

## GUIDELINES FOR PAPER SUBMISSION

- INTRODUCTION:** Manuscript must be in British English prepared on a standard A4 size paper setting. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of the every page.
- MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.
- AUTHOR NAME(S) & AFFILIATIONS:** The author (s) full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address should be in italic & 11-point Calibri Font. It must be centered underneath the title.
- ABSTRACT:** Abstract should be in fully italicized text, not exceeding 150 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para.
- KEYWORDS:** Abstract must be followed by list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
- HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
- SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
- MAIN TEXT:** The main text should be in a 8 point Calibri Font, single spaced and justified.
- FIGURES & TABLES:** These should be simple, centered, separately numbered & self explained, and titles must be above the tables/figures. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.
- EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
- REFERENCES:** The list of all references should be alphabetically arranged. It must be single spaced, and at the end of the manuscript. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow

### Harvard Style of Referencing.

The author (s) are supposed to follow the references as per following:

All works cited in the text (including sources for tables and figures) should be listed alphabetically.

Use (ed.) for one editor, and (eds.) for multiple editors.

When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.

Indicate (opening and closing) page numbers for articles in journals and for chapters in books.

The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.

For titles in a language other than English, provide an English translation in parentheses.

The location of endnotes within the text should be indicated by superscript numbers.

Last date for submission of abstract	September 1, 2014
Last date for payment of registration fee	October 1, 2014
Last date for submission of full paper	October 15, 2014

### DELEGATION REGISTRATION FORM

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### Contact Persons:

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Uniglobe

# Uniglobe International Conference II CONTEMPORARY ISSUES & CHALLENGES IN MANAGEMENT (UIC-CICM-2014)

November 17-18, 2014



Organized by:



New Baneshwor, PO Box: 7953, Kathmandu, Nepal

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URL: www.uniglobe.edu.np

# Uniglobe International Conference II CONTEMPORARY ISSUES & CHALLENGES IN MANAGEMENT (UIC-CICM-2014)

November 17-18, 2014

## ABOUT THE COLLEGE

Uniglobe College is a pioneer institution in the field of management affiliated to Pokhara University, Nepal. It is located at the heart of Kathmandu. The college aims at educating the students towards broadening their horizons and enhancing their competence through exhaustive and profound dissemination of knowledge on management. The college aims at producing graduates who could become a leader in organizations. The college imparts education to students in fully equipped facilities comprising comfortable class rooms, computer lab with unlimited internet access, audio-visual facilities and resourceful library. The college is committed to excel the high quality education in this competitive business environment. The college offers MBA (Finance), BBA and BBA-BI programs. The focused MBA (Finance) program is first of its kind and offered only by the Uniglobe College in Nepal. This program has been designed in a modular format and implemented over six trimesters. More information can be obtained by visiting the website [www.uniglobe.edu.np](http://www.uniglobe.edu.np).

## CALL FOR PAPERS

Uniglobe College invites papers from corporate executives, academicians, research scholars, business entrepreneurs and students for presentation during International Conference on a topic related to the themes and sub-themes. The participants are requested to send the soft copy of their paper in the standardized format as an attachment. The paper should preferably be of about 4000 words and preceded by an abstract of around 150 words along with references. The research paper should give details regarding the secondary sources referred to as per the commonly accepted pattern. The papers should be original and should not have been submitted anywhere else for any purpose. The papers submitted will be published in conference proceedings. The acceptance of the paper will be informed within two weeks. The abstract should be submitted at earliest.

## REGISTRATION FEES

- Participants from countries other than South Asia (without accommodation) US\$ 90 per person.
- Participants from South Asia (with accommodation), equivalent to Indian Rs. 5,500 per person.
- Participants from Nepalese organizations (without accommodation) N.Rs. 8,000 per person.
- Participants from Nepalese Faculties (without accommodation) N.Rs. 5,000 per person.

The participants from South Asian countries will be provided with an accommodation on twin sharing basis for 3 nights in a simple non-star hotel. The higher standard hotels can be arranged by Seminar Organizer on request. If South Asian participants want to stay for more than 3 days, they will have to bear the cost of additional days by themselves.

The above fee includes conference kits, lunch/dinner on the conference days, tea /coffee during session breaks, certificate of participation, and local sight-seeing of half day. Transportation up to Kathmandu will have to be borne by the delegates themselves. Participants arriving by air and bus will be picked up at the airport/bus stop provided details are available in advance. The delegates are requested to arrive Kathmandu one day before the seminar date. There will be no refund if the participants cancel or cut short their participation. The registration fees should be paid through bank transfer using the swift code as under:

Receiving Bank of Nepal: Citizens Bank International Limited, New Road Branch, Kathmandu, Nepal.

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Name of the Remitter: [Your Name]

Name of Beneficiary: Uniglobe College, Kathmandu, Nepal

Swift code: CTZNNPKA

Once the SWIFT payments are made, the participants are requested to notify the same to Conference Chairperson by email. The participants are also requested to carry hard copy of bank transfer as proof while attending the conference.

Registration is limited to 20 South Asian and foreign delegates, 20 Nepalese faculties, and 10 Nepalese executives. The rest will be the students and faculties of Uniglobe College.

## THEME OF THE CONFERENCE

In relation to the main theme of the conference the following are the areas to be explored:

- |  |                                     |                                 |
|--|-------------------------------------|---------------------------------|
| 1. International business & trade      | 2. Marketing innovations and ethics | 3. Marketing strategies         |
| 4. Management information system       | 5. Entrepreneurship                 | 6. Human resource management    |
| 7. Strategic management                | 8. Operation management             | 9. Customer relation management |
| 10. Financial management               | 11. Corporate finance               | 12. Investment management       |
| 13. Financial institutions and markets | 14. Business society and ethics     | 15. International fin. Mgmt.    |
| 16. Global recessions                  | 17. Corporate reporting practice    | 18. Int'l Actg. standards       |
| 19. Corporate governance               | 20. Sustainability of fin. Systems  | 21. Supply chain management     |
| 22. E-business                         | 23. Municipal finance               | 24. Derivatives                 |
| 25. Insurance and risk management      | 26. E-governance                    | 27. Financial reporting         |
| 28. Management education               | 29. Banking                         |                                 |

## PROGRAMME

### Day One: November 17, 2014

Inauguration : 08.00 am -09.30 am  
Technical session I : 10.00 am - 12.00 noon  
Lunch Break : 12.00 noon  
Technical session II : 01.00 pm - 3.00 pm  
Technical session III : 03.30 pm - 5.30 pm  
Cultural program : 05.30 pm - 07.30 pm  
Dinner : 07.30 pm

### Day Two: November 18, 2014

Technical session IV : 08.00 am -10.00 am  
Valedictory : 10.30 am - 11.30 am  
Lunch : 11.30 am  
Sightseeing : 12.00 noon

## KEY NOTE SPEAKERS:

1. Dr. Alojzy Z. Nowak, *Professor and Vice-Rector, University of Warsaw, Poland.*
2. Dr. Ruth Taplin, *Director, Centre for Japanese & East Asian Studies, London, UK.*

## COVERING LETTER FOR SUBMISSION:

DATED: \_\_\_\_\_

The Conference Chairperson  
Uniglobe College, Kathmandu, Nepal

Subject: MANUSCRIPT SUBMISSION

DEAR SIR/MADAM

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for possible consideration in your international conference.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been submitted/ published elsewhere in any language fully or partly, nor is it under review for submission/ publication anywhere.

I affirm that all author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if our/my manuscript is accepted, I/We agree to comply with the formalities as given on the website of journal & you are free to publish our contribution to any of your journals.

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Affiliation with full address & Pin Code:

Mobile Number (s):

E-mail Address:

Residential address with Pin Code:

Landline Number (s):

Alternate E-mail Address:

## 10.00 – 14.00 Technical Session I: Human resource management, organization development & information technology issues & challenges (Main Hall 1)

Time max. (Minutes)

5	Seat taking by Session Chair, Resource Persons & Rapportier.
10	<b>Session Chair</b> Dr. Prem Raj Pant, Professor, Tribhuvan University, Nepal.
	<b>Resource Person 1</b> Dr. Santosh Tripathy, Professor, Dept. of Personnel Mgmt & Industrial Relations, Utkal University, Nepal.
	<b>Resource Person 2</b> Prof. Ruth Taplin, Director, Centre for Japanese and East Asian Studies, London, UK and Editor, Interdisciplinary Journal of Economics and Bs. Law.
	<b>Resource Person 3</b> Dr. Kaushal A. Bhatt, Faculty of Mgmt., PG Research Centre for Global Business Studies, Gujarat Technological University, Ahmedabad – Gujarat, India
	<b>Rapportier</b> Dr. Niraj Poudel, Research Director, Uniglobe College.
	<b>Student participants:</b> All participants except for Trimester I.

### Presentations:

8	1	Dr. Pankaj Kumar, P.M. Science College, Patna (Bihar), India.	Human resource management for inclusive growth
8	2	Aadersh Joshi, Anup Paudel, Anjana Pandey, Arjun Gautam, and Ashmita Prasai	Corporate Governance and Bank Performance in Nepal
8	3	Dr. Gyanendra Prasad Joshi, Sung Won Kim and ang-su Kim, Department of Information and Communication Engineering, School of Business, Department of Information and Communication, Yeungnam University, South Korea.	Digital Convergence Business and Its Consequences
8	4	Bhawana Ojha, Bikash Khanal, Brij Mohan Shah, Deepa Aryal and Dikshya Sharma	Corporate governance and firm performance in Nepal: A case of Nepalese commercial banks
8	5	Dr. Kaushal A. Bhatt, Faculty of Mgmt., PG Research Centre for Global Business Studies, Gujarat Technological University, Ahmedabad – Gujarat, India & Prof. Kinjal Bhatt, SVET Commerce and BBA College, Affiliated to Saurashtra University, Jamnagar – Gujarat (India).	A study on consumer acceptability, attitude and intention towards use of plastic money in Indian economic environment
8	6	Gaurav Sharma, Laxmi Karki, Manoj Paudel, Mina Sephai and Narmada Thapa	Corporate governance and firm performance in Nepalese banks
8	7	Maheshwar Prasad Yadav, Manager, BSP Nepal, Kathmandu, Nepal.	Key factors of enterprise development: Evidence from bio gas sector of Nepal
8	8	Nirmal Kunwar, Nisha Sharma, Pramesh Shrestha, Pratima Sharma & Puspanjali Dhakal	Impact of Board size, Bank size, institutional ownership, leverage and CEO duality on firm performance in Nepal
8	9	Dr. K. Satyanarayana, SKBR College, Amalapuram – 533201, East Godavari District, Andhra Pradesh, India & Dr. K. Hari Hara Raju, Dept. of Commerce and Mgmt. Studies, Andhra University, Visakhapatnam, Andhra Pradesh, India.	Working conditions of employees in selected retail establishments in Visakhapatnam City
8	10	Sagun Prajapati, Samiksha Neupane, Samipa Dahal, Er. Shreesh Parajuli, and Sudeep Nepal	Role of Corporate Governance on the performance of Nepalese commercial banks
8	11	Rojina Khatri, Salma Maharjan, Sanjit Thapa, Sharad Neupane and Sneha Malla	Determinants of Commercial Bank Net interest Margin & Profitability: Evidence from Nepal

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## Digital convergence business and its consequences

(Gyanendra Prasad Joshi, Department of Information, Yeungnam University, South Korea, [joshi@ynu.ac.kr](mailto:joshi@ynu.ac.kr) (GPI)),  
Sung Won Kim<sup>2</sup>, Department of Information and Communication Engineering, Yeungnam University, South Korea,  
[swon@yu.ac.kr](mailto:swon@yu.ac.kr) (SWK) and Chang-su Kim, School of Business Department of Information and Communication,  
Yeungnam University, South Korea, [c.kim@ynu.ac.kr](mailto:c.kim@ynu.ac.kr) (CSK))

### Abstract

Digital convergence business integrates diverse business techniques in electronic space. This is one of the less discussed topics in business arena. This work introduces a notion of digital convergence in business and current trend of going digital. It discusses basic types of digital convergence business and how digital convergence is changing business activities. This study presents digital convergence business and its consequences in developing world. What are the business opportunities and challenges brought by digital convergence? How and why customers are inclining towards digital convergence? It discusses new business trends and models emerged in currently in digital space scenario.

**Keywords:** Digital convergence business, convergence, M-business, U-business.

## Corporate governance and firm performance in Nepal: the case of Nepalese commercial banks

(By: Bhawana Ojha, Bikash Khanal, Brij Mohan Shah, Deepa Aryal and Dikshya Sharma)

### Abstract

This paper examines the impact and importance of corporate governance on firm's performance. The return on assets and return on equity are selected as bank's performance variables for this study. The study shows the impact of board size, firm size, institutional ownership, public ownership, audit committee member and leverage on firm performance for a sample of twenty commercial bank of Nepal for the period of 2009 to 2013. The data are collected from the banking and financial statistics published by Nepal Rastra Bank, NRB directives, legal provisions incorporated in Companies Act, 2063 and concerned by – laws regarding corporate governance, the provision on bank and Financial Institution Act 2063.

Board size, board composition, firm size, leverage, institution ownership and public ownership are independent variables. The study revealed that the increase in the board size decreases the return on assets whereas; increase in board size increases the return on equity. Likewise, increase in institutional ownership will increase both return on asset and return on equity. Leverage has positive and significant correlation with ROA but negative and significant correlation with ROE. Firm size and audit committee member have insignificant correlation with both ROA and ROE.

**Key Words:** Bank performance, Corporate Governance, ROE, ROA, Board Size, Leverage, Institutional Ownership, Public Ownership, Audit Committee Member, Firm Size.

## A study on consumer acceptability, attitude and intention towards use of plastic money in Indian economic environment

(Dr. Kaushal A. Bhatt, Assistant Professor, Faculty of Management, PG Research Centre for Global Business Studies, Gujarat Technological University, Ahmedabad – Gujarat (India), [ap1\\_cgbs@gtu.edu.in](mailto:ap1_cgbs@gtu.edu.in); [dr.kkabhatt@gmail.com](mailto:dr.kkabhatt@gmail.com), Mobile No. +91 9879739171 and Prof. Kinjal Bhatt, Assistant Professor, SVET Commerce and BBA College, Affiliated to Saurashtra University, Jamnagar – Gujarat (India), [bhattkinjalr@gmail.com](mailto:bhattkinjalr@gmail.com), Mobile No. +91 9898484473)

### Abstract

The Banks are the main participants of the financial system in India. The Banking sector offers several facilities and opportunities to their customers. Indian banking industry has been divided into two parts, organized and unorganized sectors. Among e-banking, card banking is the most

# Digital Convergence Business and Its Consequences

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## Abstract

Digital convergence business integrates diverse business techniques in electronic space. This is one of the less discussed topics in business arena. This work introduces a notion of digital convergence in business and current trend of going digital. It discusses basic types of digital convergence business and how digital convergence is changing business activities. This study presents digital convergence business and its consequences in developing world. What are the business opportunities and challenges brought by digital convergence? How and why customers are inclining towards digital convergence? It discusses new business trends and models emerged in current digital space scenario.

**Keywords:** Digital convergence business, convergence, M-business, U-business.

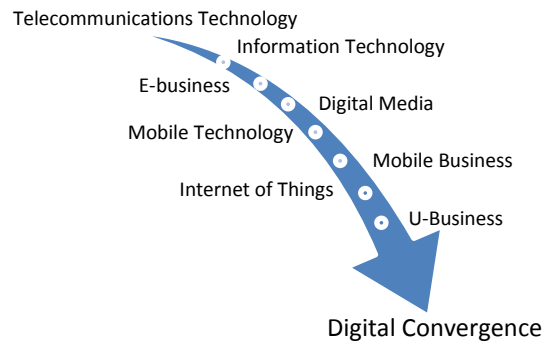
## INTRODUCTION

Convergence refers to the process of merging of formerly distinct technologies, products, policies, businesses, processes, and/or channels. Although there is no specific definition of convergence, International Telecommunication Union (ITU) defines convergence as “the technological, market, legal or regulatory capability to integrate across previously separated technologies, markets or politically defined industry structures. Convergence also involves an important international component, as many services and information sources that were traditionally controlled on a domestic level are being provided on a global basis” (ITU, 1996).

Knowledge, technological, applicational and industrial convergence are the four stages of convergence, based on evolutionary economics as described by Nelson et al. (1976), Hacklin (2008), and European (2013). Knowledge convergence is the emergence of serendipitous co-evolutionary spillover between previously unassociated and distinct knowledge bases, giving rise to the erosion of established boundaries that isolate industry-specific knowledge. Technological convergence is the transition of knowledge convergence into a potential for technological innovation, allowing inter-industry knowledge spread to facilitate new technological combinations. Applicational convergence is the transition of technological convergence into opportunities for new value creation in such a way that it, with respect to the majority of metrics, outperforms the sum of the original parts. Industrial convergence denotes the transition of applicational convergence into the shift of industry boundaries in such a way that firms from previously distinct industries, through the emergence of common applications, suddenly become competitors.

Nevertheless, digital convergence has different meaning person to person based on their perspectives, basically digital convergence refers the technological merger of several digital industries such as computer communication, consumer electronics, entertainment, mass media, sensors, surveillance, design and computer software via various devices that exchange information in common electronics or digital formats. Digital convergence business integrates diverse business techniques in electronic space. It touches almost all the aspects of business, such as digital marketing, management information system (MIS), human resource management (HRM), customer relation, supply chain management, E-business/M-business/U-business, E-governance, management education, banking, international trade, among others. Digital convergence proffers a plethora of benefits and opportunities to the businesses and consumers. The easy access and penetration of various converged platforms helps in achieving the objective of electronic business (e-business), mobile-business (M-Business) and ubiquitous business (U-business) and also provides convenience to the customers. These non-traditional platforms have a wider strength and have the potentiality of a significant socio economic transformation. Figure 1 shows the convergence of various business industries.

Not many years ago, no two distinct devices really talk to each other, such as telephone system has basically no concern with surveillance camera; similarly computer has nothing to do with our wristwatch. Similarly, our calendar on our wall has not really disturbed with alarm on the middle of our meetings. However, now time has changed. Many digital versions of these devices are converged in to a smart and tiny device and some of them have their own network called internet of things (IoT). These technologically converged devices are became an integral part of our life and it is difficult to even imagine a single day without these.



**Figure 1.** Convergence of various business industries.

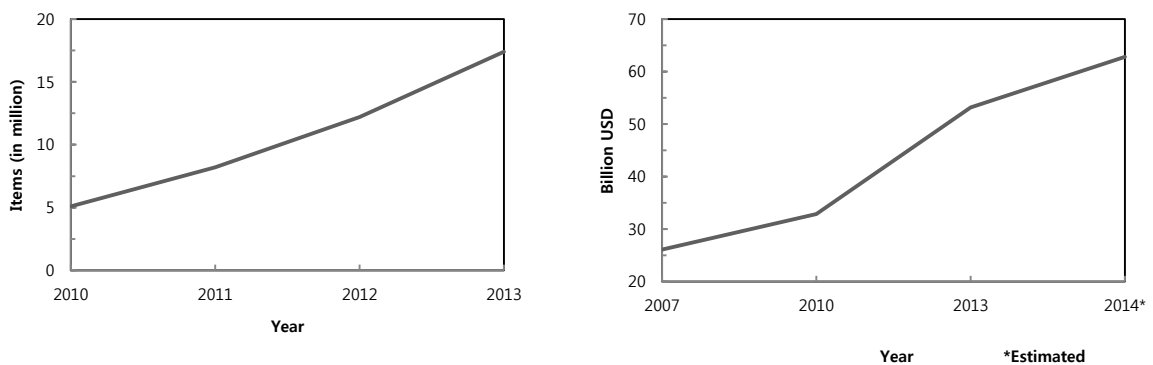
### TREND OF GOING DIGITAL

Many businesses have already adopted digital platforms and many are going digital. This is a demand of time. To survive and thrive in business, service providers/stakeholders/businesses must start and maintain conversations with their customers across multiple channels and devices. The early leaders have set a history and showed significant advantage of business in electronic space. Not only the young consumers, but middle aged consumers now prefer online shopping. A survey tracking 250 million transactions on eBay Korea’s auction site from 2010 to 2013 showed that women in their 40s and 50s did the three times more online transaction than that in four years ago (Choi, 2014). Figure 2(a) shows the number of food and necessities items purchased online. The same survey also shows that number of people order via their smart phone is increased 10 times more than one year ago. According to the Korean Online Shopping Association, Korea’s online shopping industry is expected to be worth more than 62.8 billion USD in year 2014 that is 18% more than the last year (Figure 2 (b)) (Bae, 2014).

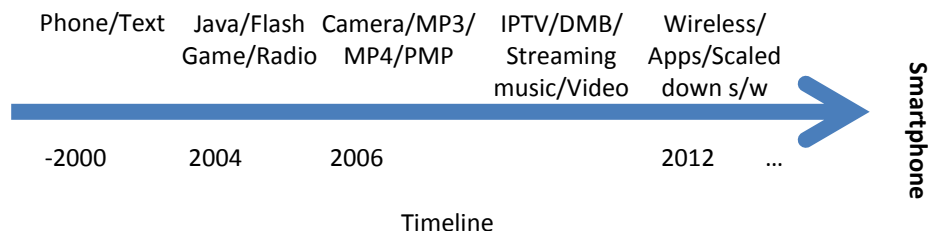
This trend shows, people already started going digital and electronic space for buying goods. Many business converged their products and services with new kinds of information technology, fresh design, and creativity. An increased competition in the physical market and various advantages of digital businesses result in the potential reduction of business in physical space that in turn is increasing the accessibility and quantum of digital space usage.

### DIGITAL CONVERGENCE BUSINESS

Digital technologies such as broadcasting, telecommunications, information, and communication have become essential element of our life today. Convergence of these technologies catalyze growth for new and existing businesses, provide facilities to the general public and facilitate the emergence of new economically productive partnerships. In fact, digital convergence provides synergy in business.



**Figure 2 (a).** Food and necessities purchased by women in their 40s and 50s on eBay Korea’s auction site from 2010 to 2013 (Choi, 2014). (b) Total value of Korea’s online shopping industry according to the Korean Online Shopping Association (Bae, 2014). (1USD = 1035.05 KRW)



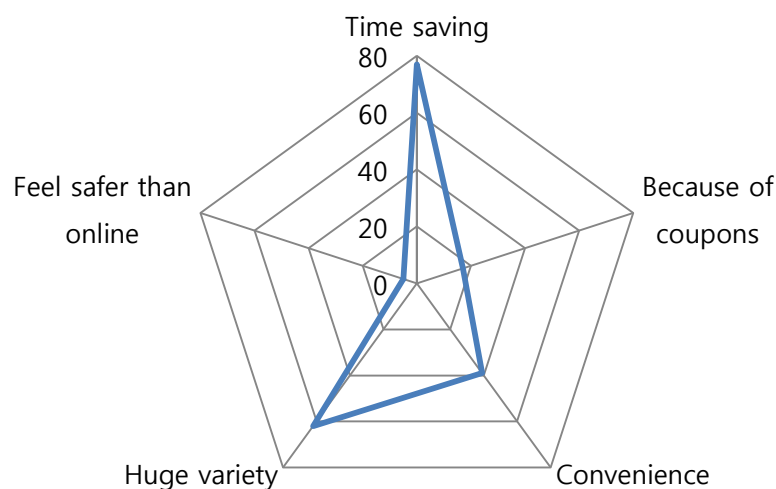
**Figure 3.** Timeline of digital convergence in today's smartphone.

The advancement of broadband networks technology brought the convergence on e-business, m-business, e-governments, broadcasting, telecommunications, and content industry. Mobile technology, sensor networks, and intelligence technology have been brought new paradigm of u-business. U-business provides an opportunity to do business at anytime, anywhere, on anynetwork, on anydevice, and for anyservice.

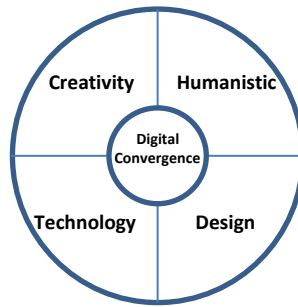
Currently, because of the advancement in digital technology, convergence of digital technologies, digital devices and creative design are possible and important. Figure 3 shows the example of digital convergence in today's smartphones. Basic feature phones were just a communication device for voice communication and text messages in early 2000. After the mass adaptation of current smartphones, the digital convergence is vital parts of any smartphone in terms of games, camera, MP3s, DMB, wireless networks, games, instant messaging (IM), social networking service (SNS), maps, navigation, apps etc.

Today's smartphones are powerful computing device, more powerful than the personal computer a decade ago. For instance, since the mobile banking and mobile payment system are possible and widely accepted, it is convenient to use mobile payment system over other online payment system. Many people prefer mobile transactions via smartphones over offline, bank/wire transfer, ATM or internet banking. Ubiquitous nature of the smartphones is the main factor of increasing popularity of mobile business (M-business). Many people chose mobile shopping over offline shopping because of mobility and convenience. In Korea, mobile shopping transaction value rose in the second quarter of the 2014 by 136.9% than the same quarter of 2013 (KOSAT, 2014).

Service providers, business owners and marketers are extending their campaign to reach to the mobile users. On the other hand, mobile shoppers are increasing day by day. There are several reasons, why people prefer mobile shopping over other online or offline shopping. First reason is convenience. Many business sites has already been started mobile apps and scaled-down mobile friendly. Customers can compare hundreds of items with many different online marketers. Only the competitive price may beat the deal in most of the cases. Some other reasons people prefer M-business are - it is ubiquitous in nature, time saving, more descriptions about the products, etc. Our survey conducted among 200 university students mobile shoppers from 20 to 30 years age group shows that they mostly prefer mobile shopping over online shopping for times saving, huge variety and convenience. Figure 4 shows the survey results why people prefer mobile shopping over online shopping.



**Figure 4.** Reason people prefer mobile shopping over online shopping.



**Figure 5.** Digital convergence framework.

Basically, there are three types of digital convergences. (a) **Service or Industry convergence:** Several industries are doing identical businesses for communication. An ISP provides VoIP service and Cell Phone Company provides 3G, 4G Long-Term Evolution (LTE) mobile phone service. Both industries have the same objective to connect two parties. Therefore, currently many communication service providers also work as internet service providers (ISPs). Especially in mobile phone service industries, all mobile service providers provide internet service.

(b) **Network convergence:** Network infrastructure used by the telephone, television and internet were basically different. Telephone industries used their circuit-switching network, television had its own broadcasting network and internet used packet switching elements. These days, television and internet can be accessed virtually everywhere with only one cable line. Asymmetric digital subscriber line (ADSL) provided by the communication service providers allow access broadband internet connection over circuit-switching networks.

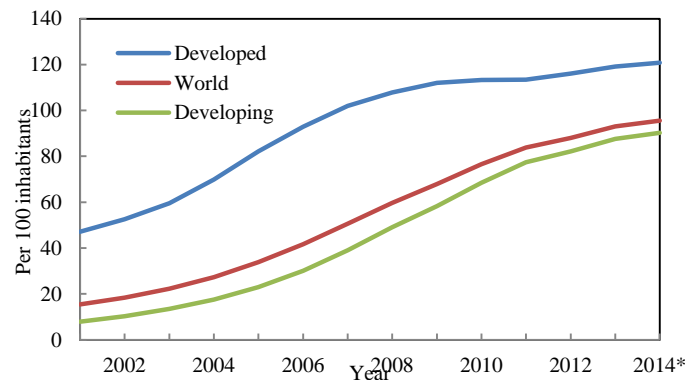
(c) **Device convergence:** several digital devices are converging. An example is smartphone. Figure 3 shows how several digital devices are converged in today's smartphone. Although their networks are different, 4G LTE and Digital Multimedia Broadcasting (DMB) are converged with voice communication in a single device.

The challenges faced by these industries are almost identical, except for the business challenges specific to their domain. Each of these industries are expanding the boundaries of their business, thereby trading in unfamiliar territories. This is leading to not only challenges, but also opportunities.

Digital convergence framework consists of creativity, humanistic, design and technology. Every digital convergence is an act starts with something new, imaginative and valuable idea in humanistic way. Conception for the creativity of a system with the application of process, invention and method for practical ends completes the convergence. The digital convergence business framework is shown in Figure 5.

### ADOPTING DIGITAL CONVERGENCE BUSINESS IN DEVELOPING WORLD

Nonetheless, most of the developing countries are slow in adopting U-business, the trend is drastically increasing. According to World Bank Enterprise Surveys in 2013, 26.1% of Nepalese firms have their own Websites (Enterprise, 2013). Although this figure is not much comparing to 40.3% worldwide (Enterprise, 2013), however it is a very positive sign in a country where fixed broadband Internet subscribers are around 0.75% according to ITU, World Telecommunication/ICT Development Report and database, and World Bank estimates (World, 2014). Figure 6 from ITU World Telecommunication/ICT Indicators database shows the Mobile-cellular subscriptions per 100 inhabitants from year 2001 to 2014. It indicates that even in in developing country mobile-cellular subscription rate is around 90 percent, around 73 percent higher than 10 years ago.



**Figure 6.** Mobile-cellular subscriptions per 100 inhabitants (ITU, 2013).



A study report in March 2014 by TNS Infratest Germany shows that 22.1% of adult population in India has smartphones, which is 9.3% more than the same month last year (TNS, 2014). This trend shows that majority of the population now connected via mobile-feature phone. However, the increasing trend of smartphone users open door to the new digital market and eventually leads towards digital convergence.

### BIG ROLE PLAYERS IN DIGITAL CONVERGENCE

Except digital limitations, digital convergence highly depends upon in what public interested. Merging several services, networks or devices in one gazette is not enough. Market trends, current fashion, and human behaviors towards the technology are also big factors.

Big market players (or market giants, like Samsung, Apple, LG, SONY, etc.) play vital role on digital convergence. They can influence market trends or fashion.

Some examples are, although multimedia system is embedded in every smartphone, there is still market of MP3 players and portable multimedia player (PMP). Similarly, many java and flash based online and offline games are available for free or for fee, but people still love to play with game consoles such as Xbox 360, PlayStation 4, and Wii U, among others.

Recently, not only the hardware, but system software also limits the capability of the device. Therefore, today's young generations change their cell phone frequently. Our recent survey with university students of 20 to 30 years old age group shows that most of the students change their cell phones after finishing their contract period with their career which is usually two years. Figure 7 shows the survey result why and when they change cellphones.

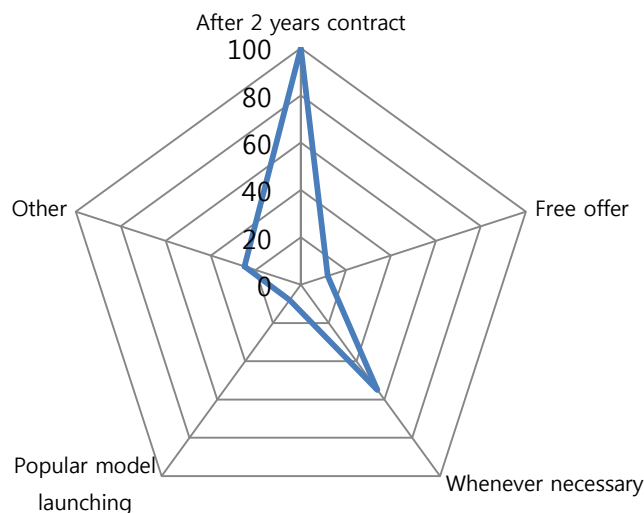
### DIGITAL CONVERGENCE GOAL AND HIERARCHY

Convergence is time-dependent and is unavoidable. Digital convergence has trends, hierarchy, and objectives. Figure 8 shows the convergence domain, convergence trend, and goal to achieve.

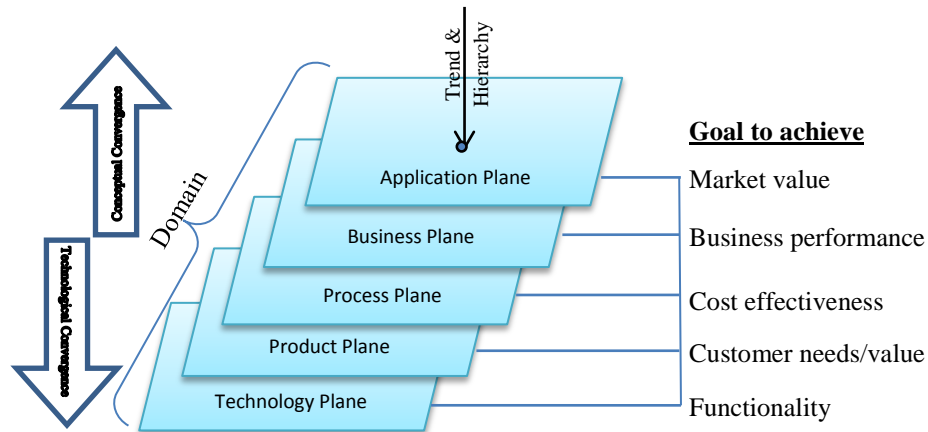
To improve functionality, several technologies converge. Above technology plane there is a product plane. New product launches according to the customers need or value. Examples are smartphone, digital TV, pods, pads, kindle. Similarly, several services are converged in digital TV, such as digital advertisement, digital TV shows, video on demand (VOD), marketing, TV shopping, internet, games and other entertainments, etc.

Process plane describes cost effectiveness. Mostly, only those get success in the market who have cost effective service or product. Business plane is just above the process plane. The main goal of business plane is to improve business performance.

Application plane is in the top of all others. New applications required because of new requirements in the market. Considering market values several market issues formed or converges.



**Figure 7.** Reason to change cellphones.



**Figure 8.** Types of convergences and its hierarchy.

Several aspect affects digital convergence business. Some factors that facilitate digital convergence business are policies, society, infrastructure, and contents, among others. There is no standard so far for the digital convergence business. Since, many technology, product, process business and market are converging; there should be some standardization for the reference and guidelines.

## OPPORTUNITIES

Digital convergence business is new paradigm in business world. It brings new opportunities for the people willing to do new and creative business. Focusing on innovative ways to succeed in emerging markets is required to sustain in the race. To gain maximum benefits from the business, managers, service providers, business owners, and stakeholders should understand the emerging trends.

Today, people are willing to pay more money for ad-less programs on TV. Myspace, Youtube and Facebook were not exists few years ago and now they have millions of unique visitor visitors per month. More videos was uploaded to Youtube in every month than a television had been airing programs 24 hours 365 days since its establishment of several decades. Current mobile device usage trend shows that the mobile device will be the world's primary connection tool to the internet after few years.

These trends brought new business opportunities. Some novel business fields are mobile Internet business, such as Broadband, WiBro (Mobile WiMax), DMB (digital multimedia broadcasting), mobile TV etc. Convergence business, such as IPTV, digital contents, mobile business, such as Game, Telematics, Payment, banking, Internet, Gifting, Music etc.

Location based service is growing business. Smart phones with GPS navigators inform you about the local business around you. It is an advantageous to users as they can get information about the local business and also great means to the advertisers to advertise their products and services.

M-commerce is also increasing day by day. Some of the marketing tools, such as mobile couponing, social networking service, messaging service, and social network service are very popular. Many companies send mobile coupons for discount or promotion. It is an easiest way to facilitate service to the target customers.

Other niche markets are audio books, special purpose devices, such as tactile smartphone, computer software and web apps etc., and ubiquitous healthcare, among other. Hardware, software and security tools are another business opportunity. Despite several security measures, mobile banking is venerable to be hacked or sniffed by malicious entities. As the market of digital convergence business is growing, demand of sophisticated hardware, software and security tools are also increasing.

## CHALLENGES

Due to the digital convergence it is easier to reach large audiences, but it is harder than ever to reach and attract the targeted customers. Digital convergence affected the way people do business. The main question here is are we ready for the current and future business with digital convergence business era?

There are two objectives of issues governing digital convergence business. First is an economic objective. To gain maximum profit form the convergence, several conventional policies should be changed.

Another is a socio cultural objective. There are growing new trends of social issues according to the diffusion of digital convergence business. For example, young people, who use various applications of smartphone, tend to create new social culture such as making friends, enjoying entertainments, and engaging social communities, among others.

## CONCLUSION

Digital convergence brings new business and affects traditional trends and businesses. With time, almost all components of society and business converge such as business, process, product and technology. To go along side of current business trend, business should adopt convergence and reform in such a way.

In this paper we discussed industry, device, network, and service convergence. We tried to answer how service providers, stakeholders, businesses, and consumers can take maximum advantages from digital convergence. We expect that this study will be useful for the researchers, industrialist, and students in this area.

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