

## ABSTRACT

The purpose of this research is to analysis how the digital divide affects Bontang City's adoption of mobile banking. Therefore, there are four stages in the adoption of digital technology (mobile banking), namely motivation, physical & material access, mobile banking skills, and usage, to thoroughly study the digital divide. The four stages will be transformed into construct variables that are influenced by moderator variables such as gender, age, education, and location.

To determine if there is a digital gap in the adoption of mobile banking use in Bontang City, this study employs the SEM-PLS analysis approach to forecast the theory of digital technology adoption. After that, data processing was done in study utilizing WarpPLS 7.0 software.

According to the findings of a study involving 353 respondents, there is a positive and significant impact at each of the four stages of adopting digital technology (mobile banking), which include motivation, physical access and material access, mobile banking abilities, and usage. This indicates that there is no digital gap present in Bontang City because of the adoption of digital technologies (mobile banking). However, there are variations in how the residents of Bontang City adopt moderator variables like gender, age, and education toward the construct variables investigated.

The theory of the digital divide is still relatively new and has not been widely applied. As a result, the SEM-PLS analysis technique, which solely develops and predicts current theories, was used by the authors in this work. Future research is anticipated to be able to employ CB-SEM to prove and confirm theories, not merely predict them, to improve their scientific accuracy, thanks to the dynamic growth of digital technology.

**Keywords:** *Digital Divide, Mobile Banking, SEM-PLS*