



## Weighted Fuzzy Soft Matrix Theory and its Decision Making

Nikhath Khan<sup>1</sup>, Dr. Fozia H. Khan<sup>2</sup>, Dr. Ghanshyam Singh Thakur<sup>3</sup>

<sup>1</sup>Maulana Azad National Institute of Technology, India, nikhatk2004@yahoo.com

<sup>2</sup>Maulana Azad National Institute of Technology, India

<sup>3</sup>Maulana Azad National Institute of Technology, India

### ABSTRACT

The purpose of this paper is to use soft set theory in decision making in banking system. A new efficient solution procedure has been developed to solve fuzzy soft set based real life decision making problems involving multiple decision makers. In this paper new technique of applying threshold for selecting an optimal set is suggested when the user deals with huge amount of data and optimal subset of the data is to be selected. The author has attempted to use soft set in solving the decision making problem to approach customers for promotional marketing campaign in banking system.

**Key words:** Fuzzy Sets, Fuzzy Soft Set Applications, Soft Sets, Soft Set Matrices

### 1. INTRODUCTION

Decision making is vital in today's fast moving world. It is significant for all categories of problems dealing with the problems in Engineering, Medical, Social Sciences, and Management etc. It involves the selection from two or more alternative courses of action. The decision maker [1] is presented with alternative courses of action who then selects the best one which meets the objectives of the problem satisfactorily based on logical and qualitative analysis. The inherent problem of decision making is related to vagueness and uncertainty aspects. Classical mathematics is not very effective in dealing with such type of problems. Some theories like probability theory, fuzzy set theory [2], intuitionistic fuzzy set [3], rough set theory [4], have tried to resolve this problem. There are some popular mathematical tools which deal with uncertainties; two of them are fuzzy set theory, which was developed by Zadeh (1965), and soft set theory, which was introduced by Molodtsov (1999), that are related to this work. Though all these techniques do not consider parameterization of the tools hence could not be applied truly in handling problems of uncertainties. The soft set concept is devoid of all these problems and possess rich potential of solving certain decision making problem[5] involving recruitment problem, investment problem or selecting customer for subscription. Currently, work on the soft set theory is rapidly progressing .Maji et al (2003) defined operations on soft sets and made a detailed theoretical study on that. By using these definitions, the applications of soft set theory have been studied increasingly [6] [7] [8] [9] [10].

Here the author is defining soft set, fuzzy soft set by extending the crisp and fuzzy set respectively and then applying the same to some decision making problems. Three major contributions of this work are as follows: Primarily, we have presented the idea of multi-soft sets construction from a multi-valued information system, AND and OR operations on multi-soft sets.

Secondly, we have presented and applied the soft set theory for data reduction under multi-valued information system using multisets and AND operation. Lastly, we show that results obtained using soft set theory could be applied to decision making.

### 2. PRELIMINARIES

Here we will describe the preliminary definitions, and results which will be required later in this paper.

#### 2.1 Fuzzy Set

Fuzzy sets are the ones in which elements have degrees of membership. This was introduced as an extension of the classical notion of set by Lotfi A. Zadeh [2] and Dieter Klaua [4] in 1965. Fuzzy relations, which are used now in different areas, such as linguistics (De Cock, et al, 2000), decision-making (Kuzmin, 1982) and clustering (Bezdek, 1978), are special cases of L-relations when L is the unit interval [0, 1].

In classical set theory, the membership of elements in a set is in terms of binary terms based on a condition that an element will either belongs to or will not belong to the set. In contrast, fuzzy set theory allows the gradual assessment of the membership of elements in a set; this has been described with the aid of a membership function valued in the real unit interval [0, 1]. Fuzzy sets are the ones that generalize the classical sets, since the characteristic function of classical sets are special cases of the membership functions of fuzzy sets as the classical set only take values 0 or 1. In fuzzy set theory, classical bivalent sets are generally called crisp sets. The fuzzy set theory is widely used in domains where information is incomplete or imprecise, like in an area of bioinformatics, medicine, banking [11] [12]etc.

In this subsection, the basic definitions of fuzzy set theory (Zadeh, 1965) are described which will be useful for subsequent discussions. The detailed description related to this theory is also available in earlier studies (Dubois & Prade 1980, Klir & Folger 1988, Zimmermann 1991).

**Definition:**

Let  $X$  be a space of points, with a generic element of  $X$  denoted by  $x$ . Thus  $X = \{x\}$ .

A fuzzy set  $A$  in  $X$  is characterized by a membership function  $f_A(x)$  which associates with each point in  $X$  a real number in the interval  $[0,1]$ , with the values of  $f_A(x)$  at  $x$  representing the "grade of membership" of  $x$  in  $A$ . Thus, the nearer the value of  $f_A(x)$  to unity, the higher the grade of membership of  $x$  in  $A$ .

**2.2 Soft Set**

Soft set theory is a generalization of fuzzy set theory which was proposed by Molodtsov in 1999 to deal with uncertainty in a non-parametric manner. Mathematically, a soft set is defined as if  $X$  is a universal set and set of parameters  $E$  is a pair  $(f, A)$  where  $f$  is a function and  $A$  is a set such that  $f(e)$  is a subset of the universe  $X$ , where  $e$  is element of the set  $A$ . For each  $e$  the set  $f(e)$  is called the value set of  $e$  in  $(f, A)$ .

**Definition:** Let  $U$  be an initial universe,  $P(U)$  be the power set of  $U$ ,  $E$  be the set of all parameters and  $A \subseteq E$ .

Parameters are the attributes, properties or characteristics of objects. Then, a soft set  $FA$  over  $U$  is a set defined by a function  $f_A$  representing a mapping

$$f_A: E \rightarrow P(U) \text{ such that } f_A(x) = \emptyset \text{ if } x \notin A.$$

**Example 2.2:** Suppose that  $U = \{c1, c2, c3, c4\}$  is a set of customers and  $E = \{e1, e2, e3\}$  is a set of parameters, which stand for average yearly balance, age and income respectively. Consider the mapping from parameters set  $E$  to the set of all subsets of power set  $U$ . Then soft set  $(F, E)$  describes the character of the customers with respect to the given parameters, for finding the suitable customer who would be fit for providing loan or giving credit card.

$(F, E) = \{\{\text{average yearly balance} = c1, c3, c4\} \{\text{age} = c1, c2\} \{\text{income} = c2, c3, c4\}\}$ . This soft set representation is shown in the Table 1 below.

**Table 1:** Soft Set

U	Average yearly balance (e1)	Age(e2)	Income (e3)
c1	1	1	0
c2	0	1	1
c3	1	0	1
c4	1	0	1

**2.3 Fuzzy Soft Set**

In this section we briefly explain the concept of fuzzy soft [15] [16][17] which is certain extensions of the crisp soft set. The fuzziness or vagueness deals with uncertainty inherent in the Decision Making Problems of the real world. The definition of fuzzy soft set is followed by an example.

**Definition:** Let  $P(U)$  denotes the set of all fuzzy sets of  $U$ . Let  $A_i \subseteq E$ . A pair  $(F_i, A_i)$  is called a fuzzy-soft-set over  $U$ , where  $F_i$  is a mapping given by  $F_i: A_i \rightarrow P(U)$ .

**Example:** In the example 2.2 of Soft Set considered above if  $c1$  has medium average yearly balance then it will not be possible to express it with only the two numbers 0 and 1. In that case we can characterize it by a membership function instead of the crisp number 0 and 1, that associates with each element a real number in the interval  $[0,1]$ . The fuzzy soft set can then be described as where  $A = \{c1, c2\}$   
 $(F, A) = \{F(e1) = \{(c1,0.9), (c2,0.3), (c3,0.8), (c4,0.9)\}, F(e2) = \{(c1,0.8), (c2,0.9), (c3,0.4), (c4,0.3)\}\}$ ,  $F(e3) = \{(c1,0.5), (c2,0.9), (c3,0.4), (c4,0.2)\}$  This fuzzy soft set representation is shown in the Table 2 below.

**Table 2:** Fuzzy Soft Set

U	Average yearly balance (e1)	Middle aged(e2)	Income (e3)
c1	0.9	0.8	0.5
c2	0.3	0.9	0.9
c3	0.8	0.4	0.4
c4	0.9	0.3	0.2

**2.4 Fuzzy Soft Matrix**

In this section we give the definition of fuzzy parameterized soft set we give examples for these concepts.

**Definition:** Let  $U$  be an initial universe,  $P(U)$  be the power set of  $U$ ,  $E$  be the set of all parameters and  $X$  be a fuzzy set over  $E$  with the membership function  $\mu_X: E \rightarrow [0, 1]$ . Then, an fps-set  $F_X$  over  $U$  is a set defined by a function  $f_X$  representing a mapping

$f_X: E \rightarrow P(U)$  such that  $f_X(x) = \emptyset$  if  $\mu_X(x) = 0$ . Here,  $f_X$  is called approximate function of the fps-set  $F_X$ , and the value  $f_X(x)$  is a set called  $x$ -element of the fps-set for all  $x \in E$ . Thus, an fps-set  $F_X$  over  $U$  can be represented by the set of ordered pairs

$$F_X = \{(\mu_X(x)/x, f_X(x)): x \in E, f_X(x) \in P(U), \mu_X(x) \in [0,1]\}$$

**Example:** Let  $U = \{c1, c2, c3 \dots c_m\}$  be the Universal set and  $E$  be the set of parameters given by

$$E = \{e_1, e_2, e_3 \dots e_n\}.$$

Let  $A \subseteq E$  and  $(F, A)$  be a fuzzy soft set in the fuzzy soft class  $(U, E)$ . Then fuzzy soft set  $(F, A)$  in a matrix form as  $A_{m \times n} = [a_{ij}]_{m \times n}$  or

$$A = [a_{ij}] \text{ } i=1, 2 \dots m, j=1, 2, 3 \dots n$$

Where

$$a_{ij} = \mu_j(c_i) \text{ if } e_j \in A$$

OR

$$a_{ij} = 0 \text{ if } e_j \notin A$$

$\mu_j(c_i)$  represents the membership of  $c_i$  in the fuzzy set  $F(e_j)$ .

Based on example 2.3 the matrix is represented as:

0.9	0.8	0.5
0.3	0.9	0.9
0.8	0.4	0.4
0.9	0.3	0.2

### 2.5 Weighted Fuzzy Soft Matrices

**Definition:** Let  $U = \{c_1, c_2, c_3, c_4, \dots, c_p\}$  be the universal set,  $P(U)$  be the power set of  $U$ ,  $E =$  be the set of all parameters provided by  $E = \{e_1, e_2, e_3, \dots, e_q\}$  and  $A \subseteq E$ . Then, a  $(F, A)$  be the fuzzy soft set in the fuzzy class  $\{U, E\}$ . The fuzzy soft set in matrix form will then be represented as

$$A [p \times q] = [a_{ij}] \text{ } p \times q \text{ or by } A = [a_{ij}]$$

$$i = 1, 2, 3, \dots, p; j = 1, 2, 3, \dots, q,$$

Where  $a_{ij} = \mu_j(c_i)$  if  $e_j \in A$  and 0 if  $e_j \notin A$

$\mu_j(c_i)$  is representing the membership of  $c_i$  of fuzzy set  $F(e_j)$ .

Example:

Let  $U = \{u_1, u_2, u_3, u_4, u_5\}$  be the universal set  $E =$  be the set of all parameters provided by  $E = \{e_1, e_2, e_3, e_4\}$ . Let  $P = \{e_2, e_4\} \subseteq E$  and  $\{F, P\}$  be the fuzzy soft set

$$(F, P) = \{F(e_2) = \{(u_1, 0.3), (u_2, 0.4), (u_3, 0.3), (u_4, 0.4)\}$$

$$F(e_4) = \{(u_1, 0.6), (u_2, 0.7), (u_3, 0.3), (u_4, 0.1), (u_5, 0.2)\}$$

The fuzzy soft matrix then will be represented as

$A =$

0	0.3	0	0.6
0	0.4	0	0.7
0	0.3	0	0.3
0	0.4	0	0.1
0	0	0	0.2

### 3. FUZZY WEIGHTED SOFT MATRIX IN DECISION MAKING

In this section, we have put forward a weighted fuzzy soft matrix decision making method by using fuzzy soft sets and then we have discussed and applied it to decision-making problem.

The idea of weighted fuzzy parameterized soft matrix set provides a mathematical framework for modeling and analyzing the decision-making problems in which all the parameters may not be of equal importance. These differences between the importances of parameters are characterized by the weight function in a weighted fuzzy parameterized soft matrix set.

### Algorithm

Input: Fuzzy soft sets with  $p$  objects, each of which has  $q$  parameters.

Output: An optimal set

1. Get the Universal set having  $p$  objects
2. Choose the set of parameters
3. Consider the weights to be applied for each set of parameters based on the expert's decision and relevance of the attribute (parameter)
4. Compute the arithmetic mean of membership and non-membership value of fuzzy soft matrix as AAM
5. Assign Weights to each set of parameters based on the importance and thus compute the weighted arithmetic mean.
6. Choose the object with highest membership value.
7. In case of tie i.e. when more than one object with same highest membership value, choose the object with highest membership value as well as lowest non-membership value.
8. In case of applications which involve decision making of selecting large optimal number of persons, some threshold value could be set. The objects above that threshold value could be selected and the ones below the threshold could be rejected.
9. Thus the optimum decision set could be obtained.

### 4. APPLICATION

The development of a weighted fuzzy soft set based selection strategy is described for selection of customers whom the bank should target for deposit subscription [18]. Fuzzy soft set theory aims to model imprecise, vague and fuzzy information. Computers cannot adequately handle such problems, because machine intelligence still employs sequential (Boolean) logic. The business goal is to find an optimal subset that can explain success of a contact, i.e. if the client subscribes for the loan or can be specified as a good customer for further business deals. Such optimal set can increase campaign efficiency by identifying the main characteristics that affect success, helping in a better management of the available resources (e.g. human effort, phone calls, time) and selection of a high quality and affordable set of potential buying.

Consider the huge set of objects which in the current application are the customers whom we are selecting and segregating from the universal set. Let these be represented by  $(c_1, c_2, c_3, c_4, \dots, c_m)$

Then we have the following six inputs are taken for consideration i.e. middle aged, average yearly balance, existence of loan, previous contact outcome, duration of contact, in-come, marital status". This data reflects the degree of vagueness in the information collected by the banks from various sources and furnished by the customer.

Based on the consultation with the banking expert, the author has selected only four parameters ( $e_1$ =middle aged;  $e_2$ =average yearly balance;  $e_3$ =existence of loan;  $e_4$ =income) for further processing.

Let  $E = (e_1, e_2, e_3, e_4, e_5, e_6)$  be the set of parameters and

$P = \{e_1, e_2, e_3, e_4\} \cdot E$  and  $\{F, P\}$  be the fuzzy soft set  
 $(F, P) = \{F(e_1) = \{(u_1, 0.2), (u_2, 0.3), (u_3, 0.4), (u_4, 0.4)\}$   
 $(F, P) = \{F(e_2) = \{(u_1, 0.3), (u_2, 0.4), (u_3, 0.3), (u_4, 0.4)\}$   
 $(F, P) = \{F(e_3) = \{(u_1, 0.7), (u_2, 0.3), (u_3, 0.5), (u_4, 0.4)\}$   
 $F(e_4) = \{(u_1, 0.6), (u_2, 0.7), (u_3, 0.3), (u_4, 0.1)\}$

$A =$

0.2	0.3	0.7	0.6
0.3	0.4	0.3	0.7
0.4	0.3	0.5	0.3
0.4	0.4	0.4	0.1

$A_{AM} =$

0.45
0.425
0.375
0.325

If the banking expert provides weights as 0.3,0.4,0.2,0.1 on the parameters “middle aged”, “average yearly balance”, “existence of loan”, “income” respectively, then

$A_{WAM} =$

0.135
0.17
0.075
0.0325

In our sampling application this calculation is shown only for four customers. This can be extended to n customers. Now we need to select the optimal customers who could be selected for promotional marketing campaign. Based on the consultation with the banking expert the user can select a threshold value. In the present scenario if the threshold values are set as 0.12 then customer c1 and c2 could be selected and customers c3 and c4 would be rejected as it lies below the threshold.

### 5. CONCLUSION

The use of a weighted fuzzy soft matrix set based system for targeting specific customer is taken into consideration by the author. The system proposed through this work is evaluated on hypothetical data. In this paper, we have introduced the concept of setting threshold when large numbers of customers have to be selected and also used the earlier concept of soft set by assigning weights based on the relevance of attributes. In

this weighted arithmetic mean has been used to derive the decision factors on the fuzzy soft matrix set.

Finally we have given one elementary application for decision making problem on the basis weighted arithmetic mean. This method can be further applied on other decision making problem having uncertain parameters.

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**Mrs. Nikhat Khan** is an IT professional with over 15 years of experience. She has worked in multiple national and international organizations. Currently she is working as a Delivery Project Manager and has visited US, UK and German countries for managing and executing IT projects for renowned international clients. She is currently pursuing PhD from Maulana Azad National Institute of Technology, Bhopal (MANIT) and is eager to know about the advances in business intelligence, data mining and fuzzy logic. She has around 4 publications in National and International Journals.

**Dr. Fozia Haque Khan** is Assistant Professor and coordinator of M. Tech (Nanotechnology) at MANIT Bhopal. Author of a book on Quantum Mechanics, Dr Fozia has guided 26 M.Tech theses and is currently guiding 7 PhDs on high application materials like oxide nanomaterials for solar cells, gas sensors and other nanomaterials. With over 80 publications in national and international journals and conferences of repute, she has delivered talks in several national and international conferences, and visited King Abdul Aziz University, Jeddah, S.A, Harvard University Boston USA, and Naval Research Lab, Washington DC (USA).

**Dr. Ghanshyam Singh Thakur** has received BSc degree from Dr. Hari Singh Gour University Sagar M.P. in 2000. He has received MCA degree in 2003 from Pt. Ravi Shankar Shukal University Raipur C.G. and PhD degree from Barkatullah University, Bhopal M.P. in year 2009. He is Assistant Professor in the department of Computer Applications, Maulana Azad National Institute of technology, Bhopal, M.P. India. He has eight year teaching and research experience. He has 26 publications in national and international journals. His research interests include Text Mining, Document clustering, Information Retrieval, Data Warehousing. He is a member of the CSI, IAENG, and IACSIT.