

ABSTRACT

Mugaya is an emerging Muslim fashion brand based in Bandung, a city renowned as a hub of Indonesia's creative industries. As part of its business strategy transformation, Mugaya is adopting a Business-to-Customer (B2C) approach to engage directly and more meaningfully with its end consumers. In the highly competitive modest fashion landscape in Indonesia, the company recognizes that business success is not solely determined by product quality but also by an in-depth understanding of market segmentation and consumer behavior.

This study aims to design a strategic market segmentation framework for Mugaya's Muslim fashion products, providing a foundation for more targeted product development and brand communication. The research employs the K-Means Clustering method combined with the psychographic AIO (Activity, Interest, and Opinion) approach. Data was collected through an online survey involving 450 Muslim female respondents from across Indonesia. The research instrument included demographic variables and validated AIO indicators.

Cluster analysis was conducted using the Elbow Method and Silhouette Score to determine the optimal number of clusters. Additionally, cross-tabulation analysis was performed to examine the correlation of characteristics across the identified clusters.

The analysis identified three distinct consumer clusters based on their demographic attributes and shopping behaviors. The first cluster is composed of educated, working adult women who tend to prioritize product quality, moderately follow fashion trends, and place limited emphasis on perfection or style intricacies. The second cluster represents a group of consumers with a heightened focus on detail and quality. These individuals demonstrate high spending levels, strong brand loyalty, and openness to innovation and stylistic expression. The third cluster is characterized by pragmatic and flexible buying decisions, with a realistic approach to consumption while still maintaining a preference for quality.

Among them, Cluster 1 was selected as the primary target segment due to its psychographic attributes, which include a strong orientation toward quality and

perfectionism, coupled with stable purchasing power and consistent buying frequency over the past 30 days. Consumers in this cluster exhibit a pronounced preference for high-quality materials and aesthetic value, making them an attractive and strategically significant segment for Mugaya.

Based on these insights, several strategic recommendations are proposed for Mugaya. These include the development of a premium line of Muslim fashion garments using high-grade materials such as linen and soft satin, the integration of a Mix & Match feature in digital channels, the introduction of a subscription-based fashion collection service, and the provision of personalized fashion consultations with professional stylists. These strategies are expected to strengthen emotional consumer loyalty and support the establishment of a strong brand positioning within the upper-middle-class market segment.

Keywords: AIO (Activity, Interest, Opinion), K-Means Clustering, Mugaya, Market Segmentation, Consumer Psychographics