

BANK BRANCH LOCATION SELECTION BY FUZZY AHP

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Location selection is one of the most important multi-criteria decision problem which requires to consider several criteria and has a strategic importance for many companies. The general procedure for making location decisions consists of the following steps: Decide on the criteria that will be used to evaluate location alternatives, select the criteria that are important, evaluate location alternatives and select the best alternative [1]. The object of this study is to help a bank in Turkey selecting the most appropriate location among six alternatives in the South-Eastern of Turkey. The model is consisted of five main criteria which are demographic, socioeconomic, sectoral employment, banking and trade potential and twenty-one sub-criteria.

The conventional methods for location selection are inadequate for dealing with the imprecise or vague nature of linguistic assessment. To overcome this difficulty, fuzzy multi-criteria decision-making methods are proposed. Because of the multi-criteria structure of the problem and the fuzziness in the comparisons of the criteria and the alternatives, Chang's [2] extent analysis method on fuzzy AHP is used.

Literature

1. *Stevenson WJ*: Homewood, Productions/Operations Management, 4th Edition, 1993
2. *Chang, D.Y*, Applications of the extent analysis method on fuzzy AHP, European Journal of Operational Research, 95, 1996, 649-655