

ABSTRACT

The Industrial Revolution 4.0, marked by the implementation of digital technology and automation systems, has brought significant transformation to the global banking industry, including in Indonesia. The development of financial technology (FinTech) such as the Internet of Things (IoT), Big Data, and Artificial Intelligence (AI) has driven the growth of increasingly dominant digital banking services. Data from the Indonesian Internet Service Providers Association (APJII) shows that internet penetration is expected to increase to 79.5% in 2024, meaning that there will be 221 million internet users contributing to the acceleration of digital financial services adoption. This phenomenon intensified during the COVID-19 pandemic, when people massively switched to digital transactions to avoid physical contact. As a result, the value of digital banking transactions has significantly increased, while on the other hand, the population of ATMs has shown a declining trend from a peak of 100,000 units in 2019 to around 90,000 units in 2024.

Based on this, this research aims to determine the impact of digital banking transactions on the decline in the population of ATMs in Indonesia and its influence over the past five years by examining data from Bank Indonesia and the Financial Services Authority for the period 2014 – Q1 2024. The research method used is descriptive quantitative through hypothesis testing using the t-test by applying the Transformation Inverse Square to the data on the percentage growth of digital banking transaction values and the population of ATMs.

The research results indicate that there is no significant impact between digital banking transactions and the decline in the population of ATMs in Indonesia over the past five years. Although the value of digital banking transactions has significantly increased, the decline in the population of ATMs is not directly influenced by this.

Keywords: Digital Banking, ATM Machine, Technology Acceptance Model, Transformation Inverse Square