ECOSTECH International Seminar

Wednesday, November 15th, 2017

"Innovation and Integrated Communication in Empowerment of Competitive Resources in Various Sectors toward a Developed Countries".

PROCEEDING

- ☑ **ECONOMY AND SOCIAL CLUSTER**
- ☑ **TECHNIC AND COMPUTER CLUSTER**
- ☑ **HEALTH CLUSTER**

MEXOLIE Hotel Kebumen
Jl. Merak II No. 8 Panjer, Kebumen
Jawa Tengah 54312, Indonesia

SEAMOLEC

BOARDS OF COMMMITTEE

SEKRETARIAT

Jl. Letjend. Suprapto No.73 Kebumen 54316 Central Java, Indonesia
☎+62287- 381 116 , 383 800, Fax : +62287 383 149

TECHNIC AND COMPUTER

THE DESIGN OF A DECISION SUPPORT SYSTEM FOR THE SELECTION OF BANKING INVESTMENT PRODUCTS USING THE ANALYTICAL HIERARCHY PROCESS

Robby Kurniawan Budhi[1], Agus Prayitno[2], Olivia Utami[3]
Universitas Widya Kartika, Surabaya
agus.prayitno.sby@gmail.com,

ABSTRACT

Currently there are various banking investment products such as bonds, mutual funds, stocks, and foreign exchange. Each of these products has different characteristics. Unfortunately, not all potential investors get the information and are able to determine the suitable product. The variables used as the determinants of suitable banking investment products were the amount of capital, risk-return, liquidity, the investor's experience, and investment period. These factors are multi-criteria. The purpose of this research was to produce a decision support system that was able to help potential investors determine the most suitable banking investment products. The Analytical Hierarchy Process (AHP) method was considered appropriate for providing multi-criteria decisions. As a result, the compatibility of the AHP method to help the investors solve the problem could be observed.

Keywords :*decision support system, financial investment products, Analytical Hierarchy Process (AHP)*

INTRODUCTION

Economic conditions change over time. As an alternative to seek for the income and the financial security, people make some investments, in the form of banking products or in the form of goods. Several types of the banking investment products available are savings, deposits, mutual funds, foreign exchange, and stocks. While the goods investment can be in the form of lands, houses, or golds. This research was limited to the banking investment products.

Each type of banking investment products has distinct advantages and risks. The capital required to own each of these investment products is also varied. This often becomes an obstacle for people who want to invest, especially for the newbie investors.

There are several factors that can help someone in determining the appropriate banking investment product. First is the amount of the capital needed. Each banking investment product requires a varied capital. The amount of the capital is relative to the different levels of society. For example, for the middle to lower class, 100 million Rupiah is a large amount; meanwhile for the upper middle class, this number is considered as a small one.

The second determining factor is the level of risks and results obtained. The greater the risk is, the greater the profit will be obtained. The lower the risk is, the lower the income will be.

The next factor is the liquidity or the convenience of withdrawing the funds. This is usually also related to the investment period. Some investment products require a certain period of investing time. In addition, there are some specific procedures that must be done to withdraw the funds. In the other words, the withdrawal cannot be done anytime the investor wants to.

Based on these factors, the experienced investors will easy in determining the most appropriate banking investment products for them. However, the newbie investors can be confusing because the criteria are interconnected. To overcome this confusion, researchers tried to make a decision support system in order to help the investors determine the banking investment products which were in accordance with the characteristics of potential investors.

The Analytical Hierarchy Process (AHP) method was used as the determinant, since it allows multi-criteria selection with different levels of importance. Based on these variables, a decision