ANALYSIS OF VARIABLES AFFECTING THE DECISION IN THE USE OF RUPIAH COINS: A CASE STUDY IN THE RIAU ISLANDS PROVINCE (RECOMMENDATIONS FOR THE IMPLEMENTATION OF LAW (UU) NUMBER 7 OF 2011 CONCERNING CURRENCY)

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Abstract: *The slowdown or minimal circulation of coin currency in the Riau Islands Province is a recurring issue for the coin supply at the Indonesian Bank Representative Office in the province. These coins must always be available due to high demand, yet their availability is dwindling as the return flow to the Indonesian Bank Representative Office in Batam is very limited. Why is the return flow of coins so meager compared to the circulation of coins that have been issued? There are many factors that slow down the circulation of coins among the community and numerous considerations taken by the community in using coin currency.*

The purpose of this research is to understand why there is a tendency for such a small amount of coin currency to return to the Indonesian Bank Representative Office in the Riau Islands Province by analyzing the independent and dependent variables of coin currency. This includes examining the impact of the coin's quality level, nominal value, and public behavior towards coins on the community's decision to use coin currency. This study is descriptive, depicting the subjects related to general decision-making. The population of the study includes everyone in the Riau Islands Province, especially in Batam, Tanjung Balai Karimun, and Tanjung Pinang, as these locations have the largest populations in the province. The sample for this study consisted of 150 people, of which 70 were from Batam, 50 from Tanjung Balai Karimun, and 30 from Tanjung Pinang, selected randomly. Data collection was conducted using questionnaires.

The analysis results show that all independent variables (the quality level of coin currency, the nominal value of the coins, and public behavior towards coins) have a positive influence on the dependent variable, which is the community's decision to use coin currency. This means that, according to the community, these three independent variables are considered important when using coin currency.

Keywords: *Circulation flow of coins, coin supply, coin currency, influence of coin quality level, nominal value of coins, community behavior towards coins, community decision on the usage of coins*

1. INTRODUCTION

The dynamics of modern society have given birth to new patterns of thought that evolve with the progress of time. When the payment mechanism is required to accommodate every need of society for the rapid, safe, and efficient transfer of funds, payment technology innovations emerge rapidly, offering solutions with various facilities for ease (Abdillah et al., 2019). Consequently, Bank Indonesia is demanded to ensure that each development in the payment system always complies with applicable regulations. This is, of course, to ensure the smooth and secure operation of the payment system, achieving comfort and protection for consumers/clients.

The role of money in the economy is a subject of immense value and is highly 'venerated' in the world (Cavaliere et al., 2021, Sitorus et al., 2022). The modern economy is inseparable from the importance of money. Money is like blood in the human body; without it, the economy cannot function properly. In simple terms, money is defined as anything that can be used as a tool in exchange. By law, money is something that is formulated by the law as money or a medium of exchange in transactions. Thus, anything that can be accepted as money if there are rules or laws indicating that it can be used as a medium of exchange. As a means of payment, there are two types of money: paper money and coins. For coins, the return circulation to Bank Indonesia is minimal compared to paper money. Even though

the demand is not high, Bank Indonesia must issue coins every day for the needs of the community, especially through Bank Payment activities, Mobile Cash Service, and Money Exchange (Salman et al., 2022). It is different for paper money, which returns to Bank Indonesia every day, either through exchanges, results from the mobile cash service conducted, or from banking deposits, both fit for circulation and unfit for circulation. According to data from the Bank Indonesia Head Office, there were about IDR 3.7 trillion coins in circulation in Indonesia during 2022. However, the return circulation back to Bank Indonesia is practically non-existent, and the replacement of damaged coins is also very minimal. This leads to the perception that the smaller the nominal value of the Rupiah currency, the less the amount of coin currency circulates in society.

Based on table 1., the development of coin outflow in the Riau Islands from 2018 to 2022 was recorded at IDR 28.8 billion, with an average of IDR 5.7 billion per year. The highest coin demand outflow was for the IDR 500 denomination, amounting to IDR 13.3 billion, while the lowest demand for coins was for the IDR 50 denomination, amounting to IDR 4.3 million. The estimated demand for IDR 50 coins is not too large due to its very small nominal value and it is only used for change.

Table 1. Development of Coin Outflow in the Riau Islands

In Millions of Rp.

Type of coin denomination	2018	2019	2020	2021	2022	Total Per Denomination
Rupiah coin						
1,000	595.12	786.24	856.81	1,659.64	1,997.18	5,894.99
500	3,338.01	2,658.96	2,343.68	2,509.51	2,507.99	13,358.15
200	1,577.36	1,240.77	1,213.30	1,212.99	1,280.80	6,525.22
100	290.50	477.08	713.96	657.38	711.49	2,850.42
50	75.90	41.32	48.46	41.81	40.50	247.99
25	-	-	-	-	-	-
Total Per Year	**5,876.90**	**5,204.37**	**5,176.22**	**6,081.33**	**6,537.96**	**28,876.78**

Source: Bank Indonesia

Meanwhile, from the development of coin inflow, coin currency in the Riau Islands from 2018 to 2022 was recorded at IDR 449.39 million, with the largest circulation being in the IDR 500 and IDR 1,000 denominations, which were valued at IDR 203.49 million and IDR 103.82 million, respectively.

Table 2. Development of Coin Inflow in the Riau Islands

In Millions of Rp.

Type of coin denomination	2018	2019	2020	2021	2022	Total Per Denomination
Rupiah coin						
1000	0.00	5.13	13.73	50.30	34.66	**103.82**
500	1.80	23.36	41.84	72.59	63.89	**203.49**
200	0.00	8.31	21.45	23.19	19.22	**72.18**
100	2.30	5.84	12.55	18.08	15.94	**54.72**
50	0.04	3.48	5.21	2.93	2.81	**14.46**
25	0.04	0.04	0.56	0.04	0.04	**0.72**
Total Per Year	**4.19**	**46.17**	**95.35**	**167.13**	**136.56**	**449.39**

Source : Bank Indonesia

According to both tables, the average outflow to inflow percentage from 2018 to 2022 is 99.98%. This means that approximately 99.98% of the coin currency did not circulate as it should have during these years. This raises the question, "Where is all that coin currency?"

Considering the geographical layout of the Riau Islands Province, which consists of islands, one would expect the coins to circulate smoothly and properly (being used to complete transactions in the community or returning to the Bank Indonesia Representative Office in the Riau Islands Province). However, for various reasons, most of the coin currency tends to get stuck in circulation. According to the data source from the Bank Indonesia Representative Office in the Riau Islands Province, the amount of coin outflow should be followed by the inflow amount, or at least the coins should be used by the community to pay for transactions.

Based on the above explanation, it is deemed necessary to examine the circulation of the payment system using coin currency in the Riau Islands Province. With the archipelagic geographical shape of

the province, the circulation of coin currency should be smooth, but why is there still so little that returns to Bank Indonesia?

2. LITERATURE REVIEW

Coin currency or coinage refers to metal used as a medium of economic transactions, typically issued by the government. Coins are usually round, although this is not always the case. A coin typically has two sides: one that displays the represented monetary value and the other, often featuring an image. Coins from monarchies usually display the head of state on the latter side. The history of coins spans thousands of years, although it is not precisely known where and when coins were first created.

a. History of Coins

Coins emerged due to the difficulties of barter. In ancient times, objects used for exchange did not have denominations, making it difficult to determine the value of money, storage, and transportation, as well as the lack of durability of these items, making them prone to destruction or not long-lasting.

Then came what is known as coinage. Metal was chosen as a medium of exchange because it has a high value, is generally favored, durable, not easily damaged, easily divisible without losing value, and easy to transport. The metals that met these criteria and were used for exchange were gold and silver.

Gold and silver coins are also referred to as full-bodied money. This means that the intrinsic value (material value) of the money is equal to its nominal value (the value listed on the currency). At that time, everyone had the right to mint, melt, sell or use the money and had unlimited rights to store coins.

With economic development, difficulties arose when the need for exchange services with coinage increased while the amount of precious metal (gold and silver) was very limited. The use of coinage was also difficult for large transactions, leading to the creation of paper money.

b. Coins in Indonesia

Since independence, Indonesia has issued various denominations of coins, made from nickel, brass, aluminum, and even the latest being bimetal. Overall, Indonesia has 15 types of coin denominations from the smallest nominal value of Rp1 sen to the largest of Rp1,000.

Coins have three types of value, namely:

(1) Intrinsic Value

This refers to the material value used to make the currency, for example, the value of gold and silver used for the currency. Historically, gold and silver were used as money. There are several reasons why gold and silver were used as money materials, including:

(a) Durability and resistance to damage

(b) Acceptability by the public or a majority of the community

(c) High value and limited quantity

(d) Maintaining value even when divided into small parts

Although gold and silver met the requirements of money, at present, they are no longer used as money material for several reasons, such as:

(a) Their scarcity, making them difficult to obtain in large quantities

(b) The different quality of gold in each region, leading to uneven gold supplies

(c) Their value cannot be precisely measured

(d) Gold coins disappearing from circulation, often because they are melted down or turned into jewelry

(2) Nominal Value

This is the value listed on the currency or the price mark shown on the currency. For example, a hundred rupiah (Rp100) coin or a five hundred rupiah (Rp500) coin.

(3) Exchange Value

This is the ability of money to be exchanged for an item (the purchasing power of money). For example, Rp500 can only be exchanged for a piece of candy, while Rp10,000 can be exchanged for a bowl of meatballs.

Conceptual Framework

The conceptual framework of this research illustrates the relationship between independent variables and the dependent variable, in this case, the quality level of coin currency (X1), the nominal value of coin currency (X2), and community behavior (X3) in relation to the dependent variable, which is the decision to use coin currency (Y).

The conceptual framework utilized is as follows:

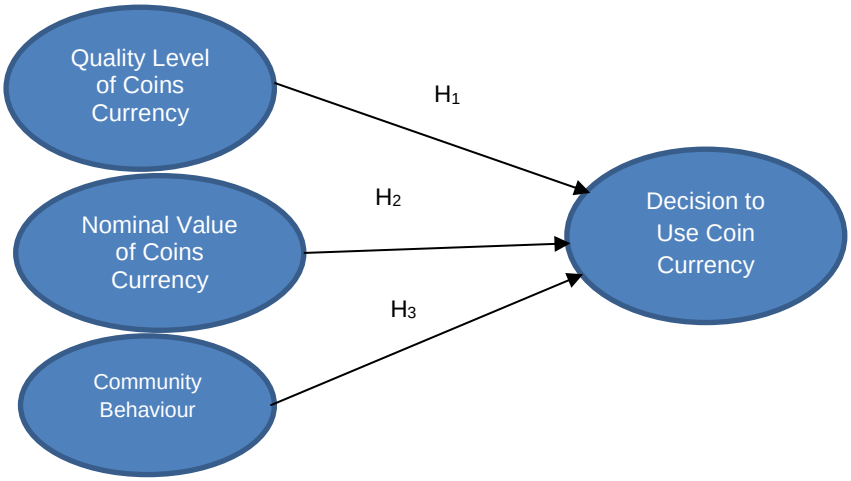

Figure 1. Conceptual Framework

Research Hypothesis

The hypotheses in this research are:

H1: The quality level of coin currency has a positive influence on the community's decision to use it.

H2: The nominal value of coin currency has a positive influence on the community's decision to use it.

H3: The community's behavior towards coin currency has a positive influence on the community's decision to use it.

3. RESEARCH METHODS

Research is an effort to discover truth and solve problems being investigated. To achieve these goals, an appropriate method that is relevant to the intended objectives is needed. The research method used by the author in this study is the survey method with a quantitative descriptive approach, where data obtained during the research will be processed, analyzed, and interpreted using existing theories. Meanwhile, the research approach is carried out through qualitative and quantitative methods with statistical testing.

Table 1. Defenition of Variable

Variables	Definition	Indicator
(1) Quality Level of Coin Currency (X1)	The quality of money as a product is the public's perception of the product	1. Coins printed by Bank Indonesia have a poor design and many defects.; 2.Coins from Bank Indonesia have a short economic lifespan; 3. Coins from Bank Indonesia have poor metal durability, making them prone to physical damage; 4. The design and physical appearance of coins from Bank Indonesia are not very appealing and not very impressive, making people reluctant to use them; 5. Coins from Bank Indonesia are somewhat heavy and have been carried around quite a bit.
(2) Nominal value of coins (X_2)	Nominal value is the public's perception of the nominal value of money	1. The higher the nominal value of coins, the more likely they are to be used frequently and carried everywhere; 2. Coins with low nominal values are often left scattered; 3. Coins with higher nominal values are more highly valued than coins with low nominal values; 4. Coins with nominal values are often replaced by the presence of candy when in a minimarket.
(3) Public Behavior Towards Coins (X_3)	Public behavior is the public's perception of the presence of a product	1. Negative (dislike) responses when conducting transactions with coins; 2. Transactions with coins feel heavy and cumbersome when carried around; 3. When shopping at minimarkets, people prefer change in the form of candy over coins; 4. There is a tendency for a few individuals to carry a large amount of coins abroad; 5. There is a tendency for some people to use coins to create other forms, such as rings, bracelets, and for other purposes.
(4) User Decisions Regarding Coins (y)	The process of selection or preference made by individuals or the community in using coins for transactions or payments in everyday life	1. I rarely use coins for payments and change; 2. I use coins because I care about their existence; 3. I use coins to save and collect them; 4. I use coins as a substitute for toy coins in toy cars; 5. I feel less comfortable when transacting using coins because of their small size and tendency to scatter; 6. I use coins to channel my hobby of creating art, such as making artistic structures, etc., using coins as a base material; 7. I dislike transacting with coins of Rp1000 denomination,- 8. I dislike transacting with coins of Rp500 denomination,- 9. I dislike transacting with coins of Rp200 and below denominations.

In order for the collected data to be useful, it needs to be processed and analyzed, so it can be used as a basis for decision-making. The data analysis methods used in this research are qualitative analysis and quantitative analysis.

A. Qualitative Analysis

Qualitative analysis is the analysis used to discuss and explain the research findings regarding various phenomena or cases that can be described in sentences. This part of the analysis will discuss the distribution of respondents' answers to all the measured concepts. From the distribution of respondents' answers, a tendency towards their answers will be obtained. To determine the tendency of respondents' answers to each variable, it will be based on the average score of the answers, which will then be categorized into the following score ranges:

Minimum Score = 1

Maximum Score = 5

$$Scale\ Range = \frac{5-1}{5} = 0{,}8$$

Thus, the scale categories can be determined as follows:

1.0 - 1.80 = Very Low

1.81 - 2.60 = Low

2.61 - 3.40 = Moderate

3.41 – 4.20 = High

4.21 - 5.00 = Very High

B. Quantitative Analysis

Quantitative analysis is the analysis used for data in numeric form, and its discussion involves statistical tests. Quantitative analysis emphasizes testing theories through the measurement of research variables with numbers and analyzing data using statistical procedures (Nur Indriantoro and Bambang Supomo, 2002).

1. Validity and Reliability

The indicators commonly used in the validity and reliability test in SEM PLS include Composite Reliability, Cronbach Alpha, and Average Variance. Good indicators have values above 0.6.

2. Goodness of Fit Testing

Goodness of Fit testing is used to determine whether your data for measuring relationships between variables is good or not. There are two indicators used in this test: the coefficient of determination and model fit test.

a. Coefficient of Determination

The coefficient of determination is used to see how much contribution independent variables make in explaining their relationship with dependent variables. The coefficient of determination is determined by looking at the R-Squared statistical value for each variable relationship.

b. Model Fit Test

The model fit test uses several statistical indicators, including Standardized Root Mean Square Residual (SRMR), Normed Fit Index (NFI), and RMS_theta. To obtain an appropriate model, these indicators must meet certain criteria, namely SRMS < 0.08; NFI > 0.90; RMS_theta approaching zero.

3. SEM Model Formation

In SEM model formation, there are two types of relationships: direct effects and indirect effects. The relationship between variables is significant if the p-value of the T-Statistic is less than the 5% significance level.

4. RESEARCH RESULT

Structural Model Test

In this structural model, we examine the relationship between the level of coin quality, coin nominal value, and the behavior of using coins on the decision to use coins. Each independent variable, which includes aspects of quality, nominal value, and behavior, is measured through a series of indicators represented by codes such as TK, NN, and PM. The dependent variable, the decision to use coins, is also measured through several indicators represented by the code KP. This diagram shows that all indicators of the independent variables contribute to the decision to use coins, indicating the relationships tested in the research model.

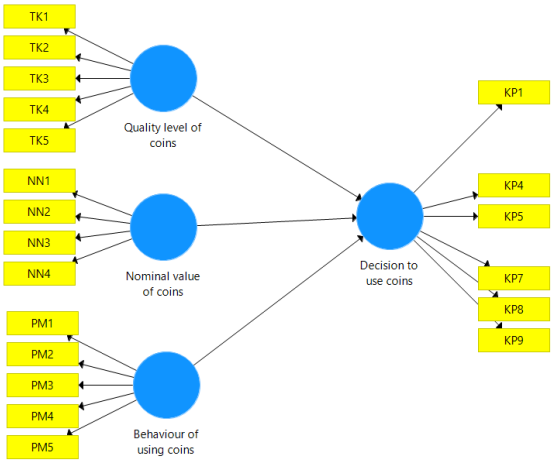

Figure 2. Structural Equation Model

A. Qualitative Analysis

1. Variable: Coin Quality Level

The coin quality level adds value to the coin itself. The responses regarding the quality level of coins can be explained in Table 4, as follows :

Table 4. Respondents' Responses Regarding the Coin Quality Level

Number	Indicator	Scores					Sum of Score	Average
		STS	TS	BS	S	SS		
1	Coins printed by Bank Indonesia have a poor design and many defects	20	53	55	15	7	514	3.43
2	Coins from Bank Indonesia have a short economic lifespan	13	59	39	32	7	489	3.26
3	Coins from Bank Indonesia have poor metal durability, making them prone to physical damage	10	52	27	53	8	453	3.02
4	The design and physical appearance of coins from Bank Indonesia are not very appealing and not very impressive, making people reluctant to use them	10	40	46	47	7	449	2.99
5	Coins from Bank Indonesia are somewhat heavy and somewhat inconvenient to carry around	13	44	51	30	12	466	3.11
Total							**2371**	**15.81**
Average							**474.2**	**3.16**

Source : Processed Primary Data, 2023

The respondents' responses, as shown in Table 4, indicate that the majority of respondents have given a positive response regarding the current circulating coin's quality level. In other words, it can be interpreted that the respondents perceive the current circulating coins as having a fairly good quality level, namely: attractive and impressive design, free from defects, and possessing a sufficiently good metal durability, making it very difficult to get damaged. Additionally, they have a lightweight specific gravity, making them easy to carry everywhere. The damaged coins found within the community are a result of intentional physical mishandling by irresponsible individuals.

2. Variable: Coin Nominal Value

The nominal value represents the physical, stated value of the coin in Indonesian Rupiah. Respondents' responses regarding the nominal value of coins can be explained in Table 5, as follows:

Table 5. Respondents' Responses Regarding the Nominal Value of Coins

Number	Indicator	Scores					Sum of Score	Average
		STS	TS	BS	S	SS		
1	The higher the nominal value of coins, the more likely they are to be used frequently and carried everywhere	5	40	34	59	12	417	2.78
2	Coins with low nominal values are often left scattered	7	21	23	57	42	344	2.29
3	Coins with higher nominal values are more highly valued than coins with low nominal values	6	21	28	64	31	357	2.38
4	Coins with nominal values are often replaced by the presence of candy when in a minimarket	15	13	19	50	53	337	2.25
Total							**1455**	**9.70**
Average							**363.75**	**2.43**

Source : Processed Primary Data, 2023

Respondents' feedback, as shown in Table 5, indicates that the majority of respondents have a negative perception of the presence of low nominal value coins. This means that high nominal value coins remain a priority for people when engaging in buying and selling transactions.

However, the nominal value of coins is still perceived differently by different individuals. The table shows that many respondents agree that they prefer to use coins with higher denominations, and even though they have coins with low nominal values, they are often ignored and left scattered.
Due to the lack of small denomination coins at the cashier in minimarkets/supermarkets, the presence of coins is often replaced with candy. If there is any coin change given by the cashier, sometimes customers still request candy as change because they feel that carrying several coins is burdensome and quickly fills up their wallets.

3. Variable: Society's Behavior Towards Coins

Society's behavior refers to a set of behaviors exhibited by the community and influenced by customs, attitudes, emotions, values, ethics, power, persuasion, and genetics. However, in this questionnaire, behavior is primarily associated with attitudes (which measure the level of preference the community has towards a specific behavior) and behavioral control (which is an individual's belief regarding the difficulty of performing a certain behavior). The respondents' responses regarding society's behavior towards coins can be explained in Table 6, as follows:

Tabel 6. Respondent's Behaviour Toward Coins

Number	Indicator	Scores					Sum of Score	Average
		STS	TS	BS	S	SS		
1	There is a negative (dislike) response when conducting transactions with coins	11	39	51	38	11	451	3.01
2	Transactions with coins feel heavy and cumbersome when carried around	3	21	40	59	27	364	2.43
3	When shopping at minimarkets, people prefer change in the form of candy over coins	31	64	25	22	8	538	3.59
4	There is a tendency for a few individuals to carry a large amount of coins abroad	18	70	42	18	2	534	3.56
5	There is a tendency for some people to use coins to create other forms, such as rings, bracelets, and for other purposes	25	60	40	24	1	534	3.56
Total							**2421**	**16.14**
Average							**484.2**	**3.23**

Source : Processed Primary Data, 2023

The respondents' feedback, as shown in Table 6, indicates that the majority of respondents provide relatively high responses regarding the variable of society's behavior towards the circulation of coins. However, these responses still vary, ranging from strongly disagree to strongly agree.
The indicator with the highest number of responses that hinder the proper circulation of coins is related to the perception that transactions with coins feel heavy and cumbersome when carried around. This is followed by the indicator that there is a negative (dislike) response when conducting transactions with coins. This stigma arises because most people perceive that coins are not very valuable. With their low physical nominal value, it becomes inconvenient to handle transactions involving larger amounts. Carrying them around quickly fills up wallets.
However, upon further investigation, it was also found that there are a few individuals who use coins for other purposes, such as making rings, bracelets, and other artistic accessories. Respondent feedback on this indicator received "strongly agree" and "agree" scores, indicating that respondents also acknowledge this practice. Additionally, there were "agree" and "strongly agree" responses from respondents regarding the tendency of a few individuals to carry a large amount of coins abroad. According to information, these coins can be melted down and sold again, such as the Rp500 yellow brass coins, which have a material and nominal value discrepancy (Aluminium Bronze), making them valuable abroad.

4. Variable: Society's Decision on the Use of Coins

The decision on the use of coins is an individual's activity involving the use of a certain type of coin. The responses regarding the decision on coin usage can be explained in Table 7, as follows:

Table 7. Respondents' Responses Regarding the Decision on the Use of Coins

Number	Indicator	Scores					Sum of Score	Average
		STS	TS	BS	S	SS		
1	I rarely use coins for payments and change	12	38	40	49	11	441	2.94
2	I use coins because I care about their existence	1	12	60	58	19	368	2.45
3	I use coins for saving and collecting.	11	75	36	20	8	511	3.41
4	I use coins as a substitute for toy arcade machine tokens	36	75	22	11	6	574	3.83
5	I feel uncomfortable using coins for transactions because of their small size, and they are often scattered	7	28	28	65	22	383	2.55
6	I use coins to channel my creativity, such as creating artistic structures and more, using coins as the base material	29	87	26	6	2	585	3.90
7	I dislike transactions with coins of Rp1000.00 denomination	17	41	49	33	10	472	3.15
8	I dislike transactions with coins of Rp500.00 denomination	11	40	65	30	4	474	3.16
9	I dislike transactions with coins of Rp200.00 denomination	7	32	56	46	9	432	2.88
Total							**4240**	**28.267**
Average							**471.11**	**3.14**

Source : Processed Primary Data, 2023

The respondents' feedback, as shown in Tables 5 and 6, indicates that the majority of respondents provide high responses regarding their decision to use coins. This is supported by the continued use of coins in daily life, and most respondents still care about the existence of coins and their function as a medium of exchange.

Out of the five types of coins with denominations starting from Rp50.00; Rp100,-; Rp200,-; Rp500,-; and Rp1000,-, the Rp1000,- coin is the most preferred and consistently used for transactions, followed by the Rp500,- coin. It is clear that coins with higher denominations are more valued than coins with lower denominations.

The reason why coins cannot circulate as they should is due to the fact that some respondents collect and store these coins. Additionally, coins are used as substitutes for arcade tokens.

B. Quantitative Analysis

1. Validity and Reliability

Table 8. Validity and Reliability Analysis

	Cronbach's	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Behaviour of using coins	**0.817**	**0.828**	**0.870**	**0.573**
Decision to use coins	**0.819**	**0.839**	**0.869**	**0.528**
Nominal value of coins	**0.751**	**0.821**	**0.843**	**0.581**
Quality level of coins	**0.819**	**0.841**	**0.872**	**0.577**

From the output above, all reliability values (Cronbach's Alpha and Composite Reliability) and convergent validity (AVE) appear to exceed the commonly accepted thresholds, which are 0.7 for reliability and 0.5 for AVE. This indicates that the constructs in this study are reliable and convergently valid.

Because validity and reliability are critical components in any scientific research, good results in both of these tests validate the conclusions drawn from the study. This means that the findings regarding the variables influencing the decision to use coins in the Riau Islands Province can be considered valid

and reliable, providing valuable insights for policymakers and other stakeholders in designing strategies aimed at influencing coin usage behavior in the Riau Islands region.

2. Goodness of Fit Testing

a. Coefficient of Determination

Table 9. Coefficient of Determination Analysis

	R Square	R Square Adjusted
Decision to use coins	0.407	0.395

It can be seen that the R-Square value is 0.40, indicating that the model has the ability to explain a sufficient amount of variance in the decision to use coins. However, there is still room to include other variables or consider external influences. Nevertheless, overall, with this R-Square value, it suggests that the level of coin quality, nominal value, and societal behavior in coin usage are the primary determinants of the public's decision to use coins. This provides a basis for stating that interventions designed to improve coin quality, adjust nominal values, or change societal behavior may be effective in altering the decision to use coins.

b. Model Fit Test

Table 10. Model Fit Test

	Saturated Model	Estimated Model
SRMR	0.088	0.088
d_ULS	1.617	1.617
d_G	0.479	0.479
Chi-Square	413.916	413.916
NFI	0.693	0.693

Based on the output, it is found that the SRMS value is 0.088, which is less than 0.08. Additionally, the NFI value is 0.693, which is less than 0.900. Based on these two indicators, it can be concluded that the formed model meets the fit criteria, and therefore, the model can be used effectively to depict the relationships between variables.

3. Structural Equation Model Formation

a. Direct Effect

Table 11. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Behaviour of using coins -> Decision to use coins	0.290	0.300	0.084	3.430	**0.001**
Nominal value of coins -> Decision to use coins	0.297	0.298	0.072	4.146	**0.000**
Quality level of coins -> Decision to use coins	0.312	0.317	0.059	5.262	**0.000**

It can be observed from the output that all direct relationships (direct effects) of all variables have p-values less than the significance level of 0.05, indicating their significance.

b. Indirect Effect

Table 12. Indirect Effect

Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
0	0	0	0	0

It can be seen from the output that all indirect relationships of the variables have p-values greater than the significance level of 0.05, indicating their lack of significance.

Discussion

Coin Quality Level

The quality of coins, including their weight, size, and design, significantly influences their usage. In the Kepulauan Riau Province, for example, humidity can lead to corrosion, affecting people's perception of the practicality of using coins. This perception, along with the comparison of the nominal and intrinsic values of coins, also affects the decisions of people regarding their usage or storage. Coins that are considered less attractive or less convenient compared to paper money or digital transactions may experience reduced circulation. Socio-economic aspects, such as the importance of coins for groups with limited access to the banking system, as well as government and Bank Indonesia policies in designing and distributing coins, also play a crucial role in influencing coin usage in society.

Coin Nominal Value

The nominal value of coins greatly influences their usage and people's perceptions. Often, this value does not reflect the production cost, influencing government decisions to mint new coins. People tend to use low-denomination coins less frequently in daily transactions, especially in economies with high-priced goods, leading to coin hoarding. With the increasing digitization of transactions, coins, especially those with low denominations, become less relevant. Nominal value also affects the social and cultural perceptions of coins, which may have symbolic or historical value. This factor is important in determining monetary policies and understanding coin usage behaviors in society, as in the case of the Kepulauan Riau Province.

Behavior in Using Coins

In some situations, coins are considered less convenient compared to paper money or digital payments, especially due to their weight, size, and slower transaction speed. In the digital age, where non-cash transactions are becoming more popular, coins often appear outdated. Low nominal values on coins are also frequently overlooked in everyday transactions, particularly in economies with high inflation rates. Social and cultural factors, as well as access to alternative payment methods, also influence coin usage, with its decline in urban areas but remaining important in regions with limited access to financial services. Government policies and central bank decisions related to digitization and coin design also play a role in the frequency of coin usage.

Community Decision-Making in Using Coins

The community's decisions in the Kepulauan Riau Province regarding the use of coins are the result of a complex interaction of various factors, ranging from practical to economic and social aspects. Coins, often considered less convenient due to their weight and size, may be less preferred for everyday transactions, especially in the current digital era where non-cash payments are becoming more common. Factors such as limited access to digital financial services in some areas, the symbolic or traditional value of coins, and government and central bank policies related to coin circulation also influence these decisions. Therefore, in the local context of the Kepulauan Riau Province, understanding coin usage is not solely dependent on economic factors but also on the habits, traditions, and technological access of the local population.

5. CONCLUSION

Based on a comprehensive analysis of the research on the use of coins in the Kepulauan Riau Province, several conclusions can be drawn:

1. Factors such as the quality level of coins, nominal value, and societal behavior play a significant role in coin usage decisions. The physical quality of coins, including design, durability, and size, is generally well-received by the community, although there are some concerns about damaged coins due to improper usage or handling.
2. The nominal value of coins is a significant determinant in usage decisions, with a tendency for people to prefer using higher-denomination coins. This phenomenon is exacerbated by the transition to digital transactions, which has reduced the relevance and convenience of coins, especially those with lower denominations.

3. Society's behavior exhibits diverse preferences regarding coins, with some considering them impractical and burdensome, while others find alternative uses for coins, such as crafting or collecting. This suggests that while some aspects of coins may be considered inconvenient, there is still value attributed to coins beyond their transactional function.

4. From a policy perspective, these findings suggest that to enhance coin circulation, authorities may need to consider strategies aimed at improving the physical quality of coins, adjusting nominal values to reflect transactional needs, and facilitating positive societal attitudes toward coin usage. Appropriate interventions can address negative perceptions and promote wider utilization of coins in everyday economic activities. The success of these strategies will depend on a deeper understanding of the factors driving societal behavior and how these can be integrated into effective and inclusive policies that respect the local socio-economic context in the Kepulauan Riau Province.

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