

ABSTRACT

Choosing investments can indeed be difficult for investors, especially in uncertain times. Investors will face number of considerations that will impact future investment results, and it all depends on how investors behave when making an investment decision. However, investors occasionally make biased or irrational investment decisions, which could result in both material and immaterial losses or undesirable outcomes in their investment activities. The aim of this study was to investigate the impact of herd behavior and heuristic such as anchoring, representativeness, availability, overconfidence, and gambler's fallacy on investment decision making of investor in Malang City. This study's sample consist of investor in Malang city who meet a number of predetermined criteria. Multiple regression analysis is used in this study to test the data. According to the study's findings, herd behavior, anchoring, representativeness, availability, overconfidence, and gambler's fallacy all have a positive impact on investment decision making of investor in Malang City. This demonstrated that investor in Malang City occasionally make decisions based on irrational thinking, which has a negative impact on their investment return.

Keywords: Herd Behavior, Anchoring, Representativeness, Availability, Overconfidence, Gambler Fallacy