
The Importance of Intangible Assets in the Strategic Management of the Firm: An Empirical Application for Banco Santander

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Abstract:

The focus of our research is to analyze, within the framework of the theory of resources and capabilities (TRC), what is the importance of intangible assets in the strategic management of the firms. An empirical application for the financial sector has been provided, a highly competitive industry which is undergoing big and major changes, and in particular the Santander Group.

Specifically, we have analyzed the configuration of strategy, within the Group, at different levels: Corporate, Business, Segment and Functional. Meanwhile, due to the huge importance that corporate level is acquiring, we have also analyzed the values that underpin the organization, the source of competitive advantage, growth strategy and business levels that directly depend upon it. To respond to these objectives, we have developed a questionnaire for managers of Santander Group offices.

We show the preliminary results in which we want to emphasize, as well as predicted by TRC, the importance of intangible assets in achieving results, both in terms of competition as well as purely economic. It is also noteworthy, according to managers' perception, that the competitive advantage on which strategy is built is differentiation with a scope focused on the entire market. Similarly, this differentiation is supported by its financial strength, leadership and brand image.

Keywords: *Theory of Resources and Capabilities, Financial markets, Marketing Strategies, Santander Group.*

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1. Introduction

The fast rate of technological change – both with regard to ICTs as well as the amount of information that society has as a whole –, the appearance of new segments of consumers, the liberalisation and deregulation of the financial markets, coupled with a simultaneous increase in the globalisation of markets and the development of major economic areas represent a growth opportunity for financial institutions. However, these incipient forces also represent new risks that could seriously threaten the survival of businesses if they fail to prepare a strategy that enables them, firstly, to minimise these risks, and secondly, to take maximum advantage of the new opportunities generated.

To address the global environment, with a lot of competition and uncertainty, financial institutions need to set and establish a strategy that enables them to confront the new values and preferences of consumers, the actions of their rivals and the forces of the technological, economic, political-legal, socio-cultural or demographic macro-environment. More specifically, the more information that consumers have means they demand increasingly higher levels of quality and variety in the products and services offered.

Simultaneously, the progress of telecommunications requires banks to compete in the market ever more based on the use of the best services. Furthermore, the ever faster and cheaper information systems allow customers and consumers to make swift comparisons vis-à-vis the differences in services offered and in costs. In addition, the increased life expectancy brings with it the demand for new products and services. Lastly, globalisation and the increase in international trade, coupled with the formation of economic blocs, mean that financial institutions need to improve their level of competitiveness on a day-to-day basis.

The response to these opportunities and risks must come from a reflective and systematic process marked by an analysis of opportunities, risks, as well as the strengths and weaknesses of the financial institution at all levels of business or activity, viz., at corporate level, business level, segment level and, finally, functional level. Together with the contribution from the analysis of the company's resources and capabilities, the integration of all these levels allows us not only to better analyse new opportunities or risks of the financial institution in any banking business, but also to identify those potentialities or capabilities that the bank or entity must implement in order to address these new challenges or opportunities.

Therefore, the main thrust of our research will be to analyse, within the theoretical framework of Resources and Capabilities, the importance of intangible assets in the Strategic Management of Santander Group, and to configure the strategy within the Group at different corporate, business and segment levels. In a parallel fashion, due to the enormous importance that the corporate level is acquiring, we will look at the organisation's values, the source of competitive advantage, the growth strategy as

well as the business levels that directly depend upon it. We will then investigate the main segments. Lastly, we will assess the importance of intangible assets in competitiveness and in contributing to the bottom line. To respond to these objectives we carried out a structured questionnaire with branch managers. We first explain the TRC; afterwards we give a brief explanation of the methodology used, followed by an explanation of the results and main business implications. We begin by explaining the theoretical framework.

2. Theory of Resources: Evolution and Main Concepts

If we conduct an in-depth analysis of literature on business strategy, we see that in the 1980s most researchers and academics focused on the environment or the external part of the analysis of the organisation, leaving to one side the role of resources and capabilities in organisations or treating this as a supplementary issue. In this regard, the Theory of Resources comes about as a theoretical framework that focuses on the organisation's internal dimension as the basis of its strategy, determining the resources and capabilities that a company can have and develop. This theory thus enables us to highlight the fundamental role of resources as a source of sustainable competitive advantages. Some of the main arguments that gave rise to this theory came about at the beginning of the 1980s. More specifically, the role of corporate resources when it comes to determining the industrial and geographical limits of business activities or the processes of competitive imitation was highlighted (Breckova, 2016; Havlíček *et al.*, 2013; Theriou, 2015; Theriou *et al.*, 2014; Theriou and Aggelidis, 2014; Boldeanu and Tache, 2015).

It was during those years that Wernerfelt (1984) published one of the first articles on this new vision. However, his work went practically unnoticed until Prahalad and Hamel (1990) published their ideas about basic skills and the collective learning process of organisations through publication of an article in which they used several actual cases. While the traditional economic perspective had paid little attention to the company's internal resources, treating these as easily accessible market factors, the Theory of Resources highlights the inflexibility and rigidity of certain factors of production and the time and cost required to accumulate said factors (Peteraf, 1990). Therefore, with the attention paid by this theory to the internal resources and capabilities of the company, we can address different methods or opportunities of obtaining a sustainable competitive advantage by businesses that compete in a single market (Cipovová and Dlaskova, 2016; Roberti, 2016; Carstina *et al.*, 2015).

By way of a conclusion, we can state that the Theory of Resources and Capabilities is an excellent tool to be able to explain the competitiveness of businesses, and how an organisation can obtain a certain sustainable competitive advantage, over time, using internal resources and capabilities. It is therefore a theory that complements the economic analysis as this explains the competitive results in external terms while the Theory of Resources does so by taking into consideration internal aspects such

as the accumulation and positioning of resources as well as the limits on their appropriation by other companies (Nechaev and Antipina, 2016; Sihua *et al.*, 2015).

3. Methodology

To respond to the objectives set out, we compiled a questionnaire for branch managers of Banco Santander. This questionnaire has been structured into four sections, each of which corresponds to the different strategy levels. In this regard, we placed greater emphasis on the Level of Strategic Management or Corporate Level due to the importance that this organisational level is currently acquiring.

The target public of the study were the branch managers of Banco Santander. For reasons of proximity, the sample was taken from the Autonomous Community of Galicia. The data collection method involved a personal interview, while the fieldwork was conducted between 1 June and 20 July 2010. Table 1 shows both the variables and the scales used. Using the data captured, we built a database using SPSS 18.0. Having captured and debugged the data, we proceeded to analyse it using frequency and percentage tables as well as cross-tabulation between variables. The most significant values are displayed, together with their level of statistical meaning, in bold.

Table 1. Variables, description and scale of the questionnaire

VARIABLES	DESCRIPTION	SCALE
Division or Strategic Business Unit	Divisions or Strategic Business Units	1. Corporate Banking / Domestic Banking / 3. Private Banking / 4. Business Banking / 5. Commercial Banking / 6. Electronic Banking / 7. Institutional Banking
Values and Organisational Culture	Innovation/Leadership/Financial strength/Dynamics/CSR/Business acumen/Customer orientation/Professional development/Professional ethics	1. Strongly disagree/ 2. Quite disagree/ 3. Slightly disagree/ 4. Neither agree nor disagree/ 5. Slightly Agree / 6. Quite agree / 7. Strongly agree
Competitive Advantage	Advantage	1. Cost / 2. Differentiation
Focus	Focus or scope	1. Part of the market / 2. The entire market
Degree of adaptation	Standardisation versus Adaptation	1. Standardise / 2. Adapt
Degree of globalisation	Globalisation versus Local markets	1. Global / 2. Local
Priority of the markets	Concentration versus Diversification	1. Concentration / 2. Diversification

Level of internationalisation	Geographical presence	1. Concentrated internationalisation 2. Scattered internationalisation 3. Multinational 4. Global
	Control of operations	1. High costs /2. Medium costs/3. Low costs
Growth strategies	Increase use of the services/ Remove commissions/ Improve quality of the service/ Increase number of branches /Campaigns to capture clients/Launch of new products/ Launch of new services/ Others/ Search for new consumers or segments Search for new geographical markets Search for new channels of distribution Others New businesses New financial activities Others Acquisitions/Mergers/Partnerships/ Others	1. Yes 2. No
Domestic Banking-Private Individuals	Attractiveness of segment for private individuals in Domestic Banking	1. High / 2. Medium /3. Low
	Competitive strength of the private individual segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Domestic Banking-Young Persons	Attractiveness of the young person segment of Domestic Banking	1. High / 2. Medium /3. Low
	Competitive strength of the young persons segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Domestic Banking-University Students	Attractiveness of the university students segment of Domestic Banking	1. High / 2. Medium /3. Low
	Competitive strength of the university students segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Domestic Banking-Immigrants	Attractiveness of the immigrants segment of Domestic Banking	1. High / 2. Medium /3. Low
	Competitive strength of the immigrants segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
	Attractiveness of the Euro-residents segment of Domestic Banking	1. High / 2. Medium /3. Low

Domestic Banking- Euro-residents	Competitive strength of the Euro-residents segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Domestic Banking for High Net Worth Individuals	Attractiveness of the HNWI segment of Domestic Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the HNWI segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Domestic Banking Elderly Persons	Attractiveness of the elderly persons segment of Domestic Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the elderly persons segment of Domestic Banking	1.Strong / 2. Medium / 3. Weak
Business Banking SMEs	Attractiveness of the SME segment of Business Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the SME segment of Business Banking	1.Strong / 2. Medium / 3. Weak
Business Banking- Self-employed Persons	Attractiveness of the Self-employed Persons segment of Business Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the Self-employed Persons segment of Business Banking	1.Strong / 2. Medium / 3. Weak
Business Banking- Micro-enterprises	Attractiveness of the Micro-enterprises segment of Business Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the Micro-enterprises segment of Business Banking	1.Strong / 2. Medium / 3. Weak
Business Banking- LARGE COMPANIES	Attractiveness of the LARGE COMPANIES segment of Business Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the LARGE COMPANIES segment of Business Banking	1.Strong / 2. Medium / 3. Weak
Online Banking Deposits	Attractiveness of the deposits segment of Online Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the deposits segment of Online Banking	1.Strong / 2. Medium / 3. Weak
Online Banking Loans	Attractiveness of the loan segment of Online Banking	1. High / 2. Medium / 3. Low
	Competitive strength of the loans segment of Online Banking	1.Strong / 2. Medium / 3. Weak
Online Banking Mortgages	Attractiveness of the mortgages segment of Online Banking	1. High / 2. Medium / 3. Low 1.Strong / 2. Medium / 3. Weak

	Competitive strength of the mortgages segment of Online Banking	
Private Banking Deposits	Attractiveness of the deposits segment of Private Banking	1. High / 2. Medium /3. Low 1.Strong / 2. Medium / 3. Weak
	Competitive strength of the deposits segment of Private Banking	
Private Banking Wealth Management	Attractiveness in the Wealth Management segment of Private Banking	1. High / 2. Medium /3. Low 1.Strong / 2. Medium / 3. Weak
	Competitive strength in the Wealth Management segment of Private Banking	
Private Banking Major Accounts	Attractiveness of the Major Accounts segment of Private Banking	1. High / 2. Medium /3. Low 1.Strong / 2. Medium / 3. Weak
	Competitive strength of the Major Accounts segment of Private Banking	
Tangible assets	Financial resources/Installations belonging to the company/ IT equipment	1. None / 2. Not much / 3. Indifferent / 4. Quite a lot / 5. A lot
Intangible assets	Talents of Human Resources/Additional services offered to clients/ Know-how/ Software/Commercial brand/SBUs	1. None / 2. Not much / 3. Indifferent / 4. Quite a lot / 5. A lot
Brand strategy in international markets	Individual brand contributes to internationalisation	1. Yes / 2. No
	Corporate brand contributes to internationalisation	1. Yes / 2. No

Source: Own elaboration

4. Results

First, we display a commercial and financial X-ray of the Santander Group before describing the results concerning Corporate, Business, Segment and Positioning levels.

Presentation of the Santander Group

With more than 150 years' history, the Santander Group has gone from being a small local bank in the north of Spain to one of the largest financial groups in the world. Furthermore, the bank's evolution has given it a major presence in different countries, both in Europe and in the Americas. Over the last year, Santander Group has obtained excellent results, both economic and financial, displaying its capability to obtain recurrent profits in a complex environment. In 2014, the Group made an

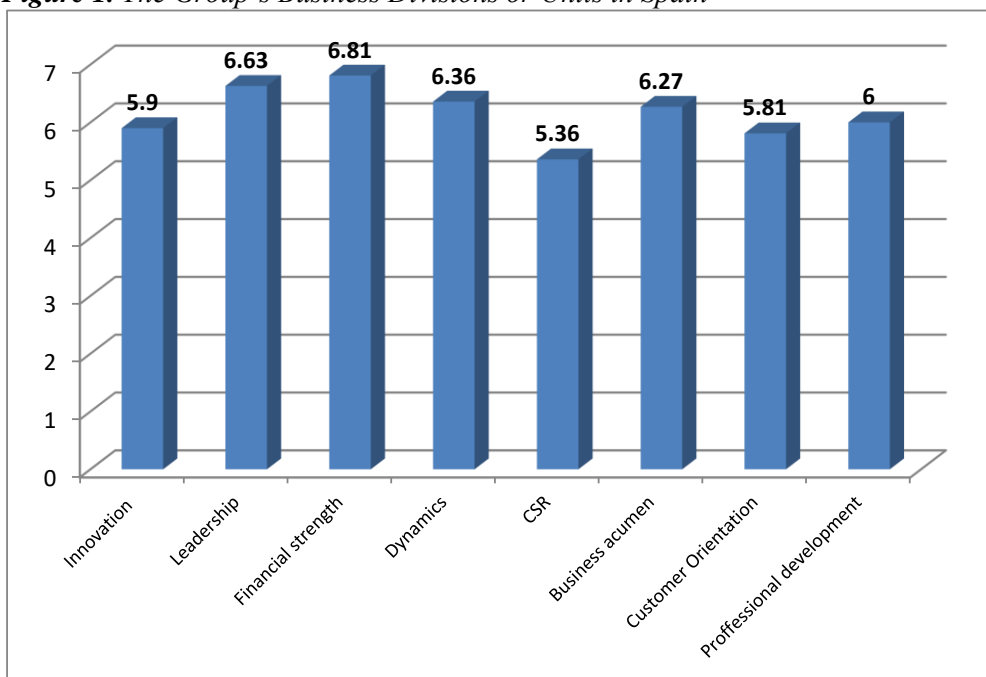
attributable profit of 5,816 million euros, a 39% increase over 2013. For the first time since the start of the global economic crisis, gross profit increased in the ten main markets where the Group operates.

4.1 Analysis of Marketing Strategies: Strategic Management and Corporate Level

4.1.1 Analysis of Values and the Organisational Culture

As mentioned previously, another of the objectives put forward involves finding out the fundamental values on which the group bases its organisation, an aspect that is increasingly valued in the TRC. The prominent values in the case of the Santander Group (Figure 1) are leadership (6.63), financial strength (6.81), dynamics (6.36), business acumen (6.27) and professional development (6). These figures support the commercial and financial X-ray conducted previously, as they highlight the Group's leadership position in Spanish and European banking.

Figure 1. *The Group's Business Divisions or Units in Spain*



Source: *Own elaboration based on the interview with branch managers (2010)*

4.1.2 Analysis of the source of obtaining the competitive advantage

As expected, the observations mainly focus on the strategic option of differentiation. Furthermore, one interesting piece of information is that most managers who completed the questionnaire perceive this differentiation as a Group advantage for the entire market (See Table 2).

Table 2. Source of competitive advantage identified by the managers (n=44)

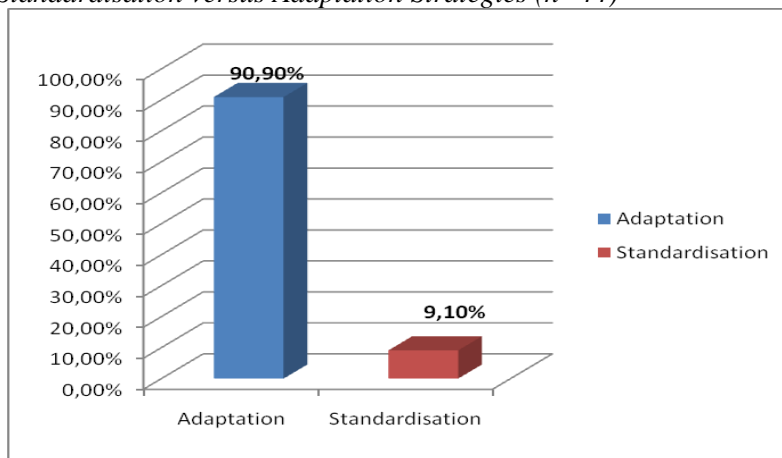
		ADVANTAGE			
		%	Cost	%	Differentiation
FOCUS	Whole market	-	Cost leadership for the entire market	63.63 %*	Differentiation for the entire market
	Segment	-	Cost leadership in segments	36.36 %	Differentiation focused in segments

Source: Own elaboration based on the questionnaire for branch managers (2010) (*Sig., P<0.05)

4.1.3 Corporate Level and Internationalisation of the Group

We simultaneously analysed the level of geographical presence and control exercised by the Group in the different markets in which it operates (See Table 3). Furthermore, Figure 2 shows that most of the managers that completed the questionnaire (90.90 %) agree when it comes to stating that the Santander Group adapts its products and services to the features of each market in which it operates.

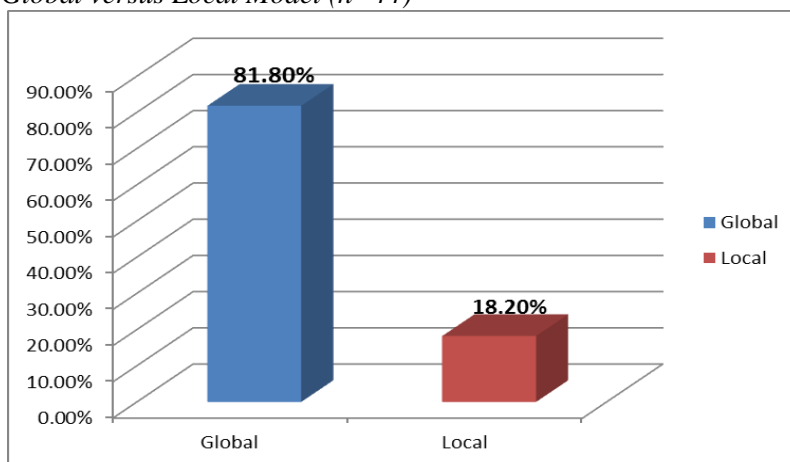
Figure 2. Standardisation versus Adaptation Strategies (n=44)



Source: Own elaboration based on the questionnaire for branch managers (2010)

Moreover, Figure 3 reveals how 81.80% of the managers who completed the questionnaire state that the Santander Group's strategy involves setting up a single business model for the entire market. This response remains compatible with that obtained in Figure 2, viz., despite trying to introduce a single business model Santander Group adapts the products and services available to the different characteristics of the markets in which it operates.

Figure 3. Global versus Local Model (n=44)



Source: Own elaboration based on the questionnaire for branch managers (2010)

As pointed out already, the Group tries to introduce a global business model, an aspect reflected in Table 3. Furthermore, one interesting piece of data obtained through the questionnaire is that the control carried out by the Group when it comes to increasing its international presence is medium, therefore generating appreciable costs for the Bank.

Table 3. Degree of geographical presence and penetration strategy (n= 44)

		PENETRATION AND OPERATIONAL STRATEGY		
		High costs (High control) %	Medium costs (Medium control) %	Low costs (Low control) %
GEOGRAPHICAL PRESENCE	Concentrated internationalisation	-	-	-
	Scattered internationalisation	9,09 %	-	-
	Multinational	9,09 %	9,09 %	18,18 %
	Global	36,36 %*	36,36 %	18,18 %

Source: Own elaboration based on the questionnaire for branch managers (2010)

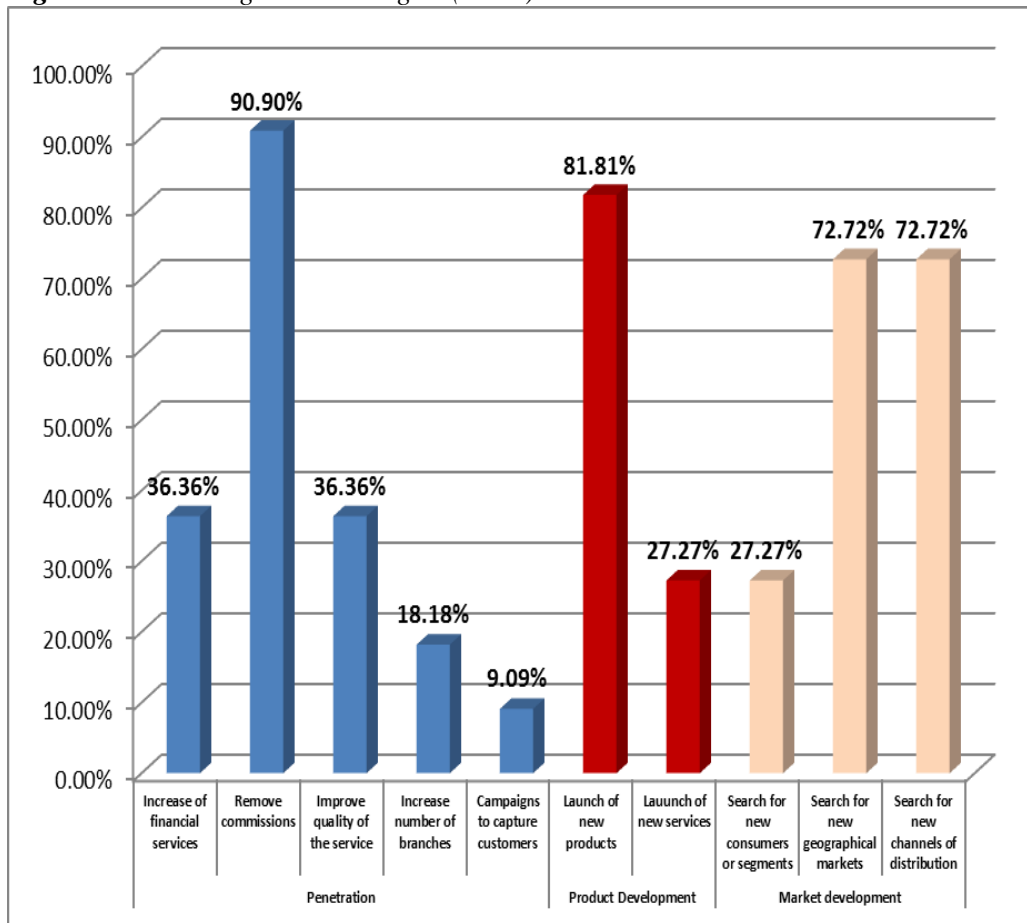
(*Sig., P<0.05)

4.2 The Group's Growth Strategy

Here, we refer to one of the main objectives of this paper, giving a summary explanation about the Group's growth trajectory as well as the marketing strategy that supports this for the next few years.

Intensive growth

Figure 4. Intensive growth strategies (n=44)



Source: Own elaboration based on the questionnaire for branch managers (2010)

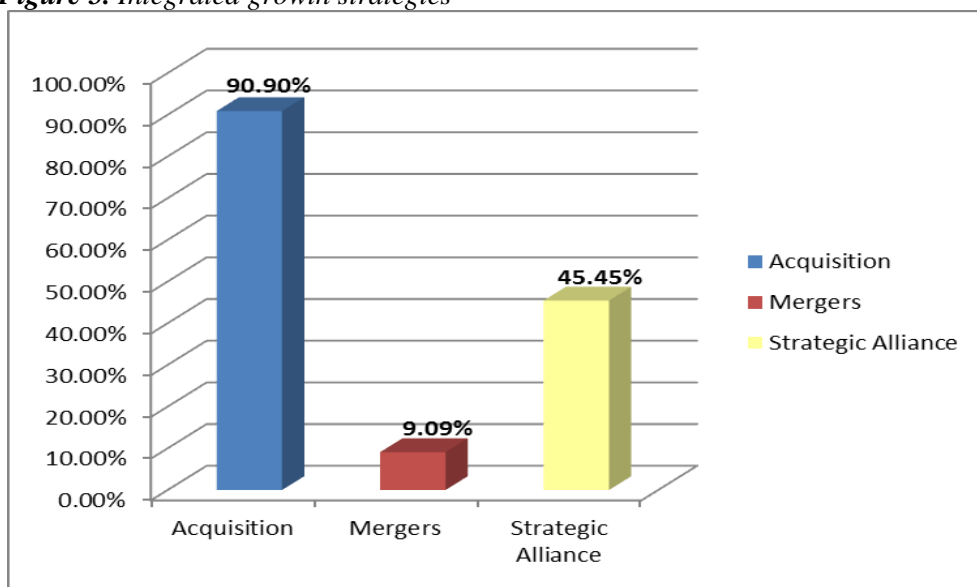
As we can see in Figure 4, most of the managers who completed the questionnaire concur on identifying the different intensive growth strategies used by the Group. As regards the Penetration strategy, the most popular option used by Santander Group would be to increase market share through the removal of commissions. When it comes to the Product development strategy, the most likely scenario is that they would use the launch of new financial products, whilst for the Market

development strategy the most common option would be the search for new geographical markets as well as new channels for commercial distribution.

Integrated growth

As Figure 5 shows, 90.90 % of the managers who filled in the questionnaire agree when they state that the main integrated growth strategy used by the Group is the purchase or acquisition of other financial institutions. Furthermore, one interesting piece of information from the foregoing graph is the identification of the strategic alliance as one of the methods to be used by the Group.

Figure 5. *Integrated growth strategies*

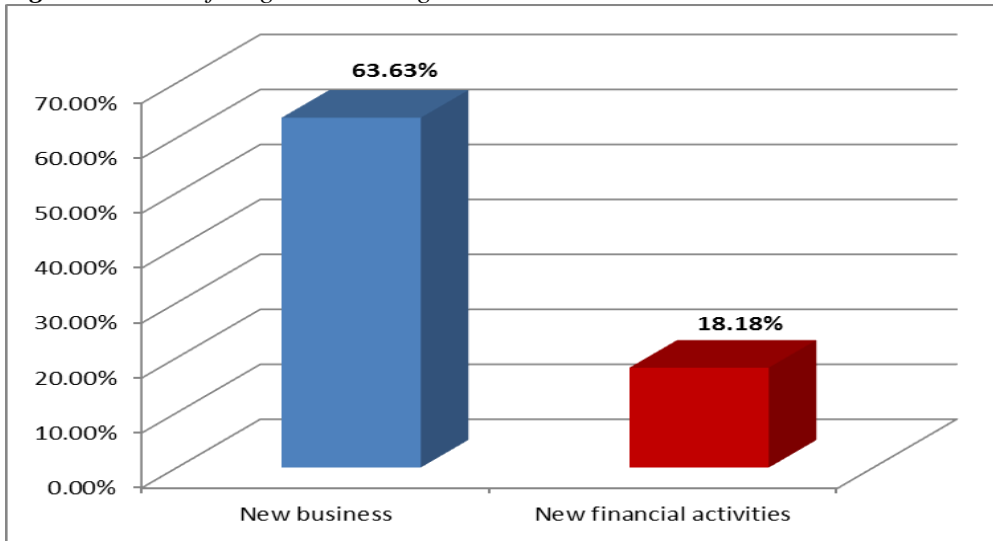


Source: Own elaboration based on the questionnaire for branch managers (2010)

Diversified growth

Among the diversified growth strategies undertaken by the Group (Figure 6), the managers highlight the marketing of new financial activities such as, for example, insurance policies.

Figure 6. Diversified growth strategies

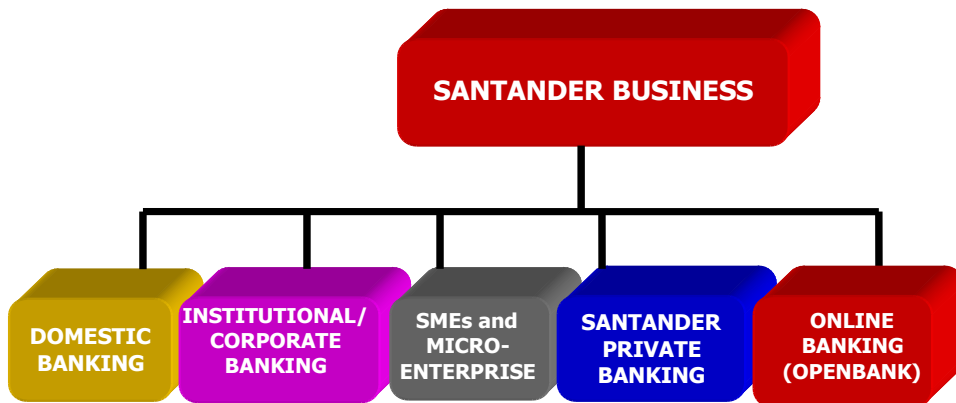


Source: Own elaboration based on the questionnaire for branch managers (2010)

Business Level

In Spain, the Santander Group comprises the following business units or divisions: Domestic Banking, Institutional Banking/Corporate Banking, Business Banking, Santander Private Banking (which nowadays includes the divisions of Banif and Banesto) and Online Banking (Openbank). These SBUs are summarised in Figure 7.

Figure 7. The Group’s Spanish Business Units or Divisions (SBUs)



Source: Own elaboration based on the structured questionnaire for branch managers (2010)

We are able to identify the following as interesting businesses for the Santander Group: Domestic Banking, Business Banking, Santander Private Banking and Online Banking (Openbank). Furthermore, as regards financial products and taking

into consideration the climate of reduced banking growth in recent years we can highlight the interest displayed by the Group in attracting deposits and customer loyalty. This strategy allows the Group to have an excellent position of liquidity and maintain the credit activity with complete normality.

Segment Level

The aim of this section is to identify, for each business unit, the segments of greatest interest for the Group. To this end, we have cross-referenced the variables of attractiveness (the return it provides to the Group) and competitive position (strength generated thanks to the Group's resources) for different segments within each SBU. However, an analysis of the most in-demand product or service for each segment could only be carried out for the Private Banking business (Banif) and Online Banking (Openbank) as shown in Table 4.

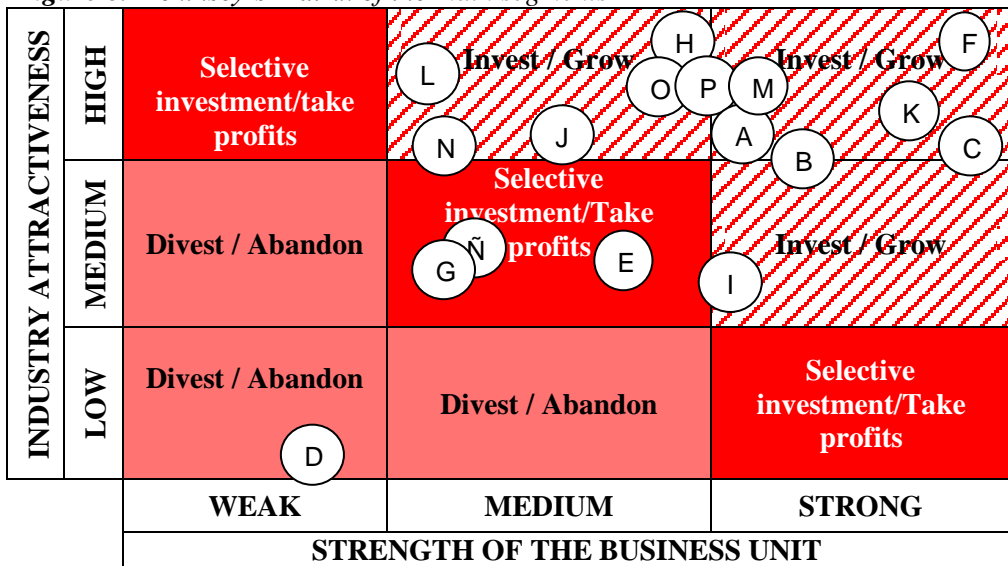
Table 4. Degree of Attractiveness and Competitive Position of the different segments for each business unit (n= 44)

		ATTRACTIVENESS			COMPETITIVE POSITION		
		HIGH	MEDIUM	LOW	STRONG	MEDIUM	WEAK
DOMESTIC BANKING	Private Individuals (A)	63.63 %	36.36 %	-	63.63 %	36.36 %	-
	Young Persons (B)	54.54 %	45.45 %	-	63.63 %	18.18 %	18.18 %
	University Students (C)	63.63 %	27.27 %	09.09 %	81.81 %	09.09 %	09.09 %
	Immigrants (D)	18.18 %	09.09 %	72.72 %	27.27 %	18.18 %	54.54 %
	Euro-residents (E)	36.36 %	45.45 %	18.18 %	27.27 %	54.54 %	18.18 %
	HNWI (F)	90.90 %	09.09 %	-	72.72 %	27.27 %	-
	Elderly Persons (G)	09.09 %	54.54 %	36.36 %	27.27 %	45.45 %	27.27 %
BUSINESS BANKING	SMEs (H)	81.81 %	18.18 %	-	45.45 %	54.54 %	-
	Self-employed (I)	27.27 %	45.45 %	27.27 %	18.18 %	72.72 %	09.09 %
	Micro-enterprises (J)	54.54 %	36.36 %	09.09 %	27.27 %	54.54 %	18.18 %
	LARGE COMPANIES (K)	09.09 %	-	-	09.09 %	-	-
ONLINE BANKING	Deposits (L)	63.63 %	18.18 %	18.18 %	18.18 %	45.45 %	36.36 %
	Loans (M)	63.63 %	27.27 %	09.09 %	36.36 %	36.36 %	27.27 %
	Mortgages (N)	45.45 %	36.36 %	18.18 %	18.18 %	45.45 %	36.36 %

PRIVATE BANKING	Deposits (Ñ)	45.45 %	54.54 %	-	36.36 %	63.63 %	-
	Wealth management (O)	72.72 %	27.27 %	-	45.45 %	54.54 %	-
	Major accounts (P)	72.72 %	18.18 %	09.09 %	45.45 %	54.54 %	-

Source: Own elaboration based on the questionnaire for branch managers (2010)

Figure 8. Mckinsey's Matrix of the main segments



Source: Own elaboration based on the questionnaire for branch managers (2010)

As shown in Table 4, the most valued segment for the Domestic Banking business (90.90 %) is that of high net worth individuals or Personal Banking. Based on the opinions of the managers who filled in the questionnaire, in this segment the Group has a strong competitive position (72.72 %). For Business Banking, the SMEs segment is valued as the most attractive for the Group. However, in this case we should point out that four of the managers specified in the “Others” section that the most attractive was the large companies segment and this segment was not included by the other managers and was therefore not considered in the remaining questionnaires. For the Online Banking business, deposits and loans are the products of most interest to the Group (63.63 %). In this case, the competitive strength is spearheaded by loans, given that 36.36 % of those that completed the survey attribute loans with a strong position versus the bank’s rivals. As regards the Private Banking business, the major accounts and wealth management accounts are the main products and services to be offered by the Group (72.72 %). Furthermore, for these products/services the Group has a strong competitive position (45.45 %). The Group's positioning at corporate level is that of “We want to be your bank”, a motto resulting from the aim of improving the bank’s image with customers, sending out a

message of closer proximity to the customer and improving the financial conditions (0% service commissions) offered to certain groups.

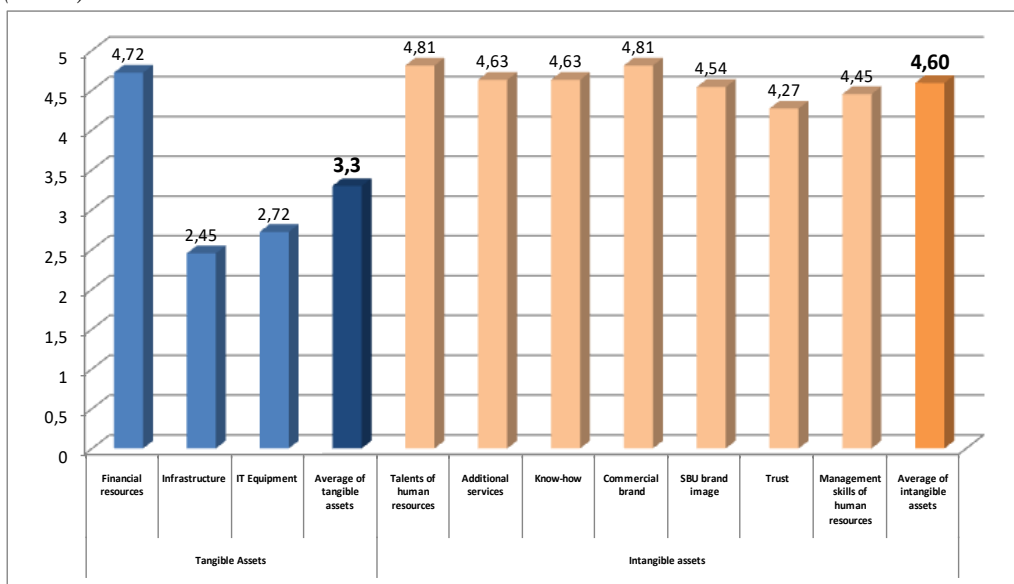
Functional Level

Lastly, at functional level we would like to stress the need to move forward in the design of financial products targeted globally at segments with fewer resources, as these are portfolios of customers with possibilities of future growth. In this regard, it will be fundamental to improve the image of accessibility to the Group by different segments of customers.

4.3 The Group's resources or assets

Having described the results concerning the different strategy levels, in this last section we refer to the assessment of the Group's resources or assets. This assessment has been obtained through the questionnaire for the branch managers of the Bank.

Figure 9. *Scoring of the Tangible and Intangible assets and their contribution to competitiveness and means difference-average values of both groups of assets- (n=44)*



Source: *Own elaboration based on the questionnaire for branch managers (2010)*

The foregoing figures shows that the valuation of intangible resources overall is very high, revealing the major influence these assets have on the Group's competitiveness. The same cannot be said of the Company's tangible resources,

among which only the financial resources are influential on the Group's competitiveness position.

5. Implications

Research into the Spanish banking sector in recent years has focused on the use of economic and financial ratios that can be obtained from the balance sheet and the statements of income published by financial institutions, as explanatory variables that determine the business strategy. In this regard, the application of the Theory of Resources to research conducted in the financial sector represents a new perspective of analysis, and allows us to obtain new results from an innovative standpoint. As proposed by Mehra (1996), the traditional models over business strategy should be supplemented with the use of the Theory of Resources, given that this would enable us to take into consideration two competition levels of the industry: the first, where businesses compete for resources; and the second, where they compete for customers. We should point out that the competitors may be different in these two levels; some would be competitors in the inputs market and others in the outputs market.

One of the main aims of this work involved applying the Theory of Resources and Capabilities to financial institutions. In this case, we have focused on analysing the Santander Group when it comes to applying said theoretical foundations. Let us not forget that the Theory of Resources highlights the importance of the company's internal assets, more specifically the intangible assets, in achieving profits, both in competitive terms as well as purely economic terms. In this regard, the main results achieved reinforce the initial hypotheses of this theory. First, the Santander Group has a leadership position in Spanish banking. This is supported by huge financial strength, in volume of deposits and customers, as well as excellent business acumen that has materialised in the development of a global wholesale banking model highly focused on large companies, corporations and SMEs. Second, as can be seen -and in light of the results obtained-, we should point out the importance of intangible resources in the Group's commercial and financial management. As regards their influence on the Group's competitiveness, the managers that completed the questionnaire gave these assets an average score of 4.5/5; while the average score of tangible assets is 3.29/5, representing an average difference of 1.21 points. In this regard, within the group of intangible assets we should give a special mention to the capabilities and talent of human resources (intellectual capital) as well as the management skills of human resources (relational capital).

One of the major contributions of this study is down to the performance of hitherto unheard-of work that involves obtaining first-hand data from branch managers of the financial institution to be analysed. In this regard, the questionnaire has enabled us to obtain clear and very valuable information. At the same time, we have used secondary sources of information from the sector itself, which has enabled us to obtain information of excellent quality.

6. Conclusions

The strategy employed by the Santander Group is based on a global business model that operates in the market through integrated local commercial franchises. Simultaneously, this model allows a standardised operation, enabling medium-high control to be exercised at all business units. More specifically, the Group's strategy is supported by the following global businesses: Global Wholesale Banking (commercial banking model that offers products and services targeted at satisfying the financial needs of large corporations and institutional investors); Asset Management (which offers a wide range of savings and investment products that are globally distributed among all the Group's commercial networks); Global Private Banking (which includes entities that specialise in comprehensive management and advice for high-income customers); Insurance (Santander Insurance focuses on coverage of risks and savings insurance policies) and Payment Methods (which perform global management of payment means, therefore responsible for the issue of credit and debit cards as well as providing point-of-sale terminals for merchants).

As regards the strategy at corporate level, the values on which the Group's organisation is based are scored very highly (mainly the financial strength and leadership) by those managers who completed the questionnaire. The source of competitive advantage is also very well-defined (differentiation for the entire market) as is the definition of a global model, the decision to adapt the Group's products to the markets in which it operates, and the definition of the penetration strategy (global presence with medium control costs). As regards growth strategies, most managers who completed the survey identified the intensive growth strategies used by the Group. Insofar as the Penetration strategy is concerned, the most popular option used by Santander Group would be to increase market share through the removal of commissions. When it comes to the Product development strategy, the most likely scenario is that they would use the launch of new financial products, whilst for the Market development strategy the most common option would be the search for new geographical markets as well as new channels for commercial distribution. Insofar as integrated growth strategies are concerned, the most popular option used by the Group is the purchase and acquisition (as happened with Abbey Bank in 2004) followed by strategic partnership (an example of this is the Group's activity in Morocco, which is carried out through Attijariwafa Bank). Lastly, the diversified growth strategies would be tied to development of new financial activities such as insurance policies.

As regards banking activity or businesses, we can identify the following as the most interesting businesses for the Santander Group: Business Banking (Commercial Banking), Private Banking, Domestic Banking and, to a lesser extent, Online Banking (Openbank).

By way of a conclusion concerning the Group's strategy and, taking into consideration the climate of reduced growth of banking in recent years, we can

highlight the interest displayed by the Santander Group in attracting deposits and customer loyalty. This strategy allows the Group to have an excellent position of liquidity and maintain the credit activity with complete normality.

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