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An Analysis of the Role of Usefulness, Trust, and Ease of Use in Driving Digital Banking Adoption in Indonesia

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ABSTRACT

The purpose of this paper is to analyze the correlation of perceived usefulness, trust, and perceived ease of use towards the adoption of digital banking in Indonesia. A survey of the Indonesian population was conducted, and multivariate analysis was performed to discover linkages between respondents' perceptions and behavior regarding digital banking. Trust and perceived usefulness have a substantial effect on digital banking adoption. On the contrary, perceived ease of use is insignificant towards digital banking adoption. The relationship between digital banking adoption and trust and perceived usefulness is strong which means banks should focus more on trust-building measures and improving digital banking usefulness to customers. In contrast to previous research, this paper reveals different results in the significance of perceived usefulness towards digital banking adoption.

SARI PATI

Tujuan dari makalah ini adalah untuk menganalisis hubungan manfaat yang dirasakan, kepercayaan, dan kemudahan penggunaan yang dirasakan terhadap adopsi perbankan digital di Indonesia. Sebuah survei terhadap populasi Indonesia dilakukan, dan analisis multivariat dilakukan untuk menemukan keterkaitan antara persepsi dan perilaku responden mengenai perbankan digital. Penelitian ini menemukan bahwa kepercayaan dan manfaat yang dirasakan memiliki efek substansial pada adopsi perbankan digital. Sebaliknya, kemudahan penggunaan yang dirasakan tidak signifikan terhadap adopsi perbankan digital. Hubungan antara adopsi dan kepercayaan perbankan digital dan kegunaan yang dirasakan kuat yang berarti bank harus lebih fokus pada langkah-langkah membangun kepercayaan dan meningkatkan kegunaan perbankan digital pada pelanggan. Berbeda dengan penelitian sebelumnya, makalah ini mengungkapkan hasil yang berbeda dalam signifikansi manfaat yang dirasakan terhadap adopsi perbankan digital.

INTRODUCTION

Never before has the banking business been so shaken by novel threats and cutting-edge technologies, which are shifting the industry's market structure. This era of digital disruption has presented both difficulties and possibilities. The "digitally-native bank," as coined by Boehme (2018), is the next step in banking evolution. Inwardly, this evolution will be extremely streamlined and automated, yet nimble and adaptable enough to quickly respond to new possibilities and threats (Boehme, 2018). One of the most pressing strategic concerns in the banking industry today is the rapid development of digital technology in the financial sector (Feyen et al., 2021). There are positive and negative prospects for banks, respectively (Dermine, 2016; Marinč, 2013), but both are important to consider. Based on a study by Wirdiyanti (2018), a number of issues can arise as a result of the widespread adoption of digital banking technology, including those having to do with the solvency of banks, banking system risks, and consumer security. However, this study also stated that it has some beneficial effects, including a rise in competition and a wider potential market, both of which can improve banks' effectiveness and efficiency.

One goal of digitalization is to help underdeveloped areas get access to the formal financial sector and accelerate economic growth through the use of electronic banking channels (Kaur et al., 2021). By providing access to a wide range of cutting-edge financial services, digital banking platforms bridge the gap between the unbanked and the mainstream (Rengert & Rhine, 2016). Various non-financial services are accessible via the mobile banking applications of today. However, consumers have not benefited from these services to their full potential due to a lack of awareness, skill, and expertise (Shaikh et al., 2020).

Despite the fact that the banking industry faces a number of potential future scenarios due to the widespread adoption of digital technology, economic theory indicates that such developments contribute to higher production and drive the efficiency of the organization. Based on empirical data, it is clear that digital banking technology adoption is a primary concern for the banks operating in Indonesia's banking sector (PwC, 2018). Because of competition between different industries, businesses have had to rapidly adapt in order to keep up with the demands of their customers and not fall behind (Andries & Debackere, 2007). With the rise of digital banking, such as Blu by BCA and Livin' by Mandiri, daily cashless payments are highly encouraged by the government, notably since the pandemic as it is better to avoid physical encounters to increase safety (Givelyn et al., 2022).

Digital banking, as argued by Shaikh and Karjaluoto (2016), goes much beyond a cutting-edge financial channel and an effective advertising campaign. Because of digitalization, there has been a dramatic shift in the way banks identify and meet the needs of their customers (Shcherbatykh et al., 2021). Numerous measures have been conducted by banks in Indonesia to persuade customers to shift to digital banking, which includes intensive digital marketing campaigns aimed at acquainting consumers with the various available possibilities (Meena & Parimalarani, 2022). However, the rate of acceptance is still lower than expected (Sitorus et al., 2019).

Furthermore, there is very little research studying the reason behind the lack of digital banking adoption numbers in Indonesia (Kiliari & Koesrindartoto, 2019). To fill the gap in the literature, research to analyze the significance of the three following factors: perceived usefulness, trust, and ease of use towards the adoption of digital banking in Indonesia are needed. The discussion regarding perceived usefulness will

cover how customers believe digital banking will enhance their performance. Moreover, the variable perceived trust is to discuss the importance of the assurance that a customer has in the competence of their digital banking service provider to consistently offer trustworthy services through the Internet. In addition, perceived ease of use will be examined to study the degree to which a customer feels that accessing financial services through the internet will be simple and straightforward to use. These three variables will be used in analyzing the factors that affect the adoption of digital banking, which is the intention to use digital banking by consumers. For data collecting, our survey respondents will consist of the younger and older generations in Indonesia.

This study is interested in finding the answer to the following question. Do perceived usefulness, trust, and perceived ease of use have a significant effect(s) on the adoption of digital banking in Indonesia, and why?

The paper is structured as the following. There will be a literature review where the variables influencing the adoption of digital banking are modelled. This is followed by the methodology which includes the research's procedure and then leads to the results and discussion. The paper is finalized by the theoretical and managerial implication then ended with the conclusion of the study.

LITERATURE REVIEW

Digital Banking

The rise of digital banking presents both challenges and opportunities for financial institutions. New insights into the world of digital banking are uncovered via a thorough examination of recent literature. Before recently, consumers could only engage in traditional banking activities and programs by visiting a bank branch in person. The term "digital banking" describes the transition of these processes and services to online (Parimalarani & Meena, 2020). During this time of change, financial services have been digitized to varying degrees. Mobile digital wallets, investment management apps, the ability to deposit mobile payments through banking apps, cardless ATM withdrawals, and many other solutions are all contributing to the growth of digital banking (Chauhan, 2018). All of these breakthroughs can be attributed to the maturing infrastructure of digital banking. However, it appears that these definitions miss the mark when it comes to capturing the core, scope, and significance of digital banking. Therefore, the strategic value of digital banking will be recognized by the financial industry if a thorough grasp of digital banking applications, products, and services is achieved. This comprehension will penetrate the acceptance, adoption, and utilization of digital banking goods and services throughout various customer sectors, including the banked, the underbanked, and the unbanked (Shaikh & Karjaluoto, 2016). From there, Shaikh and Karjaluoto (2016) stated that "digital banking" refers to a system in which customers can access their banking information and complete financial and non-financial transactions via an electronic device such as an ATM, the Internet, a cell phone, a smartphone, a tablet computer at any time of day or night.

In the 1980s, Citi, Chemical Bank, Minitel (France), and Prestel (UK) operated online banking test programs, marking the beginning of digital banking. Still, it wasn't until the Internet boomed in the '90s that online banking really took hold (Ghani et al., 2022). Digital banking facilitates the transition of

previously in-person banking services and activities to an online platform. There has been a plethora of research looking at digital banking and making comparisons to more traditional banking methods. In South Korea, for instance, researchers discovered that digital banking was significantly more beneficial than traditional banking. Customers that prefer digital banking appear to place a value on efficiency, high-interest rates, simplicity of account opening, minimal fund transfer costs, financial service credibility, and convenience of access to financial goods and mobile apps (Shin et al., 2019). However, there are a few security concerns with online banking that brick-and-mortar banks don't have (Shin et al., 2019). Research also indicates that banks can improve their customers' experiences across their whole product offering by utilizing online platforms rather than presenting individual products and services. Customers would rather make their own investments and financial choices (Barquin & Vinayak, 2015).

Technology Acceptance Model (TAM) Theory

The Technology Acceptance Model (TAM) is a framework for understanding how people react to new technologies. This model was developed by Davis (1986) to describe how different aspects of a computer-based Technology System affect its users. When trying to determine what elements affect people's willingness to adopt new technologies, TAM is the gold standard. When it comes to how people make and stick to decisions about how and why they utilize technology, TAM illustrates the causal relationship between those factors (Davis et al., 1989). According to the theory, when people are given a new technology, they consider a variety of criteria before deciding how and when to use it (Chariri et al., 2020; Lindsay et al., 2011). In order to explain user behavior across a wide variety of end-user computing technologies and user groups, TAM aims to explain the factors that contribute to widespread computer acceptance (Rondan-Catalua et al., 2015). The TAM method was used to try to pin down the core variables that had been proposed by earlier studies.

This model illustrates how consumers' decisions about when and how to employ new technologies are impacted by a number of factors. Perceived usefulness, trust, and ease of use are the three most crucial elements. Thus, according to TAM, three factors—perceived usefulness, perceived trust, and perceived ease of use—determine whether or not a user will adopt a certain information system. All of these elements come together to form a person's perspective on technology, which in turn might influence their willingness to engage with and make use of that technology in their daily lives.

Perceived Usefulness

As stated by Davis (1986), one of the most essential factors in system acceptance by users is perceived usefulness, which correlates to the efficiency and efficacy of the system, as well as the total benefits it provides to users in order to enhance their performance. In a similar manner, Mathwick et al. (2001) explained perceived usefulness as the degree to which an individual believes a certain system will improve his or her work performance. Customers will examine the usability of technology to fulfil their aims when deciding to adopt it (Anggraeni et al., 2021). It is the degree to which a person believes that making use of a particular technology will result in an improvement in the quality of the work that they do (Tahar et al., 2020). According to the findings of a study by Prastiawan et al. (2021), perceived usefulness has a favourable and significant influence on attitudes toward digital banking adoption. Customers' attitudes toward adopting digital banking services can be influenced by how strongly they believe they will profit from the services provided by digital banking providers. In contrast, Maharani (2020) found that the

digital banking application is not as useful as it depends on the features and products it offers. Additionally, Ghani et al. (2022) indicate that if the system's trustworthiness and security were not compromised, the efficiency of digital banking would continue to rise.

Another research proved that of three main factors that influence behavioral intention, one of them is perceived usefulness which has a significant effect on the acceptance of using internet banking and mobile banking in transactions (Aryadinata & Samopa, 2019). The researchers believe that the higher the perceived usefulness of a system, the higher the possibility to influence consumer behavior toward digital banking adoption. Thus, the researchers hypothesize that

Hypothesis 1: Perceived usefulness has a beneficial effect on consumer digital banking adoption behavior

Trust

Since it lessens the possibility of fraudulent activity, trust is an essential component of every type of business interaction, especially those conducted online. As stated by Li (2016), trust depends on how a customer sees the company's ability to use and protect personal information in a way that meets customer expectations when things are uncertain. Meanwhile, Indan et al. (2016) described trust as the propensity of individuals to rely on other parties in a transaction because they have faith in them. In the context of online banking, Bashir and Madhavaiah (2015) defined trust as the assurance a user has in a digital banking service provider's capacity to provide dependable services online. Furthermore, the importance of trust in Internet banking services is of the utmost importance (Yousefi & Nasiripour, 2015). This is because there are no traditional banking operations taking place in the bank, nor is there any face-to-face interaction between customers and bank employees. The researchers believe that if there is a greater level of trust, then there will be a greater intention to use. This indicates that if trust indicators (trust, feeling safe, reliability, and truthfulness) grow, so will consumers' behavior to utilize digital banking (Suryati & Yoga, 2021). This is why the providers of digital banking services need to earn the user's trust before they can get them to utilize their application. Thus, the researchers hypothesize that

Hypothesis 2: Trust has a beneficial effect on consumer digital banking adoption behavior

Perceived Ease of Use

The Technology Acceptance Model (TAM) generates the perceived ease of use variable. Perceived ease of use is regarded as a vital aspect in anticipating users' intentions to adopt new technologies (Al-Sharafi, 2018). Based on Davis (1989), the ease of use for information technology includes four points which are: 1) It is very simple to understand; 2) It easily accomplishes what the user wants it to achieve; 3) The use of information technology will result in an increase in users' skill levels; 4) The usage is relatively simple. People have a greater propensity to adopt cutting-edge technologies if they believe that those technologies are simple to comprehend and apply in their daily lives (Chauhan et al., 2019). Similarly, consumers are more likely to adopt and utilize novel technologies that are perceived as user-friendly (Montazemi & Qahri-Saremi, 2015). When users are able to readily accept and adjust to new technologies, their overall perception of those technologies improves, as well as the level of commitment they demonstrate in their use of those technologies.

Customers using a digital banking platform will need to become familiar with its unique interface and set of functionalities. When customers discover that technology is too difficult to use and too complicated, they may decide to avoid trying to use it or not use it at all. The researchers believe that greater ease of use of digital banking will result in greater influence on consumer behavior towards digital banking adoption. Thus, the researchers hypothesize that

Hypothesis 3: Perceived ease of use has a beneficial effect on consumer digital banking adoption behavior

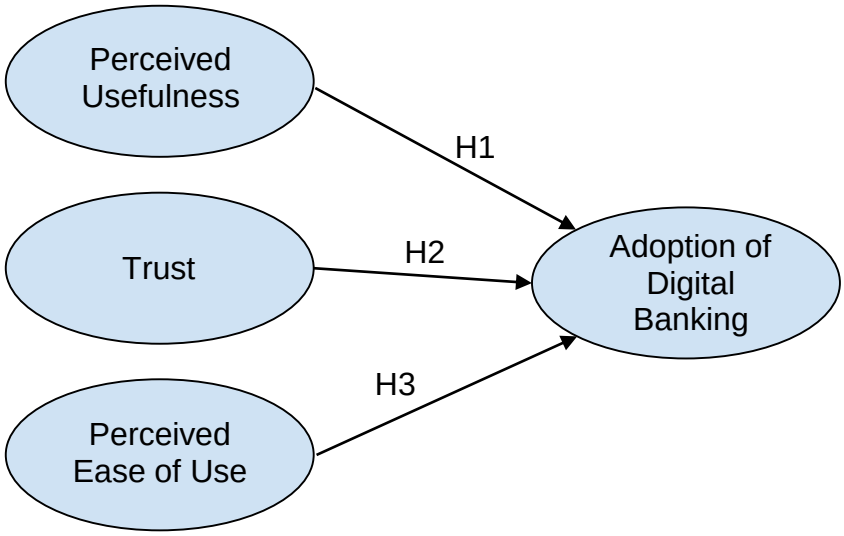


Figure 1. Hypothetical Framework Model

METHODS

Sample and Data Collection

The population studied consisted of individuals who utilized digital banking to varying degrees. This resulted in a method of sampling that was not based on probability, as the data were collected based on the convenience sampling technique. This prevents the findings of this study from being generalized to a wider audience (Kim & Malhotra, 2005).

The data for the research analysis came from a survey, and it was modified so that it could be used to evaluate the scale model that the author had built. This data collection instrument consists of 18 items using Likert-scale questions with endpoints ranging from 1 (completely disagree) to 5 (absolutely agree). In addition to this, there are questions relating to the respondents' demographics. After the researchers provided the respondents with a concise overview of the study, the participants filled out the questionnaires.

The purpose of the digital data-collecting equipment was to provide the participants with the measurement items defined in the previous study phase. The participants were asked to fill out the data collection instrument. In order to collect the necessary information, an online questionnaire was made available to respondents by a link. This questionnaire was created using the Google Form platform. Both

mobile and desktop devices, including computers, may be used to complete the questionnaire. The link to the questionnaire was posted on social media platforms and online discussion forums, including Instagram and WhatsApp.

The data were collected in early November 2022. There were a total of 125 completed surveys that were sent back. This exceeds the suggestion of Hair et al. (2018) in the sample-to-variable ratio, which suggests a minimum observation-to-variable ratio of 5:1, while 15:1 or 20:1 ratios are recommended. There was no necessity to discard any surveys due to incomplete or incorrectly filled-out responses.

For the purposes of this investigation, models derived from Partial Least Squares (PLS) were used. A choice was taken to apply the Partial Least Squares Structural Equation Modeling (PLS-SEM) method due to the existence of abnormal distribution in the data sets of numerous variables in the sample, resulting in the implementation of the Smart-PLS Professional v.3 software (Brito, 2018).

Table 1. Summary of demographic profile of respondents (n=125)

Demographic Characteristic	Item	Percent (%)
Gender	Male	32.8
	Female	60.8
	Prefer not to say	6.4
Age	17-25 Years	88
	26-35 Years	7.2
	36-45 Years	2.4
	46-55 Years	2.4
Level of Education	High school	10.4
	Bachelor's degree	85.6
	Master's degree	4
Employment Status	Employed	12
	Unemployed	13.6
	Self-employed	7.2
	Student	67.2
Level of Income	<Rp1,000,000	56
	Rp1,000,000-Rp5,000,000	29.6
	Rp5,000,000-Rp10,000,000	8
	Rp10,000,000-Rp25,000,000	4
	>Rp25,000,000	2.4

The sample constituted around 32.8 percent male, 60.8 percent female, and 6.4 percent preferred not to

say. The majority of the respondents are aged between 17-25 years old (88 percent). Regarding the level of education, 85.6 percent of respondents have/are pursuing a bachelor's degree, and only 10.4 percent have/are pursuing high school. It also shows that most of the respondents are students (67.2 percent). In addition, 56 percent of the respondents have an income level of less than Rp1,000,000.

Scale Measurement

In order to acquire primary data from the consumers of digital banking in Indonesia, a two-part structured questionnaire is created. The purpose of the first section of the questionnaire is to gather information on the respondents' demographic features, such as their gender, age range, level of education, occupation, and income. The survey's second section aims to collect data on respondents' past encounters with banks in order to identify connections between the various dimensions of respondents' attitudes and behaviors toward digital banking.

The second portion of the survey's measuring instrument was crafted after a thorough examination of previous research on technology adoption models and their extensions conducted, specifically as they related to the spread of digital banking systems. The conceptual model incorporates a list of 18 factors organized into 4 construct variables, including its perceived usefulness, trust, perceived ease of use, and actual adoption of digital banking. The items' phrasing is modified so that it is more appropriate in an Indonesian setting. The five-item perceived usefulness concept is borrowed from Indan et al. (2016), Shin et al. (2019), and Bashir and Madhavaiah, (2015). Five trust elements were modified from research conducted by Indan et al. (2016) and Bashir and Madhavaiah (2015). Each of the four measures of perceived ease of use draws on studies conducted by Indan et al. (2016) and Bashir and Madhavaiah (2015). Lastly, for assessing the adoption of digital banking, all four items are derived from Indan et al. (2016) and Bashir and Madhavaiah (2015). All items are measured using a Likert-type scale with anchors ranging from "1" (strongly agree) to "5" (strongly disagree). A face validation was necessary once a prototype version of the scale was developed (DeVellis, 2003). Several colleagues helped evaluate the questionnaire's face validity, and their feedback was used to make certain modifications.

RESULTS AND DISCUSSION

Reliability and Validity Test

Before diving into the interdependencies of the latent variables, it's important to examine the measurement model. First-round findings of factor loadings for each latent variable indicated that two items had values below 0.6, which is not acceptable for convergent validity analysis (Hulin et al., 2001). In this scenario, it was required to get rid of PU1 (0.519) and PU3 (0.597) so that the model could be adjusted. The next stage was to look at the convergent validity, composite reliability, and the Average Variances Extracted (AVE) between the constructs.

After the initial changes to the model, it was determined that all AVEs had values greater than 0.5. According to Ingle et al. (2014), it is not required to delete variables seen or measured in low factor loading constructs. In this respect, the model was adaptable, and all latent variables had an Average Variance Extracted of more than 50%, satisfying the criterion for demonstrating convergent validity on the suggested measurement scale.

Given that all variables in a questionnaire utilize the same measurement scale, the coefficient is derived from the individual items' variances (Table II). Cronbach's alphas ranged from 0.839 and 0.868. Values more than 0.50 and up to 0.70 are considered moderate, while values between 0.70 and 0.90 are considered high (Perry et al., 2004). Composite reliability is the evaluation of the measurement coefficients and measurement errors based on the results of the confirmatory factor analysis model. Consequently, the composite reliabilities ranged from 0.873 to 0.912, which is regarded to be very good. The AVEs for this model ranged from 0.580 to 0.776. Furthermore, the R^2 value represents the combined effects of the endogenous factors on the exogenous variables and indicates the predictive accuracy of the model. In the present investigation, the R^2 value revealed that the model has predictive relevance and accuracy in all constructs, indicating that the variables in the issue may be analyzed with high predictive accuracy (Malhotra, 2014).

Table 2. Reliability and Validity Test

Constructs	Items	Loadings	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Perceived Usefulness	PU2	0.835	0.856	0.868	0.912	0.776
	PU4	0.910				
	PU5	0.896				
Perceived Trust	T6	0.773	0.822	0.839	0.873	0.580
	T7	0.729				
	T8	0.830				
	T9	0.752				
	T10	0.718				
Perceived Ease of Use	PEOU11	0.838	0.825	0.839	0.884	0.656
	PEOU12	0.803				
	PEOU13	0.850				
	PEOU14	0.744				
Adoption of Digital Banking	ADB15	0.807	0.861	0.862	0.906	0.706
	ADB16	0.861				
	ADB17	0.842				
	ADB18	0.851				

Discriminant Validity Test

Discriminant validity test checks to see whether the items that indicate the factor have an excessive amount of correlation with other variables. According to Fornell and Larcker's (1981) criteria, the discriminant validity test is established when the Average Variances Extracted are more than or equal to the square of the correlation between the variables. There is also the chance that the correlation of the construct with the model's other latent variables is lower than the square root of the average variances of

the construct. All extracted average variances are more than or equal to the square of the correlation between the components in Table 3. Therefore, eliminating items from the measurement model was unnecessary.

Table 3. Discriminant Validity Test

	Adoption of Digital Banking	Perceived Ease of Use	Perceived Trust	Perceived Usefulness
Adoption of Digital Banking	**0.840**			
Perceived Ease of Use	0.671	**0.810**		
Perceived Trust	0.647	0.618	**0.761**	
Perceived Usefulness	0.679	0.751	0.559	**0.881**

Multicollinearity Test

Multicollinearity in multiple regression analysis refers to the linear relationships between independent variables. Collinearity shows that two variables are nearly perfect linear combinations. Multicollinearity happens when the regression model has a number of factors that are not only substantially correlated with the dependent variable, but also with one another (Young, 2017). A test for multicollinearity may be conducted by examining the VIF values of the items. The multicollinearity test shows that all the items' VIF is less than 5, meaning that there are no highly correlated variables in the study (Belsley, 1991).

Table 4. Multicollinearity Test

Items	VIF
PU2	1.871
PU4	2.532
PU5	2.276
T6	1.735
T7	1.891
T8	1.970
T9	1.586
T10	1.822
PEOU11	1.847
PEOU12	1.890
PEOU13	2.034
PEOU14	1.490
ADB15	1.930
ADB16	2.383

ADB17	2.525
ADB18	2.347

Hypothesis Testing

Path analysis is used to verify the hypothesized causal link between the variables. The findings indicate that the adoption rate of customers to utilize digital banking may be predicted by perceived usefulness and perceived trust ($p<0.05$) which means hypothesis 1, *H1*, and hypothesis 2, *H2*, are supported. Meanwhile, perceived ease of use cannot be used to predict the adoption of digital banking by customers ($p>0.05$). This leads to hypothesis 3, *H3*, being rejected. Figure 2 depicts the final structural framework model with both significant pathways (thick lines) and non-significant paths (dashed lines).

Table 5. Path Estimates

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Conclusions
PU → ADB	0.329	0.326	0.102	3.225	0.001	Accept
T → ADB	0.325	0.328	0.089	3.658	0.000	Accept
PEOU → ADB	0.223	0.229	0.114	1.956	0.051	Reject

Discussion of Findings

The purpose of this article is to investigate customers' perceptions and motivations for adopting digital banking. These findings lend empirical support to the suggested research model depicted in Figure I. Some of the hypothesized causal links between research variables are supported. The R-square value for the total explanatory power of the modified structural model for digital banking adoption was 58%. Overall, the findings of this study indicate that the suggested model is capable of explaining a substantial fraction of the variation (Falk & Miller, 1992) in digital banking adoption.

Trust has a substantial influence ($\beta = 0.325$) and appears to be the key positive factor of digital banking adoption, along with Perceived Usefulness ($\beta = 0.329$), and Perceived Ease of Use ($\beta = 0.223$). It indicates that these three characteristics are almost equally predictive of the adoption of digital banking.

Although perceived usefulness and perceived ease of use are the primary variables of TAM, only perceived usefulness has a substantial direct impact on digital banking adoption, while perceived ease of use was found to be insignificant to digital banking adoption. Chiou and Shen (2012), McKechnie et al. (2013), and Bashir and Madhavaiah (2015) all came to similar conclusions regarding the insignificance of perceived ease of use. According to Bashir and Madhavaiah (2015), these results may be justified by the necessity for a mediating function of adoption in the research framework, which demonstrates that PEOU does not have substantial direct effects on digital banking adoption, but might have a major indirect effect if there is a mediating variable of attitude. In addition, PEOU has a p-value of 0.051, which means it has a slight difference of 0.001 from being significant towards the adoption of digital banking. According to Bashir and Madhavaiah (2015), perceived usefulness has a greater impact on customer adoption of digital banking than perceived ease of use.

However, we found different results from the previous research, where perceived usefulness also have direct effects on digital banking adoption, unlike results from Chiou and Shen (2012), McKechnie et al. (2013), and Bashir and Madhavaiah (2015). It could be because two items were irrelevant which leaves only three items at the end of our study. With fewer items, it makes the probability of significance becomes higher. Moreover, trust has a substantial direct effect on the adoption of digital banking, which is an intriguing result of this study. This result is consistent with the study by Bashir and Madhavaiah (2015). It demonstrates that when digital banking technology advances, individuals incline to use digital banking. It improves the dependability and trustworthiness of banking services in comparison to conventional banking (Shin et al., 2019).

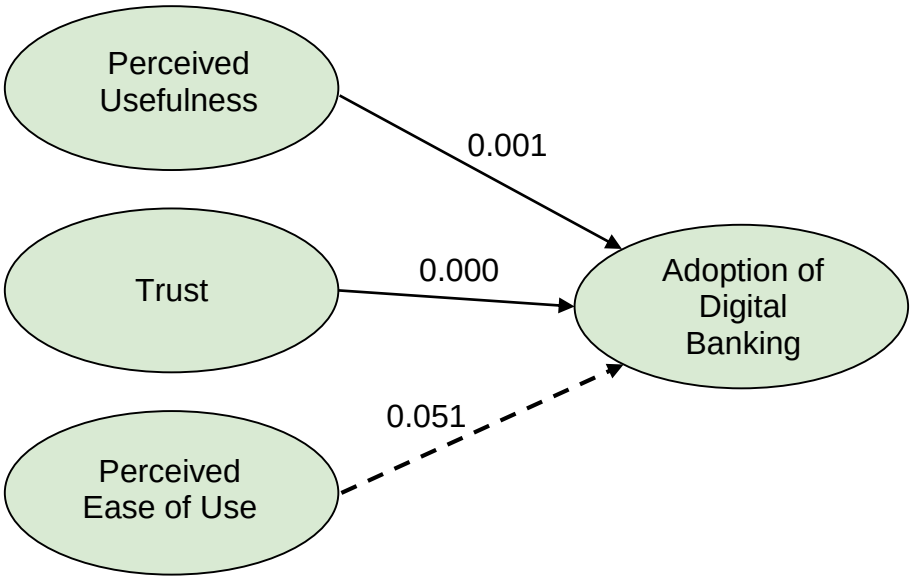


Figure 2. Structural Framework Model

THEORETICAL IMPLICATION

From a theoretical standpoint, the model constructs a theory by adding new variables to the technology acceptance model (TAM) and applying them to a new context. It is important to highlight that this research includes additional variables specific to the internet banking context, namely trust. This study's most significant contribution is its identification of trust as a critical factor in the adoption of digital banking. It demonstrates how much banking consumers rely on trust to conduct their financial activities.

In addition, the purpose of this study is to investigate the direct relationship between the key variables of TAM, namely perceived usefulness and perceived ease of use to digital banking adoption. Only perceived usefulness has a significant direct effect on digital banking adoption, whereas perceived ease of use has no effect. Even though the direct relationship between perceived ease of use and digital banking adoption was shown to be insignificant in this study, the results give insights for future research into why this relationship is weak. The requirement of a mediating role of adoption in the research framework, which this study lacks, may justify the results.

Additionally, the methodology of this survey included both active users of digital banking and those who seldom or never use it. This is consistent with Bashir and Madhavaiah's (2015) recommendation that future research might include non-users of digital banking in the sample to determine the generalizability of this study's findings.

MANAGERIAL IMPLICATION

According to the findings of this research, customers' willingness to use digital banking will increase if their ideas about the usefulness, trust, and ease of use of digital banking are effectively managed. Throughout this study, trust is one of the most important determinants other than the usefulness variable when it comes to the adoption of digital banking. Consequently, banks may focus more on trust-building measures. The current media coverage of online frauds, scams, hacking, and computer viruses might heighten and arouse the security worries of digital banking customers (Bashir & Madhavaiah, 2015). Therefore, banks may create risk-reduction measures that generate customer trust. For instance, banks may concentrate on preventing fraud, identity theft, and infiltration by enhancing encryption, creating secure firewalls, and implementing authentication methods. Additionally, greater emphasis might be placed on informing bank security procedures to consumers.

As usefulness is also an essential variable, banks may focus on increasing digital banking's usefulness to consumers. To improve usefulness, banks may want to reduce digital banking transfer fees during transactions and offer more attractive interest rates for customers.

CONCLUSION

The purpose of this study was to investigate the role played by perceived usefulness, trust, and perceived ease of use. The outcomes of the study indicate that perceived usefulness and trust have a substantial influence on digital banking adoption. Moreover, perceived ease of use itself does not appear to have a substantial impact on the adoption of digital banking, despite the fact that it differs slightly from the alpha.

Limitations and Future Research

There are a few constraints and challenges that arose during the course of this investigation in the expectation that others may be able to learn from our experiences and avoid making the same errors that we did. The reason why our sample is a limitation would be because our population consists of mainly young people around 17-25 years old which fails to generalize the Indonesian population. Therefore, generalizability can be improved if future research is sampled intentionally from a wider scattered sample, including the older and younger generations. Furthermore, this research focuses on technological, behavioral, and attitude aspects, including usefulness, trust, and ease of use. Based on Bashir and Madhavaiah (2015), there are, however, multiple consumer-specific variables, such as self-efficacy, technology readiness, age, income, gender, experience, etc., as well as psychographic and behavioral variables, such as perceived value, service quality, and customer satisfaction, that can provide more useful insights into the digital banking adoption process for future studies.

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