

Case Study

Driving Digital Adoption Against the Odds A Small Credit Union's David vs. Goliath Story

Introduction

The Digital Divide in Credit Unions

In today's financial services landscape, the shift to digital banking can feel like a David vs. Goliath battle, especially for smaller credit unions competing against large institutions with deep pockets and advanced digital capabilities.

Across the industry, digital banking has become the preferred way for consumers to interact with their financial institutions. Today, 77% of consumers prefer digital banking, with 55% choosing mobile apps as their primary channel to manage finances. However, adoption is not evenly distributed across demographics. Younger consumers are far more comfortable with mobile banking, while older customers continue to rely on traditional channels.

For credit unions, this demographic divide presents a significant and persistent challenge. The average credit union member is about 53 years old, with baby boomers forming a large portion of the membership base. Adoption rates reflect this gap while 83% of consumers aged 25-49 use mobile banking, only 43% of those aged 65+ do the same.

Overview



Tennessee Employees
Credit Union



Nashville, Tennessee
USA



Size
\$31M in Assets



Membership
Over 3K Members



Tailoring member communication to be contextual and relevant is the need of the hour

Against this backdrop, smaller credit unions face an even steeper climb. Encouraging digital adoption in this environment is no small task, it is truly a David vs. Goliath challenge.

The Challenge

Engaging Membership on Digital Banking

Many community financial institutions have invested in mobile apps and digital channels, yet adoption often remains slower than expected. This is largely because the average age of credit union members is higher than that of the general U.S. population. Moving the needle on new technology adoption with an older member base is inherently challenging. However, the problem is rarely the technology itself it is engagement.

Members may not fully understand the value of digital tools, may worry about security, or may simply feel disconnected from generic marketing messages promoting digital services. This was the challenge faced by Tennessee Employees Credit Union (TNECU), headquartered in Nashville, Tennessee. Founded in 1969, the credit union manages approximately \$31 million in assets and serves members across the state.



AI cannot replace human connection but it can help strengthen and scale it multifold



TNECU aimed to increase adoption of its mobile banking app, CardHub, a platform designed to help members control their debit cards, monitor transactions, and receive real-time alerts. While the functionality was strong, traditional campaigns were not delivering the desired results. Messaging lacked relevance, and key features were not being communicated in ways that resonated with members' day-to-day needs.



The Strategy

Hyper-Personalized Member Communication

TNECU chose to rethink its approach entirely. Recognizing that competing on scale was not an option, the credit union decided to compete on relevance and connection.

Partnering with AiVantage, TNECU adopted an AI-driven hyper-personalization strategy powered by Interactive AI. The focus shifted from broad, one-size-fits-all messaging to communication that was tailored, contextual, and intentional.

Instead of simply encouraging members to download the app, TNECU began delivering messages that reflected each member's relationship with the credit union. Communications highlighted specific benefits tied to individual financial behaviors and provided simple, clear guidance on how the app could be used in everyday situations.

This approach transformed how members experienced communication from the credit union. Rather than feeling like part of a mass audience, members felt recognized, understood, and supported reinforcing the core philosophy of relationship-driven banking.



Digital Adoption Results



46.2% ↑
App Adoption



20% ↑
in First Month

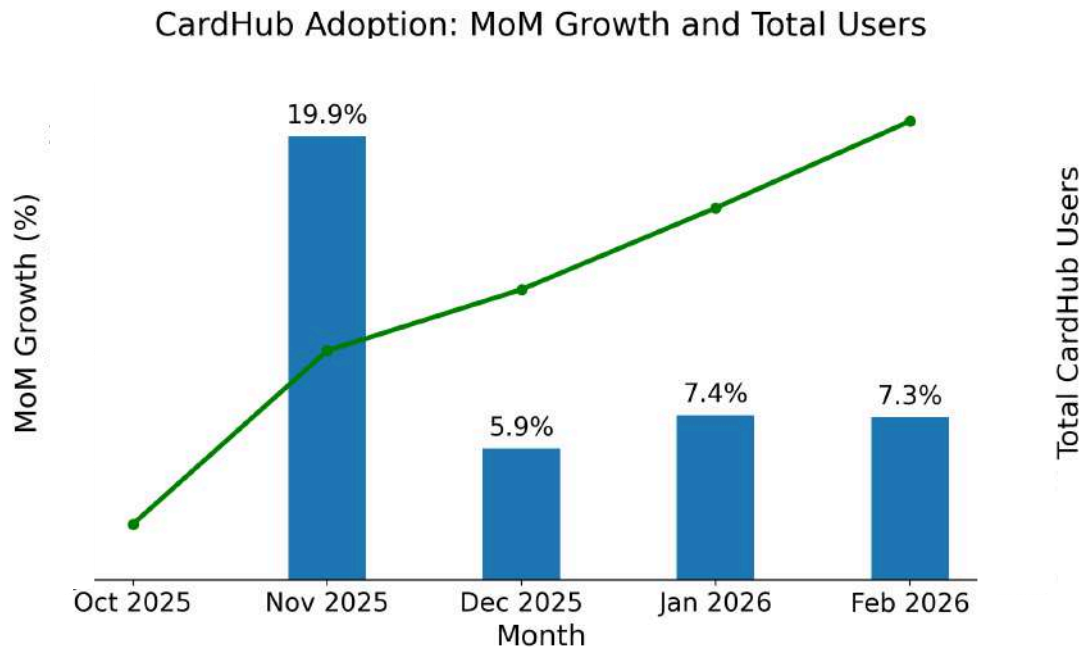


10%+
MoM Growth

The Results

A 46.2% Increase in Mobile App Adoption

The results were remarkable. Within four months, TNECU achieved a 46.2% increase in mobile app adoption among its membership. In fact, the first month alone saw a nearly 20% increase in adoption.



The average month over month growth in card app users has also clocked over 10%. This is a significant accomplishment in an industry where many credit unions struggle to drive digital engagement despite major technology investments. Tricia Cunningham, CEO of Tennessee Employees Credit Union, emphasized that technology alone does not guarantee adoption.

Our experience showed that it's not just the technology that makes the difference, but personalized communication is what truly helps members see the value of digital tools and feel confident adopting them

— Tricia Cunningham, CEO, TNECU

The Role of AI in Hyper-Personalization

At the heart of this transformation was AI not as a replacement for human connection, but as a way to strengthen and scale it.

Using AiVantage's flagship product, InteractiveAI, TNECU was able to analyze member data, behavior, and preferences to generate communication that felt relevant and meaningful to each individual. Instead of broadcasting generic campaigns, the credit union could engage members in ways that were contextual, timely, and highly intentional.

For credit unions, this approach unlocks new possibilities: deeper engagement, stronger relationships, and greater long term loyalty, all without requiring the scale or budgets of larger institutions

Lessons Learned

Turning Personalization into a Competitive Advantage

In what began as a David vs. Goliath challenge, TNECU proved that smaller institutions can compete and win by focusing on what truly matters: understanding their members and communicating with purpose.

As credit unions look to the future, the combination of AI-driven insights, personalized engagement, and human centered communication will be critical in bridging the digital divide. For those willing to embrace this approach, the path forward is clear not by competing on size, but by competing on connection.

Explore hyper-personalization for your credit union

Get in touch today



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Credit unions may not win on size, but with AI-powered hyper-personalization, they win on member connections

SCAN ME



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