



High Yield Product Market Analysis

May 2025

Sentiment Review

General Banking Sentiment

Customer Satisfaction	 Positive	Despite economic uncertainty, customer satisfaction is rising. J.D. Power reports an 11-point increase in retail banking satisfaction.	https://thefinancialbrand.com/news/bank-marketing/measuring-marketing-success-beyond-clicks-5-key-metrics-185934
Customer Loyalty	 Mixed	While satisfaction is high, loyalty is fragile. Many would switch banks for better rates or lower fees.	https://thefinancialbrand.com/news/banking-trends-strategies/how-navy-federal-adapts-to-changing-economic-conditionsunion-is-leaning-into-trust-to-weather-economic-sea-change-188580
Marketing Strategy	 Evolving	Banks are shifting from click-based metrics to long-term engagement and Customer Lifetime Value (CLV) as key KPIs.	https://thefinancialbrand.com/news/bank-marketing/measuring-marketing-success-beyond-clicks-5-key-metrics-185934
Economic Outlook	 Cautious	Banks are wary of tariffs, inflation, and recession risks. Leaders express cautious optimism but remain watchful.	https://thefinancialbrand.com/news/banking-trends-strategies/tariff-impact-national-mood-and-recession-risk-shadow-big-bank-q1-earnings-188679
Consumer Confidence	 Uncertain	Navy Federal notes that while it's members are more optimistic than national averages, confidence is still shaky.	https://thefinancialbrand.com/news/banking-trends-strategies/how-navy-federal-adapts-to-changing-economic-conditionsunion-is-leaning-into-trust-to-weather-economic-sea-change-188580
Digital Transformation	 Accelerating	Banks are investing heavily in personalization, AI, and digital CX to meet evolving expectations.	https://thefinancialbrand.com/news/bank-marketing/measuring-marketing-success-beyond-clicks-5-key-metrics-185934
Fee Transparency	 Improving	Communication around fees has improved, reducing one of the top causes of attrition.	https://thefinancialbrand.com/news/bank-marketing/measuring-marketing-success-beyond-clicks-5-key-metrics-185934

Competitive Offer Review

Benefit	UFCU	Capitol Credit Union	RBFCU	Discover	SoFi
Checking Accounts	Yes	Yes	Yes	Yes	Yes
Savings Accounts	Yes	Yes	Yes	Yes	Yes
Auto Loans	Yes	Yes	Yes	No	Yes
Home Loans	Yes	Yes	Yes	Yes	Yes
Personal Loans	Yes	Yes	Yes	Yes	Yes
Student Loans	Yes	No	Yes	Yes	Yes
Credit Cards	Yes	Yes	Yes	Yes	Yes
Money Market Accounts	Yes	Yes	Yes	Yes	No
Certificates of Deposit (CDs)	Yes	Yes	Yes	Yes	No
Investment Services	Yes	Yes	Yes	Yes	Yes
Insurance Services	Yes	Yes	Yes	Yes	Yes
Financial Education and Workshops	Yes	No	Yes	No	No
Small Business Banking	Yes	Yes	Yes	Yes	No



High Yield Product Benefits

Benefit	UFCU – Savings	UFCU – Money Market	Capitol Credit Union – Free KASASA Saver	RBFCU – Choice Money Market	Discover – Online Savings Account	SoFi– High Yield Savings
APY Rate	0.01% \$100 +	0.06-0.86% \$10,000-\$499,999.99 0.87-1.68% \$500,000-\$999,999 1.69-3.25% \$1,000,000+	4.00% \$0-\$100,000 2.00% \$100,000.01+ 0.05% Requirements not met	2.27% \$2,500-\$10,000 1.97% \$10,000.01-\$25,000 1.81% \$25,000.01+ 0.30% Requirement not met	3.60%	3.80%
Requirements	Minimum balance \$1	Minimum balance \$0.01	1 monthly deposit, 12 debit card purchases, & enrolled in e-statements	Minimum balance \$2,500	N/A	1 monthly direct deposit OR 1 monthly \$5,000 deposit OR SoFi Plus Subscription
Fee (Monthly or Maintenance)	\$0	\$0	\$0	\$0	\$0	\$0
Minimum to open	\$0	\$2,500	\$25	\$2,500	\$0	\$0
Other Benefits	Unlimited withdraws and Insufficient funds	Unlimited withdraws and Insufficient funds	Rewards Dashboard, no minimum balance to earn rewards, Free ATM card	Choice has the high APY on the lowest amount. RBFCU Classic Money Market has the high APY on the highest amount.	Unlimited withdraws, bank checks, Stop payment order, insufficient funds	Combine with Checking account 0.50% APY, \$300 cash bonus



Five Forces Analysis

UFCU Launch for a High-Yield Savings

Competitive Rivalry	High	<p>Rate Comparison -</p> <ul style="list-style-type: none">• Capitol CU: Up to 4.00% APY (with requirements)• RBFCU: Up to 2.27% APY (tiered)• Discover: 3.60% APY• SoFi: 3.80% APY (with conditions)• UFCU: Up to 3.25% APY (Money Market)
Threat of New Entrants	Moderate	<ul style="list-style-type: none">• Fintechs and neobanks can enter with low overhead and offer high APYs.• However, trust, regulatory compliance, and local presence are barriers.
Bargaining Power of Customers	High	<ul style="list-style-type: none">• Customers can easily switch to online banks or credit unions with better rates and fewer requirements.• Digital-savvy users expect seamless mobile experiences and no fees.
Bargaining Power of Suppliers	Low	<ul style="list-style-type: none">• UFCU controls its own capital and interest rate policies.• However, macroeconomic factors (e.g., Fed rates) influence APY competitiveness.
Threat of Substitutes	High	<ul style="list-style-type: none">• Substitutes include CDs, investment accounts, and fintech apps like Robinhood or Acorns.• Customers may prefer higher returns with moderate risk.

SWOT Analysis

Strengths

Local Trust: Strong community presence and member loyalty in Texas.

No Fees: UFCU offers fee-free accounts, a major plus.

Money Market Option: Offers up to 3.25% APY with \$2,500 minimum.

Weaknesses

Low Base APY: Basic savings APY is only 0.01%, far below competitors.

High Minimum for Best Rates: \$2,500 minimum for Money Market may deter new savers.

Lack of Tiered Incentives: No gamified or reward-based savings incentives like Kasasa or SoFi Vaults.

Opportunities

Launch a Tiered High-Yield Product: Compete directly with Kasasa and SoFi by offering 3.75–4.00% APY with achievable requirements.

Gamify Savings: Introduce rewards dashboards, savings goals, bonuses, and calculators.

Bundle with Checking: Offer bonus APY or cash incentives for bundling with UFCU checking.

Target Younger Demographics: Promote to Gen Z and Millennials with mobile-first features and financial tools.

Threats

Aggressive Fintechs: SoFi and Discover offer high APYs with no minimums or fees.

Rate Volatility: Economic shifts could force UFCU to lower APYs, reducing competitiveness.

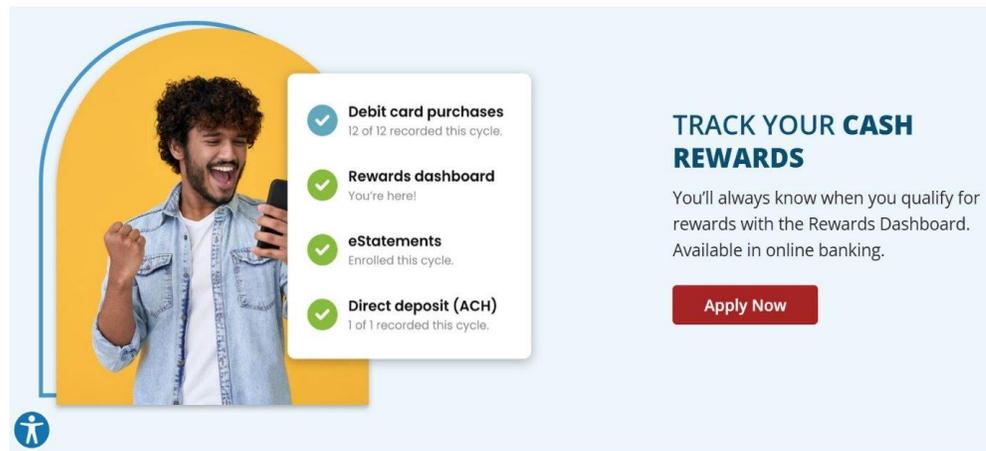
Customer Churn: Without competitive rates or features, members may migrate to online banks.



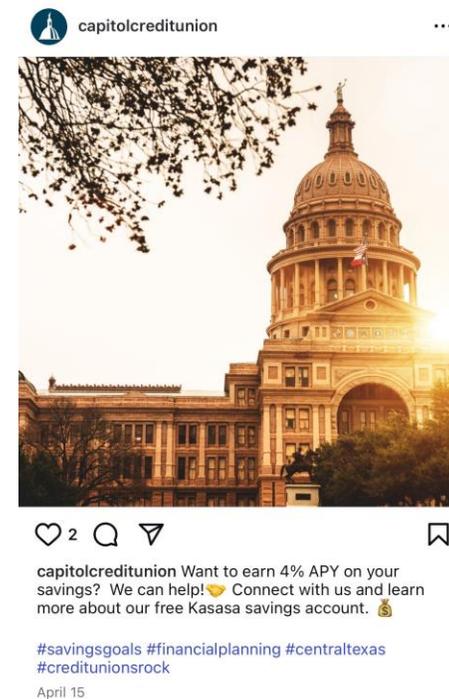
Creative Audit – Capitol CU



Facebook – 674 Followers



Web



Instagram – 236 Followers



Creative Audit – RBFCU



Relax this summer knowing your money can grow with an RBFCU Money Market Account. Enjoy flexible access to your funds, competitive rates, and no monthly fees. Choose the account that suits your needs and make your summer escape or relaxing retreat a reality. Learn more at rbfcu.org/moneymarket



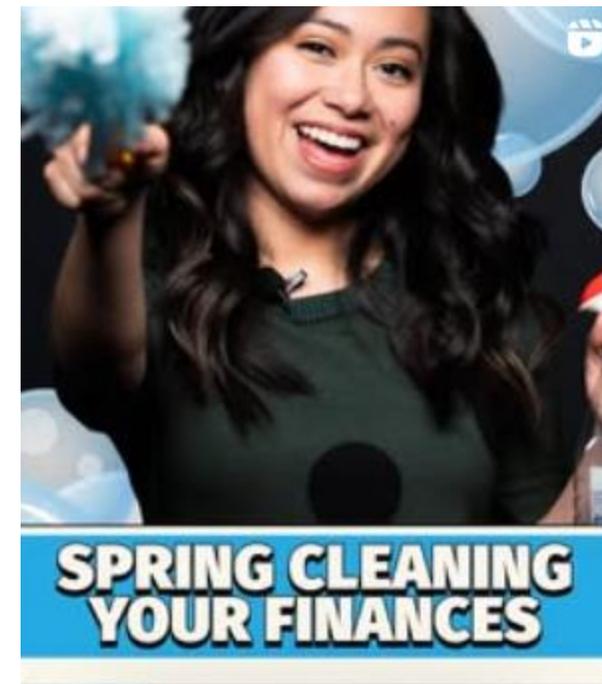
Facebook – 22,000 Followers



Money Market Accounts

Maximize your savings

Web



Instagram – 2,518 Followers



Creative Audit – Discover



Discover

March 28

What money tips would you give to your younger self? 🍷



Facebook – 1.6M Followers



Web



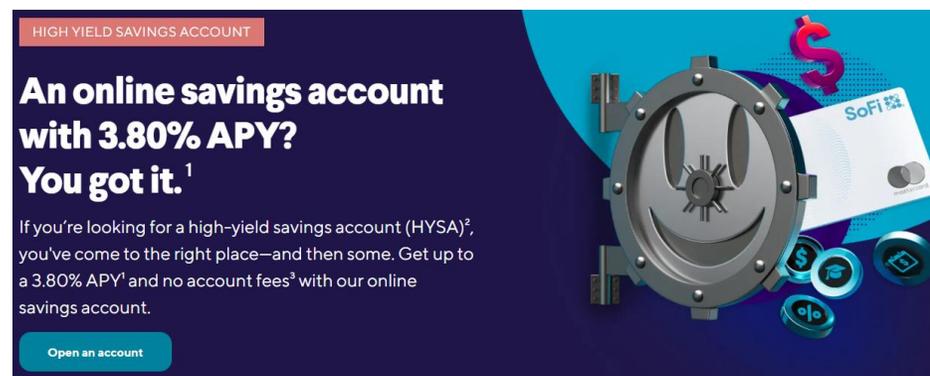
Instagram – 100K Followers



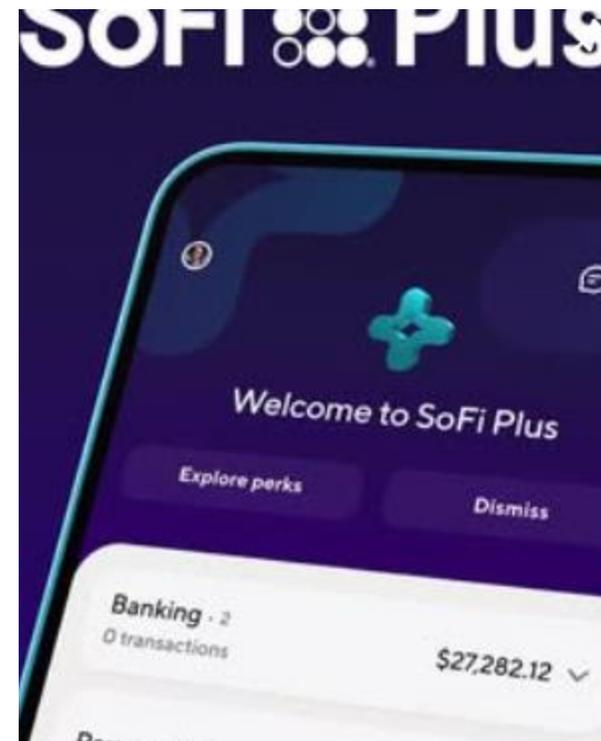
Creative Audit – SoFi



Facebook – 274K Followers



Web



Instagram – 125K Followers



