

ABSTRACT

The development of information and communication technology (ICT) currently has an influence on human life, because it has changed the human process of communicating and has brought about the information age, where information is now a basic need. Indonesia's population data is 277.7 million people, of which 204.7 million are internet users and 370.1 million are smartphone users. Medan as a city with the highest per capita expenditure in the province of North Sumatra, this can represent the occurrence of banking transaction activity which is quite large in the use of mobile banking. However, it was found that areas with internet network coverage were not evenly distributed in several sub-districts. Marketing on the technology side is the main source because it continues to experience changes, such as mobile banking acting as a banking channel that users can make various financial transactions.

The development of activities in digital transactions needs to be balanced with digital balance in order to avoid the digital divide. So this study aims to analyze the effect of the digital divide on the use of mobile banking in Medan City. It is hoped that this research will have the benefit of being able to provide insight and knowledge about the effect of the digital divide in using mobile banking.

This study uses the SEM-PLS analysis technique with mobile banking as the research object. It consists of 3 stages, namely testing the outer model, inner model and then testing the hypothesis using WarpPLS 8.0 software for data processing.

The results of a survey of 327 respondents explained that there were four stages in the introduction of digital mobile banking technology, namely starting from motivation, physical and material access, mobile banking skills, and usage which had a positive and significant impact. This means that there is no digital gap taking place in the process of implementing digital mobile banking technology in Medan City. However, there are differences in how to adopt the people of Medan City in terms of moderator variables such as gender, age, education, and location towards the construct variables studied.

Currently, the digital divide theory is still a new theory that has not been fully implemented. So that in this study the researchers used the SEM-PLS analysis technique which is only developing and predicting existing theories. With the dynamic development of digital technology, it is hoped that further research will be able to use CB-SEM to demonstrate and validate theories, not only predictive, so that they have better scientific accuracy.

Keywords: *Digital Divide, Usage, Mobile Banking, SEM-PLS*