

CHAPTER I

INTRODUCTION

1.1 Background of the Study

In the current modern period, particularly since the COVID-19 epidemic, every business sector has started to transform into a digital one and utilize advanced technology in its operation system in order to perform effectively and efficiently and reach a wider market. Several ways for firms to start their digital journey such as building social media accounts and websites, establishing applications, etc. As the firms transform into digital, people also start to learn and use the products or services served through cutting-edge technology. The digital transformation of the market can be seen through the number of app downloads and the time spent in the figure below.

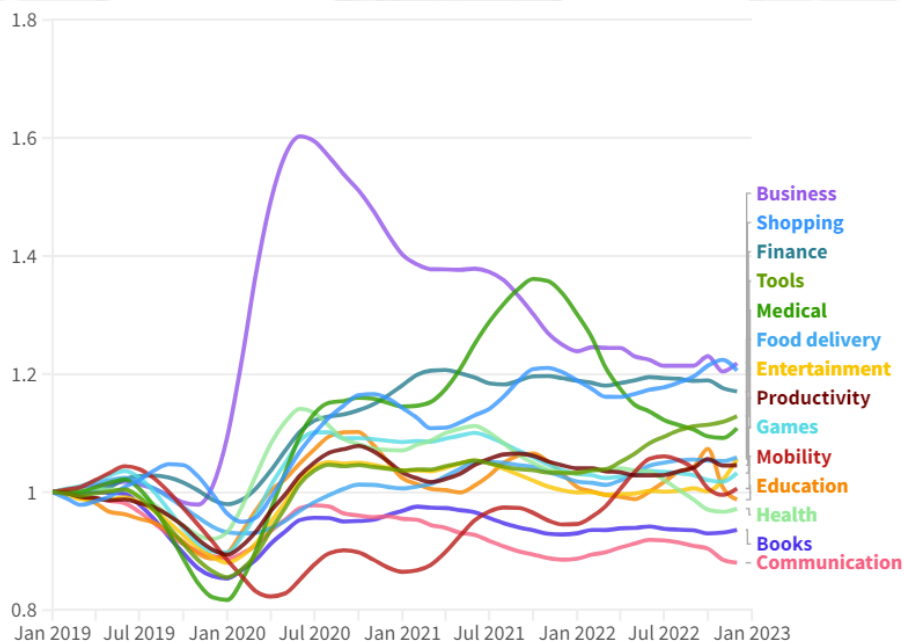


Figure 1.1 Global App Downloads and Time Spent by App Category From 2019 to 2022
Source: World Bank (2024)

The financial sector is one of the sectors that started to implement digital work systems, and this can be seen through the utilization of mobile banking applications all around the world. Mobile banking has allowed society to access their bank account easily and flexibly through smartphones. People can now do financial transactions easily without going to the bank.

The utilization of mobile banking is also increased in Indonesia. Based on Laras (2023), Bank Indonesia stated that in September 2023, digital transactions in Indonesia reached Rp15,148.71 trillion, which increased 12.83% from the previous year, while transactions using Automatic Teller Machines (ATMs) and debit cards reached Rp621.22 trillion, which decreased 5.58% from the previous year. This shows the increasing interest in digital transactions rather than ATMs.

PT Bank Permata Tbk, also known as PermataBank, is among the banks in Indonesia that launched mobile banking applications, namely PermataMobile X. Eddie Sajoga, the Chief of the Branch Network of PermataBank, stated that PermataBank offered around 200 simple, fast, and reliable features in PermataMobileX (Pradana, 2024). Several features include QRIS, opening savings accounts, applying for loans and credit cards, purchasing investment and insurance products, daily banking transactions, etc. By September 30, 2023, PermataMobile X reached 1.5 million users, which increased 20% from the previous year.

However, the level of intention to use PermataMobile X is still considered quite low. Compared to other mobile banking applications, the users of PermataMobile X are low. According to Lintang (2024), the Populix survey with 1.000 respondents stated that 60% of respondents utilize BCA Mobile, whereas just

about 5% utilize Permata Mobile. Given that most individuals prefer other mobile banking apps, this suggests that there is a low intention to use PermataMobile X.

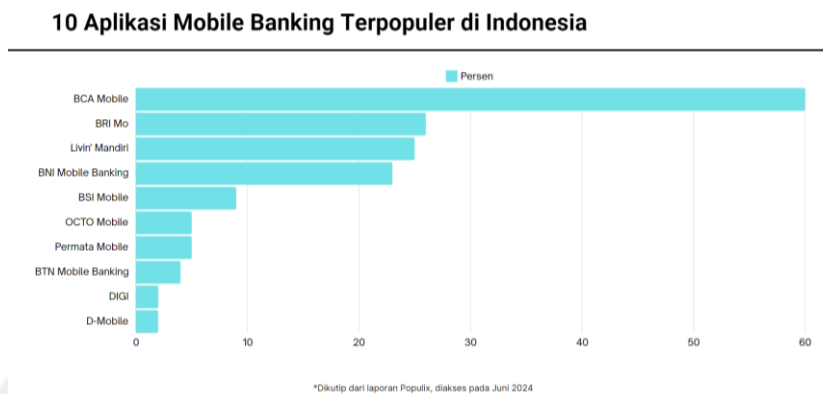


Figure 1.2 Top 10 Most Popular Mobile Banking Applications in Indonesia
Source: Lintang (2024)

In addition, despite the many features that PermataBank offered, PermataMobile X achieved an average rating of 3.0 out of 5.0 in the Google Play Store and received bad reviews, such as the annoying UI/UX design, the frequent application error, confusing application features, and the slow and heavy application. There are also several users who commented that they are forced to use PermataMobile X only to receive wages and compared PermataMobile X to other mobile banking applications, such as BCA Mobile, BRImo, etc. This shows that there is a phenomenon where there are low intention to use PermataMobile X.

The Technology Acceptance Model stated that perceived ease of use and perceived usefulness are the two variables that could affect the intention to use technology systems (Kurniawan et al., 2022). Other than that, according to Wijanarko & Sihite (2024), intention to use is positively affected by perceived ease of use and perceived usefulness. In addition, Batubara et al. (2023) indicate that trust acts as a mediator between perceived usefulness and perceived ease of use on intention to use.

In terms of perceived ease of use, PermataMobile X has offered around 200 features to help users manage their finances more easily. But instead of helping the users and becoming a competitive advantage, those various features bring a contrary impact. Those features make users harder to use the application as they have to learn the many features that PermataMobile X offers. Users must make an effort by spending their time and energy to learn the huge amount of features before using them. This weakness of PermataMobile X is also supported by Pradana (2024), who stated that the many features of PermataMobile X have caused a lot of confusion and make it hard for users to learn and optimize every feature offered. In addition, based on Isnainrajab et al. (2020), the usability scale of PermataMobile X in the aspect of learnability is 68%, where the average learnability is 78%, showing that the learnability of PermataMobile X is below average.

Furthermore, in September 2021 and August 2024, there are several users commented in the Google Play Store about the bad and annoying UI/UX design that caused users to have difficulty using the application. In addition, in August 2024, there is a user commented in the Google Play Store that PermataBank is weird as the features are confusing and the application cannot be used to withdraw money from an ATM just like other banks, resulting in this user thinking of PermataBank as an amateur bank that is unreliable and not secure, thus making him not trusting PermataBank. In short, several users may perceive PermataMobile X as an application that is hard to use, resulting in lower trust and lower intention to use PermataMobile X.

In terms of perceived usefulness, PermataMobile X aims to help users by offering many features. However, the huge amount of features leads the application to run slowly and causes several technical problems, such as the need to log in multiple times, the inability to open the application, and frequent loading. As the application needs a longer time to operate and even fails to load the application, users felt that the application is no longer practical and does not give value to their daily lives. This statement is supported by several comments in the Google Play Store, such as a comment in April 2022 which stated that the application is slow and unusable, and some features, like mutation check, don't work at all. Another comment in October 2023 stated that he/she could not log in and the application is often in trouble. Due to the errors in opening the application and in doing transactions, some users are forced to go to the ATMs to transfer and bank to solve those issues, showing that the application is not reliable as the application is often error, and lowers user productivity as users must visit the traditional bank to resolve the difficulties they faced.

Moreover, some users feel that the customer services of PermataMobile X are not really helpful in solving the problems users face when using the application as they give no feedback and tend to give the same response, which is to check the connection. A user commented in the Google Play Store in April 2022 that the application can only be operated using mobile data and when consulting with customer service, they stated that the application is working fine, leaving the user with no solution. Another cases were posted by several users in the Google Play Store reviews in June and August 2024, where users say that they have changed to

the most stable and fastest network connection, but the application is still running slowly and always fails to do financial transactions. This caused some users to feel irritated and find the application unreliable, causing the trust of users towards PermataMobile X to decrease.

In conclusion, the hundreds of features of PermataMobile X have caused the application to be slow and produce technical problems, leading the users to think of the application as unuseful and ineffective. Adding with the helpless customer service felt by users, which causes them to go to the bank to solve their issues, this leads users to feel the application is unreliable and invaluable, which results in lower trust and lower intention to use the application.

Therefore, the aim of this research is to analyze the influence of perceived ease of use and perceived usefulness on intention to use PermataMobile X in Medan with trust as a mediating variable.

1.2 Problem Limitation

The limits of this research are:

1. This research focuses on the influence of perceived ease of use and perceived usefulness on intention to use PermataMobile X in Medan with trust as a mediating variable. The scope of this research is limited to PermataMobile X in Medan.
2. There are four variables in this research, which are perceived ease of use (X_1) and perceived usefulness (X_2) as the independent variables, intention to use (Y) as the dependent variable, and trust (Z) as the mediating variable.

According to Davis (1989) as cited in Wijanarko & Sihite (2024), the indicators of perceived ease of use are:

- a) Easy to Use
- b) Easy to Understand
- c) Effortless
- d) Easy to Learn

According to Davis (1989) as cited in Syahri & Setyawati (2023), the indicators of perceived usefulness are:

- a) Work More Quickly
- b) Practical
- c) Increase Productivity
- d) Increase Effectiveness
- e) Improve Job Performance

According to Wijanarko & Sihite (2024), indicators of trust are:

- a) Reliability
- b) Security
- c) Value
- d) Problem Solving

According to Wijanarko & Sihite (2024), indicators of intention to use are:

- a) Will
- b) Tend to
- c) Social Influence

- d) Commitments
- e) Future-oriented

1.3 Problem Formulation

The questions that are formulated in this research are:

- a) Does perceived ease of use influence trust in PermataMobile X in Medan?
- b) Does perceived usefulness influence trust in PermataMobile X in Medan?
- c) Does perceived ease of use influence the intention to use PermataMobile X in Medan?
- d) Does perceived usefulness influence the intention to use PermataMobile X in Medan?
- e) Does trust influence the intention to use PermataMobile X in Medan?
- f) Does perceived ease of use influence the intention to use PermataMobile X in Medan through trust?
- g) Does perceived usefulness influence the intention to use PermataMobile X in Medan through trust?

1.4 Objective of the Research

The objectives of this research are:

- a) To identify whether perceived ease of use has an influence on trust in PermataMobile X in Medan.
- b) To identify whether perceived usefulness has an influence on trust in PermataMobile X in Medan.

- c) To identify whether perceived ease of use has an influence on the intention to use PermataMobile X in Medan.
- d) To identify whether perceived usefulness has an influence on the intention to use PermataMobile X in Medan.
- e) To identify whether trust has an influence on the intention to use PermataMobile X in Medan.
- f) To identify whether perceived ease of use has an influence on the intention to use PermataMobile X in Medan through trust.
- g) To identify whether perceived usefulness has an influence on the intention to use PermataMobile X in Medan through trust.

1.5 Benefit of the Research

This research is expected to solve the problems that PT Bank Permata Tbk has regarding intention to use PermataMobile X and understanding factors and the influence of perceived ease of use and perceived usefulness on intention to use PermataMobile X in Medan with trust as a mediating variable.

1.5.1 Theoretical Benefit

This research has the theoretical benefit of identifying whether perceived ease of use and perceived usefulness have an influence on the intention to use PermataMobile X in Medan with trust as a mediating variable. Moreover, this research could provide more insight into the correlations between those variables.

1.5.2 Practical Benefit

Several practical advantages that are expected to be offered through this research are:

- a) For the writer and readers, this research could gain the knowledge and understanding of the writer and readers regarding perceived ease of use and perceived usefulness and their correlation with trust and intention to use.
- b) For the company, this research could help PT Bank Permata Tbk in understanding and measuring the effectiveness of perceived ease of use and perceived usefulness on trust and intention to use.
- c) For scholars, this research might serve as a guide for those interested in conducting marketing research, especially correlated with perceived ease of use and perceived usefulness.

