

A fiercer level of competition is becoming the most influential factor in the structure and activities of the banking system around the globe. Banks are competing not only with themselves but also with other financial institutions within the financial industry. In a plural society such as in Kenya, the competition is becoming fiercer with the existence of the Local commercial banks. To attract more customers, both multinational and local banks should have information on factors used by customers in selecting their banks, The objectives of this study were to determine the factors that influence consumer preference for a certain commercial bank, to find out various ways on how bank services could be improved, to determine the demographic and socio-economic composition of Kenyan banks clientele and to determine how bank customers learn about the various banks available.

To achieve this a target population to this research proposal were the corporate and individual customers of the selected five commercial banks in Kisii town, namely: Barclays Bank of Kenya 5,000 customers, Kenya commercial bank 3, 000 customers, National bank of Kenya 3,000 customers, Co-operative bank of Kenya 8,000 customers, Credit bank 1,000 customers making a total sampling frame of 20,000 customers both corporate and individual. A sample of 400 respondents was selected using stratified simple random sampling. The five banks formed five strata with Barclays having a sample of 100, Kenya commercial bank 60, National bank 60, Co-operative bank 160 and Credit bank 20.

Earlier studies related to this proposed study, Commercial banks and their functions, types of accounts offered by commercial banks, emerging issues in commercial banks, choice of bank services, developing consumer patronage, consumer behavior and attitudes and the main factors influencing bank customer's behavior among other factors formed the literature review of this study.

Research was done by administering a questionnaire to the commercial bank customers as they transacted their business in the banking halls. The researcher personally presented copies of the questionnaire to the customers.

This study adopted descriptive research design, which incorporated data analysis tools including descriptive and inferential statistics to analyze the data collected. Likert scale was used to establish the level of satisfaction received by .customers in their various banks which was analysed through the ranking of the factors. The findings from this research could help commercial bank managers in establishing consumer preference for a particular bank thus help them to re-engineer their services to meet their customers' needs delightfully. In addition the findings could assist future researchers in the related domain with secondary information.

This study established that the majority of commercial bank customers fall in the age of 28 - 45 years, most of them are males, government employed and the income levels for a month is 21 - 50 thousand and 50 thousand or more for individual and corporate customers respectively. It was also established that customers are highly influenced through low ledger fees charges, bank employees being courteous and welcoming, availability of A TMs, reliable A TMs, security within the banking halls, satisfying services and the bank's compliance with legal issues. Availability of personal loans and safety of ones funds also are influential factors when it comes to the customers' bank choice. It was also established that the Kenyan banks' clientele learn about

available commercial banks through friends who are already customers to such banks and through the banks' advertisements.

In improving bank services customers recommended that banks should enhance employee training, establish quick ATM failure and capture response units and be transparent and always communicate on transaction charges including being prompt in attending to customer problems and installing more ATMs to avoid long queues. This study therefore recommends that commercial bank entrepreneurs lower their ledger fees, train their employees to be courteous and welcoming, offer a variety of services, install more ATMs, ensure their ATMs are reliable, enhance security within their environments, offer satisfactory services, try to build their reputation, restructure their personal loans, comply with legal issues and charge low interest rates on loans.