) with a maximum of nine workers including the entrepreneur; (4) with annual transaction of less than ten million rupees; (5) with the capacity of electric energy, fuel or other oil engine to be consumed by the engine, equipment or machine, if any, used being twenty KW or less" ([Government of Nepal, 2020, p. 18](#)).

SMEs are key to promoting local economies and creating micro level employment but face challenges such as low productivity, informal employment, and poor job performance. They support SDGs 1, 8, and 10, but most jobs are informal, with 62% of employment across 99 countries being informal. Transitioning to formal employment through skill development, technology adoption, and access to finance will enhance SME productivity and economic contribution ([International Labour Organization, 2019](#)). Many SMEs underperform due to traditional business practices without technological or innovative interventions. Digitalisation and technology adoption enhance market reach, organisational efficiency, and economic development, especially during crises like COVID-19 ([Manvelidze et al., 2023](#)). Changing consumer needs and advancing technology require SMEs to adapt. Many are slow to adopt innovations, but technology and digitalisation are key for long-term growth ([Association of Chartered Certified Accountants, 2024](#)). SME growth depends on three elements: business model, leadership, and team. Balancing these components and incorporating innovation is essential for success ([Kindström et al., 2022](#)). The digitalisation approaches in SMEs are essential to keep up with current business trends and help them expand their market reach and scope. Thus, these locally established enterprises, operating with low budgets, local resources, and local human capital, play a pivotal role in national economic growth in Nepal. This role can be further synchronised and strengthened through digital development, particularly by utilising mobile app-based delivery services.

SMEs and Digitisation in Nepal

The Micro Enterprise Development Programme, initiated by UNDP and integrated into the Nepalese government structure, aimed to improve living standards and create employment since 1998. It completed four phases by 2018 and significantly contributed to SME growth in Nepal ([Karki, 2013](#)). However, the digitisation of SMEs is at an early stage in Nepal. Most SMEs primarily rely on digital payments and mobile app-based delivery services. A research report by the Policy Research Institute in Nepal recommends that the government ensure SMEs have secure digital payment systems related to cybersecurity. A dedicated department should provide training on digital payment use for entrepreneurs. This will reduce knowledge gaps,

promote innovation, and support new startups. Entrepreneurs seek strong support and a secure digital environment to promote sustainable economic growth at the microlevel ([Bastakoti & Khanal, 2024](#)). Likewise, Nepal faces macroeconomic issues, including low employment, trade deficits, and high imports. Formal and informal SME contributions, combined with indigenous knowledge and local products like food, culture, and homestays, can stabilise the economy and support sustainable growth. Branding through digital tools can enhance SME sustainability ([Khanal et al., 2023](#)). COVID-19 during digitalisation helped Nepali SMEs retain business, but adoption rates remain low. Without digital integration, SMEs cannot scale or achieve sustainability ([Ghimire et al., 2023](#)).

Similarly, in the Asia-Pacific region, women-led MSMEs face challenges in finance, socio-cultural barriers, and policies. Nepal's MSMEs employ 2.74 million people, but gender gaps exist in jobs and leadership. Some progress is seen in digital technology adoption and payment modes, but public awareness, clear regulations, and user-friendly financial services remain necessary ([United Nations ESCAP, 2020](#)). Women in Nepal face unequal opportunities in SMEs due to cultural resistance, policy barriers, and limited access to finance. Public awareness and digital literacy remain low, though digital payment adoption has grown to 13 million users as of 2021. Structural challenges like high transaction costs, security concerns, and low customer service hinder widespread adoption ([International Labour Organization, 2023](#)).

Apart from the above developments, a positive aspect is that in Nepal, mobile app-based ride-sharing and delivery platforms are rising. Provincial governments are enacting regulations to integrate these services into the public system ([Imperial Law Associates, 2025](#); [Rastriya Samachar Samiti \[RSS\], 2025](#)). In this research context, it is important to examine the role of digital platforms in the growth of SMEs in Nepal. As Nepal moves toward a technology-driven environment, this research will help to understand the importance of mobile-based delivery apps (commonly known as ride-sharing apps) in the growth of these businesses by identifying opportunities, challenges, and policy gaps.

Two-Sided Platform Theory and Its Applications

Two-Sided Platform theory mentions that a firm operates a platform that connects two distinct sides. The platform creates value for at least one group, offering benefits that would be difficult to achieve without it. Customers cannot obtain the same service or value without the platform ([Filistrucchi, 2012](#); [Kapoor & Mathur, 2022](#)). The platform provides services to both groups, which depend on each other. It facilitates connections between these two distinct groups and delivers goods or services to both simultaneously ([Organisation for Economic Co-operation and Development, 2009](#)). These platforms link two sides of customers who require each other and provide virtual or physical forums where users can negotiate and access services. Acting as intermediaries, they help reduce transaction costs in business ([Evans & Schmalensee, 2008](#)).

In the modern era, consumers interact with multiple service providers and require intermediaries to access services efficiently and gain value. Platforms function as transaction and access forums, connecting service providers and seekers. An example is a customer ordering a car from a ride-sharing company from their location ([Jullien et al., 2021](#)). A practical example of this theory is a payment card. When a customer uses a card to purchase an item

from a shop, the card itself has no direct connection to the item. However, it acts as a platform that efficiently connects the customer and the merchant, facilitating the transaction and offering insights for policies to simplify strategies for sellers and buyers ([Rysman, 2009](#)). In the relationship between SMEs and customers, online ride-sharing apps play an intermediary role in delivering goods, reflecting an example of a two-sided market. These platforms promote the value of goods and services through an indirect network. SMEs gain access to a larger customer base, and an increase in customer participation also leads to higher sales.

Methodology

This research applied a literature review method following Snyder's four steps: design, conduct, analyse, and write-up ([Snyder, 2019](#)). First, we designed the structure of the review, aligning it with the title, problematisation, and research questions. This helped us identify the key themes that the literature contains in the review. We then searched literature on SMEs and digitalisation; SMEs and economic development; ride-sharing platforms in Nepal; ride-sharing services (including delivery); and innovations in Nepal, applying a Boolean strategy ([Ugwu & Opah, 2023](#)) in Google Scholar. Mainly, the literature included journals, government reports and policies in Nepal, and newspaper publications. In the second step, we conducted the literature review by developing a framework in an Excel sheet. We noted key findings and important discussions and paraphrased them. We applied ATLAS.ti to develop initial codes and categorise the literature under broader themes ([Lewis, 2016](#)). In the third step, we interpreted the literature and analysed it to extract meanings related to digital platforms and the growth of micro-enterprises in the context of Nepal. Finally, the fourth step is the development of this review section (as follows), in which we present four themes on global perspectives, SMEs and economic development, ride-sharing services and market dynamics, and ride-sharing platforms and innovations. These four thematic discussions present comprehensive knowledge domains relating to the purpose. The quality standard of this process was ensured through rigorous review, finding peer-reviewed journal articles, and authentic reports from the Government of Nepal and international development organisations.

Findings

This section presents the findings under four themes: the global perspective on SMEs and digitalisation; SMEs, entrepreneurship, and economic development; ride-sharing services, customer experience, and market dynamics in Nepal; and ride-sharing platforms, services, and innovations.

Global Perspective on SMEs and Digitalisation

Researches highlight that SMEs drive local-to-national economic development. They play crucial roles in achieving SDGs, including Goal 1 (no poverty), Goal 8 (decent work and economic growth), Goal 10 (reduced inequalities), and Goal 17 (partnerships for goals). Government support in finance, training, and policies is required to reinforce their contribution to national development ([Ngo Ndjama & Van Der Westhuizen, 2024](#)). Countries classify industries differently. According to the World Bank, micro (1-9 employees), small (10-49 employees), and medium (50-249 employees) businesses are categorised by turnover and

assets. MSMEs drive employment and national economic growth, enabling youth to start businesses with limited budgets, local technology, and available resources ([Sobir, 2020](#)). A global report by the International Council for Small Business states that MSMEs provide employment to 70% of people worldwide, cover 90% of businesses, and contribute 50% of GDP. Post-COVID-19, digital adoption has grown, but gaps remain. Collaborative efforts among governments, digital service providers, and SMEs are essential to connect local economies to national development ([ElTarabishy & Baldeger, 2024](#)).

COVID-19 positively impacted SME digital tool adoption by reducing physical contact needs. ICT has improved collaboration, communication, and ease of business operations. Digitalisation enhances SME competitiveness and integrates innovation into production and sales (Jeansson & Bredmar, 2019 as cited in [\(Re et al., 2023\)](#)). Post-COVID digitalisation has expanded market reach, reduced costs, and attracted new customers, enhancing SME productivity. Digital adoption is essential for competitiveness in the Industry 4.0 era, outperforming traditional SMEs that follow conventional, costly, and slow processes ([Kala'lembang, 2021](#)). However, SMEs face challenges in entering larger markets due to logistics and distribution issues. Local products can access foreign markets if logistics are reliable, pricing is competitive, quality is high, and marketing is effective ([Braito et al., 2021](#)). Digitalisation helps SMEs access new markets and facilitate business transactions, which needs certain interventions. Policy support is needed to prioritise technological innovation, including AI integration, sustainable digital tools, fintech solutions, and digital security. Government support, awareness, and training are essential ([Bianchini & Lasheras Sancho, 2025](#)). The DASAT approach supports SMEs in digital transformation through four phases: digital awareness, strategy, adoption, and continuous improvement. Tailored support, including training, upskilling, funding, and R&D, builds skills and confidence for practical business application ([Kahveci, 2025](#)). SMEs can modernise operations using digital tools, advisory support (e-commerce, digital marketing, cybersecurity), and connectivity to services like logistics, delivery, and payment solutions to facilitate sales ([Godlovitch & Bodin, 2022](#)). Low adoption of digital skills is common even in developing countries, often due to reluctance to change and short-sighted management. Time constraints also limit meaningful learning. A "one-stop shop" providing vertical and physical digital services can help SMEs ([Policy Learning Platform, 2022](#)). Countries unable to adopt digitalisation or innovation cannot fully utilise emerging technologies such as cloud computing ([Bak & Reicher, 2022](#)).

SMEs, Entrepreneurship, and Economic Development

SME growth is determined by entrepreneurial competence reinforced by managerial skills, finance, and market access. SMEs generate local employment using local resources, helping reduce poverty and unemployment ([Geleta & Talegeta, 2019](#)). However, many countries lack strategic planning and a farsighted vision to prepare and implement the policies that strengthen SME development.

Nepal remains deprived of a national innovation system integrating academia, industry, and government research institutions. Private sector engagement is limited, and research outputs are rarely commercialised, hindering entrepreneurship and innovation. This increases reliance

on imported technologies ([Singh & Kharel, 2023](#)). SMEs require government support in finance, policy, and legal frameworks. Procedures should be simplified to facilitate innovation, financing, and training ([Afande, 2015](#)). SMEs face internal and external challenges in administration, accounting, technology integration, and market research. Many rely on foreign technology due to limited local availability, globalisation effects, and high local development costs ([Varga, 2021](#)). Value chain mapping helps SMEs analyze markets and plan interventions, covering input, production, transformation, trading, and consumption stages ([Choudhary et al., 2000](#)).

Ride-Sharing Services, Customer Experience, and Market Dynamics in Nepal

Ride-sharing platforms that also provide goods delivery are influenced by rider privacy and payment methods. Ride-sharing is the most preferred service in Nepal (used by 89.8% of commuters), primarily among youths aged 18-24. However, customers have complaints regarding peak-time pricing, service quality for female riders, and poor vehicle cleanliness. Platforms need to address these gaps to improve service quality and consumer satisfaction ([Bhat et al., 2024](#)). Male users dominate ride-sharing app usage compared to females due to socioeconomic and behavioral factors ([Mahato et al., 2024](#)). As these services are still in the early stages of implementation in Nepal, it is recommended that the government ensures drivers charge reasonable fees and users' data is protected ([Mishra & Kumar, 2022](#)).

These platforms often overlook the socio-cultural context of Nepal, as they are developed for different countries. For example, gender concerns are largely ignored, with women potentially feeling unsafe riding with male drivers. Customers may also perceive riders as being from lower economic backgrounds. Since these platforms are profit-driven, they prioritise revenue over serving vulnerable populations. Some drivers create informal networks of customers and prefer offline rides to maximise earnings ([Hamal, 2019](#)). Similarly, the conventional transportation services, such as Taxi drivers in Nepal have protested against online ride-sharing companies, claiming illegal operations and lower fares ([Pokhrel, 2025](#)). Despite this, the public appreciates the affordable and convenient transportation and delivery services these platforms provide ([Bista, 2024](#)).

Bagmati Province is preparing regulations for app-based ride-sharing services after seven years of their operation in Nepal, indicating low government prioritisation of innovation and regulation in this sector ([Post Report, 2024](#)). Nepal currently lacks specific laws to monitor and regulate ride-sharing service providers ([CommonLaw, 2025](#)). Gandaki Province has legally recognised ride-sharing apps, requiring providers to comply with local laws, including insurance for passengers. Private two- and four-wheeler vehicles can also provide services for income ([RSS, 2025](#)). Federal laws, such as the Motor Vehicles and Transport Management Act 1993, restrict private vehicles from carrying passengers. The Industrial Enterprises Act 2020 allows ride-sharing businesses to operate in Nepal. The Foreign Investment and Technology Transfer Act 2019 permits up to 70% foreign investment in this sector. Provincial governments, such as Bagmati and Gandaki, have enacted laws for ride-sharing companies, requiring adherence to customer safety and transparent payment mechanisms ([Imperial Law Associates, 2025](#)).

Ride-Sharing Platforms, Services, and Innovations

There are several popular ride-sharing companies in Nepal including inDrive, Pathao, and Yango. inDrive is expanding globally and now operates in 48 countries, ranking as the second most downloaded ride-hailing app ([inDrive, 2025a](#)). inDrive was founded by Arsen Tomsky in Siberia in 2012 as a response to high taxi fares charged to customers ([Tomsky, 2024](#)). Pathao started in 2015 in Dhaka to address traffic congestion and introduced motorcycle taxis. It has become a major service provider in ride-sharing and e-commerce in Bangladesh. However, challenges remain, including accidents, passenger safety, and weak traffic regulations. Safety and service quality should remain a priority ([Ullah & Islam, 2017](#)). Ride-sharing companies in Nepal have introduced insurance coverage. For example, inDrive has partnered with an insurance provider, offering up to NPR 800,000 for death or permanent disability and up to NPR 80,000 for medical treatment due to accidents. This protects both drivers and passengers ([Technology Khabar, 2025](#)). inDrive also introduced peer-to-peer pricing, allowing customers to propose ride fares. Drivers can accept the offer, and customers can view a list of available drivers with photos. Services include city rides, intercity rides, and goods delivery ([inDrive, 2025b](#)). There is an emerging new platform, Yango, providing riding and delivery services at a low cost to Nepali customers ([Yango, 2025](#)).

Research shows that 46.9% of customers are satisfied with inDrive services. The study recommends improving service quality and ensuring fair pricing to increase customer satisfaction ([Utami & Avanti, 2024](#)). Service quality on ride-sharing and delivery platforms is determined by service availability and smooth interaction with customers ([Saputra et al., 2024](#)). Ride-sharing companies need to improve based on customer experience, which includes driver training and promoting service quality. Safety measures should be prioritised, including background checks, designated pick-up/drop-off locations, and transparent pricing ([Timilsena, Darlami, & Ghimire, 2025](#)).

In summary, SMEs are helpful in promoting global development through employment and addressing poverty. However, they are slow to adopt technological advancements and integrate digitalisation into their activities. This is also the case in Nepal, where innovation is less prioritised and many SMEs follow conventional ways of doing business. In another domain, ride-sharing apps are emerging in the Nepali market, helping SMEs deliver and sell their products. There are many issues regarding these platforms, such as safety, pricing, service quality, and weak monitoring and regulation. These apps are trying their best to bring customer-friendly policies; however, Nepal's regulatory framework is not complete to create an ecosystem that brings SMEs and these digital platforms together and orients them toward national economic development.

Discussion

The presentation of literature informs that SMEs have crucial roles in creating employment and reducing poverty. This will ultimately support national economic development and also help achieve global SDGs ([International Labour Organization, 2019](#); [Ngo Ndjama & Van Der Westhuizen, 2024](#)). In Nepal's context, micro-enterprises are an appropriate business model to

engage people when they are not busy with farm activities. These people can establish small shops, food services, and handicraft businesses, which will help increase their earnings and enhance their well-being (Ghimire, 2011). The current technological development through mobile-based driving apps has brought opportunities for people to reach wider markets. These entrepreneurs use the apps to find delivery drivers and make payments so that their products reach customers' homes safely and on time. They can sell their products to a larger sphere of people. This has enhanced their organisational efficiency and reduced transaction costs, ultimately helping to improve their business productivity (Manvelidze et al., 2023; Association of Chartered Certified Accountants, 2024). These apps have created a positive environment for connecting businesses and people in delivering and selling products. This has boosted the confidence of entrepreneurs and created new business opportunities for them (Imperial Law Associates, 2025; RSS, 2025).

Nepali SMEs face many problems, mainly limited marketing strategies, limited technical knowledge, and weak management skills. This has hindered them from competing in global and local markets (Ghimire, 2011; Singh & Kharel, 2023). Gender gaps also exist in SME leadership and employment (United Nations ESCAP, 2020; International Labour Organization, 2023). The adoption of digital technology by SMEs seems to be a difficult task, probably due to several reasons. Many SMEs are very slow to adopt technological developments and innovations. They are reluctant to bring change to the business environment and are content with the conventional way of doing business. This approach will not help them promote their business in reach and scale (Association of Chartered Certified Accountants, 2024; Kindström et al., 2022). Problems also exist with ride-sharing and delivery online platforms. They have safety concerns, and prices are not consistent. They are blamed for not providing quality service to customers. Many apps are developed abroad in different socio-cultural contexts and lack adaptive measures for the Nepali perspective (Mishra & Kumar, 2022; Hamal, 2019; Bhat et al., 2024).

There are several policy gaps that need to be addressed to institutionalise these mobile-based delivery companies and utilise their potential and services in the digitalisation of SMEs. Mainly, there is no federal law to guide and monitor these ride-sharing apps and companies in Nepal. However, provincial governments have begun to make their regulations for local implementation. This approach is limiting the ecosystem development of these delivery services in Nepal (Imperial Law Associates, 2025; CommonLaw, 2025). The support and perspective of the government to orient ride-sharing and delivery platforms as SME innovations is very limited. SME entrepreneurs lack the required skills to use these digital forums, which policies need to address (Bianchini & Lasheras Sancho, 2025; Kahveci, 2025). Policies for integrating research-market linkages exist, but they are not implemented. The development of micro-enterprises and IT hubs does not become a priority of the state, and the results are not satisfactory (see Nepal Ministry of Industry, Commerce, and Trade, 2024; Government of Nepal, 2011). The government needs to focus on raising people's awareness about digital literacy, ensure that payment modalities are safe, and make these online platforms gender-inclusive (Bastakoti & Khanal, 2024; International Labour Organization, 2023). A key

priority for the government should be the integration of mobile app-based digital technologies to support SME growth, thereby contributing to national economic development.

Thus, mobile-based delivery apps in Nepal provide ample opportunities for SMEs to access wider markets, enhance efficiency, and reduce transaction costs, creating new business opportunities. However, a major challenge is that Nepali SMEs are slow and reluctant to adopt these technological innovations and prefer to continue traditional business practices, which limits their potential and market reach. Government intervention is required through policies and regulations at the national federal level and by empowering entrepreneurs to maximise the utilisation of these online platforms to boost their business productivity. These initiatives at the micro level will automatically contribute to national economic growth.

Theoretical Interpretation: Two-Sided Market

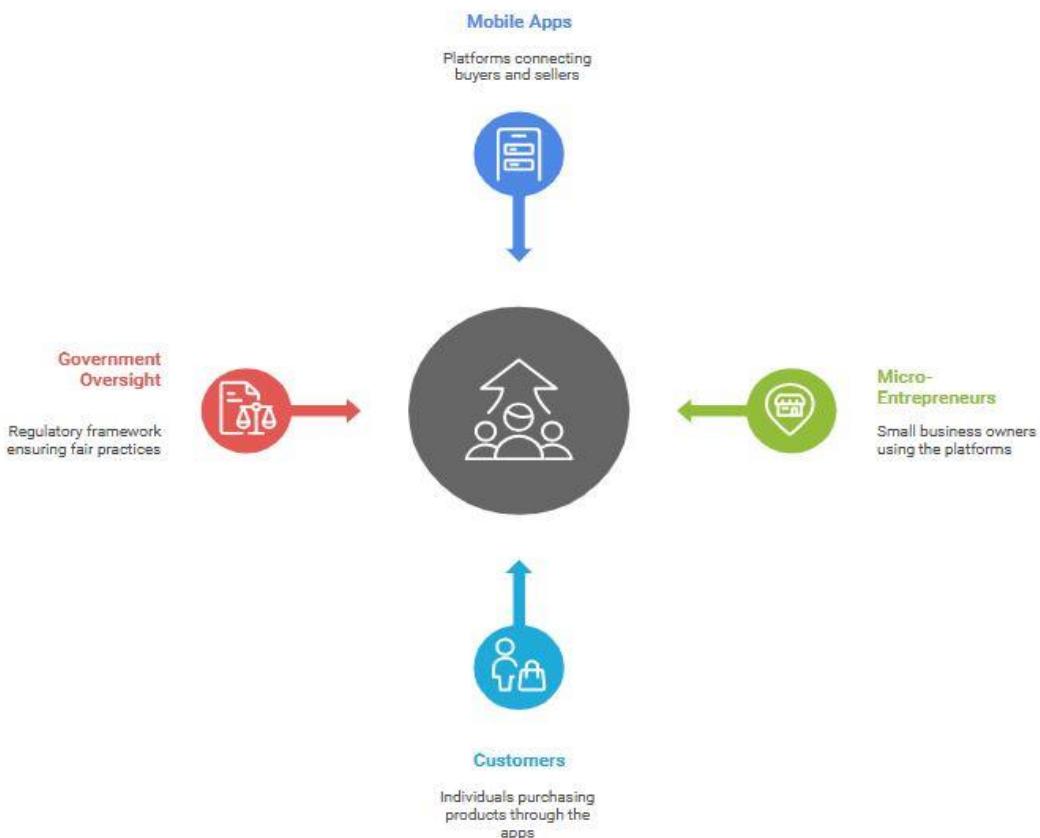
The mobile-based ride-sharing app has been operating in Nepal for the last eight years. Micro-entrepreneurs have not optimally used these platforms to integrate them into their businesses so that their products reach customers safely, conveniently, and cost-effectively. Two-Sided Market theory mentions that a platform connects two distinct groups of customers, which increases the value and effectiveness of the service for both (Filistrucchi, 2012; Kapoor & Mathur, 2022; Organisation for Economic Co-operation and Development, 2009). These platforms act as intermediaries and help reduce transaction costs for products reaching buyers from entrepreneurs (Evans & Schmalensee, 2008; Jullien et al., 2021). Mobile app-based delivery platforms also play a facilitating role in connecting SMEs and buyers in the country. Through this lens, the role of these apps in boosting business, enhancing productivity, and achieving customer satisfaction seems noteworthy.

However, a critical aspect of this theory is that the value of this intermediary platform becomes effective only if both parties actively interact and engage to gain the benefits. In Nepal's context, entrepreneurs are slow to adopt these changes, while consumers are increasingly using the applications to search for and order products. Consumers cannot directly access the origin of goods, so they rely on entrepreneurs to use online delivery methods. The limited access to and use of these apps restrict SMEs from selling their products and expanding their customer networks. The intermediary platform alone cannot address this limitation.

Therefore, the government needs to create a business ecosystem where producers, apps, and buyers come together and are aware of how to use the platform for mutual benefit. This lens suggests that while these apps act as intermediaries, coordinated engagement between buyers and sellers is essential. Such coordination should be part of a broader economic ecosystem under government oversight. This would enable the government to mainstream these micro-level economic activities into national economic growth. The details of this business ecosystem are illustrated in Figure 1.

Figure 1 Enhancing Business Ecosystem in Nepal through mobile based delivery apps

Enhancing Business Ecosystem in Nepal



Conclusion

Thus, digital platforms help in the growth of micro-enterprises in Nepal. Micro-enterprises can use mobile-based delivery platforms to sell their products and goods to customers. Customers find it easier, more convenient, and cost-effective to receive goods from the point of origin. However, these practices are not yet widely adopted, which requires improvement by creating a business ecosystem where the government regulates and coordinates mobile app-based delivery services, empowers employees in adopting digitalisation, and ensures that customers receive their goods safely and with value. The future scope of this research includes assessing the digital literacy of SMEs so that targeted training and programs can be identified to help them leverage the optimum benefits of this digital delivery forum. This research has implications for policymakers to implement evidence-based policies that create an enabling environment for SME entrepreneurs to adopt digital platforms in their businesses, expand their market reach and scale, and thereby contribute to national economic growth.

Authors' Contribution

First Author: Conceptualisation, methodology, literature search, literature analysis, supervision.

Second Author: Writing-original draft preparation; review and editing; correspondence with the journal.

Conflict of Interest:

We declare that there is no conflict of interest regarding the publication of this article.

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