zafin State of Offers

Same customer. Different offer.

Inside the diverging offer strategies between banks and fintechs

Welcome to the 2026 State of Offers

For years, traditional financial institutions have been stuck on the same question: "What offers should I put in market?"

It's no surprise. For too long, the only way to answer it was instinct. Watching what competitors announced, guessing at what fintechs were doing, listening to what customers said they wanted. With competitive pressure rising and margin for error shrinking, guesswork is no longer a viable strategy.

This is why we built the benchmark that didn't exist.
3,016 live offers. 837 institutions. 67 countries. Every offer independently sourced and verified, then classified, scored, and analyzed to understand what offers are innovative, what offers stand out, and where the market is moving.

What came back was a story dominated by rate-based offers, a finding that puts commoditization front and center. But the gaps that surfaced alongside it are where the real story lives. Banks that are winning aren't winning on rates alone. They are winning with offers that broaden the customer experience and deepen engagement in ways rates never can.

"Same Customer. Different Offers." is the first of three interim briefs in the series. It examines where fintech and traditional bank offer strategies have structurally diverged; where fintechs are using their DNA of innovation to stand out; and where the opportunities for traditional banks to stay relevant actually live.

Contents

The market is saturated with commodity offers

Financial wellness, habit-forming engagement, and offer innovation are where FIs will gain the advantage.

The commodity trap

30%

of Fintech offers compete on rates and fees versus 32% for Traditional FIs

3 in 10 offers across all FIs compete on rate, escalating pricing competition

Fintechs have converged with Traditional FIs at the commodity floor. It is no longer a question of whether all FIs will compete on rate. What will define who wins is the ability to layer strategic offerings on top.

The engagement gap

40%

of offers across all institution types require nothing more than sign-up

With 4 in 10 offers lacking engagement mechanisms, the industry is ignoring its most powerful tool against churn.

Even fintechs haven't solved it, only 14% of their offers reach the habit-forming level, and just 2% are fully platform-embedded. The institutions that crack engagement won't just reduce churn. They'll own the relationship.

Habit-forming engagement

2x

Fintechs vs Traditional FIs at delivering offers that drive habit-forming engagement

While engagement-driving offers are generally underrepresented, Fintechs are delivering habit-forming offers at twice the rate of Traditional FIs.

2 of 3 Traditional FI offers require no more than a simple sign-up or infrequent engagement. By contrast, Fintechs are delivering habit-forming offers at 2 times the rate of Traditional FIs.

Financial wellbeing

3x

Fintechs lead Traditional FIs on offers that measurably improve customer financial position

Banks have spent years talking about financial wellness. Fintechs are already making it happen.

10% of Fintech offers deliver credit building, goal-based savings, or AI-coached financial health. For Traditional FIs that figure is 3% of offers. The gap is not awareness, it is execution at the product layer.

Fintech innovation edge

65%

of Fintech offers use sophisticated mechanics compared to 48% for Traditional FIs

Fintech offers reach beyond flat cashback at a rate 35% higher than Traditional FIs.

The gap is structural, not marginal. Fintechs have systematically moved toward subscription bundles, behavioral triggers, and configurable rewards. Traditional FIs have continued to focus on flat cashback, welcome bonuses, and standard fee waivers.

The offers banks compete on

The distribution is revealing. The top three themes dominate every institution type. The offer landscape is saturated with commodity plays. Community FIs carry the heaviest concentration of rate-based offers, yet face the least pricing power to compete on them.

The bottom four themes tell the other side of the story. Digital and emerging, relationship depth, subscription and premium, and ecosystem and platform are the least utilized categories across the entire market.

What is an offer theme? Each theme is defined by the primary value delivered to the customer. Every offer is single-coded to its best-fit theme, with no double counting. The 11 themes span the full range of offer types in market today, from long-established constructs like rate and fee incentives and acquisition bonuses that have anchored banking offers for generations, through to newer value propositions like behavioral incentives, lifestyle and partnership bundles, subscription tiers, and socially-aligned offers.

Figure 1: Offer theme by institution type – percent of offers in each theme segmented by type of institution

Low prevalence — High prevalence

Offer theme		Fintech	Tier 1	Mid-market	Community
Rate and fee incentives Rate and fee pricing adjustments and waivers *E.g., fee waivers, rate boosts, preferred loan rates, FX discounts*	943 offers	30.20%	21.70%	33.50%	48.90%
Acquisition and onboarding Introductory offers incentivizing new account openings *E.g., welcome cash bonuses, sign-up rewards, referral incentives, switcher offers*	274 offers	8.10%	8.50%	8.30%	13.40%
Transaction and spend rewards Incentives that encourage transactions *E.g., cashback, points multipliers, airline miles, merchant discounts*	403 offers	10.00%	19.40%	13.80%	5.30%
Behavioral incentives Offers with requirements designed to increase ongoing engagement *E.g., round-ups, streak rewards, goal-based savings*	293 offers	14.10%	9.40%	5.60%	10.90%
Segment and life stage Offers designed for a specific customer segment *E.g., student, senior, expat, SME, and gig-worker packages*	262 offers	10.70%	8.40%	7.50%	8.30%
Lifestyle and entertainment Non-cash incentives tied to lifestyle and entertainment activities *E.g., travel perks, lounge access, streaming bundles, wellness programmes*	269 offers	2.50%	16.50%	9.20%	2.60%
Social and purpose Incentives that support environmental and societal causes *E.g., carbon footprint offset, charity match, financial inclusion*	205 offers	8.90%	4.50%	5.60%	10.90%
Digital and emerging Offers using nextgen technology to deliver offers *E.g., crypto rewards, robo-advisory benefits, AI-enabled features and rewards*	115 offers	7.50%	2.20%	3.70%	1.50%
Relationship depth Offers and rewards with eligibility linked to balance and product holdings *E.g., tenure rewards, share-of-wallet boosts, relationship tier benefits*	104 offers	1.00%	3.80%	5.90%	2.30%
Subscription and premium Paid memberships that provide access exclusive services and benefits *E.g., bonuses tied to membership enrollment, paid bundle and service incentives*	101 offers	4.90%	3.60%	2.20%	2.60%
Ecosystem and platform Offers integrated into partner platforms and ecosystems *E.g., super-app rewards, embedded finance, coalition loyalty, merchant marketplace*	47 offers	2.20%	2.00%	1.30%	–

How offer sophistication is distributed

Offer mechanics are divergent across bank types with traditional institutions doubling down where they have depth in capabilities, partnerships, and infrastructure.

What are offer mechanics? Offer mechanics describe how a bank constructs an offer. Institutions concentrate on delivering offers that reflect their capabilities, what they have built, and where they have chosen to compete. The mechanics of an offer do not necessarily dictate quality or success.

Table Stakes - A fixed reward delivered identically to every qualifying customer. Flat cashback, welcome bonuses, standard fee waivers, flat APY. The bank sets one reward; every customer receives the same thing.

Stepped - Conditional mechanics such as tiered cashback and balance-based rates. The customer earns more by meeting defined qualification criteria.

Partnered - The offer extends beyond the bank's own products through partnerships, co-brands, coalition networks, or subscription bundles. Category logic and third-party relationships are built into the construct.

Advanced - Mechanics designed to shape how the customer engages, not just reward an action. Round-ups, goal-based savings, prize draws, gamified challenges, auto-save.

Nextgen - The offer adapts through AI interactions, real-time contextual triggers, or configurable reward structures where the customer chooses or the system responds dynamically.

33%

of Fintech offers leverage Nextgen (16%) or Advanced (17%) offer mechanics

AI-personalized rewards, contextualized triggers, configurability, gamification and behavioral mechanics. This is roughly double the rate of Traditional Banks (~15%).

42%

of Tier 1 bank offers leverage Partnered offer mechanics

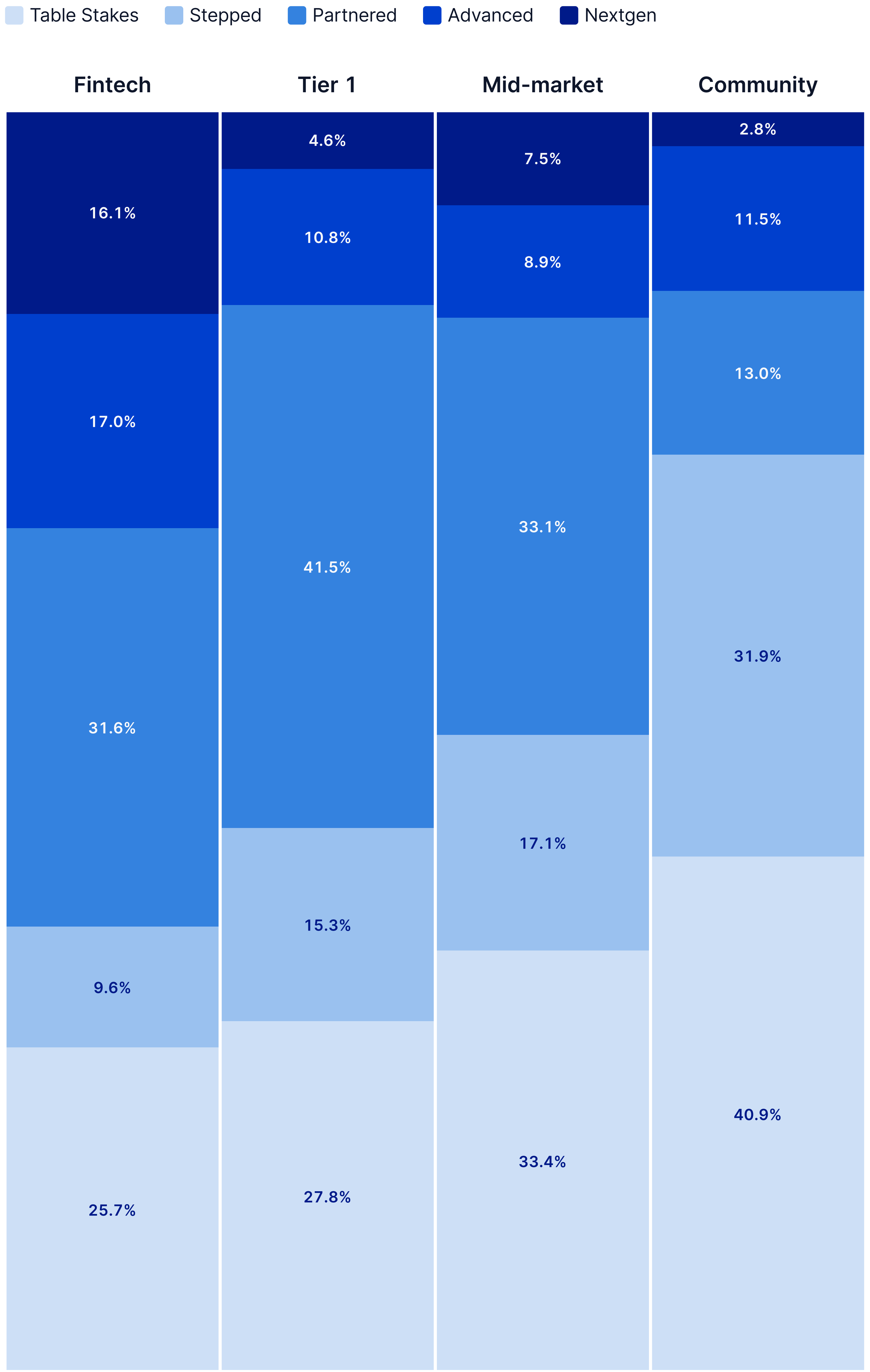
Partnerships, co-brands, subscription bundles. **This is where the Tier 1 banks' commercial scale creates the greatest advantage**; they are ~30% more concentrated here than Fintechs.

73%

of Community institutions leverage commodity-based mechanics (Table Stakes and Stepped)

Cashback, APY, fee waivers with no conditions, balance-based rates. Without the partner infrastructure of Tier 1 banks or the technological capabilities of Fintechs, the **basic monetary reward is the primary mechanic Community banks have executed at scale.**

Figure 2: Offer mechanic sophistication by institution type – percent of offers at each mechanical sophistication level segmented by type of institution



Where the habit-forming gap lives

While the majority of all bank offers drive periodic engagement at most, there is a divide in customer engagement when it comes to launching offers that move the customer to form habits.

What is Customer engagement? Customer engagement describes how an offer keeps the customer coming back. Where an institution concentrates reveals how it thinks about the customer relationship beyond the moment of acquisition.

One-time - A single action to earn the reward. A welcome bonus, sign-up reward, or referral payout. The offer serves its purpose at the moment of acquisition and asks nothing of the customer after that.

Passive - Value flows continuously as long as the customer holds the product. A flat APY accruing on a balance, automatic cashback crediting on every transaction. The offer does not ask the customer to return.

Milestone - The customer must act each cycle to keep earning. A monthly spend threshold, a quarterly balance requirement, a recurring deposit condition. Engagement is structured around defined rules and a schedule.

Habit-forming - The offer creates a new financial behaviour. Round-ups, savings streaks, goal-based savings, behavioural milestone rewards, auto-save triggers. The construct embeds a routine into the customer's financial life.

Platform-embedded - Engagement is the experience itself. Leaderboards, mission-based mechanics, daily super-app interactions. The offer is woven into the customer's daily routine through game mechanics or platform integration.

40%

of offers across all institution types require nothing more than sign-up

Earning passively or in a single one-time interaction. Even Fintechs have not completely cracked daily engagement (with only 14.2% and 2.2% of offers at the habit-forming and gamified engagement levels).

2x

Fintech offers leverage habit-forming engagement at more than 2x the rate of Tier 1 banks

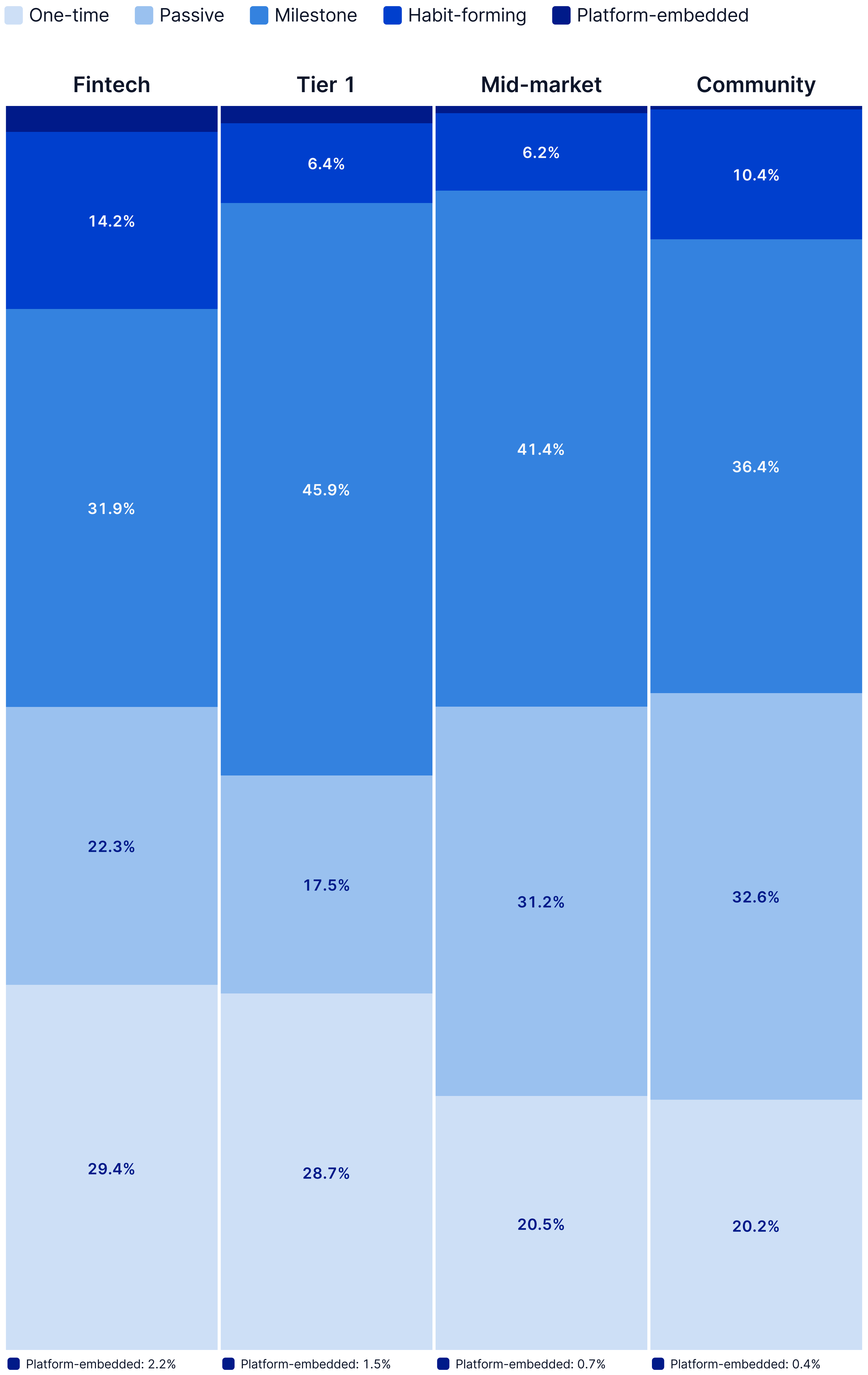
Community institutions are the surprise runner-up on habit-forming engagement at 10.4%, 1.6x the rate of Tier 1 banks. Despite vastly fewer resources, **Credit Unions, with their co-op incentive structures, are driving the pattern** where behavioral reward checking has become a Credit Union signature.

46%

of Tier 1 offers are built around Milestone based engagement

Rule- and qualification-based offers vs. habit- or behavior-driven. Tier 1 banks are 40% more concentrated here than Fintechs.

Figure 3: Offer customer engagement by institution type – percent of offer at each customer engagement sophistication level segmented by type of institution



Beyond the offer you've always built

Every institution with offers represented in this data is doing something rational. Large banks are leaning into what they've built: the partnerships, the scale, the co-brand relationships that only they can access. Fintechs are leaning into what they were born with: modern infrastructure and the freedom to move fast. Community institutions are doing what they've always done best: building trust at the local level and reflecting it in their offer mix. The data isn't an indictment of any of it. It's a map.

What the map shows is that most institutions, regardless of size or type, are concentrated at the same end of the terrain. Not because better offers aren't available to them. But because the defaults are familiar, the alternatives feel complex, and the full range of what's actually possible rarely gets explored.

The offers that drive engagement, build loyalty, and deepen relationships aren't exclusive to fintechs or Tier 1 banks. They don't require a platform rebuild. They exist today, across every tier, built by institutions that decided to look beyond what they've always done.

This series was built to change that. Part 1 maps the landscape – what's in market, who's building what, and where the gaps are widening. What follows goes further: where the real innovation is happening, which offer types are outperforming, and ultimately – what your institution should actually build next.

Follow the full series at **zafin.com/stateofoffers**

Authors

Carson Kotnyek
Hanif Shariff
Dwight McKnight
Bhavatha R
Sowmya Kamalapathy
Parvathavardhini

Contributors

Liliana Afonso-Martins
Chirag Madhrani
Rohan Jha

About Zafin

Zafin is the strategic platform partner that banks trust to accelerate innovation, unlock sustainable growth, and deliver personalized customer value – without disrupting core systems. Headquartered in Toronto, Canada, and serving banks across North America, EMEA, and Asia-Pacific, Zafin helps financial institutions modernize intelligently by decoupling product innovation from legacy infrastructure and orchestrating value across the banking lifecycle.

At the heart of Zafin is an AI-powered, modular platform purpose-built for banking. It enables banks to unify data, simplify product and pricing strategies, automate deal execution, and optimize customer relationships.

Zafin works with top-tier global institutions as well as regional and mid-market banks, delivering measurable outcomes including increased speed to market, reduced operational complexity, enhanced compliance, and stronger customer engagement.

To learn more, visit **www.zafin.com**