

Member retention IS an important element of SACCO's strategy in today's increasingly Competitive environment. SACCO management must identify and improve upon factors that can retain its members. These days the banking industry is highly competitive with banks not only competing among each other; but also with non-banks and other financial institutions. Therefore, member retention is potentially an effective tool that SACCO can use to gain a strategic advantage and survive in today's ever-increasing financial competitive environment. This study examined several retention-relevant constructs that influences SACCO members decisions to stay with SACCO. The purpose of the study was to examine the determinants of retention of SACCO members in light of commercial banks competition in Kenya. The case study was Nakuru teachers SACCO society. The study was guided by the following objectives; to Determine the influence of time taken to process loans, to determine the effect of service quality, to determine the effect of loan conditions, and finally to establish the effect of loan products diversifications on member retentions at Nakuru teachers SACCO. A random sampling procedure was used to select SACCO members. Similarly, purposive sampling was used on the SACCO management to obtain records and insights into SACCO operations. The researcher Used a sample size of 370 from target population of 9000 and 12 SACCO officials; this generated a total sample size of 382 respondents to obtain data and information on the research objectives. Two open and closed ended questionnaires were used for the members and officials respectively as tools for data collection. The data collected was analyzed mainly by use of descriptive statistics The study found out that majority of the SACCO members (75%) patronized the SACCO products. This illustrates that majority of the SACCO members were active members of their respective SACCOS as they relied on SACCOS for their financial needs. The study established that majority of the SACCO members (67%) had never taken a loan from a commercial bank in addition to the SACCO loan. The study concluded that most of the SACCO members had borrowed development loans, emergency loans, refinancing loan and school fees loan respectively from the SACCOS. This indicates that the SACCO members benefited from the various products offered by the SACCOS for unique financial needs.