

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of Study**

Competition in the food and beverage industry is becoming increasingly intense. Many Indonesians are now choosing bread as a snack to satisfy hunger or as an alternative to rice. This shift in consumption patterns has contributed to the growth of bakery shops across Indonesia. Over time, the concept of bakery shops has evolved—not only do they sell bread, but many have also incorporated cafés to provide a more comfortable experience for customers who wish to enjoy their products on-site. A café is an establishment that primarily serves coffee and other warm beverages. In these spaces, visitors can unwind, engage in conversations, and spend quality time with family, friends, or colleagues while enjoying their meals (Jead et al, 2022).

Common Folks is one of the cafes in Medan. Common Folks carries the concept of ‘Zen’ interior design with simple design characteristics using the dominance of neutral and natural colours such as black, white, and brown. Especially for coffee lovers, there is a mainstay menu offered, namely Magic Coffee which is roasted by Common Folks baristas themselves. Magic Coffee has the best flavour and is considered a best seller. Not only coffee, but Common Folks also has a menu of local and western flavours that can be tried for lunch. These include Ramen, Aglio E Olio, Squid Ink Friedrice, and others.

The willingness to pay a higher price reflects the price range that customers are prepared to spend on a brand after evaluating its benefits, functions, and product quality. This willingness serves as an indicator of a brand's strength. It represents a customer's strong attachment to a brand and their tendency to pay more for their preferred product or brand. This behavior as an expression of brand identification, where a sense of familiarity with a brand encourages customers to accept a higher price. Ultimately, a willingness to pay a premium price signifies that consumers recognize and value the brand's attributes, making them more accepting of the price set by the manufacturer (Franky and Syah, 2023).

On the phenomenon of willingness to pay premium, the writer conducted a pre-survey of 30 consumers regarding their willingness to pay high prices for the menu offered at Common Folks. Distribution of pre-surveys was carried out through google forms randomly to consumers who have visited Common Folks. The following are the results of the pre-survey respondents.

**Table 1.1 Pra Survey of Willingness to Pay Premium**

No.	Statements	Yes	No
1	I know Common Folks Cafe Medan as one of the premium cafes in the city.	10	20
2	The ingredients used by Common Folks Cafe feel more premium compared to other cafes.	12	18
3	I still choose Common Folks Cafe even though the price is higher than its competitors.	16	14
4	I am willing to pay more for the unique experience offered by this cafe.	12	18
5	I feel that Common Folks Cafe has an image of being an exclusive and premium place.	14	16

Source: Pra Survey (2025)

Based on the table above, the pre-survey results show that the dominant 12 respondents stated that Common Folks is not a premium cafe, then 18 respondents stated that the raw materials used are still considered ordinary, then the dominant

16 respondents stated that they tend to choose Common Folks over other things. Then 18 respondents stated that they did not have an interesting experience, and 16 respondents stated that Common Folks was not an exclusive cafe in their view. This phenomenon shows that Common Folks faces challenges in building their identity as a premium café. The main factors of concern are customer perceptions of the quality of raw materials, the experience provided, and the impression of exclusivity that is still not strong to improve competitiveness and attract more customers. In the pre-survey results, it can also be seen that respondents who stated that they did not agree because in the issue of higher prices, there were several competitors in the Multatuli area who also offered more premium prices as follows.

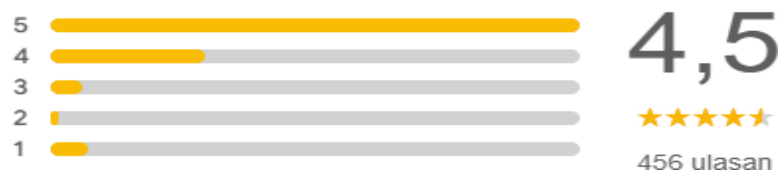
**Table 1.2 Comparison of Cafe at Multatuli**

No	Competitors Café at Multatuli
1	The Thirty Six
2	Pilastro
3	Kitchenette

Source: Café at Multatuli Area Medan (2025)

Customer experience is the main key to building customer behavior and attitudes as well as the company's long-term goals. Generally, customer experience measures physical/product/service and emotional demand as well as the level of satisfaction with the previous product or service (Franky and Syah, 2023). To find out the phenomenon of consumer experience at Common Folks, the writer took reviews from consumer reviews as follows.

#### Ringkasan ulasan Google ⓘ



**Figure 1.1 Summary of Google Reviews for Common Folks**

Sumber: Google Reviews (2025)

From the results of the google review summary, it shows that the dominant consumers who visit Common Folks give good reviews from the 5 and 4 ratings which are quite dominant. To find out the phenomenon regarding customer experience, the writer conducted a pre-survey to 30 respondents with the following results.

**Table 1.3 Pra Survey of Customer Experience**

No.	Statements	Yes	No
1	The dishes served have an attractive and appetizing appearance.	12	18
2	I feel appreciated as a customer when visiting Common Folks Cafe.	19	11
3	Common Folks Cafe offers a unique and creative concept compared to other cafes.	12	18
4	Common Folks Cafe has a good relationship with customers through interactions on social media	11	19
5	Common Folks Cafe provides an experience that makes me want to come back again.	20	10

Source: Pra Survey (2025)

Based on the table above, the pre-survey results show that the dominant 18 respondents stated that the dishes served had an ordinary appearance, then 19 respondents felt fully appreciated when visiting Common Folks, as many as 18 respondents stated that the concept carried by Common Folks was considered ordinary, then 19 respondents stated that Common Folks did not have a good relationship with customers through social media. As many as 20 respondents stated that Common Folks provided an experience that made them want to visit again. The phenomenon in customer experience is that the dishes served have an ordinary appearance and the concept offered is not different from other cafes and the lack of communication with consumers on social media. This is something that needs to be considered in the customer experience at Common Folks.

Common Folks has a variety of menus from food with a western concept. Various menus are available to complement consumer choices with flavors that have been adjusted to consumer tastes. The menus provided are generally typical western menus. Here is a look at some of the menus in Common Folks in the image below.

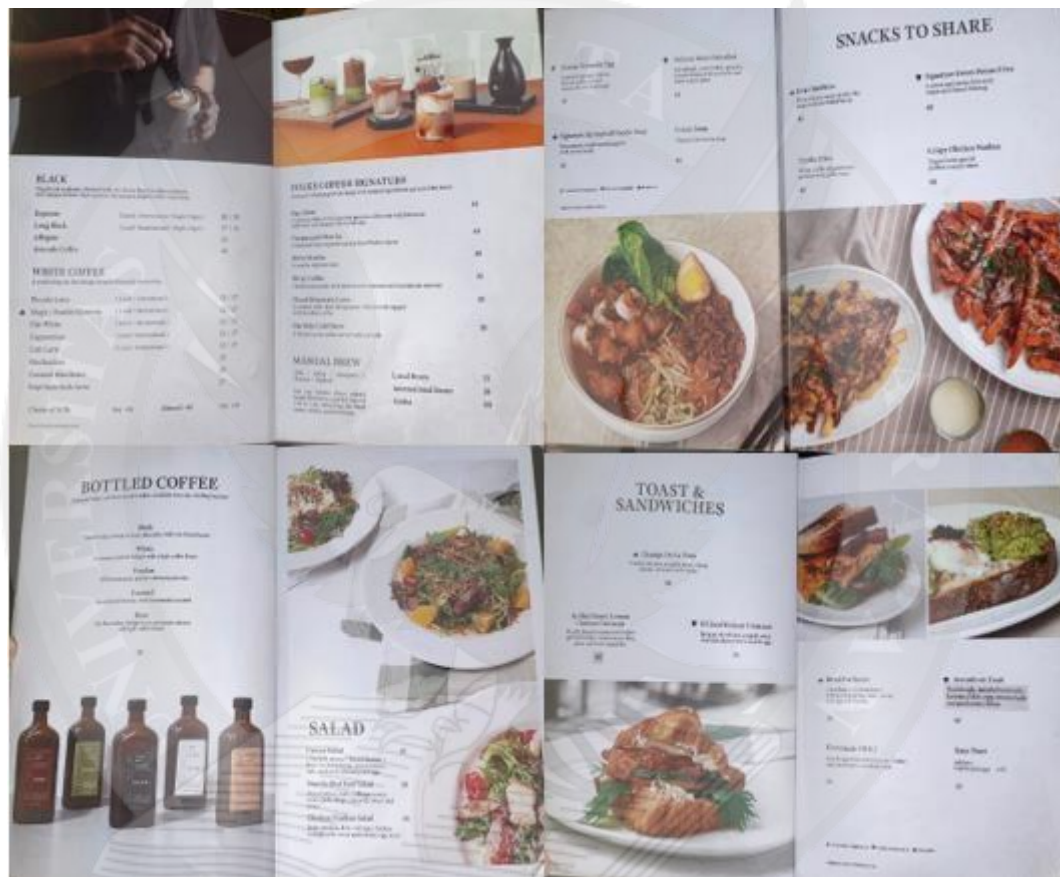


Figure 1.2 Common Folks Menu Display

Sumber: Common Folks (2025)

To find out the phenomenon regarding menu uniqueness, the writer conducted a pre-survey to 30 respondents with the following results.

Table 1.4 Pra Survey of Menu Uniqueness

No.	Statements	Yes	No
1	The menu served at Common Folks Cafe has a unique flavour and is different from other cafes.	22	8
2	The portions served at Common Folks Cafe are in accordance with the price offered.	12	18



3	Common Folks Cafe always maintains the consistency of the quality of each product served.	10	20
4	The presentation of food and drinks at this cafe looks more exclusive than other cafes.	8	22
5	Common Folks Cafe has a variety of menus that are unique and different from other cafes in Medan.	12	18

Source: Pra Survey (2025)

Based on the table above, the pre-survey results show that the dominant 22 respondents stated that the menu served at Common Folks has a unique taste, 18 respondents stated that the portion of food served was not in accordance with the price offered, 20 respondents stated that the food served was inconsistent in terms of taste, 22 respondents stated that the food presentation at Common Folks had a standard presentation, 18 respondents stated that the menu variations served were still the same as other cafes. This phenomenon shows that although the taste of the food at Common Folks is considered unique, there are still some challenges that need to be overcome, such as the imbalance between price and portion, inconsistency in taste, standard presentation, and lack of innovation in menu variations.

Other factors that influence consumer decisions in making purchases at coffee cafes. One of them is interior design. To increase sales and to face other competitors in the same field, management must design and plan interior design and location strategies that can be improved for the success of their business (Rabiah and Maskan, 2024). Common Folks adopts an interior design concept inspired by Japanese Zen Garden and Australian design elements. This approach creates a calm and minimalist atmosphere, with an emphasis on simplicity and harmony. The use of natural elements such as stone, wood, and greenery add to the natural and calming feel. In addition, the design also incorporates a clean and

functional modern aesthetic, reflecting the influence of contemporary Australian design. The result is a space that invites comfort and tranquillity for visitors. Here's a look at the interior design at Common Folks



**Figure 1.3 Interior Design from Common Folks**

Sumber: Common Folks Multatuli (2025)

To find out about the phenomenon of interior design at Common Folks, the writer conducted a pre-survey to 30 respondents regarding interior design with the following results.

**Table 1.5 Pra Survey of Interior Design**

No.	Statements	Yes	No
1	The floor design of the cafe provides comfort when walking or sitting.	23	7
2	The interior colours of the cafe give a comfortable and calming impression.	14	16
3	The interior decoration of the cafe provides an aesthetic and instagrammable atmosphere.	25	5
4	The room temperature at Common Folks Cafe always feels comfortable.	18	12
5	The distance between tables and aisles in the cafe is large enough to move around comfortably.	22	8

Source: Pra Survey (2025)

Based on the table above, it shows that 23 respondents stated that the cafe floor design was comfortable for consumers when walking or sitting, 16

respondents stated that the interior colours still gave the impression of being less comfortable, 25 respondents stated that the interior decoration at Common Folks was aesthetic and instagrammable, then 18 respondents stated that the temperature always felt comfortable and 22 respondents were comfortable with the distance of tables and aisles in the cafe which made it easy to move. This phenomenon shows that although Common Folks already has some advantages in terms of design and comfort, there is still room for improvement in terms of interior colour selection. If this aspect is not improved immediately, it may reduce the attractiveness of the cafe, especially for customers who are looking for a more comfortable and harmonious atmosphere.

Considering the described background of study above, the writer determines the study of customer experience, menu uniqueness, and interior design on willingness to pay premium at Common Folks Medan. Therefore, the relationship between these three variables towards willingness to pay premium. Hence, the title of this research is: **“THE INFLUENCE OF CUSTOMER EXPERIENCE, MENU UNIQUENESS, AND INTERIOR DESIGN TOWARDS WILLINGNESS TO PAY PREMIUM AT COMMON FOLKS MULTATULI”**

## **1.2 Problem Limitation**

This research will be undertaken due to the restricted opportunity from January 2025 to May 2025 about those relevant problems including customer experience, menu uniqueness, and interior design and willingness to pay premium. The writer has previously determined the problem's limitations, which include



several independent variables (referred to as Variable X), customer experience, menu uniqueness, and interior design, and dependent variable (Variable Y) consist of willingness to pay premium.

### **1.3 Problem Formulation**

Through study conducted at Common Folks Medan, the writer has identified numerous inquiries pertaining to the emerging issues, which are:

- a. Does customer experience have influence on willingness to pay premium at Common Folks Medan?
- b. Does the menu uniqueness channel have an influence on the willingness to pay premium at Common Folks Medan?
- c. Does interior design have an influence on the willingness to pay premium at Common Folks Medan?
- d. Does customer experience, menu uniqueness, and interior design have an influence on willingness to pay premium at Common Folks Medan?

### **1.4 Objective of the Research**

The aim of this research is to investigate and gather information about:

- a. To describe whether customer experience have influence on willingness to pay premium at Common Folks Medan.
- b. To explain whether menu uniqueness have influence on willingness to pay premium at Common Folks Medan.
- c. To explain whether interior design have influence on willingness to pay premium at Common Folks Medan.

- d. To analyze whether customer experience, menu uniqueness, and interior design have influence on willingness to pay premium at Common Folks Medan.

## **1.5 Benefit of the Research**

The advantages of this research can be outlined as follows:

### **1.5.1. Theoretical Benefit**

The findings of this study are anticipated to enhance the current theories pertaining to customer experience, menu uniqueness, and interior design and willingness to pay premium.

### **1.5.2. Practical Benefit**

The practical advantage of this research is as follows:

- a. The writer anticipates that the outcome of this research will make a valuable contribution to the current ideas on customer experience, menu uniqueness, and interior design in relation to the goal of willingness to pay premium.
- b. For Common Folks Medan, this research examines the efficacy of the survey in enhancing the company's performance.
- c. This study acts as a resource and reference for other researchers, guiding them in carrying out relevant and aligned research.