



The Strategic Role of FinTech in Enhancing Customer Value: A SAP-LAP Case Analysis

Anukriti Mishra¹, Dr. Kranti Singh², Satakshi Dwivedi³

¹Research Scholar, Department of Commerce, University of Lucknow, U.P, India,

Email:anukritimishra000@gmail.com, ORCID - <https://orcid.org/0009-0000-7760-4409>

²Professor, Department of Commerce, Netaji Subash Chandra Bose Govt. Girls PG College, Lucknow, U.P, India, Email:drkrantisinh@gmail.com

³Research Scholar, Department of Commerce, University of Lucknow, U.P, India,

Email:dwivedisatakshi25@gmail.com

Abstract

The Indian banking sector is undergoing a profound transformation. Rapid advancements in financial technology, evolving customer expectations and competition from digital native firms are driving this change. Prior studies acknowledge the role of technology in improving efficiency and service delivery. However, limited research integrates strategy, platform development, customer value and organizational outcomes within one framework for public sector banks. This study addresses the gap by examining how technology enhances customer value at the State Bank of India. The study uses a descriptive analytical case study approach. It analyses secondary data from annual reports, regulatory publications and industry reports. The SAP-LAP framework synthesizes the strategic context, stakeholders, digital transformation processes, managerial learning, actions and performance outcomes. The analysis highlights the transition from a branch centric model to a platform-led digital architecture. Key initiatives include integrated digital platforms, private cloud infrastructure and analytics driven decision systems. Findings show that technology functions as a strategic capability rather than a simple upgrade. FinTech enables customer convenience, faster service, personalized offerings and improved reliability. These initiatives simultaneously strengthen financial performance and operational resilience. The study demonstrates how a large public sector bank leverages technology to enhance customer value and achieve holistic business transformation. These insights offer practical value for banking strategists, policymakers and financial institutions managing digital change in emerging markets.

Keywords - FinTech, Customer Value, Digital Transformation, SAP-LAP Framework

INTRODUCTION

Technological innovation has emerged as a defining force shaping the future of modern banking systems. The rapid diffusion of financial technology (FinTech) solutions such as mobile banking, artificial intelligence, cloud computing and data analytics fundamentally is altering how banks design products, deliver services and interact with customers. In an environment characterized by rising customer expectations and intensifying competition from FinTech startups and Big Tech firms, traditional banks must rethink their business models to remain competitive and relevant. Increasing regulatory scrutiny further compels these institutions to adapt their operations to modern standards.

FinTech serves as a strategic instrument for business transformation and customer value creation rather than just a technological tool. Digital platforms reduce transaction costs, enhance service accessibility and enable personalized financial offerings at scale. In India, initiatives such as the Unified Payments Interface, digital identity infrastructure and large-scale mobile adoption accelerate this shift. These developments push banks toward platform-led and analytics driven operating models. Customer value in banking is now defined by speed, convenience, personalization and trust delivered through digital channels.

The State Bank of India represents a significant case for examining FinTech led transformation. As the largest public sector bank in the country, SBI serves over 500 million customers through an extensive



physical and digital network. Historically reliant on its vast branch infrastructure, SBI now responds to disruptive pressures from agile FinTech firms while fulfilling its mandate for financial inclusion. The bank adopts a hybrid phygital strategy that integrates digital platforms with physical trust. Key initiatives include the YONO ecosystem, private cloud infrastructure and advanced analytics driven decision systems.

Prior research on FinTech in Indian banking examines customer awareness, adoption behaviour, financial performance indicators and conceptual aspects of digital transformation. Much of the existing literature focuses on micro level customer surveys or relies on aggregate financial measures. These sources offer limited insight into how FinTech strategically reshapes business models within a single large public sector bank. Few studies provide an integrated, case-based analysis linking technology infrastructure, platform strategy, customer outcomes and organizational transformation.

This study aims to address this gap by undertaking a case-based analysis of SBI to examine the strategic role of FinTech in driving transformation and enhancing customer value. Using secondary data from authoritative public sources, the study analyses digital strategy, technology architecture and analytics capabilities. It evaluates the impact of platform-based initiatives on operational efficiency, financial performance, customer experience and financial inclusion. This paper contributes to the literature on digital transformation and offers practical insights for managers and policymakers navigating change in large legacy institutions.

LITERATURE REVIEW

FinTech advancement forces Indian banks to change traditional operating models to stay competitive and customer-centric. Existing literature broadly acknowledges that FinTech driven digital transformation improves efficiency, accessibility and service quality. Artificial intelligence, blockchain and big data analytics improve customer experience and operations. Cybersecurity, process adaptation and regulatory compliance remain

persistent strategic and operational issues (Mittal et al., 2024; SS & MB, 2025).

A stream of empirical research focuses on FinTech adoption and customer experience, particularly at the micro level. Research on SBI customers shows high awareness and a preference for digital banking over traditional methods. This indicates a behavioural shift toward technology enabled banking (Sharma & Sharma, 2024). These studies also identify barriers like cyber fraud and uneven digital literacy slow adoption. Customer education and awareness initiatives are essential for sustained growth.

Digital initiatives improve profitability, stability and operational efficiency. Platforms like YONO strengthen financial performance and resilience. SBI shows improved financial ratios and favourable Altman Z scores (Keshari & Sonker, 2025). Current research relies on aggregate financial measures. It lacks detail on how specific platforms and strategic initiatives create customer value and long-term business transformation.

The literature also highlights traditional banks use innovation to compete with digital native institutions. Advanced technology enables better service delivery and efficiency. Legacy systems and regulatory constraints challenge large public sector banks (Komandla & Perumalla, 2017). Workforce readiness organizational culture and management determine success in technology adoption. Success requires aligning human resource capabilities with digital strategies. (Saritha & Kanakadurga, 2024).

In recent years, attention has also shifted toward ecosystem-based banking models and financial inclusion. Banks and FinTech firms now use collaborative partnership models to expand service reach. ICT management helps digital transformation and improves banking operations. This contributes to understanding ecosystem based banking models (Roy et al., 2024). FinTech adoption improves financial inclusion and consumer empowerment in emerging markets. Regulatory and sociocultural contexts shape these outcomes (Kouam, 2025). Many of these studies focus on policy and lack bank specific empirical validation or performance-based outcomes.



Despite growing scholarship on FinTech adoption and digital banking performance, limited research applies an integrated strategic framework such as SAP-LAP to examine how FinTech initiatives translate into customer value and organizational performance within a large public sector bank.

OBJECTIVES OF THE STUDY

The specific objectives of this study are designed to provide a comprehensive understanding of the digital evolution at the State Bank of India. The objectives are as follows:

1. To examine the role of FinTech as a primary strategic driver of business transformation at SBI.
2. To analyse the major FinTech initiatives and platform based digital banking solutions implemented by SBI.
3. To assess how digital platforms and analytics driven banking initiatives contribute directly to customer value creation in terms of speed, cost and personalization.
4. To evaluate the hurdles associated with implementing a FinTech led transformation within the rigid structures of a large public sector bank.
5. To interpret the transformation process using the SAP-LAP framework in order to derive strategic and managerial insights for digital banking innovation.

These objectives collectively support an interpretation based on the SAP-LAP framework. By identifying the strategic Situation, the involvement of Actors, the implementation of Processes, the resultant Learning, subsequent Actions and final Performance outcomes, the study provides a holistic view of technology adoption.

SIGNIFICANCE

The case addresses several critical issues central to FinTech driven business transformation. First, it examines why SBI adopted a platform-led digital banking strategy and how this decision aligned with changing market and customer dynamics. Second, it explores how FinTech initiatives such as YONO and YONO 2.0 have reshaped customer value, enabling greater convenience, efficiency and service

accessibility. Third, the case analyses the operational and strategic implications of large-scale digital adoption for a public sector bank, including scalability and process efficiency. Finally, it highlights the challenges and risks associated with digital transformation, such as digital literacy gaps, cybersecurity concerns and change management issues, raising questions about the long-term sustainability of platform-led banking in emerging economies.

THEORETICAL FRAMEWORK: SAP-LAP MODEL

The present study adopts the SAP-LAP (Situation-Actor-Process-Learning-Action-Performance) framework as the analytical lens to examine FinTech-driven business transformation at the State Bank of India. The SAP-LAP model was originally conceptualized by Sushil (2001) as a holistic strategic analysis framework within systems thinking and flexible management theory. Unlike linear cause-effect models, SAP-LAP integrates contextual conditions, stakeholder roles, operational processes, managerial learning and performance outcomes into a dynamic strategic structure.

The framework begins with the identification of the *Situation*, which captures the environmental, competitive, technological and institutional context within which an organization operates. It then recognizes the role of Actors, including leadership, employees, customers, regulators and ecosystem partners who shape strategic direction. The Process component focuses on the mechanisms, structures and operational initiatives deployed to address situational challenges. These processes generate Learning, which informs strategic Action and ultimately results in measurable Performance outcomes. The cyclical and integrative nature of SAP-LAP allows researchers to examine transformation not merely as technological adoption, but as a strategic reconfiguration of organizational capabilities.

The SAP-LAP framework is particularly suitable for analysing digital transformation in the banking sector for three reasons. First, FinTech adoption involves multidimensional change encompassing infrastructure, analytics, regulatory compliance and



customer engagement. SAP-LAP accommodates these interlinked dimensions by connecting strategy with execution and outcomes. Second, digital transformation in large financial institutions is not purely technological; it involves cultural adaptation, governance alignment and stakeholder coordination. The Actor and Learning components of SAP-LAP enable examination of these human and institutional elements. Third, the framework allows performance evaluation beyond financial metrics by incorporating operational efficiency, customer value creation and social inclusion outcomes.

The application of SAP-LAP is especially relevant for large public sector banks such as SBI. Public banks operate under complex constraints including regulatory oversight, financial inclusion mandates, legacy infrastructure and large workforce structures. Traditional strategic models often emphasize competitive positioning but may understate institutional dynamics. SAP-LAP captures both environmental pressures and organizational adaptation mechanisms, making it well suited for analysing systemic transformation in legacy institutions. By mapping FinTech initiatives across Situation, Actor, Process, Learning, Action and Performance dimensions, the study provides a structured explanation of how digital capabilities translate into sustained customer value and organizational resilience.

Accordingly, SAP-LAP serves as the conceptual backbone of this research, enabling a comprehensive case-based analysis of FinTech as a strategic enabler rather than a standalone technological upgrade.

RESEARCH METHODOLOGY

Research Design

This study uses a descriptive and analytical case study design. It examines how financial technology drives business transformation and customer value in Indian banking. The State Bank of India serves as the primary subject. SBI represents a critical case due to its size and digital banking adoption. This approach provides a detailed understanding of technology driven changes within a large public sector bank.

Sources of Data

The research relies on secondary data to ensure reliability and transparency. Data comes from public sources. These include SBI annual reports and investor presentations. The study incorporates regulatory data from the Reserve Bank of India and payment statistics from the National Payments Corporation of India. Financial news portals and industry reports provide additional information. These sources offer a clear view of digital initiatives and financial performance at SBI.

CASE ANALYSIS: FinTech Driven Business Transformation at State Bank of India

Strategic Context and Digital Vision

State Bank of India (SBI) operates as the largest financial institution in India. It manages over 22,500 domestic branches and maintains a substantial global network. As of 2025, SBI commands total assets worth ₹66.76 trillion. The bank serves over 500 million customers. This customer base exceeds the total population of the United States. Historically, SBI relied on its vast physical branch network to maintain market dominance. The Indian financial landscape shifted rapidly due to the explosion of the digital economy. Competitors in 2026 include agile FinTech startups and Big Tech firms that offer instant and frictionless services to modern users. The digital economy in India targets a \$1 trillion valuation by 2029. Transaction volumes show explosive growth across all sectors. The Unified Payments Interface (UPI) alone processed approximately 228 billion transactions in 2025.

SBI navigates a fundamental transformation in how it creates and delivers value. Rapid shifts in customer expectations due to mobile technology drive this change. The strategic imperative for SBI moved from branch centric banking to platform-led digital banking. The Annual Report 2023-2024 emphasizes innovation, inclusion and sustainability as central pillars. These pillars reflect an acknowledgment of evolving FinTech disruption. SBI adopted a strategy defined as "Responsive, Responsible, Resilient." This involved a structural overhaul of technology and institutional culture. The bank moved from a product-centric approach to a



customer-centric digital ecosystem. The primary goal is to remain the "Banker to Every Indian" by blending physical trust with digital speed.

FinTech as a Strategic Driver: The "Phygital" Architecture

SBI did not discard its physical network. Instead, it integrated technology to create a "phygital" model. Phygital is a blend of "physical" and "digital". It describes the seamless integration of digital technology with real-world. In SBI, this approach uses digital channels for volume and speed, while physical branches focus on high value relationships and complex problem solving.

Cloud Infrastructure and Data Sovereignty: Project Meghdoot

A modern digital bank cannot operate efficiently on legacy server architectures. SBI recognized this need and launched Project Meghdoot, its proprietary private cloud infrastructure.

- **Capacity and Hosting** - Meghdoot currently hosts over 400 critical business applications. These include the Core Banking System (CBS), the UPI payment engine and various Loan Management Systems. By moving these applications to a private cloud, SBI achieves better resource allocation and higher system availability.
- **Handling Transaction Intensity** - The private cloud infrastructure handles extreme transaction volumes. Meghdoot processes up to 17 crore UPI transactions daily. During peak hours, the system maintains high performance without failures. Owning this infrastructure allows the bank to scale up capacity instantly during high-demand periods without relying on third-party cloud providers.
- **Security and Sovereignty** - By operating its own private cloud, SBI maintains total control over customer data. This ensures data sovereignty, as all information remains within the bank's-controlled environment. It also simplifies compliance with evolving data protection regulations in India. The private cloud reduces the physical footprint of

traditional data centres, leading to energy efficiency and cost savings.

Key FinTech Platforms and Digital Ecosystem

- **YONO as the Core Digital Banking Platform**

The launch of YONO marked a strategic shift for State Bank of India. The platform serves as the central interface for customer engagement and value creation. It combines banking, lifestyle services, investments, credit and payments. This approach shows a transition from a product centric model to a customer-centric architecture. YONO links customer experience to revenue generation. Operationally, the platform moves high volume transactions away from branches. This migration reduces costs and branch workload. Frontline staff focus on advisory services. The platform serves a diverse customer base in semi urban and rural areas. System performance remains reliable at scale. YONO represents the cornerstone of business transformation. SBI strengthens its position against private banks and firms. The platform enhances customer value and enables digital growth.

YONO Business and MSME Support

SBI extended its digital platform strategy to the Small and Medium Enterprise (SME) sector. YONO Business serves as a unified platform for corporate and small business customers.

- **Onboarding and Growth** - In the 2024 financial year, YONO Business onboarded 5.24 lakh New-to-Digital (NTD) customers. This indicates that many businesses are choosing to digitize their financial operations through SBI. The platform processed over 66 crore transactions in a single year, showing its high utility for daily business operations.
- **Streamlining Trade Finance** - The platform revolutionized how businesses handle international trade. YONO Business processed 13,691 digital import Letters of Credit (LCs) worth ₹1.03 lakh crore. Digitizing this process reduced the turnaround time significantly compared to manual, paper-based workflows. Businesses can now manage trade finance, forex and cash management through one interface.



- **Pre-Approved Business Loans (PABL)** - Small businesses often struggle with quick access to working capital. SBI addressed this by disbursing 1,05,052 Pre-Approved Business Loans (PABL) through the YONO platform. These loans provide instant liquidity to MSMEs based on their transaction history and business performance. This digital credit access supports business growth and strengthens the bank's relationship with the MSME sector.

➤ **Digital Architecture Evolution: YONO 2.0**

Recognizing the need for continuous innovation, SBI began rolling out YONO 2.0 in December 2025. This phase represents a transition from a standalone application to a "New Digital Bank" within the established institutional framework. The new architecture addresses previous limitations in scalability and user experience fragmentation.

- **Omnichannel Consistency** - YONO 2.0 employs a unified code base for both internet banking and mobile banking platforms. Previously, customers encountered different layouts and feature sets depending on their chosen device. This unification ensures that if you start a loan application on a smartphone, you can complete it on a desktop computer without repeating steps. This seamless transition reduces drop-off rates and improves the overall customer journey.
- **Advanced e-KYC and Onboarding** - The onboarding process in YONO 2.0 utilizes upgraded electronic Know Your Customer (e-KYC) protocols. By integrating directly with national identity databases, the bank verified millions of new accounts without requiring physical document submission at branches. This automation allows SBI to onboard customers in minutes rather than days. Quicker onboarding directly correlates with higher customer acquisition in competitive urban markets where speed is a differentiator.
- **UPI Stack Re-engineering** - SBI rebuilt its Unified Payments Interface (UPI) technology stack to support massive transaction spikes. During festive seasons and salary days,

transaction volumes often stress legacy systems. The new UPI stack in YONO 2.0 operates with higher throughput and lower latency. This ensures that your payments remain reliable even during peak traffic periods. By improving reliability, SBI competes more effectively against third-party payment giants like PhonePe and Google Pay.

➤ **Strategic Role of Artificial Intelligence and Predictive Analytics**

The transition from a data-gathering organization to a data-driven organization is a core component of SBI's digital strategy. The bank moved beyond basic reporting to institutionalize advanced predictive analytics.

- **Dedicated Analytics Cell** - SBI established a specialized analytics department. This group includes over 45 laterally recruited data scientists and specialists. Their role is to extract actionable insights from the vast data generated by 500 million customers. This department does not just provide information; it acts as a primary revenue generator for the bank.
- **Revenue Generation through Data** - In the 2024 financial year, analytics-driven leads generated business worth ₹1.37 lakh crore. This represents a 32 percent increase compared to the previous year. The bank uses data to identify which customers are likely to need a car loan, a mortgage or insurance products. By presenting these offers at the right moment through the YONO app, SBI achieves higher conversion rates than traditional cold-calling methods.
- **AI in Underwriting and Credit Assessment** - The bank employs Artificial Intelligence (AI) and Machine Learning (ML) models to automate lending decisions. Pre-Approved Personal Loans (PAPL) are a primary example of this efficiency. The AI evaluates your transaction history, credit score and income patterns in real-time. If you qualify, the system offers a loan that you can activate in just four clicks. This speed provides a competitive advantage over lenders who require manual document review.



- **Early Warning Systems for Risk Management** - AI models also protect the bank from financial loss. The bank uses Early Warning Signals (EWS) to monitor the health of its loan portfolio. These models detect subtle patterns of financial stress in borrower accounts before an actual default occurs. By identifying these risks early, SBI can take proactive measures to restructure loans or secure collateral. This reduces the overall Non-Performing Asset (NPA) ratio and protects the bank's capital.

Outcomes of Digitalisation at SBI

➤ **Financial Impact**

The State Bank of India's strategic shift toward a digital-first model has delivered significant tangible results, characterized by exponential profit growth and strengthened capital stability. This transformation is clearly visible in the bank's longitudinal performance data:

Table 1: Financial Performance of SBI

Financial Performance Table: State Bank of India (FY 2018 – FY 2025)								
Metric	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Net Profit (In Crores)	(₹6547)	₹862	₹14488	₹20410	₹31676	₹50232	₹61077	₹70901
Capital Adequacy Ratio (CAR)	12.60%	12.72%	13.06%	13.74%	13.83%	14.68%	14.28%	14.25%

Source: Annual reports of SBI; Compiled by the author using R Programming

- **Recovery and Growth:** The bank successfully reversed a net loss of ₹6,547 crore in FY 2018 to achieve a net profit of ₹70,901 crore by FY 2025.
- **Operational Efficiency:** The massive scale of digital adoption through platforms like YONO and the Meghdoot private cloud helped streamline high-volume transactions, directly contributing to this profitability leap.
- **Stability Amid Transition:** Despite the initial losses during the merger and digital overhaul, the Capital Adequacy Ratio (CAR) remained resilient, growing from 12.60% to 14.25% over the same period.
- **Strategic Personalization:** Leveraging AI-driven personalization and pre-approved digital loans significantly lowered the cost of customer acquisition while increasing the volume of high-margin credit products.

➤ **Digital Sourcing and Mass Adoption**

The bank successfully migrated mass transactions to digital platforms. In FY2024, customers opened 60.89% of regular savings accounts digitally. This shift reduced the administrative burden on branch

staff. Employees now focus on sales and advisory roles. Subsidiary integration also shows high adoption rates. SBI Life achieved 99.6% digital submission for individual applications in the first half of FY25-26. This proves that complex products like insurance can sell digitally at scale.

➤ **Operational Impact**

Cost Efficiency - Moving transactions to digital channels reduces servicing costs. Digital adoption lowers expenses for physical infrastructure and manual processing. Public reports validate that digital channels provide cost advantages for large banks.

Scalability and Innovation - YONO 2.0 enables faster deployment of new products. SBI uses AI and cloud tech effectively. Industry estimates suggest SBI technology investment reached 1.3 billion USD in 2024.

➤ **Customer Value Outcomes of FinTech Adoption at State Bank of India**

FinTech driven business transformation creates superior customer value. For SBI, this value includes accessibility, efficiency, service quality,



personalization and trust. The platform-led digital strategy reshapes how customers experience banking services. It reduces friction, accelerates service delivery and enhances reliability at scale.

- **Convenience and Accessibility**

FinTech adoption enhances customer convenience by reducing dependence on physical branch visits. Customers access banking services anytime and anywhere. Digital platforms like YONO and YONO 2.0 allow users to manage accounts, transfer funds, pay bills and apply for loans. A single interface consolidates these functions. This consolidation lowers customer effort and simplifies financial decisions.

SBI designs digital platforms to function on low end smartphones and variable networks. This design is critical for semi urban and rural areas. The bank optimizes application performance and uses assisted digital models through Customer Service Points. These points ensure convenience for users with limited technology skills. FinTech adoption expands accessibility and preserves the mandate for inclusive service delivery.

- **Efficiency and Speed of Service Delivery**

FinTech initiatives reduce transaction time and service turnaround. These changes create measurable efficiency gains. e-KYC processes allow customers to open accounts and access services in minutes. AI enabled lending models provide instant credit decisions. This transforms time intensive loan approval processes into rapid digital actions.

Pre-Approved Personal Loans and Pre Approved Business Loans show this shift. Eligible customers activate loans in a few steps without manual documentation. The re-engineered UPI stack ensures faster processing and high reliability during peak periods. These improvements enhance time value for customers. They position SBI competitively against private banks and firms that emphasize speed.

- **Service Quality and Personalization**

FinTech allows SBI to improve service quality through analytics driven personalization. The bank uses predictive analytics and machine learning to

tailor product offerings. These models analyse customer behaviour, transaction history and life stage indicators. SBI presents relevant solutions like loans, insurance or investments at appropriate moments. This replaces generic mass marketing with targeted engagement.

Targeted engagement improves perceived service quality by reducing irrelevant communication. Customers receive financial advice aligned with their specific needs. The bank achieves higher conversion rates and deeper engagement. This shift from product centric to customer-centric banking is a key outcome of the FinTech strategy.

- **Trust, Reliability and Security**

Trust and reliability are critical dimensions of customer value for a public sector institution. Project Meghdoot involves investment in private cloud infrastructure to strengthen data security. It ensures data sovereignty and reinforces customer confidence in digital channels. By controlling sensitive information, the bank addresses concerns about data privacy and regulatory compliance.

AI driven Early Warning Systems improve risk monitoring and portfolio stability. These systems protect depositors and borrowers from systemic disruptions. High system availability during peak times, especially for UPI, reinforces reliability. Consistent service and secure transactions translate into long term trust. This trust is essential for sustained digital engagement.

Integrated Customer Value Proposition

SBI FinTech initiatives deliver an integrated value proposition of convenience, speed, service and trust. SBI combines technological innovation with institutional credibility and physical reach. Digital native firms often prioritize specific dimensions. SBI uses a hybrid phygital model to enhance value while maintaining continuity and inclusion. This approach supports long term customer relationships and competitive advantage.

➤ **Group Level Digital Transformation: The SBI Life Case**

The digital philosophy of the SBI Group extends to its major subsidiaries. SBI Life Insurance serves as



a prime example of how technology enhances customer value in the insurance sector.

- **Digital Acquisition and Policy Issuance** - As of the first half of the 2026 financial year, 99.6 percent of individual insurance applications were submitted digitally. The company achieved 100 percent paperless onboarding for its advisors and facilitators. This eliminates the logistical delays associated with physical paperwork. Consequently, 79 percent of individual policies are now issued within zero to two days.
- **Automated Underwriting Efficiency** - SBI Life uses automated underwriting for 59 percent of all insurance proposals. Algorithms assess applicant risk without human intervention, which speeds up the issuance process. This automation reduced the turnaround time for non-medical insurance issuance by 19 percent. Real-time integration with third-party medical administrators allows for faster transmission of reports, further reducing delays.
- **Distributor Enablement with the Smart Advisor App** - SBI Life empowers its 3.4 lakh insurance personnel with the "Smart Advisor" app. This tool functions as a mobile office, allowing agents to generate quotes, upload documents and track commissions on the go. The app recorded over 9.3 million document uploads, demonstrating its widespread use.
- **Customer Self-Service and Engagement Apps** - The "Smart Care" app serves over 6.5 million unique users. It offers over 30 digital services, allowing you to pay premiums and download statements without visiting an office. Furthermore, 18.8 lakh customers registered for WhatsApp services, which handled over 39 lakh service requests. The "RIA" chatbot and automated email bots manage 100 percent of customer email inquiries, providing instant responses.

➤ **Social Impact: Financial Inclusion through Technology**

SBI uses technology as a tool for equity, enabling it to serve underserved populations at a low cost. This

approach supports national goals of financial inclusion.

- **Leveraging the JAM Trinity** - The bank utilizes the Jan Dhan-Aadhaar-Mobile (JAM) trinity to process government benefits. SBI processes approximately 68 crore Direct Benefit Transfer (DBT) credits annually. This ensures that government subsidies reach your account directly without intermediaries. Since the inception of the program, SBI opened over 15 crore PMJDY accounts, accumulating deposits of over ₹58,000 crore.
- **Innovation in Kiosk Banking** - To reach remote rural areas, SBI operates a network of 82,932 Customer Service Points (CSPs). These points use IRIS scanners to assist senior citizens and manual labourers whose fingerprints may have faded. This technology ensures they can authenticate transactions securely. Furthermore, CSP agents use tablets to provide doorstep banking, bringing the bank directly to your home in remote villages.
- **Promoting Social Security** - SBI leads in enrolments for micro-insurance schemes like PMJJBY and PMSBY. Notably, more than 50 percent of enrolments in these schemes are women. This demonstrates how digital channels facilitate gender inclusion and provide a financial safety net for vulnerable populations.

SAP-LAP Analysis of FinTech-Driven Business Transformation at SBI

Having outlined the strategic transformation initiatives at SBI, the SAP-LAP framework is now applied to systematically map the relationship between situational pressures, stakeholder roles, transformation processes and performance outcomes. The SAP-LAP framework provides a structured method to examine how FinTech functions as a strategic enabler for business transformation and customer value at State Bank of India. This analytical model links situational context and organizational actors with transformation processes, strategic learning, managerial actions and performance outcomes.



1. Situation (S)

SBI initiated its transformation during a period of rapid FinTech change within the Indian banking sector. The growth of digital payment platforms and mobile applications changed customer expectations for speed and personalization. Competition grew from private sector banks, agile startups and big tech firms offering digital solutions. Internally, SBI managed massive scale, legacy core banking infrastructure and a public sector mandate for financial inclusion. Regulatory rules, data localization requirements and cybersecurity risks added complexity. These factors made FinTech a core driver of business transformation. The bank needed to shift from a branch heavy model to a digital approach to maintain market share.

2. Actors (A)

Multiple stakeholders shaped the transformation journey. Top management and digital leaders defined strategic priorities and allocated large investments for cloud and analytics. Technology professionals, including data scientists and system architects, built AI decision systems and infrastructure. Customers formed the central actor group, including retail users, rural populations and small business owners. Their changing behaviour forced the bank to innovate. The Reserve Bank of India and NPCI influenced adoption through policy and digital infrastructure like UPI. FinTech firms and technology partners acted as indirect actors by setting competitive benchmarks and innovation trajectories for the banking ecosystem.

3. Processes (P)

SBI used interlinked digital and strategic processes to operationalize change. YONO, YONO Business and YONO 2.0 created an integrated digital ecosystem. These platforms unified banking, payments, credit and lifestyle investments into a single user journey. At the infrastructure level, Project Meghdoot provided a private cloud to support scalability, system resilience and data sovereignty. Advanced analytics and AI processes were embedded into lending, risk assessment and customer segmentation. Early warning systems used these models to monitor loan portfolios. Digital

onboarding and a re-engineered UPI architecture ensured that technology adoption translated into operational efficiency.

4. Learning (L)

The transformation process generated several strategic lessons for the institution. FinTech initiatives work best when embedded in core strategy rather than treated as peripheral projects. Platform integration creates more customer value than isolated tools by reducing user friction. Data and analytics generate revenue through targeted products and strengthen risk management simultaneously. Trust and security are primary differentiators for a public sector bank. Technological innovation must support and reinforce institutional credibility. Managers learned that human capital is as important as technology infrastructure for digital success.

5. Action (A)

SBI pursues specific strategic actions to maintain digital momentum based on these learnings. The bank continues to fund AI, analytics and private cloud systems to handle growing transaction volumes. It expands platform-based services across all customer segments and strengthens data governance mechanisms. Workforce training and reskilling programs align human capital with the digital strategy to ensure employees can use new tools. SBI builds partnerships with FinTech firms while keeping strict control of core infrastructure and customer data. These actions reflect a long-term strategic orientation toward scalable, secure and inclusive digital banking.

6. Performance (P)

Performance outcomes appear in financial, operational and customer dimensions. Net profit grew from a loss of 6,547 crore in FY 2018 to 70,901 crore in FY 2025. Capital adequacy improved from 12.60 percent to 14.25 percent after the digital overhaul. Operationally, moving high volume transactions to digital platforms reduced service costs and accelerated product rollout cycles. Customers received faster service delivery and personalized offerings through digital channels. Reliability increased even during peak UPI



transaction periods. These outcomes were achieved without compromising the financial inclusion mandate, as digital tools expanded access for rural

populations. The indicators confirm FinTech acted as a strategic catalyst for holistic business transformation.

Table 2: SAP-LAP Analysis of FinTech-Driven Business Transformation at SBI

Dimension	Key Elements in the SBI Case
Situation (S)	<ul style="list-style-type: none"> • Rapid FinTech led disruption in Indian banking • Rising customer expectations for speed, convenience and personalization • Competition from private banks, FinTech startups and Big Tech firms • Internal challenges of scale, legacy systems and financial inclusion mandate
Actors (A)	<ul style="list-style-type: none"> • SBI top management and digital transformation teams • Retail customers, MSMEs and rural banking users • Data scientists and technology specialists • Regulators (RBI, NPCI) • FinTech competitors and ecosystem partners
Processes (P)	<ul style="list-style-type: none"> • Platform development (YONO, YONO Business, YONO 2.0) • Cloud migration through Project Meghdoot • AI-driven analytics, lending and risk monitoring • Digital onboarding, UPI stack re-engineering • Phygital service delivery model
Learning (L)	<ul style="list-style-type: none"> • FinTech must be treated as a strategic capability, not an IT function • Platform integration delivers higher customer value than fragmented apps • Analytics can function as a revenue engine • Trust, reliability and data sovereignty are critical in public sector banking
Action (A)	<ul style="list-style-type: none"> • Continued investment in AI, analytics and cloud infrastructure • Expansion of platform-based digital services across segments • Workforce reskilling and digital culture development • Strengthening cybersecurity and data governance frameworks
Performance (P)	<ul style="list-style-type: none"> • Strong improvement in profitability and capital adequacy • Large-scale digital adoption across retail and MSME segments • Enhanced customer value in terms of convenience, speed, personalization and trust • Expanded financial inclusion and social impact

SOURCE: Author’s compilation

The SAP-LAP mapping reveals that FinTech adoption at SBI was not incremental digitization but a strategic restructuring of the value creation architecture. The alignment between situation, actors and processes demonstrates systemic transformation rather than isolated technological upgrades.

Overcoming Challenges in Implementing FinTech Transformation

Transforming a legacy institution with 2.3 lakh employees and a 200-year history involves significant hurdles.



Figure 1: Strategic Managerial Implications of FinTech Adoption at SBI



- **Cybersecurity and Real-Time Risk Management** - As digital touchpoints expand, the risk of cyberattacks increases. SBI faces threats like phishing, malware and ransomware. To mitigate these, the bank established a 24/7 Security Operations Centre (SOC). It implemented Proactive Risk Management (PRM) to monitor transactions in real-time across all channels. If a transaction looks suspicious, the system can block it instantly to protect your funds.
- **Legacy System Decoupling** - Integrating new mobile apps with legacy Core Banking Systems (CBS) is technically complex. SBI used its Enterprise Integration Services (EIS) department to create a lightweight API layer. This layer acts as a bridge between the heavy legacy core and the agile front-end apps like YONO. This decoupling ensures that the core

system does not slow down your digital experience.

- **Talent Development and Culture Shift** - Moving a massive workforce toward a digital mindset requires consistent effort. SBI partners with academic institutes like IIT Bombay to train employees in data science and AI. In the 2024 financial year, employees completed an average of 48.49 training hours. SBI Life uses AI simulations called "Project Eklavya" to train sales staff in customer interaction.
- **Regulatory Compliance** - The bank adheres to the Digital Personal Data Protection Act. It uses data loss prevention tools to protect sensitive information.

Managerial Insights

The SBI journey provides five essential insights for managers in the financial sector.



Figure 2: Strategic Managerial Implications of FinTech Adoption at SBI

SOURCE: Author's analysis

- **The Super App Advantage** - Do not limit your digital strategy to basic banking. Build a platform that integrates into the daily lifestyle of your users. YONO succeeded because it aggregated shopping, travel and investments with banking. This keeps users on the app longer and creates more opportunities for value creation.
- **Analytics as a Revenue Driver** - Stop viewing data science as a cost centre for reporting. Transform it into a profit centre. Track the business volume generated by AI models. When managers see that analytics drives billions in

revenue, they support further investment in technology.

- **The Hybrid "Phygital" Strategy** - Digital tools should support physical assets rather than replace them. SBI Life shows that while 99.6 percent of business is sourced digitally, physical offices and agents are crucial for maintaining relationships and customer trust. This hybrid model leads to higher customer retention.
- **Infrastructure Ownership** - Owning your infrastructure like the Meghdoot cloud provides agility. It allows the bank to handle massive transaction spikes and maintain data security.



Relying solely on third-party providers can limit your ability to scale during peak periods.

- **Collaboration and Ecosystem Building** - A legacy bank cannot build every new feature alone. Partner with specialized FinTech firms for niche capabilities like co-lending or trade finance. Use APIs to connect with national platforms to enhance your service ecosystem and integrate with third-party platforms like TReDS for MSME finance.

Limitations of the Study

As the study relies on secondary data, it is constrained by the availability and disclosure practices of publicly reported information. Certain granular operational metrics related to internal digital usage may not be consistently available. However, this limitation is mitigated by triangulating data from multiple credible sources to enhance analytical robustness.

Conclusion

State Bank of India successfully challenged the narrative that large legacy institutions cannot compete with modern FinTech startups. By 2026, the bank effectively integrated Infrastructure, Intelligence and Integration into its core business model. SBI countered the threat of disruption by aiming for 20 crore digital users and digitizing its entire product sourcing process. The bank demonstrated that the winning strategy in the digital age is to combine institutional trust with technological agility. By digitizing its operations, SBI created a sustainable model that delivers efficiency for the bank and convenience for customers.

REFERENCES

1. *Embracing Technological Advancements, to consolidate our Digital Banking Leadership.* (n.d.). Retrieved January 3, 2026, from https://sbi.bank.in/corporate/AR1718/2_Embra cing%20Technological%20Advancements%2C %20to%20consolidate%20our%20Digital%20 Banking%20Leadership.html?utm
2. *Exponential Growth in Digital Transactions.* (n.d.). Retrieved January 3, 2026, from <https://www.pib.gov.in/www.pib.gov.in/Pressre leaseshare.aspx?PRID=2093795>
3. Kayastha, A. (2026, January 1). *UPI smashes records in 2025: What's next for India's payment giant?* Mint. <https://www.livemint.com/industry/banking/up i-smashes-records-in-2025-what-s-next-for-india-s-payment-giant-11767273727763.html>
4. Keshari, S., & Sonker, V. (2025). *Assessing the Impact of FinTech on Financial Performance of a Bank: A Case Study of SBI.* *SHODH SAMAGAM*, 08(03), 1148-1158.
5. Komandla, V., & Perumalla, S. P. T. (2017). *Transforming Traditional Banking: Strategies, Challenges and the Impact of FinTech Innovations.*
6. Kouam, A. W. (2025). Steering the digital shift: The role of FinTech in transforming banking in emerging markets. *SN Business & Economics*, 5(10), 135. <https://doi.org/10.1007/s43546-025-00912-w>
7. Mittal, S., Tayal, A., Singhal, S., & Gupta, M. (2024). FinTech's Transformative Influence on Traditional Banking Strategies and its Role in Enhancing Financial Inclusion. *Journal of Informatics Education and Research*, 4(2). <https://doi.org/10.52783/jier.v4i2.774>
8. Roy, D., Pramanik, H. S., Bandyopadhyay, C., Datta, S., & Kirtania, M. (2024). Exploring association model across banks and FinTechs in India. *Qualitative Research in Financial Markets*, 17(2), 312-347. <https://doi.org/10.1108/QRFM-09-2023-0224>
9. Saritha, D. D., & Kanakadurga, D. G. (2024). DIGITAL TRANSFORMATION AT SBI: ADDRESSING CHALLENGES IN TECHNOLOGY-DRIVEN SERVICES. *Decision Making: Applications in Management and Engineering*, 7(2), 169-184.
10. Sharma, D. J., & Sharma. (2024). *FinTech Adoption in Banking Sector: An Empirical Study. 1.*
11. SS, I., & MB, N. (2025). The Role and Importance of Digital Transformation in Banking Services. *European International Journal of Pedagogics*, 5(05), 104-109.
12. State Bank of India. (2024). *Annual report 2023-24.* <https://sbi.bank.in/web/investor-relations/annual-report>
13. State Bank of India. (2025). *Annual report 2024-25.* <https://sbi.bank.in/web/investor-relations/annual-report>
14. SBI Life Insurance Company Limited. (2025). *Integrated annual report 2024-25.* <https://www.sbilife.co.in/sites/SBILife/Ann ual->



- Report/FY25/pdf/SBI_Life_IR_06_08_2025_Spread_High_vr_6%20(1).pdf
15. SBI Life Insurance Company Limited. (2025, October 24). *Analyst presentation: Q2 FY26 & H1 FY26* [PowerPoint slides]
<https://www.sbilife.co.in/sbi-life-analyst-presentation-october-2025>
 16. Sushil. (2001). SAP-LAP framework. *Global Journal of Flexible Systems Management*, 2(1), 51-55.
 17. *Unified Payments Interface (UPI) Product Statistics* | NPCI. (n.d.). Retrieved January 3, 2026, from <https://www.npci.org.in/product/upi/product-statistics>
 18. www.ETBFSI.com. (n.d.). *SBI aims to double YONO app users to 20 cr in 2 years, plans significant investment: Chairman*. ETBFSI.Com. Retrieved January 3, 2026, from <https://bfsi.economictimes.indiatimes.com/articles/sbi-aims-to-double-yono-app-users-to-20-cr-in-2-years-plans-significant-investment-chairman/125969186>