BANK OF KIGALI

CUSTOMER RETENTION INCENTIVES

Simple Incentive Guide for XSELL System

Version: 3.0

Date: November 10, 2025

Purpose: Showcase available retention incentives for all customer zones

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CUSTOMER BASE OVERVIEW

Status	Customer Count
Active (0-6 months)	524,497
Inactive (6-12 months)	68,135
Dormant (12+ months)	196,326
Unclaimed (5+ years)	3,997
TOTAL	**792,955**

ZONE 1: PREVENTION INCENTIVES

For Active Customers Showing Signs of Leaving

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1. Airtime & Data Bundles

What Customer Gets:

- 2,000-5,000 RWF airtime

- 2-5GB data bundle

- Free mobile banking setup support

When to Offer:

- Customer stopped using mobile banking

- Transactions dropped significantly

- Digital engagement low

Requirement: Complete 3-5 mobile banking transactions

Moral Hazard Risk: Customers might deliberately reduce mobile banking activity to get free airtime repeatedly.

How to Overcome:

- Only offer once per customer per 12 months (strictly enforced)
- XSELL must detect natural decline (not sudden drop)
- Require sustained activity (transactions over 30 days, not all at once)
- Bonus only unlocks after transaction threshold met
- Track patterns: Flag customers with suspicious activity drops

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2. Transaction Cashback

What Customer Gets:

- 500 RWF for every 10 transactions
- Up to 3,000 RWF per month
- Valid for 3 months

When to Offer:

- Transaction frequency declining
- Customer using account less
- Testing competitors

Requirement: Make transactions to earn cashback

Moral Hazard Risk: Customers make fake transactions (transfers between own accounts) to earn cashback without real activity.

How to Overcome:

- Only count legitimate transactions (payments, purchases, different recipients)
- Exclude self-transfers and round-trips (A→B→A same day)
- Minimum transaction value (e.g., 1,000 RWF) to prevent tiny fake transactions
- XSELL monitors transaction patterns - flags suspicious behavior
- Cashback paid 30 days after qualifying period (prevents immediate gaming)

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3. Fee Waivers

What Customer Gets:

- Free maintenance fees for 3-6 months

- Free ATM withdrawals (certain number)

- Free card fees for 1 year

When to Offer:

- Customer complaining about fees

- Fee sensitivity detected

- Low balance customers

Requirement: Keep account active

Moral Hazard Risk: HIGH RISK! Customers threaten to leave just to get fees waived. Word spreads and everyone demands waivers. Bank loses fee revenue and undermines pricing structure.

How to Overcome:

- **Better Alternative:** Replace waivers with EARNED FEE CREDITS

- Customer earns back fees through activity (20 transactions = fee refunded)

- XSELL proactively offers BEFORE customer complains (not after threats)

- Strict eligibility: Only customers XSELL predicts will actually leave

- Never waive fees for customers who verbally threaten - offer different incentive

- Maximum 3-month waiver period, must meet activity targets

- Require balance increase or new product adoption

- Track and blacklist customers who repeatedly threaten to leave

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4. Preferential Interest Rates

What Customer Gets:

- Extra 0.5-1% on savings

- Reduced loan rates (if eligible)

- Better FX rates

When to Offer:

- Competitor offering better rates

- High-value customer

- Moving money out

Requirement: Maintain or grow balance

Moral Hazard Risk: Customers move money out temporarily to trigger rate increase, then move it back. Or customers claim competitor offers without proof.

How to Overcome:

- Require proof of competitor offer (written quote, screenshot)

- Rate increase tied to 6-month minimum commitment (early withdrawal = penalty)

- Only for customers with 6+ months history of high balances (not new large deposits)

- XSELL verifies customer actually has balances elsewhere (credit bureau data)

- Rate bonus only applies to EXISTING balance, not new deposits

- Review competitive rates quarterly - adjust offers accordingly

- Maximum rate premium: 1% (prevents unsustainable pricing war)

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5. Shopping Vouchers

What Customer Gets:

- 5,000-10,000 RWF shopping vouchers

- Simba Supermarket, Nakumatt, or other partners

- Can be earned through transaction milestones

When to Offer:

- General disengagement

- Reward for loyalty

- Transaction activity campaigns

Requirement: Meet transaction targets

Moral Hazard Risk: Customers make minimum fake transactions just to get vouchers, then return to inactivity. Friends/family coordinate to all trigger vouchers.

How to Overcome:

- Vouchers issued 45 days AFTER qualifying period (delayed gratification reduces gaming)

- Require diverse transaction types (not just 20 identical transactions)

- Must maintain activity during voucher validity period (use it or lose it)

- Transaction targets increase for repeat participants (10, then 15, then 20)

- XSELL monitors for coordinated abuse patterns (same IP, similar behavior)

- Vouchers non-transferable (linked to account holder ID)

- Partner merchants report voucher usage - cross-check with transaction patterns

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6. Free Insurance or Product Upgrades

What Customer Gets:

- Free loan insurance for 1 year

- Upgraded debit card at no cost

- Free safe deposit box access

When to Offer:

- Single-product customers

- Need relationship deepening

- Cross-sell opportunity

Requirement: Open additional product

Moral Hazard Risk: Customer opens product just for free upgrade, then abandons new product. Or opens/closes products repeatedly for benefits.

How to Overcome:

- New product must remain active for 12 months minimum (or lose benefit)

- Require minimum usage: 5 transactions/month on new product

- New product must have minimum balance (e.g., 50,000 RWF savings)

- For loans: Must fully repay before eligible for insurance benefit

- Only one product upgrade per 24 months per customer

- XSELL tracks product lifecycle - flags serial product openers

- Insurance only pays out if both products remain active

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7. Tap&Go Card Activation Bonus

What Customer Gets:

- 3,000 RWF bonus after first contactless payment

- Free Tap&Go card delivery

- 5 free contactless transactions

When to Offer:

- Customer still using old card

- Low digital payment adoption

- Competition from mobile money

Requirement: Activate and use Tap&Go 3 times

Moral Hazard Risk: Customer activates card, makes 3 tiny purchases to get bonus, then never uses card again. Or buys/returns items repeatedly.

How to Overcome:

- Minimum transaction value: 2,000 RWF per transaction (prevents 100 RWF gaming)

- Transactions must be at 3 different merchants (prevents one friendly merchant)

- Must occur over 14+ days (not all on same day)

- Bonus paid 30 days after 3rd qualifying transaction

- Card must remain active (5+ transactions/month for 3 months)

- XSELL flags suspicious merchant patterns (repeated reversals, refunds)

- Track merchant relationships - prevent collusion

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8. Moto Taxi & Transport Vouchers

What Customer Gets:

- 5,000-10,000 RWF transport vouchers

- SafeMotos, Yego, Move credits

- Valid for 2 months

When to Offer:

- Young professionals, students

- Urban customers

- Daily commuters

Requirement: Link transport app to BK account, complete 5 transactions

Moral Hazard Risk: Customer links app only for vouchers, completes 5 minimum transactions, then unlinks. Friends share voucher codes. Fake rides with friendly drivers.

How to Overcome:

- Vouchers issued in 2 installments: 50% after 5 transactions, 50% after 10 more

- App must remain linked for 3 months (unlinking forfeits remaining balance)

- Transactions must include variety: bills, transfers, purchases (not just airtime)

- Transport platform validates real rides (GPS, time stamps, driver verification)

- One voucher per customer per 6 months

- XSELL cross-checks transport patterns with account activity times

- Suspicious patterns (circular routes, cancelled rides) = disqualification

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9. School Fees Payment Benefits

What Customer Gets:

- 2% cashback on school fees payments

- Free payment reminders via SMS

- Split payment option (pay in installments)

When to Offer:

- Parents, guardians

- January, April, September (school terms)

- Customers with large withdrawals for fees

Requirement: Pay school fees through BK channels

Moral Hazard Risk: Customers pay fees for neighbors/friends and collect cash outside, just to get cashback. Fake school payment receipts.

How to Overcome:

- Cashback only on payments to verified schools (registered with MINEDUC)

- Direct payment to school account required (not cash withdrawal labeled "school fees")

- School confirms receipt within 48 hours (API integration)

- Maximum 2 students per account holder (verified with IDs)

- Cashback capped at 20,000 RWF per term

- XSELL flags accounts paying for multiple unrelated children

- Requires student admission letter or ID for first payment

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10. Market Day Bundles

What Customer Gets:

- 2,000 RWF bonus every Monday (market day)

- Extra 1,000 RWF for payments at Kimironko, Nyabugogo markets

- Valid for 3 months

When to Offer:

- Small business owners

- Market traders

- Frequent cash users

Requirement: Make 3+ transactions at partner markets weekly

Moral Hazard Risk: Traders collude with customers - fake sales just to trigger bonuses. Same 3 transactions every Monday with same merchant.

How to Overcome:

- Transactions must be with 3 DIFFERENT vendors each week

- Minimum value: 5,000 RWF per transaction (prevents token purchases)

- Vendor verification: QR codes for registered market vendors only

- XSELL detects repetitive patterns (same amounts, same vendors weekly)

- Bonus accumulates monthly, paid after 4 consecutive weeks

- Random market audits - verify real business relationships

- Vendor registration requires market authority approval

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11. Welcome Back Cash Bonus

What Customer Gets:

- **Retail:** 5,000 RWF

- **SME:** 20,000-30,000 RWF

- **Corporate:** 50,000-100,000 RWF

When to Offer:

- Customer inactive 6-12 months

- Last chance before dormancy

- No other incentive worked

Requirement: Complete 3-10 transactions in 30 days

Moral Hazard Risk: VERY HIGH! Customers deliberately go inactive to get welcome back bonuses. Some may open multiple accounts and cycle through inactivity.

How to Overcome:

- Only offered ONCE EVER per customer (lifetime limit strictly enforced)

- Must have been genuinely active before (6+ months of regular use)

- XSELL identifies natural decline only (flags deliberate inactivity patterns)

- Bonus paid in 2 installments: 50% after requirements met, 50% after 3 more months activity

- Transactions must meet minimums: Retail 2,000 RWF, SME 10,000 RWF, Corporate 100,000 RWF

- Account must maintain activity for 6 months or forfeit second installment

- Cross-check with other banks - prevent multi-bank gaming

- Exclude customers who repeatedly open/close accounts

12. Debt Forgiveness

What Customer Gets:

- All outstanding fees waived (up to 50,000 RWF)

- Negative balance cleared

- Fresh start, clean account

When to Offer:

- Outstanding fees blocking return

- Customer avoiding account due to debt

- Fees are uncollectible anyway

Requirement: Make 1 transaction

Moral Hazard Risk: EXTREME! Once word spreads that bank forgives debt, customers will:

- Deliberately accumulate fees and ignore them

- Tell others "just wait, they'll forgive it"

- No one pays fees anymore

- Massive revenue loss

How to Overcome:

- NEVER advertise this publicly - silent case-by-case basis only

- Requires executive approval for amounts >10,000 RWF

- Only for truly uncollectible debts (customer unreachable for 12+ months)

- Must demonstrate genuine hardship (supporting documentation)

- ONE-TIME ONLY per customer lifetime (strictly enforced, flagged in system)

- Customer signs declaration: "Next violation = permanent account closure"

- Forbearance alternative first: Payment plan before forgiveness

- XSELL identifies only customers who won't respond to other methods

- Track forgiveness patterns - geographic/demographic abuse detection

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13. Salary Advance or Instant Loans

What Customer Gets:

- Pre-approved small loan (50,000-500,000 RWF)

- Instant approval (if eligible)

- Salary advance (for salaried customers)

When to Offer:

- Customer needs quick cash

- Credit frustration

- Financial stress detected

Eligibility: Good CRB score, meets lending criteria

Requirement: Apply via mobile app or call

Moral Hazard Risk: Customers fake inactivity hoping for easy loan approval. Or take loan with no intention to repay since they're "already leaving."

How to Overcome:

- Standard credit checks ALWAYS apply (no exceptions for retention)

- CRB score >650 minimum, verified income, employment confirmation

- Loan tied to salary account domiciliation (salary must come to BK)

- Interest rate is standard (not preferential) - this is access benefit, not rate benefit

- Loan disapproved if XSELL detects fake inactivity pattern

- Maximum 3x monthly salary limit

- Auto-debit from salary account (non-negotiable)

- Report to CRB immediately if default

- Customer must have 6+ months prior good history

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14. Exclusive Offers & Perks

What Customer Gets:

- VIP customer service line

- Skip branch queues

- Dedicated relationship manager

- Priority loan processing

When to Offer:

- High-value customers

- SME/Corporate segments

- Previously multi-product customers

Requirement: Reactivate account

Moral Hazard Risk: Everyone claims to be "high-value" to get VIP treatment. Or customers game the system to get relationship manager, then make endless requests.

How to Overcome:

- Strict objective criteria for "high-value":
  - Retail: 5M+ RWF average balance OR 500K+ annual revenue
  - SME: 20M+ turnover annually
  - Corporate: 100M+ annual revenue
- Historical verification required (not just current claim)
- VIP benefits valid only while account remains active AND meets value thresholds
- Relationship manager has maximum 50 clients (capacity control)
- Drop below threshold for 2 consecutive months = lose VIP status
- XSELL monitors behavior - excessive service requests = review
- Benefits are service quality, not rule exceptions (can't bypass policies)

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15. Loyalty Points or Rewards

What Customer Gets:

- Bonus loyalty points deposited
- Can redeem for airtime, shopping, bill payments
- Points don't expire for 12 months

When to Offer:

- Customer was previously active
- Had high transaction volume
- Needs motivation to return

Requirement: Resume transactions

Moral Hazard Risk: Customers go inactive deliberately to get bonus points. Points become expected entitlement. Friends pool/trade points.

How to Overcome:

- Bonus points = 10% of previously earned lifetime points (not arbitrary amount)

- Can only be awarded once every 24 months

- Points locked for 60 days before redemption (prevents immediate cash-out)

- Must maintain account activity to keep points (5+ transactions/month)

- Redemption requires ID verification (prevents point trading)

- Points expire if account goes inactive again

- XSELL tracks point redemption patterns - flags suspicious behavior

- Bonus points separate tier (can't combine with regular earning schemes)

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16. Electricity & Water Token Bonuses

What Customer Gets:

- 10% bonus on EUCL (electricity) purchases

- 5% bonus on water token purchases

- Up to 5,000 RWF bonus monthly

When to Offer:

- All customer segments

- Essential utility needs

- High redemption rate

Requirement: Buy utilities through BK mobile/USSD 3 times

Moral Hazard Risk: Customers buy utilities for entire neighborhood, collect cash, just for bonuses. Or buy minimum to get bonus then switch back to other channels.

How to Overcome:

- Bonus applies only to one meter number per account (registered to account holder)

- Meter must be verified as customer's residence (utility bill address matches BK records)

- Maximum monthly bonus capped at 5,000 RWF (prevents bulk gaming)

- Minimum purchase: 10,000 RWF per transaction (prevents tiny gaming purchases)

- Bonus paid quarterly after sustained use (not immediately)

- XSELL monitors purchase patterns - flags irregular spikes

- Random utility company verification - confirm legitimate usage

- Must maintain 10+ utility purchases over 3 months to qualify

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17. Health Insurance (Mutuelle) Payment Rewards

What Customer Gets:

- 2,000 RWF cashback on Mutuelle payments

- SMS reminders before deadline

- Family package discount

When to Offer:

- November-December (Mutuelle payment season)

- Rural and urban customers

- Family account holders

Requirement: Pay Mutuelle for family through BK

Moral Hazard Risk: Customers pay Mutuelle for multiple families (collecting cash from neighbors) to multiply cashback.

How to Overcome:

- Cashback limited to immediate family only (verified with national ID family registry)

- Maximum 6 people per account holder (spouse + 4 dependents)

- IDs must match household registration with RSSB

- One-time cashback per registration year (not per payment)

- Payment must go directly to RSSB system (API verified)

- XSELL flags accounts paying for unrelated individuals

- Cross-check with RSSB database - prevent duplicate payments

- Requires proof of family relationship for dependents over 25

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18. Irembo Service Bundles

What Customer Gets:

- Free Irembo service fees (up to 3 services)

- Birth certificates, national IDs, business registration

- 3,000 RWF service credit

When to Offer:

- Customers needing government services

- New business owners

- Young adults (18-25)

Requirement: Complete 2 Irembo payments via BK

Moral Hazard Risk: Customers apply for unnecessary documents just for free credits. Or process documents for friends/family for cash.

How to Overcome:

- Credit valid only for documents in account holder's name (ID verification required)

- Maximum 3 services per customer per 12 months

- Irembo verifies legitimate applications (prevents fake submissions)

- Credit expires in 60 days (use it or lose it)

- Cannot be transferred or shared

- XSELL monitors application patterns - flags excessive document requests

- First 2 services must be paid (proves genuine need), 3rd service gets credit

- Business registration credit requires active business account at BK

ZONE 3: WIN-BACK INCENTIVES

For Dormant Customers (12+ Months No Transaction)

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19. Large Cash Incentives (High-Value Only)

What Customer Gets:

- 50,000-200,000 RWF cash bonus

- 12-month fee waiver

- VIP service package

When to Offer:

- Previously high-value customer

- Historical revenue >500,000 RWF/year

- Worth aggressive pursuit

Requirement: Complete 10 transactions in 60 days

Moral Hazard Risk: CRITICAL! News spreads that bank pays huge amounts to win back customers. Everyone goes dormant hoping for payout. Unsustainable cost.

How to Overcome:

- CEO-level approval required for bonuses >100,000 RWF

- Strict historical verification: Must have generated 500K+ annual profit (not revenue)

- Must have maintained high-value status for 24+ consecutive months previously

- Lifetime maximum: ONE large incentive ever per customer

- Payment in 3 installments: 25% upfront, 35% at 6 months, 40% at 12 months

- Lose everything if account goes dormant again within 24 months

- ROI calculation mandatory: Expected lifetime value must be 5x incentive cost

- NEVER publicize - silent individual negotiations only

- Contract signed: Commit to relationship or repay incentive

- Track outcomes religiously - discontinue if ROI negative

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20. Total Account Reset

What Customer Gets:

- All debts forgiven (regardless of amount)

- New account number (fresh start psychology)

- 6-month fee holiday

When to Offer:

- Large outstanding debt

- Customer embarrassed/avoiding account

- Last resort

Requirement: Reactivate with 1 transaction

Moral Hazard Risk: CATASTROPHIC! If customers learn they can accumulate unlimited debt and get a "reset," the entire credit/fee system collapses. No one pays anything.

How to Overcome:

- ABSOLUTE LAST RESORT - Board of Directors approval required

- Only for debts truly uncollectible (customer missing 2+ years, untraceable)

- Financial investigation: Verify customer cannot pay (poverty declaration, supporting docs)

- Legal opinion required: Confirm collection not viable

- ONE-TIME ONLY per customer per lifetime (permanent flag in national banking system)

- Customer signs legal waiver: "Any future debt = immediate legal action"

- Credit bureaus notified: "Account settled under hardship program"

- No new credit products for 5 years

- New account monitored intensively - any violation = permanent closure

- NEVER mentioned in any marketing or public communication

- Track abuse attempts - share blacklist with other banks

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21. Referral Bonuses

What Customer Gets:

Dormant Customer:

- 25,000 RWF if they return

- Referred by existing customer

Active Customer (Referrer):

- 15,000 RWF per successful referral

- Up to 5 referrals per year

When to Offer:

- Social influence strategy

- Peer networks

- Community-based approach

Requirement: Use referral code

Moral Hazard Risk: Fake referrals! Customers create multiple accounts, refer themselves, split money with "referred" friends. Professional referral fraud rings emerge.

How to Overcome:

- Strict ID verification for both parties (national ID, biometric where possible)

- Referred customer must have been legitimately dormant 12+ months (XSELL verifies)

- Cannot refer family members (same address, same surname triggers review)

- Referred customer must maintain activity for 6 months (bonus paid in 3 installments)

- Maximum 5 referrals per year per person (prevents professional schemes)

- XSELL detects referral fraud patterns (same IP, location, devices)

- Cross-check with other banks - prevent inter-bank referral gaming

- Both parties interviewed separately to confirm genuine relationship

- Referrer loses all bonuses if any fraud detected

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22. Low-Touch Incentives (Low-Value Customers)

What Customer Gets:

- 2,000-5,000 RWF airtime

- SMS/email offer only (no call)

- 3-month fee waiver

When to Offer:

- Low-value customers

- Not worth expensive outreach

- Automated campaigns

Requirement: Reply to SMS, make 1 transaction

Moral Hazard Risk: Customers deliberately maintain low value to get easy incentives. Or ignore account knowing "free airtime SMS" will eventually come.

How to Overcome:

- Incentive value must be lower than cost of maintaining active account (prevents gaming)

- Only offered once every 18 months (longer than other incentives)

- Requires transaction within 7 days of SMS (urgency prevents leisurely gaming)

- Airtime delivered only after transaction confirmed and 30 days maintained activity

- Fee waiver conditional on minimum 5 transactions/month

- XSELL identifies truly low-value dormant vs. deliberately low-profile high-value

- Cost-benefit analysis: Stop offering if reactivation rate <15%

- Auto-exclude customers who repeatedly cycle dormant/active

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23. Rwanda Social Security Board (RSSB) Contribution Rewards

What Customer Gets:

- 3% cashback on RSSB contributions

- Automatic contribution reminders

- Annual statement summary

When to Offer:

- Formal sector employees

- Self-employed contributors

- Quarterly contribution periods

Requirement: Make 2+ RSSB payments through BK

Moral Hazard Risk: Customers pay RSSB for coworkers/friends, collect cash back from them, pocket the cashback difference.

How to Overcome:

- Cashback only for contributions in account holder's name (RSSB ID verified)

- RSSB API integration confirms legitimate employment/registration

- Maximum cashback capped at employee's actual contribution obligation

- Cannot pay for others (employer or individual contributions only)

- Employer contributions require company account (not personal)

- XSELL cross-checks with RSSB database - detects payment for unrelated individuals

- Self-employed must show business registration matching account

- Cashback paid quarterly after RSSB confirms all contributions valid

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24. Church & Community Contribution Bundles

What Customer Gets:

When to Offer:

- Religious customers

- Community group members

- Regular givers

Requirement: Set up automated monthly contribution

Moral Hazard Risk: Customers set up tiny contributions to fake churches (friend's account) to get monthly bonuses.

How to Overcome:

- Churches must be registered with RGB (Rwanda Governance Board) or RRA

- Church account verified with official registration documents

- Minimum contribution: 5,000 RWF/month (prevents token gaming)

- Standing order must run for 12 consecutive months (bonus paid quarterly)

- Church must have 50+ active contributing members (prevents fake churches)

- XSELL monitors contribution patterns - flags suspicious beneficiaries

- Random church verification - confirm legitimate organization

- Bonus stops if standing order cancelled before 12 months

- Maximum 2 beneficiary organizations per customer (prevents bonus farming)

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25. Agricultural Input Vouchers

What Customer Gets:

- 10,000-25,000 RWF vouchers for seeds, fertilizer

- Partner with Agro-dealers, RAB programs

- Seasonal bonuses (planting season)

When to Offer:

- Rural customers

- Farmers

- Agricultural cooperatives

- September-November (Season A), February-April (Season B)

Requirement: Link account to agricultural cooperative, make 3 transactions

Moral Hazard Risk: Non-farmers claim vouchers, resell agricultural inputs for cash. Urban customers pose as farmers. Cooperative leaders distribute to non-members for kickbacks.

How to Overcome:

- Must be registered farmer with RAB (Rwanda Agriculture Board)

- Land ownership or lease documentation required

- Cooperative membership verified (minimum 6 months membership before eligibility)

- Vouchers redeemable only at verified agro-dealers (tracked by serial number)

- Photo verification at redemption (farmer + ID + purchased inputs)

- Seasonal timing enforced (can't redeem outside planting seasons)

- Maximum one voucher per farmer per season

- RAB cross-checks: Confirms farmer cultivates land claimed

- Cooperative leaders sign off on member lists (liable for fraud)

- Random farm visits - verify actual agricultural activity

ADDITIONAL RWANDA-SPECIFIC INCENTIVES

General Incentives (Any Zone)

Gift Items:

- Branded BK merchandise (bags, umbrellas, water bottles)

- Calendars, planners, diaries

- T-shirts, caps, kitenge fabric

Sports & Entertainment:

- APR FC, Rayon Sports match tickets

- Local concert tickets (Kigali Arena events)

- Century Cinema vouchers

- Tour Rwanda cycling event access

- 10-20% off at Bourbon Coffee, Java House

- Fuel discounts at SP, Kobil, Total stations

- Grocery discounts at Simba, Nakumatt, Game stores

Health & Wellness:

- Gym membership discounts (Kigali Sports Club, Olympics Gym)

- Health check-up vouchers at King Faisal Hospital

- Pharmacy discounts (Pharmacie Conseil, La Nouvelle)

Education & Skills:

- Free financial literacy training

- Business management workshops (for SMEs)

- Digital skills courses (Coding, Excel)

- University scholarship info sessions

Travel & Leisure:

- Virunga Lodge discounts

- Akagera National Park entry discounts

- RwandAir flight vouchers

- Hotel discounts (Serena, Marriott, Radisson Blu)

Food & Dining:

- Restaurant vouchers (Heaven, Repub Lounge, Pili Pili)

- Catering discounts for events

- Food delivery credits (Yummy, Urwego)

HOW INCENTIVES ARE SELECTED

XSELL AI System Determines:

1. Customer's churn risk level

2. Why customer is leaving (churn driver)

3. Which incentive matches the problem

4. Appropriate incentive amount

Retention Officer:

- Receives recommendation from XSELL system

- Contacts customer with offer

- Delivers incentive upon completion

Customer:

- Receives personalized offer

- Completes required action

- Gets incentive automatically

BUDGET SOURCES

Incentives funded from:

- Marketing & Advertising Budget

- Customer Acquisition Budget (redirected to retention)

- Digital Banking Adoption Budget

- Loyalty & Rewards Programs Budget

- Branch Savings (digital transactions cheaper)

- Partnership Co-funding (merchants share cost)

ELIGIBILITY RULES

All Customers:

- Account in good standing

- No fraud history

- One incentive per 12 months

Credit Products (Loans, Overdrafts):

- CRB score >600

- No loan defaults

- Verified income

- Meets standard lending criteria

IMPLEMENTATION APPROACH

Phase 1: Test with 1,000-2,000 customers

Phase 2: Expand based on results

Phase 3: Full automation with XSELL AI

Success Measure: Retention rate improvement from 13% to 25-30%

SUMMARY

25 Simple Incentives Available:

- **Zone 1 (Prevention):** 10 incentives to keep active customers

- **Zone 2 (Rescue):** 8 incentives to rescue inactive customers

- **Zone 3 (Win-Back):** 7 incentives to win back dormant customers

Core Principle: Match the right incentive to the customer's reason for leaving, as predicted by XSELL AI.

Rwanda-Specific Focus: Incentives designed around everyday Rwandan life - transport, utilities, school fees, markets, Mutuelle, Irembo, agriculture, and community giving.

MORAL HAZARD: OVERALL RISK MANAGEMENT FRAMEWORK

The Core Problem

Moral Hazard = When customers change behavior to exploit incentives, causing unintended costs and undermining the program's purpose.

Universal Protection Strategies

1. SILENCE IS GOLDEN

- NEVER publicly advertise most incentives

- High-value incentives (cash bonuses, debt forgiveness) must be confidential

- One customer tells 10 friends → everyone games the system

- XSELL identifies customers proactively, not responding to demands

2. LIFETIME LIMITS

- Most incentives: Maximum once per 12-24 months

- Critical incentives (debt forgiveness, large cash): ONCE EVER

- System automatically tracks and enforces (no manual overrides)

3. DELAYED GRATIFICATION

- Pay bonuses 30-60 days after requirements met (not immediately)

- Installment payments (25% now, 75% after sustained activity)

- Customer must prove lasting behavior change, not temporary compliance

4. ACTIVITY VERIFICATION

- Require sustained activity (3-6 months) not one-off transactions

- Diverse transaction types (prevent repetitive gaming)

- Minimum transaction values (prevent token 100 RWF gaming)

- XSELL detects patterns: Real vs. fake activity

5. THIRD-PARTY VERIFICATION

- School payments → School confirms

- Utility bonuses → Meter verification

- Agricultural vouchers → RAB confirms farmer status

- Never trust self-reported claims alone

6. ECONOMIC SAFEGUARDS

- Incentive cost < Expected customer lifetime value

- If program costs exceed recovered revenue → STOP

- Monthly budget caps per incentive type

- Automatic program suspension if abuse detected

7. BLACKLIST & ESCALATION

- Flag customers who repeatedly cycle inactive/active

- Share fraud patterns with other banks (industry collaboration)

- Progressive penalties: Warning → Ineligibility → Account closure

- Zero tolerance for documented fraud

8. HUMAN OVERSIGHT

- Executive approval for high-value incentives

- Weekly fraud pattern reviews

- Random audit samples (10% of incentive recipients)

- Relationship managers judged on quality, not quantity

High-Risk Incentives Requiring Extra Caution

EXTREME RISK:

- Debt Forgiveness (#12, #20) - Board approval, once ever, heavily documented

- Large Cash Bonuses (#11, #19) - CEO approval, strict ROI proof required

- Fee Waivers (#3) - Replace with earned credits, never waive on demand

HIGH RISK:

- Referral Bonuses (#21) - ID verification, relationship proof, anti-fraud checks

- Welcome Back Bonuses (#11) - Lifetime limits, installment payments

MODERATE RISK:

- Transaction Cashback (#2) - Pattern detection, minimum values

- Shopping Vouchers (#5) - Delayed delivery, activity requirements

Success Metrics Beyond Retention

Track These Red Flags:

- Average incentive cost per reactivated customer (target: <10,000 RWF)

- Repeat incentive recipients (target: <5%)

- Fraud detection rate (target: <2% of recipients)

- Customer complaints about "unfair" denials (higher = better enforcement)

- Revenue per reactivated customer (must exceed incentive cost by 5x)

Emergency Kill Switches

Immediately suspend incentive if:

- Abuse rate exceeds 10%

- Cost per reactivation exceeds 50,000 RWF (retail) or 200,000 RWF (SME)

- Social media discussions reveal gaming strategies

- Fraud patterns identified

- ROI negative for 2 consecutive months

Cultural Note: Rwanda-Specific Considerations

- **Community networks are strong** - One person's success spreads quickly through churches, cooperatives, families

- **Mobile money competition is fierce** - Customers sophisticated about switching for bonuses

- **Trust is earned slowly** - Genuine customers appreciate discretion; suspicious customers signal gaming intent

- **Documentation culture** - Rwandans familiar with ID requirements, registration processes (use this to verify)

Bottom Line: Assume every incentive will be gamed unless protected. Design defenses BEFORE launch, not after abuse discovered.