

## ABSTRAK

*Coffee production in Indonesia has significantly increased, making it the third-largest coffee producer in the world. The COVID-19 pandemic posed a major challenge to the coffee industry, especially for coffee shops that experienced a drastic decline in sales. Many businesses shifted to online sales and delivery services. After the pandemic, demand for 1-liter bottled coffee products increased, along with the growth of coffee shops and cafes. UMKM X, a business focused on coffee sales, sought to seize this opportunity by launching bottled coffee products through e-commerce platforms to meet the evolving market demands.*

*This study employs the Activity, Interest, Opinion (AIO) approach for market segmentation and uses the K-Means Clustering method to group consumers based on their activities, interests, and opinions. Data were collected from 192 respondents who had consumed or purchased bottled coffee in Bandung. The results identified three main segments with distinct characteristics. Cluster 1 consists of young females, students with low purchasing power (Social Drinker), spending less than Rp200,000 per month and drinking coffee irregularly. Cluster 2 consists of women aged 26–30 years, employed, with high purchasing power (Coffee Addict), spending more than Rp500,000 per month and drinking coffee daily. Cluster 3 consists of men aged 26–30 years, employed, with moderate purchasing power (Occasional Drinker), spending Rp300,000–Rp400,000 per month and drinking coffee 4–6 times a week.*

*The findings show that Cluster 2 is the most promising segment for further exploration by UMKM X. Consumers in this cluster have high purchasing power, consistent coffee consumption, and a deep passion for coffee. This study aims to design an appropriate market segmentation strategy for UMKM X's bottled coffee products in Bandung to enhance their competitiveness*

**Keywords:** *Market segmentation, AIO, K-Means Clustering, Bottled Coffee, Coffee Industry.*