

# CHAPTER I

## INTRODUCTION

### 1.1 Research Object Overview

The internet has now become a thing which is usually used for some activities such as communication, transactions, and searching for information. Making transactions now can be easier by using mobile banking. The use of mobile banking services on smartphones makes it possible for customers to carry out their banking activities more easily without space and time limitations. With the existence of mobile banking services, it is expected to create convenience and benefits in accessing the bank without requiring customers to come offline to the bank (Kurniawati, Winarno, Arif, 2017).

According to OJK (2022), Mobile banking is activity of banking transactions through smartphone, both in the form of m-banking applications and mobile operator default applications, which practically do not need to carry cash and safer because they use a PIN and facilitate non-financial and financial transactions without having to come to the bank.

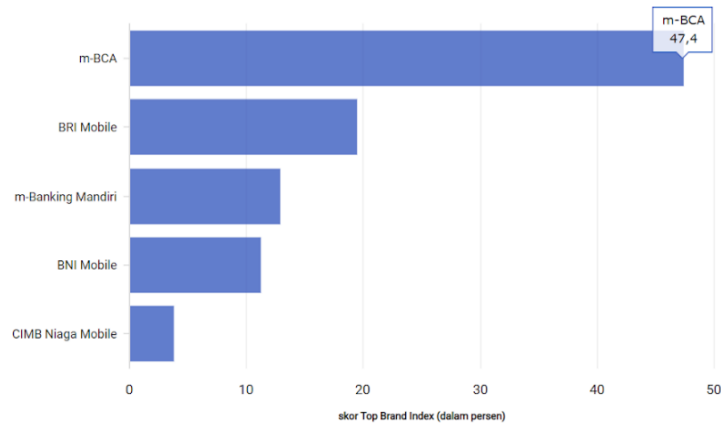


Figure 1. 1 Percentage of Top Brand Index of Mobile Banking in 2022

Source: Databoks.katadata.co.id (2022)

The graph shows that the top mobile banking in 2022 which is quite popular among the public is M-BCA which is 47.4%, then there is BRI mobile with a score of 19.4%, followed by M-Banking Mandiri 12.9%, BNI mobile was 11.2% and CIMB Niaga showed the lowest score of 3.8%.

## **1.2 Research Background**

Digital skills need to be owned by various societies today, especially younger people whose generation is identical to smartphones. By having digital skills, people will be better prepared to face the challenges of today's technology which in the end can adapt and to a certain condition can generate economic value from it. Digital skills include all technology-related skills, including literacy and fundamental skills, as well as general skills for all workers and specialized skills for ICT specialists. Digital skills cover skills related to the digital world, ranging from basic digital literacy to digital skills for the general workforce to specific digital skills for ICT professionals. Every country needs to improve its digital literacy in order to become a "digital literate" (Motyl et al., 2017). On the other hand, according to Van Deursen et al., (2016) digital skills are divided into 4 dimensions which include: digital technician skills, digital communication skills, digital analysis, and digital thinking.

Regarding the population in Indonesia, the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs noted that Indonesia's population calculated as 275.36 million in June 2022. This number increased by 1.48 million people (0.54%) compared to the total population in December 2021. This number also increased by 3.13 million people (1.15%) when compared to the position in June of the previous year. With the rapid population growth, digital development is really needed to make it easier for people to carry out activities, one of which is in making transactions by using digital banking which is mobile banking.

Supported by the increasing number of internet users in Indonesia every year, based on the graph in the figure below, there are more and more internet users in Indonesia every year. Until now, it has reached 212.9 million in January 2023, which

means 77% of Indonesia's 273.8 million population have used the internet. The graph also shows that internet users in January 2023 were higher than January 2022, from 205 million users soaring to 212.9 million users.



Figure 1. 2 Data of Internet User in Indonesia (2023)

Source : Dataindonesia.id

With the development of internet users in Indonesia, of course, it will also provide developments for information technology, especially for the banking sector. The existence of a high number of internet users also has a high influence on economic development. By utilizing the internet, Indonesian people can become part of an information society. Information society means that people's economic activities are based on internet digital information, and people who control information will rule the world (Rustam, 2017).



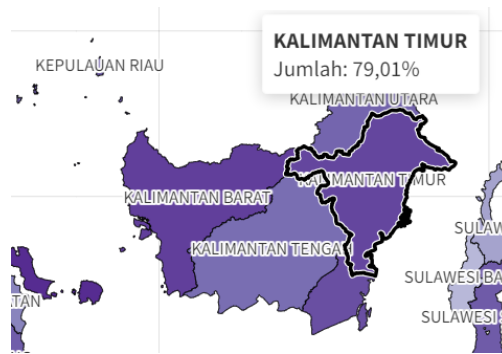


Figure 1. 4 Total of Internet Users in East Kalimantan

Source: dataindonesia.id (2022)

Based on the data above, internet users in East Kalimantan are 79% in 2022-2023. This indicates that the internet users in East Kalimantan are huge, and it is supposed to be important for the economic growth of the city. According to Yuldinawati (2022: 1) MSEs (micro and small enterprises) are considered as important areas of economic growth in developing countries. They are currently benefiting from the rapidly increasing number of Indonesians with internet access. It is becoming increasingly important for MSEs to start incorporating the internet into their business activities. If the economic sector can grow rapidly, transaction activity will increase automatically, and it will be easier for people to use mobile banking for their effectiveness.

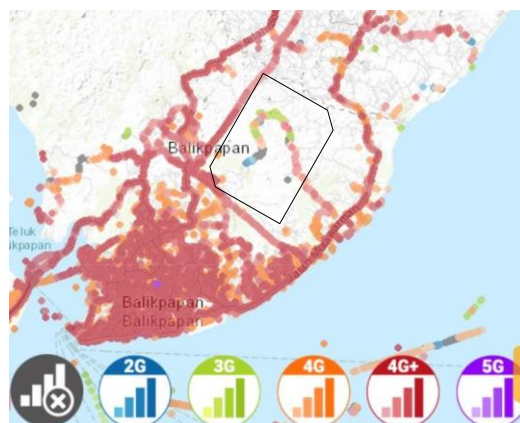


Figure 1. 5 Coverage Network in Balikpapan

Source: nPerf.com (2022)

The picture above is the Coverage Area Network in Balikpapan. In the picture above, the network in Balikpapan is still uneven. Although the dominant network in Balikpapan is 4G+, there are still some locations that still have 3G networks or even no network. When the network in Balikpapan is not yet spread evenly, it means the residents still having difficulty in accessing Mobile Banking because in accessing mobile banking have to connect to the internet. Therefore, the unevenness of the network in Balikpapan creates a gap which indicates that there are still many people who have difficulty or do not even use mobile banking because the network is not evenly distributed. The existing gap network factor can be said to be a factor of the digital divide.

Based on the explanation and data above, it shows that there is a digital divide with internet usage which affects the use of mobile banking in Balikpapan. Therefore, the authors are interested in conducting research on the digital divide for the use of mobile banking in Balikpapan because the area has the potential to grow even more rapidly, this is also related to the transfer of the capital city which means that Balikpapan should be able to develop even more in the technology and banking sectors to advance the potential of MSMEs that can support the economy in Balikpapan. However, the data shows that there is still a digital divide in the use of mobile banking. Therefore, the authors conducted research on **"THE INFLUENCE OF DIGITAL DIVIDE ON THE USE OF MOBILE BANKING APPLICATIONS IN BALIKPAPAN."**

### **1.3 Problem Formulation**

Based on internet user data which continues to increase from year to year, it shows that there is rapid technological development. The current development of ICT has an influence on human life, because it has replaced the human process of communicating and brought about the information age, where information is now a basic need (Admara & Giri, 2023). This has affected developments in the banking

sector, such as the development of mobile banking because mobile banking is one of the digital technologies which is often used nowadays, supported by data on the increase in the number of internet users and technology, which continues to increase rapidly every year. The development and increasing use of the internet in Indonesia is an opportunity for banks to provide banking services that can be accessed on customers' personal smartphones, which is mobile banking. However, in daily practice, mobile banking users are still less than the number of customers and are not evenly distributed throughout Indonesia (Haryanto & Giri, 2023). The dynamics of technological advances have brought major shifts, especially for banking transactions, especially mobile banking. Apart from being supported by the population, its development is also supported by the spread of the internet in Indonesia. However, there are still gaps in internet deployment, such as the islands of Java (43.9%) and Kalimantan (4.88%) (Ramadhaniansyah & Giri, 2023). Based on the data obtained, there are still gaps in society regarding the use of mobile banking. This can be seen from the internet distribution data, which is still uneven in several areas, such as in Balikpapan, and it can be seen from the data of coverage network area from Nperf. Based on some of the data previously described, it can be concluded that there is still a digital divide in accessing mobile banking. Based on the background above, the formulation of the problem to know the problem of this phenomenon is:

1. Is there a significant effect between motivation towards physical and material access?
2. Is there a significant effect between physical and material access towards mobile banking skills?
3. Is there a significant effect between mobile banking skills towards the usage of mobile banking?
4. Is there a significant effect between age towards motivation and physical and

material access?

5. Is there a significant effect between education towards motivation and physical and material access?
6. Is there a significant effect between gender towards motivation and physical and material access?
7. Is there a significant effect between location towards motivation and physical and material access?
8. Is there a significant effect between age towards physical and material access and mobile banking skills?
9. Is there a significant effect between education towards physical and material access and mobile banking skills?
10. Is there a significant effect between gender towards physical and material access and mobile banking skills?
11. Is there a significant effect between location towards physical and material access and mobile banking skills?
12. Is there a significant effect between age towards mobile banking skills and usage?
13. Is there a significant effect between education towards mobile banking skills and usage?
14. Is there a significant effect between gender towards mobile banking skills and usage?
15. Is there a significant effect between location towards mobile banking skills and usage?



#### **1.4 Research Objectives**

Based on the problem formulation above, the research objective to be achieved can be described as follows:

1. To find that there is a significant effect between motivation towards physical and material access.
2. To find that there is a significant effect between physical and material access towards mobile banking skills.
3. To find that there is a significant effect between mobile banking skills towards the use of mobile banking.
4. To find that there is a significant effect between age towards motivation and physical and material access.
5. To find that there is a significant effect between education towards motivation and physical and material access.
6. To find that there is a significant effect between gender towards motivation and physical and material access.
7. To find that there is a significant effect between location towards motivation and physical and material access.
8. To find that there is a significant effect between age towards physical and material access and mobile banking skills.
9. To find that there is a significant effect between education towards physical and material access and mobile banking skills.
10. To find that there is a significant effect between gender towards physical and material access and mobile banking skills.
11. To find that there is a significant effect between location towards physical and material access and mobile banking skills.

12. To find that there is a significant effect between age towards mobile banking skills and usage.
13. To find that there is a significant effect between education towards mobile banking skills and usage.
14. To find that there is a significant effect between gender towards mobile banking skills and usage.
15. To find that there is a significant effect between location towards mobile banking skills and usage.

### **1.5 Research Benefits**

In conducting this research, the writer hopes that this study will have benefits, whether theoretical and practical.

#### **a. Theoretical Benefit**

The writer hopes that the result of this research can enrich the student's knowledge regarding digital divide and be helpful for the next researchers to use this research as references for conducting another research related to this topic.

#### **b. Practical Benefit**

Hopefully the result from this research can be useful for banks to find the digital divide factors that encourage their consumers to use m-banking technology.

### **1.6 The Systematic of Thesis Writing**

In this research, the writer organizes and clarifies this research content clearly into five chapters. Below is the explanation about each chapter:

#### **a. CHAPTER 1: INTRODUCTION**

In this introduction section, the writer will give explanations about several topics including Research Object Overview, Problem Formulation, Research

Objectives, Research Benefits, and Systematic Writing.

**b. CHAPTER 2: LITERATURE REVIEW**

In this chapter the writer will give a review regarding literature which includes the theories of similar research before, and also including the hypotheses and theoretical framework from this research.

**c. CHAPTER 3: RESEARCH METHODOLOGY**

In this chapter, the writer will give an explanation regarding the way this research will be done, the data resources, and the kind of data that is being used in this research. It also includes any information related to the population, number of samples, variables, method of collecting the data, method of analyzing data and instrument testing.

**d. CHAPTER 4: RESULTS AND DISCUSSION**

In this chapter, the writer will give an explanation related to the description of this research object in general, the result of instrument testing, and including hypothesis testing.

**e. CHAPTER 5: CONCLUSION**

In this chapter, the writer will make conclusions and suggestions that will be helpful to the bank related to this research topic.