

How managers can predict customer retention rates through psychological profiling.

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Managers have become increasingly concerned with the retention of their customers and how they improve their retention rates. Customer Relationship Management (CRM) processes have been implemented to allow managers to profile their customers in terms of their value and risk of defection, and to target customers differently. However, customer profiling is often based solely on customers' behaviours e.g. level/ type of product consumption or demographic characteristics e.g. age, sex, length of customer relationship. Using my own research within the fitness industry, this paper will highlight the psychological variables which have been measured e.g. satisfaction, brand identification and self-determination and how they can be used to predict intentions to, and defection from, an organisation.