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**TITLE:** DEVELOPMENT OF INTERMEDIARY INSTITUTIONS AND THE COMPONENTS EFFECTING INVESTORS' CHOICE OF INTERMEDIARY INSTITUTIONS: AN APPLICATION OF FACTOR ANALYSIS

### **ABSTRACT**

Intermediary institutions, with respect to their functions, have an important place in the capital markets. Factors that affect investors' preference about selecting intermediary institutions, which operate in the financial systems, is a matter of great importance. Because of the growing competition and to have more and more customers, intermediary institutions should meet customer's expectations in the best possible way.

The purpose of this study, investigation of the development of intermediary institutions in Turkey and revealing factors that influencing the investors' choice of intermediary institutions. For this purpose, role and importance of intermediaries in the capital markets have been examined with information obtained from various sources. Then, the factors influencing the investors' choice of intermediary institutions have been explained by collecting the data through a questionnaire applied to investors and practicing factor analysis.

In the application part of the study, data were collected through a comprehensive survey applied to investors as well as the factors that affect the investors choice of intermediary institutions have been introduced by using factor analysis. If these designated factors are taken into account by the intermediary institutions, not only intermediary institutions will fulfill the customer satisfaction in a better way, but also these organizations will be able to offer better quality of services compared to its competitors in the industry.

### **KEYWORDS**

Capital Market, Intermediary Institutions, Investor, Factor Analysis.