

CHAPTER I

INTRODUCTION

A. Research Background

The development of technology today is increasing. Some people feel the impact of technological development, but almost all levels of society and even technology are now present in practically every human activity. In addition to making work more practical, technology can also provide all kinds of information needed by humans. The information technology that we usually used is the internet. The internet is now not only used to find information but is also used to carry out economic transactions.

According to Hamelink, C. J. (1997), Using information and communication technology to conduct economic transactions makes information and communication technology now affecting almost all industrial sectors in Indonesia and even globally. One of the sectors affected by the development of information and communication technology is the banking industry. Information technology in the banking world, especially in Indonesia, is absolute and very difficult to separate. Therefore, information technology is a significant supporter of the banking system because information technology's progress must be supported by information technology.

The use of information technology in the banking industry is more focused on service systems. That is because the bank is one of the companies engaged in services, where the quality of service determines customer

satisfaction. In addition to good service, supporting facilities that can facilitate transactions also affect the customer's assessment of a banking product. Banks generally use information technology to accommodate interaction between companies and customers, where customers can obtain information and conduct banking transactions. One of the services provided by banks to meet these needs is Electronic banking (Krishnan, M. S., 1999).

Electronic banking is a banking service that includes several types of services that include internet banking, mobile banking, SMS banking, and phone banking. These services assist and facilitate customers to obtain information and conduct banking transactions. Transactions that previously could only do through Automated Teller Machine (ATM) can now be done only by mobile phone or internet. It certainly helped customers' mobility in banking transactions and prompted some customers to use those services to support their needs in conducting economic transactions. Mobile banking is one of the most frequently used by customers in transactions and allows customers to carry out transactions only through mobile phones (Mattila, M., 1970).

Internet penetration and smartphones are very high in Indonesia. According to statistics, the number of smartphone users in Indonesia is increasing every year and is predicted to grow. The following is a picture of the percentage of the growth of mobile users with a smartphone:

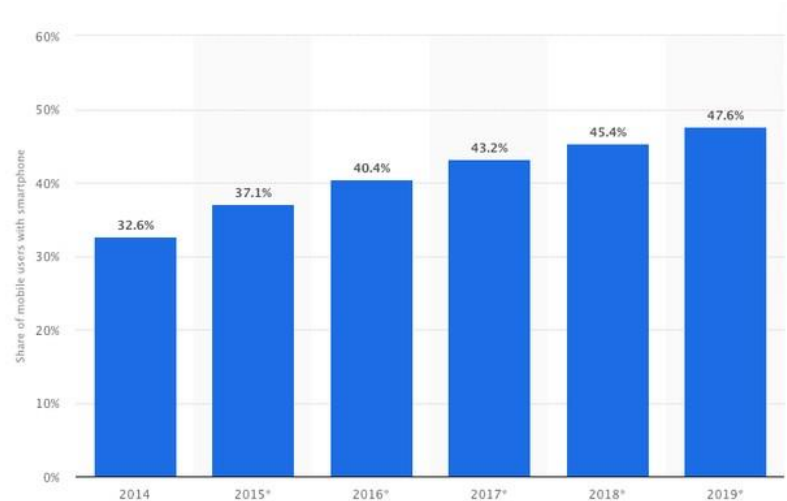


Figure 1.1 Mobile Users with Smartphone

Source: *CNBC Research Team*, www.cnbcindonesia.com (2019)

The number of Indonesian people who are connected to the internet continues to grow. A study conducted by the Indonesian Internet Service Providers Association stated that in 2018 171 million Indonesians were related to the internet. This amount is equivalent to almost 65% of the total population.

Indonesians are starting to turn to digital banking because of the character of Indonesians that can be said to be very technological. The renowned global consulting agency McKinsey & Company surveyed more than 900 respondents of bank customers in Indonesia in 2017. The results obtained indicate that Indonesian banking customers are very enthusiastic about adopting digital banking technology. Nearly six out of ten Indonesian banking customers are excited about using digital banking services. This number exceeds other countries such as Malaysia, Thailand, Vietnam, etc.

The following is a picture of Indonesia banking customers adopting digital banking:



Figure 1.2 Indonesia Banking Customers Adopting Digital Banking

Source: *CNBC Research Team*, www.cnbcindonesia.com (2019)

Mobile banking has so many advantages and benefits, which overall help banking customers to be able to perform transactions anytime and anywhere. However, most banking customers still do not use such services, and not a few of those who still choose to use an ATM or come directly to the branch offices of banks rather than using mobile banking application in the transaction. However, it takes more time and energy. This fact is closely related to the level of customer acceptance of the mobile banking application.

The model for this research is based on the Technology Acceptance Model (TAM) theory introduced by Davis (1989) in explaining the factors that influence individual interest in using mobile banking. TAM aims to provide a parsimonious explanation of the determinants of the adoption of information technology user behavior towards accepting the use of information technology itself (Davis, 1989).

TAM focuses on attitudes towards the use of information technology by users by developing it based on perceived usefulness and perceived ease of service in the use of information technology. TAM is widely used to predict the level of user acceptance and usage based on perceptions of the ease of use of information technology by considering the ease of use of information technology. Perceived usefulness is the degree to which a person believes that using a particular system will improve their work performance. Perceived ease refers to the degree to which a person believes that using a specific method will make their efforts lighter (Davis, 1989).

Perceived Usefulness is a determinant relationship between social influence and system quality. Social impact defines as "one's perception that most people ask to think whether a person should or does not conduct a behavior towards a question" (Fishbein, Ajzen, and Belief, 1975). Despite the downward subjective norms of the TAM research variable, many empirical studies have shown that social influence positively affects perceived usefulness.

Perceived ease of use is when someone believes using information technology can reduce any effort and is easily understood by users. If

someone believes that technology is easy to use, then he will use it. This opinion is related to the idea of Davis et al. (1989). Ease is defined as a level or condition where someone believes that using a particular system does not require any effort or, in other words, users can easily understand the technology. The reuse of service is also strongly influenced by the security and ease of using mobile banking services.

Perceived security is the extent to which customers believe that using information technology is considered safe, so customers will be motivated to use it. For example, according to Pranidana (2009), security in mobile banking technology provides a higher level of security to facilitate customers to conduct banking transactions anytime and anywhere to make users feel safe in conducting transactions.

According to Mowen and Minor (2010), customer attitude is a feeling that arises in someone. When performing a behavior, it can be positive or negative feelings that the philosophy of use conceptualize as the attitude towards using a system in the form of acceptance or rejection as a result of when someone uses technology in work.

Behavior intention defines a desire of consumers to behave in specific ways to own, dispose of, and use products or services. So consumers can form the desire to find information, tell others about their experiences with a product, buy a specific product or service, or dispose of a product in a certain way. According to Simamora (2003), the desire to behave is a proposition that connects itself with future actions. Therefore,

measuring intention to act can be the best way to predict future buying behavior.

This research is a replication according to Jahangir, N., & Begum, N. (2008). This study examines the effect of perceived usefulness, perceived ease of use, security, and customer attitudes on behavioural intentions to use mobile banking. Researchers set BMT UMY to be the setting of this research.

B. Research Questions

Based on the research background above, it can be formulated several descriptions of the question include:

1. Does perceived usefulness affect customer attitude?
2. Does perceived ease of use affect customer attitude?
3. Does security affect customer attitude?
4. Does customer attitude affect behavioural intention?
5. Does perceived usefulness affect behavioural intention?
6. Does perceived ease of use affect behavioural intention?
7. Does security affect behavioural intention?
8. Does customer attitude mediate the effect of perceived usefulness on behavioural intention?
9. Does customer attitude mediate the effect of perceived ease of use on behavioural intention?
10. Does customer attitude mediate the effect of security on behavioural intention?

C. Research Objectives

Following the question above, the goal to be achieved in this study are as follows:

1. Analyzing the effect of perceived usefulness on customer attitude.
2. Analyzing the effect of perceived ease of use on customer attitude.
3. Analyzing the effect of security on customer attitude.
4. Analyzing the effect of customer attitude on behavioural intention.
5. Analyzing the effect of perceived usefulness on behavioural intention.
6. Analyzing the effect of perceived ease of use on behavioural intention.
7. Analyzing the effect of security on behavioural intention.
8. Analyzing the effect of perceived usefulness on the behavioural intention with customer attitude as an intervening variable.
9. Analyzing the effect of perceived ease of use on the behavioural intention with customer attitude as an intervening variable.
10. Analyzing the effect of security on the behavioural intention with customer attitude as an intervening variable.

D. Research Benefit

1. For Researchers

- a) To hone the ability of researchers to answer fundamental problems in everyday life, especially those related to the role of perceived usefulness, perceived ease of use, security, and customer attitude, to engender customer adaptation in the context of mobile banking. In addition, to enhance and expand, and develop researchers' scientific understanding.

2. For Academics

- a) This research is expected to be used as a reference relating to perceived usefulness, perceived ease of use, security, and customer attitude on behavioural intentions in using mobile banking.
- b) This research is expected to provide additional knowledge and can be used as motivation for future research.

