

## **ABSTRACT**

Indonesia is an archipelagic country with a dense population. This makes digitalization increasingly needed to facilitate people's daily activities, especially regarding transactions. For several cities that will develop rapidly in the next few years, such as Balikpapan, they will greatly benefit from the use of digitization related to transaction activities such as using mobile banking. Mobile banking is an online transaction service that can be done using a smartphone. Of course, this service can only be accessed using the internet network. On the other hand, there is still a digital divide due to the uneven distribution of the internet network in Indonesia, especially Balikpapan.

The purpose of this research is to find out whether motivation, physical and material access, and mobile banking skills influence the use of mobile banking. In addition, it is also to find out whether education, age, gender, and location have a significant effect on motivation, physical and material access, mobile banking skills, and usage.

To achieve the objectives, this research was conducted using a quantitative method by distributing questionnaires with 347 respondents which the data was analyzed using SEM-PLS and using WarpPLS 7.0 software.

Based on the significancy and positive result, thus there is no digital divide in adopting mobile banking in Balikpapan, but this research shows the differences of education level and location in Balikpapan affect the relation between motivation to physical and material access.

After conducting this research, the writer suggests banks to provide socialization to students in senior high school and university to increase the awareness of using mobile banking. For the next research will be better if conduct the research using CB-SEM and discuss e-wallets.

**Keywords:** Internet, Mobile Banking, Digital Divide, Consumer Behavior, SEM-PLS