

LEADING THE RESHAPING OF THE STRATEGIC DIRECTION IN THE CONTEXT OF DIGITAL CHANGE

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Executive Summary

This report has the main objective to analyse and outline Banco Santander and how they play a key role in leading the reshaping of the strategic direction in the context of digital change. Using strategic criteria such as the strategic analysis, models that include PESTLE, SWOT, Cultural Web model, Porter 5 Forces, Ansoff Matrix and leadership models that include Transformational and Behavioural leadership models to help analyse how the International Spanish Bank navigates to the digital world using strategic models. Moreover, using these leaderships theories models the enterprise will be compared and analyse to see if these theories are successful equally to the probability of gain and prosperity success. At the end of the report, it will be given some recommendations.

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Introduction

History of Banco Santander- Who are they?

Banco Santander is a Spanish bank with more than 14,000 branches around the world. The institution was set up on 15 May 1857, when Queen Isabella II of Spain signed a Royal Decree to authorize its establishment (Santander, 2023). The first goal was to facilitate commerce between the Santander Port, located in the northern part of Spain and Latin America. Currently, it has developed as one of the most renowned banks in Spain and globally as it operates in Central Banks in places such as New York, London, or Madrid (Micó, 2021).

What is their aim and current strategy?

Their main objective is to become one of the best open financial services platforms by acting responsibly and earning the loyalty of employees, customers, shareholders & society.

In 2023, on '*Investors' Day*' the bank presented their strategic plan that included their financial and commercial goals. This plan covers 2023 to 2025. This strategy plan contains the following points:

- ❖ Increase the shareholder payout policy from 40% to 50% through both cash dividends and share buybacks.
- ❖ Achieve a return on tangible equity of 15 to 17% through these three years and have an efficiency ratio of 42%.
- ❖ Maintain fully loaded core capital above 12%.
- ❖ Deliver double digit annual growth in tangible net asset value as well as share dividend through the cycle with the purpose to create value.

In 2022, Santander had a profit of 9.605 million euros which resulted in a record attributable profit. In 2025, the objective of the bank is to add 40 million customers so that they can reach an approximate 200 million clients. Moreover, they want to increase the active customer base taking it from 26 million to 125 million clients. As a result of applying these measures, the bank could benefit by increasing their revenues by 7 to 8% per year on average (Santander, 2023)

What is the digital transformation of Santander?

Banco Santander has sped up their digital transformation to enhance returns as well as to grow as a bank. In addition, the bank has authorized and invested more than 20 billion euros in digital technology within a four-year period to enhance the customer experience. Moreover, the bank wants to gain value from global platforms and as a result they will reduce costs (Santander, 2024).

How do they plan to do it?

The bank wants to build a global network and local market leadership. Their business model is based on three main points.

1. Global scale & local reach to form a cycle of creation that allows them to give competitive advantage.
 2. Diversifying their markets and business to get a higher profitability and a lower risk profile.
 3. Customer focus to build their digital bank and adapt branches faster to create value.
- (See Appendix A).

Santander also changed its internal structure in 2022 to meet the objectives explained above. They divided the structure into 5 distinctive areas. These are:

- ❖ Retail & Commercial
- ❖ Digital Consumer Bank
- ❖ Corporate & Investment Banking
- ❖ Wealth Management
- ❖ Insurance & Payments

Behind these 5 areas, the group put in charge reputable managers with a lot of experience to oversee these areas. They are Daniel Barriuso, José Luis de Mora, Javier San Felix, Matias Sanchez, Jose Maria Linares, and Victor Matarranz. The global heads of each area will define the common operation and business model, which will be based on global platforms (Santander, 2024).

They plan to be customer focused and to build their digital bank while also maintaining branches (Hidalgo, 2023). In addition, Banco Santander acknowledges that the digital world is one of the pillars that a bank should have, and how the new generations use the internet to access their bank, and therefore there should be a department that takes responsibilities in navigating and creating online strategies to transform the bank.

Why are they doing this?

As previously mentioned, they are doing this to gain international and local recognition as well as to gain more clients and stakeholders. In addition, this is also a good publicity and marketing strategy. On the other hand, it is a way to stand out from their competitors. Furthermore, they want to become the best bank and gain recognition as a top brand (Santander,2023).

How are they doing this?

1. Maintain loyal customers and gain new clients. If the customer is happy, they will make investments in Santander and will bring all their accounts to their bank. In addition, they will recommend their bank to their friends and word of mouth will spread.
2. Publicity. As they offer more benefits than other banks, this will give them free publicity and they will gain renown in the market (international and local markets) (See Appendix B).
3. Develop new channels that can assist clients with digitalisation. They are applying and enquiring innovative and modern technology so that they can take procedures entirely online, so that services are available at any time of the day and at any time of the year without the need for making a visit to the local branch. Santander has over 5 million digital customers in Spain alone, which represents 64% of all their customers. 36 million people use their digital channel every month (Santander,2023).

Findings

What is Strategic analysis?

Strategic analysis is the gathering of information and data with the purpose of conducting research and reformulating a business strategy. The objective of this is to improve the areas that have problems, and identify what areas are needed to be improved to work efficiently and profitably. Academic researchers and business practitioners do not concur on the actual meaning of '*strategic*,' although they have in common the following points: (Corporate Finance Institute, 2023)

- ❖ Recognise and assess the data.
- ❖ Define internal and external environment to be analysed.
- ❖ Use analytical methods for example Porter's five forces, SWOT analysis or value chain analysis.

Strategic environment

The term strategic environment is described as a set of circumstances that can have an impact on a business achieving its objectives, which can be affected by either internal or external components. Internal factors are aspects that can happen inside Santander, which could include a shortage of staff because they decide to quit or having a vast number of staff being on sick leave. On the contrary, external factors embrace events occurring outside the company that they have little or no influence on. These external factors can affect all banks (general factors) or only Santander. An example of this would include pandemics and epidemics, world stock crashes, recession and so on (Hellyer, 2024).

Pestle & SWOT analysis

SWOT Analysis is a framework with the purpose of assessing the business to provide information for their business proposition, so that they can evaluate their position and decide which direction they want to follow. The contraction denotes Strength, Weakness, Opportunities and Threats (Fine, 2010). The grid is divided into a four-point table. Strength and Opportunities centres into positive aspects meanwhile Weakness and Threats are centred on the negative aspects (See Appendix C).

PESTLE Analysis is another framework used in the business market to assess the environment in which it operates. The acronym stands for Political, Economic, Social, Technological, Legal and Environmental. This framework is used by enterprises to plan and measure risk management as well as to plan strategic processes. Moreover, this framework is used by management consultants to introduce innovative products into the market, and to aid decision making with model assumptions and financing decisions for new and existing products (Peterly, 2023) (See Appendix D).

Strategic options

To navigate during digitalisation the following measures should be considered:

- ❖ Enhance offer of online services

Invest in user friendly platforms that offer personalised experience to the customer.

Develop new products that appeal to technology experts such as: online advisors against robbery or the option of paying with watches or phones.

- ❖ Collaborate with Financial Technologies Enterprises

Establish a partnership enterprise between Financial Technologies Enterprises (Fintech) and Santander to use their latest technology and expand the service. In addition, if Santander participates in acquisitions they can quicken digitalisation.

- ❖ Expand their position using the digital world.

Reaching new platforms and modern technologies can lead to new markets as well as to increasing the customer segment. Another option is to promote international transactions and remittances.

- ❖ Risk Management and Compliance

As Santander goes online, there are many threats that can cause a crisis in the organisation. When going online Santander should invest money in cybersecurity to protect sensitive data. Moreover, the bank needs to be up to date with regulatory changes around the world and adapt to the digital regulations around the world (Schultz,2012; Tovstiga, 2023)

Cultural Web Model

The cultural web model is an examination and breakdown framework used by enterprises with the purpose of breaking down and inspecting the enterprise culture (Hellyer, 2024). The model was initially presented by Gery Johnson and Kevin Scholes in 1988. Some of these elements are interconnected and have things in common. The model captures the following points presented below (Moris, 2020):

- ❖ Stories
- ❖ Symbols
- ❖ Rituals and Routines
- ❖ Power Structures
- ❖ Organisational Structure
- ❖ Controls

Each of the six elements listed above encapsulates the culture of an enterprise, and they can be individually assessed to get an idea of the enterprise's culture. In Appendix E, a model of Santander's Cultural Web Model is presented.

- ❖ Stories: This component of the chart represents the memories. Inside this element, is the story of how Santander was founded and how important people played essential and fundamental roles. In addition, it can be seen how actual employees give out details on what impact they have had while working for the bank. This part of the chart put into action the essence of the company's values. In addition, these stories are kept alive by employees and are passed out to new employees. These stories are communicated in public areas such as canteens or smoking areas.

- ❖ Rituals and Routines: This component states what conduct, and attitudes are acceptable inside the enterprise and how they handle problems. Routines state what the expectations are within the job and what activities the employees are expected to do. An example of this would be to bring food once a week and share it with the rest of the team, to celebrate success, to greet each other daily, interview and recruitment processes, employees training programs and team building programs.

- ❖ Symbols: This part is essential in Santander's branding and marketing. Symbols are essential in a cultural web model. This can include visual aspects such as logos, colours, the office infrastructure, slogans, dress code, website appearance, use of language, mission statements and so much more. Visual communication can have an impact on both the external and internal image. The colours red and white represent the branch and can be effortlessly recognised across the world. Santander has a slogan, which is "*Por ti primero,*" which in English means '*For you first*' which means that the company's principal focus is on the clients.

- ❖ **Organisational Structures:** This element of the chart is divided into two main points. These points are written and unwritten power. Written authority is reflected in a corporate power structure, which is reflected in the hierarchy composition of an enterprise. In this structure, it is reflected which role everyone plays and what accountability and responsibilities they have in case of a problem, and who they need to report to. Meanwhile unwritten, also known as informal power, focuses on how some employees may have more experience and feel more united, while others can be marginalised by factors such as disability, race and so on.

- ❖ **Control Systems (also known as performance management):** This element is how Santander monitors and manages employee's performance. This includes financial and quality assurance to guarantee equality to everyone, and this includes which person has earned an incentive such as being eligible for training, financial bonus and leave allowance.

- ❖ **Power Structure:** this element is known as real authority. It concentrates on who has the authority. This can be classified as formal and informal. The formal way is the one who has the authority to decide what direction the company is heading and how innovative ideas can be decided upon. Informal is the alliances and personal relationships in the workplace. Decisions could be made by an entire group, one department or one person (Hellyer, 2024; Lynch, 2021)

Porters 5 forces

In 2008, Michael Porter developed and created the five forces framework. This framework is an integral management model that can be used to examine and investigate the market. These five factors are:

- ❖ Bargaining Power of Buyers
- ❖ Bargaining Power of Suppliers
- ❖ Rivalry Among Existing Competitors
- ❖ Threat of New Entrants
- ❖ Threats of Substitutes

Banco Santander can use this strategic model to their benefit when dealing with the Central Banks.

- ❖ Threats to new entrants: New entrants of new digital banks to the Central Banks have innovative and new methods and strategies therefore Santander has more pressure and represent a high and real threat. These barriers include product differentiation, capital, the scale of economics, government regulations, access to retail, cost advantages independent of the size. Digital banks are threatening conventional banks along with the threatening Santander needs to build up secure barriers to protect themselves against competitors. If Santander wants to solve this problem, they should introduce new products and services. Create standards to maximise their capacities and spend money in R+D+I (Research Development Innovation). Try to find solutions to lower its costs.

- ❖ **Bargaining Power of Suppliers:** In Central Banks, companies buy actions and shares from suppliers. The suppliers have the power of increasing and decreasing the margins earned by Banco Santander in the market. Investing in a team with a higher bargaining power results in a lower overall profitability of the Central Banks. Having strong connections with multiple suppliers and having a third-party manufacturer can reduce costs. Online banking is an emerging industry and has not have the strength to draw customers from other banks and therefore the bargaining power is low.

- ❖ **Bargaining Power of Buyers:** When acquiring a product, clients want to obtain a higher quality product at the minimum price. The smaller and more powerful customer base the better chances to have discounts and offers. Creating a large base customers can reduce the bargaining power as well as it is an opportunity to have a high volume of sales and products. Create innovative and new products that can have the effect of having discounts on exiting products. Modern technologies and the implementation of them such as: online payment and digital wallets were introduced to alternative services. In most cases, online banking is seen as supplementary facilities to traditional banks and as a result they are weak in terms of buyer products.

- ❖ **Threats of Substitute Products or Services:** Having competitors products offer by other companies can cause a decrease on profitability as they can replace. Having a service-oriented product, understand the worries and needs of the clients and increasing the switching costs for the customers can help to

overcome this. Online banking bigger competitors are traditional banks. Certain customer may prefer to be assisted by a human being and other may not trust the online system. Furthermore, traditional banking offer multipacks with online access. In the online world, there are not only digital banks, but also traditional banks offer their services there.

- ❖ Rivalry among the Existing Competitors: Having a strong competitive war with other banks can drive down the prices in the stock exchange and decrease profitability. Creating a sustainable differentiation against others can help to create new alliances in order to increase the market size rather than competing between them. Online banking is popular due to the fact it saves time and makes our lives easier. In addition, businesses can access to the real time in the stock market, and everyone can access to them 365 days a year, 24 hours a day and 7 days a week (Smith, 2006; Strategic Management Department from Fern Fort University, 2017).

Ansoff Matrix

In 1957 Professor Igor Ansoff created this methodology and explained this model in an article called *"The strategy of an enterprise"* (cited in Loredana,2016). The aim is to analyse the possibilities of any company without discrimination of the sector or the size. The correct development and implementation of the Ansoff Matrix can lead to Santander unlocking a set of strategies to increase the growth in its products and in the main markets where it operates. The growth can be on existing products and markets or in new products and introduction into new markets.

The model is a visual display of the forces of management. The matrix is displayed on an X-axis and a Y-axis. See below:

	Current Products	New Products
Current Markets	Market Penetration	Product Development
New Markets	Market Development	Diversification

- ❖ Market Penetration: The target is to increase the sales volume by finding new customers with the ongoing market and products. This will allow Santander to increase production capacity as well as to increase market investment.
- ❖ Market Development: The expansion of the company involves positioning exiting services into new markets, including geographic markets such as the American, European, or Asian markets, or target audiences such as: Alfa, Generation Z, Generation X, Millennials or Boomers.
- ❖ Product Development: The approach on product development is to launch new services or products into the market equally to enhances functionalities.
- ❖ Diversification: The last strategy focuses on developing new business scenarios that have been not yet explored and exposed by the organisation (Hellyer, 2024).

Leadership

What is leadership?

According to Oxford (2022), a leader is described as a person who guides other people to action or opinion. To become a good leader there are several skills that a manager needs to have. These skills are the following:

- ❖ Motivate others: a leader needs to make certain that people are clear about what their tasks are and how to carry them out. In addition, they need to show appreciation and celebrate success for other co-workers.
- ❖ Fostering potential: persuade teammates to think and act like themselves and let them know that it is acceptable to make mistakes. This is part of inspiring people to take risks and step outside their comfort zone.
- ❖ Inspiring trust: leaders need to be honest, transparent and make their values clear and stand up for what they believe in.
- ❖ Taking and giving responsibilities: a good leader needs to know how to delegate tasks as well as knowing when to take obligations.
- ❖ Thinking strategically: take a broad view to solve problems and differentiate between urgent and important tasks. Leaders need to remind themselves of their priorities and manage their time.
- ❖ Set goals and expectations for everyone.

- ❖ Give and receive feedback: Leaders need give and receive feedback both positive and negative.
- ❖ Team building: so that everyone can bring their own unique skills and experiences, be motivated by different things, and have distinctive working styles.
- ❖ Positivity: Think carefully about the language used, verbally and in writing. Celebrate success and resist the urge to complain in front of a team.
- ❖ Authenticity: Practice self-awareness and not cover your weaknesses. (Marr, 2022)

Transformational Leadership

Transformational leadership is a management theory that emphasizes the managers commitment to the collective interest of their team members. This model recognizes the need for change, developing a vision to guide through the reform processing implementing the new measurements, and encourage teammates to have an active and participative role (Gordon, 2017).

James V. Downton produced the term transformational leadership, but it was James MacGregor Burns who continue to develop this theory (CFI,2023).

The transformational Leadership model is based upon 4 main points:

- ❖ Idealized Influence
- ❖ Inspirational Motivation
- ❖ Individualized Consideration
- ❖ Intellectual Stimulation

Idealized Influences: The team sees the leader as a mentor or as a good example of a manager. The chief supervises and exemplifies the values and skills that the company wants to communicate not only internally but also externally.

Inspirational Motivation: Leaders state an unobstructed vision and communicate it in a crystalline and straightforward way so that anyone can understand it and know their roles. The idealized influence and the inspirational motivation can enhance the productivity of a team as well as show inclusion.

Individual Consideration: A leader can care for the emotions and needs of an employee. This will lead workers to achieve their full potential and lead them to self-actualization following Maslow's Hierarchy of Needs. Individual attention to each

employee can help to develop trust in the company equally to all the management roles and employees.

Intellectual Stimulation: These leaders demand employees to enhance their creativity and use innovative ideas. They take challenges and take into consideration the ideas proposed by colleges.

A study published in the International Journal of Disruptive Innovation in Government in early 2021 investigated the relationship between the modernisation of banks using transformational Leadership (Al-Ahmad Chaar and Easa, 2021). The investigation concluded that managers exposing and applying this theory were able to promote and generate innovative ideas, processes, and new products. A different study, published in Human Resource Development International mentions and insinuates that transformational leadership can have a huge effect not only on individual success, but on whole team and organisational success (Deng et al, 2023).

It can be clearly seen that the Spanish bank follows this theory. Managers and CEOs responsible for each core department in the bank (stated in the introduction) have a huge amount of experience and are experts in their field, and as a result they highlight the four attitudes explain above. In addition, they are open and inclusive and encourage workers to reach their full potential and to prosper in their career.

Behavioural Theory

Behavioural Theory, also known as trait theory, focuses on how managers are made, and professionals are trained rather than having inherent capacities. This theory was originated at Ohio State University in the 1950's when two researchers named Hemphill and Conns created a questionnaire name *Leader Behaviour Description Questionnaire*. The enquiry asked members to classify from a scale of never to always, how a leader engages in a particular behaviour. The outcome in Ohio reflected that leaders who were supportive and had excellent and effective communication skills had an enormous impact on the team members. At the same time in Michigan University, researchers were investigating a similar study. The Michigan researchers aimed to determine and distinguish two behavioural dimensions: jobcentre and employee-member-centred behaviours. The Michigan researchers centred their investigation on actions for how to plan and coordinate resources, as well as building strong relationships between managers and employees.

This theory proposes that any person can be trained regardless of their origins or educational or professional background. This theory also shows that everyone with the right education and professional training can achieve success. Companies such as Santander find this theory appealing as sometimes, they do not need to undergo extensive recruiting processes to hire great manager, instead they can recruit or get a promotion from people inside the organisation and prepare them for the role (Champlain College Online, 2024: Pink, 2022).

A distinctive strength is that it this theory does not have a gender. The Great Man theory was devolved in military and political leaders and normally this position only values males. The Behavioural Leadership covers and gives out consideration on both genders. As previously mentioned, behavioural leadership centres on the idea that any

individual can adopt the necessary characteristics to become a leader along with a more diverse leadership model (Champlain College Online, 2024).

On the contrary every theory has its pros and cons. Firstly; it can be said that it is a time-consuming approach. Training individuals is a very time-consuming process and realistically there is not a set amount of time to adopt the traits necessary to say that they are outstanding leaders equally to in some scenarios it does not state how employees should behave. Moreover, this theory only takes into consideration the western culture and it does not consider distinct cultures (Western Governors University, 2020; Champlain College Online, 2024)

If this theory is applied to Santander Bank, it can be clearly stated that they have followed this theory for a long time. The company applied this theory in three main points. Firstly, they have built the Ciudad Grupo Santander. Secondly, they introduced The Young Leaders Program, and the last point is that the Spanish bank has seen an improvement of corporate culture (Santander, 2024).

In 2004 Santander Bank built in Boadilla del Monte in Madrid, a lavish and luxurious headquarters known as Ciudad Grupo Santander (CGS) where they have reflected the bank's duty and responsibility towards vanguardism, modernisation, leadership and perfectionionism. The enterprise city is designed and equipped with the ultimate technology in internal communications, equipment and energy saving consumption (Santander,2024).

Ana Patricia Botín Sanz de Sautuola O'Shea became the chairperson of Santander in 2014 after the death of her father (Emilio Botín) and owner of the bank. Since then, the organisation has introduced new and innovative programs and has made numerous changes with the purpose of enhancing the bank. In 2018, four years later after having

a new chairperson, the company launched the Young Leaders Program to promote, identify and enhance internal talent. Moreover, the program uses modern technology to teach or acquire new skills necessary to run at a professional level. The program has seen more than 670 employees from all over the world since its creation (Santander, 2023).

Finally, the application of behavioural leadership in Santander involves changes in their business culture. First, each person inside the business is addressed on a first name basis without making a distinction in their role. Knowing people's first name can make each employees feel more valued and feel that they belong. This small detail expresses the level of attention and interest that Santander pays to people. Any enterprise that shows a bare minimum of interest in the personal wellbeing employees can enjoy a vast array of benefits and positive outcomes: such as employee engagement and reinforcement of the corporate culture (Kingsfield, 2023). Another measure that Ana Botín did when arriving at the company was to revolutionise their culture and announced the appointment of new managers, change its dividend policy, and create a new strategy based on simplicity, fairness, clarifying the corporate culture to put the client at the core and centre of the bank (Agencia EFE, 2015).

After evaluating these two leadership frameworks it can be said that there is a strong probability of gain and prosperity in Santander leadership. Although, it must be taken into consideration that the success can also depend on internal or external factors and needs to be evaluated in a specific context. This will include team dynamics, challenges such as recession or inflation or even political instabilities etc. For this reason, it can be said that these models provide a framework on which the bank can rely, but it does not assure success.

Recommendations

After analysing the international and reputable Spanish bank Banco Santander and analysing how their digitalisation strategy is being lead, the following recommendations have been made:

- ❖ Embrace digital transformation, however, still have a balance with traditional banking. Invest in hybrid methods so that the elderly population and people without access to the internet can still have access to the bank and do not feel left out.
- ❖ Invest on digitalisation and cybersecurity to prevent online fraud, leaks of personal data and security threats such as phishing, identity theft, malware or spoofing. As a result, clients will have more trust on Santander (Szleter, 2023).
- ❖ Benefit and take advantage of Cloud computing services. The result of this would mean a transparent and rapid service to access data. In addition, businesses can close deals faster as there is faster commercialisation. Furthermore, banks lead with sensitive data and using cloud services will make sure that the data is more protected. As a result, internal process can be digitalised (Pollini & Evoy, 2022).

- ❖ Use innovative technologies and Artificial Intelligence to help to give a better understanding of problems and develop solutions and recommendations to solve problems as well as analysing data in real time. Moreover, use this technology to give a more personalised attention and improve loyalty (Maheshwari, 2023).
- ❖ Monitor data on the new strategies and how effective they are as well as adapt to new deployments in innovative technologies.
- ❖ Do not forget to centre all strategies on the improvement of the bank, using technology to improve people's lives. Success is based on these principles, and Santander should compromise by allocating the right resources to conduct these changes (Liu, 2021).
- ❖ Ensure leadership and effective change management strategies are implemented on all the areas of the bank. Employees should understand why the changes are applied and be given clear instructions equally to involve employee's ideas towards changes and use an iterative leadership model theory to promote change. This theory will allow to learn by mistakes along with making modifications to obtain the best product (McKinsey & Company, 2018). Furthermore, Santander managers need to allocate training in new skills to operate in a more digital environment (McKinsey & Company, 2018).

- ❖ Make sure that everyone shows leadership commitment on their personal transformation. Managers should provide resource, set goals and lead by example. In addition, they should set clear expectations, provide necessary resources, and be the driving force behind the change (Johnston et al., 2017).
- ❖ Restructure the workplace. Digitalisation can bring changes to the different organisational structures and how the bank functions. Santander should consider whether digitalisation can help to improve jobs in the organisational structure (Frieze et al., 2022).

When applying digitalisation in the diverse departments of Banco Santander the following areas will be affected:

- ❖ Crisis & Risk Management: Innovative technologies can predict and mitigate risk as well as processes can be upgraded to measure better risks and improve risks management process (Hakizimana et al., 2023).
- ❖ Regulatory Compliance Department: Digitalison can help to meet international and domestics laws. Policies of identification of knowing your client (KYC) can be done online (McKinsey & Company, 2021; Prove, 2022; Ross, 2023).
- ❖ Operations: Modern technologies can help the organisation to identify areas of improvement along with it can help to increase productivity and efficiency. (Triwahyono et al.,2023).

- ◆ Customer Services: Customers can interact with the bank in new ways thanks to innovative technologies as well as clients felt that they have more control. As a result, this can create a personalised and distinctive experience (Swift, 2001).

Conclusion

To conclude, having analysed Banco Santander and applied strategic models, management theories and leaderships theories towards a more digitalise world, the main aim of Santander should be to improve the lives of their clients and make all decisions with the client perspectives and best interests in mind. Strategies and leadership theories when applied may not guarantee success as this will depend on diverse factors, however, the chosen theories of Transformational and Behavioural Leadership match Santander's interests and their aims for the future development for the company and provide the best chance of successful change management.

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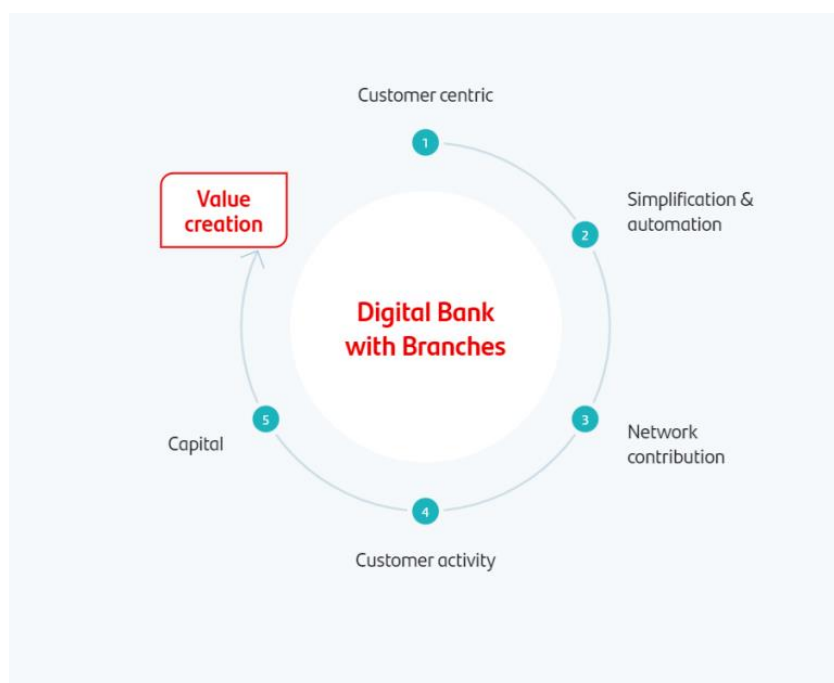
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Appendices

Appendix A - Image 1. Map showing the digital bank with branches and how they put the customer first.



Appendix B- Image 2. Map showing the strategy and targets between 2023 till 2025 sharing the shareholder value creation.



Appendix C- SWOT Analysis

Strength	Weakness	Opportunities	Threats
Brand reputation	The objectives set can be extremely ambitious.	New Customers from online channels.	Phishing threat. As the banks invest more on digitalisation, they need protection against attacks or network outage.
Market leader	Cash flow problems.	Increasing income and profits on the stock markets of the main markets.	
Sponsor many events and scholarships across the world.	Need to invest more in modern and innovative technologies to be up to date. It can result that these investments do not reflect its full effect.	Increasing population as there is a potential for customers.	The currency rate can go up very quickly and can affect investors on putting money in the stock.
High social media presence	Not everyone has the ability and facilitate to navigate to the digital world.	Lower interest rates that can help Santander expand their project across new or existing markets.	Political instabilities and change in regulation in different nations.
Have access 24 hours a day and wherever you want.		Low inflation rates that can create more stability.	Competitors technology advancements may cause clients to change bank.
Increase Global presence.		Increased digital marketing campaigns.	
		Digitalisation: invest on modern technologies to improve growth.	
The implementation of digital marketing techniques has led them to have a strong presence in social media and digital platforms.	Lob josses as there has been replace with technology.	Global Platforms: Use global platforms to expand the bank reach and gain more business.	Increased digital marketing campaigns by competitors and Fintech technology can lead to challenge in the market share.
	A high number of promotional messages online in social media and digitalisations sent by competitors can lead to lose clients.	Quick business: Develop and invest on quick business to experiment in innovations and compete in the market.	
		New departments and entities inside the organisation are formed.	Regulatory Changes: countries can create new regularisations that can affect the digital strategy and operation.
Technology transformation to improve the lives of everyone.		Facilitate the digital payments done by enterprises and make them easy to do worldwide transactions.	

Appendix D- PESTLE Analysis

Political	Economic	Social	Technological	Legal	Environmental
Reformation of any law affecting banks into different countries.	Political instability can affect the stock market.	Unbanked population in some areas.	Digitalization of the business	Customer protection laws across the world especially in Europe, Asia, and America.	Climate change as they finance environmental projects and mitigate risks associated.
Political insatiability such as Brexit, wars, pandemics. General Elections, or referendum.	Recession or crises can affect the central banks.	Demographic trends such as an ageing population and low birth rate.	Fintech innovation	Regulations to guarantee capital requirements and liquidity, and risk management.	Investors and customers may look for banks that help and have strategic schemes to help the environment.
International relations and changes or sanctions.	Stock market crash.	Ethical considerations to diverse cultures.	Develop user friendly digital platforms, implement security measurements, and offer modernisation.		
The pandemic of Covid-19 digitalisation (Stadistica,2022).	Increasing use of online payments		Use of AI technology.		
Banks accelerate the digitalisation.	Economic growth New working opportunities and jobs				

Appendix E- Santander Cultural Web Model

