

## **ABSTRACT**

*Indonesia as the country with the world's largest Muslim population, offers significant business potential in the Muslim fashion industry, particularly for brands like Mugaya that target the upper-middle-class segment. Initially successful in selling Hajj and Umrah attire, Mugaya plans to expand its product line into everyday Muslim fashion to tap into a more sustainable market. This decision is driven by the substantial opportunities in Indonesia's Muslim fashion market and the aim of leveraging the brand's competitive advantages. To ensure the success of this expansion, a deep understanding of consumer behavior and the key factors that influence purchasing decisions is crucial.*

*This study employs the VALS (Values and Lifestyles) approach to analyze the psychographic dimensions of Muslim fashion consumers, including their life values, shopping motivations, and self-expression through fashion. This method was chosen for its ability to reveal complex consumer preferences within the fashion industry, especially those related to self-identity. Data were collected via an online survey of 450 upper-middle-class Muslim women who regularly wear Muslim attire in their daily activities. The survey measured three groups of variables: (1) demographics (age, education, occupation), (2) purchase behavior (expenditure, price range, decision-making factors), and (3) purchase patterns (frequency, time of last purchase). The VALS analysis was then processed using K-Means Clustering to form homogeneous market segments. The integration of these two methods provides a foundation for developing a marketing strategy based on the psychological aspects of consumers.*

*The research identified three Clusters with distinct characteristics. Cluster 1 (Social Status Driven) consists mainly of consumers over 40 years old, with monthly expenditures between IDR 1–2 million and a most recent purchase within the last 30 days. Cluster 2 (Experience Seeking) shows similar demographics and expenditure but is motivated by experience and lifestyle exploration. Cluster 3 (Religiously Motivated) emerges as a potential Cluster with expenditures exceeding IDR 3 million and a most recent purchase within the last 7 days, although all three*

*Clusters prioritize material quality and purchase frequency according to their needs.*

*The main finding of this study indicates that Cluster 1 (Social Status Driven) is the most appropriate segment for Mugaya's product development. Consumers in this Cluster highly prioritize self-image and social status and strongly prefer exclusive and premium products. Therefore, it is recommended that Mugaya develop a limited-edition collection called "The Executive Series" that emphasizes modern cutting and detailed tailoring, along with implementing a premium pricing system featuring authenticity certificates for materials to strengthen product positioning. Additionally, organizing exclusive events featuring influential female figures is suggested to enhance emotional connections with consumers and foster brand loyalty. Furthermore, strategic partnerships with renowned department stores and establishing flagship stores in exclusive shopping centers will help expand access to premium consumers who match this Cluster's profile. By targeting this segment, Mugaya can build a strong product differentiation strategy that increases revenue and strengthens its competitive position in the increasingly competitive premium Muslim fashion market.*

**Keywords:** *Market segmentation, VALS, K-Means Clustering, Mugaya, Consumer Behavior*