

## The role of banking quality in enhancing competitive advantage

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### ABSTRACT

The banking sector represents the most important financial and economic sectors at the local and global levels, it is the blood of the economic life of each country, the banking department is going through an era characterized by innovation and the pursuit of more creativity and efficiency, in which the world is witnessing rapid developments and changes in all fields in the current century, and these global changes have created great competitive challenges through global economic openness, the phenomenon of economic globalization, the globalization of banking activity, the liberalization of financial and banking services, and the intensification of competition due to rapid technological development Its challenges on the shoulders of bank managers to adapt to these changes, deal with the negative effects and reap the benefits that control them, the development of banking services, in order to keep pace with the continuous technological development of the banking industry, paying attention to the quality of services and satisfying the desires of customers, has become one of the most important issues for banks.

**Keywords:** Banking services, commercial banks, competitive advantage, electronic

### Introduction:

The banking sector represents the most important financial and economic sectors at the local and global levels, as it is the blood of the economic life of each country, the banking management is going through an era characterized by innovation and the pursuit of more creativity and efficiency, in which the world is witnessing rapid developments and changes in all fields in the current century, and these global changes have created great competitive challenges through global economic openness, the phenomenon of economic globalization, the globalization of banking activity, the liberalization of financial and banking services, and the intensification of competition due to rapid technological development Challenges on the shoulders of bank managers to adapt to these changes, deal with the negative effects and reap the benefits that control them, the development of banking services, in order to keep pace with the continuous technological development of the banking industry, paying attention to the quality of services and satisfying the desires of customers, has become one of the most important issues for banks.

### Study problem:

Measuring and delivering the quality of banking services it provides The bank to its customers from the destination Look them to get to points They have strengths and weaknesses and

continue to develop them And improve them according to desires even meet their desires and needs. Expectations are the most important guarantee for the bank to gain the satisfaction of its customers and increase their loyalty.

Accordingly, we ask questions as follows:

- 1- Is there a clear perception among the leaders in the banks researched about the quality of leadership services and competitive advantage?
- 2- What is the layer of relations between the dimensions of the quality of banking services and the competitive advantage at the macro level at the dimensional level?
- 3- Is there an impact on the quality of banking services on competitive advantage?

### **1.2.2 The importance of the study:**

The scientific significance of this study is reflected in the work of banks and other institutions in an environment of change, uncertainty and free competition. The importance lies in showing the competitive advantages of banks and their impact on the quality of banking services provided by banks to their customers, determining the quality of banking services, determining the interest of bank officials in improving competitiveness in order to attract customers, many customers. In stiff competition in the financial environment.

### **1.2.3 Objectives of the study:**

- 1- Defining the concepts of banking service quality and competitive advantage.
- 2- Learn about the correlation between the dimensions of the quality of banking services and the competitive advantage at the macro level.
- 3- Learn about the impact layer of the quality of banking services in the competitive advantage of the banks surveyed.

### **Conceptual Framework for Banking Quality:**

Banks play a leading role in the development of the economies of countries due to their role in financing various projects in various sectors, and because of the competitiveness that characterizes this period, the focus on services has become comparable to the focus on goods, so the concept of service quality appeared and is currently receiving great attention, as quality is no longer limited to goods, but has exceeded to the services provided to customers, and has become a measure of the success of banking institutions being one of the main pillars in competition. In order to truly understand the quality of banking service, we had to understand the nature of banking service first and the types of banking services. (Salmi, 2019: 9)

### **2-1: What is the banking service?**

Banking services occupy an essential place in the marketing process of any bank and transactions between the bank and its market, and all. Decisions. Related to pricing and distribution And mainly promoted on The presence of the service itself. And to make this

process more efficient, there must be a new service that customers can rely on and trust. That's why bank officials face so many Of decisions and challenges in the field Crafting and design main goal is to achieve the compatibility of these services with customer needs as a prerequisite for differentiating themselves from the competition, and a particularly successful service means huge sales opportunities and greater autonomy in pricing, distribution, and promotion (Aid and Alemi, 2020:30).

In this section, we will try to familiarize yourself with the concept of banking services, its types, characteristics, development, factors affecting its marketing and the marketing mix of banking service as follows:

### **2.1.1 The concept and types of banking service:**

#### **First: The concept of banking service**

The concept of marketing services did not have a clear specificity until the sixties, marketing writings were dominated by the belief that the nature of marketing material goods and services is similar without distinction between them, and this implicit acceptance includes imposing the basis that there is no difference in customer behavior when purchasing goods or services, or the seller as a result can use the same marketing methods in both cases (Murad, Hassan, 2008, 21).

Kotler (2000,428) defined service as "any act or performance performed by one party to another party, which is intangible and does not lead to ownership or possession of anything."

The idiomatic meaning of service and banking services is clearly converged, as both represent an activity or business that takes place It is the client from Through individuals or machines that are supplied from During them, and that level Customer satisfaction is linked to the level of performance of individuals and machines, due to the lack of. Concrete this activity, and that these. Services may or may not be related to a product (Murad, Hassan, 2008: 22), and the service is treated as the source of satisfaction that the customer seeks for his needs and desires, and is a source of wind for the bank (Kotler 54: 1992).

Arther (4: 1996) defined banking service as a set of financial activities and operations provided by the bank to meet the needs of customers content is utilitarian and intangible The customer perceives it from During its utilitarian value.

As Isaiah and Manouri, 2016: 6) defined banking as a group of activities and processes that have substance The utilitarian inherent in the elements tangible and intangible offered by the bank, and the beneficiaries are perceived through their epics and value utilitarianism. which constitutes satisfaction as a source (their needs. fiduciary financial desires). Meanwhile, we form the source of banks' profits through the mutually beneficial relationship between the two parties.

The researcher believes that banking services are a set of services provided by banks to customers, and these services relate to the basic functions of banks, namely deposit, credit and

investment services.

## **Second: Types of banking services**

It is difficult to list the sales of banking services provided by banks due to the diverse and continuous development of the use of technical means to provide services, namely: (Isaiah and Manouri, 2016: 10)

### **1- Acceptance of deposits:**

It is represented in the various accounts and assets held by banks, namely

A- Deposits Current: Current or Request.

B- Deposits Savings: Time deposits, savings deposits and innovation certificates.

### **2- Providing credit facilities:**

It includes loans of all types (short, medium and long-term), as well as letters of guarantee and initial letters of credit.

### **3- Conventional Banking:**

They are all the services provided by commercial banks to their customers on a daily basis in exchange for commissions such as:

A- Collection of checks Withdrawn. On the bank In local and foreign currencies.

B- Cheque collection In favor Bank customers.

C- Carrying out sales operations according to customer orders inside and outside.

d- Issuing a cheque to the customer.

Opening accounts in local currency and foreign currencies.

Issuing certificates proving internal transactions with customers.

### **4- Modern Banking Services:**

The style and field of activity have evolved in recent years For services provided by banks and thus. Submit to customers and That's for a number of reasons The most important are: (Isaiah and Manouri, 2016: 11):

(a) Benefit of tremendous progress in Automated information and calculations.

B- Continuous increase in reserves and customer requirements.

C- A shift in banking philosophy, where banks target a segment Rather broad than limited to a segment or a limited category of the market, it turns Attention from focus on Perform banking

to focus On customers and follow up on their needs. Modern banking services are offered in many forms. And by relying on electronic payment methods such as credit cards, ATMs, ATMs, electronic money transfer system, and banking services. Remote, banking Online or what you do It has electronic banks (Smelly and Mansouri, 2014: 15).

### **Competitive advantage and its relationship to the quality of banking services:**

The new feature that distinguishes this era is competition on a number of challenges, focusing on the needs and desires of customers has become one of the most important concerns, especially for public and banking institutions, where cost competition is no longer a strategic choice, especially with the growing awareness of customers, the quality option was the strategic element that represents a basic opportunity for the banking institution to achieve a competitive advantage that enables it to achieve its goals with leadership and superiority and in a way characterized by quality, privacy and uniqueness that creates superiority over competitors. (Khar khash et al., 2019:24).

Within this context, the chapter was divided into two sections, the first section (what is competitive advantage) and the second section (role Joa him deck Matt Egypt In an investigation Feature Competitiveness) as follows:

#### **3-1: What is competitive advantage:**

The competitive movement in the business world at this time posed a great challenge for banks, forcing them to build and strengthen competitive advantage in order to show and prove their superiority in front of their customers, which in turn enables them to outperform their competitors. (Khar khash et al., 2019:25)

##### **3.1.1 The concept of competitive advantage and its importance:**

###### **First: The concept of competitive advantage**

The concept of competitive advantage is the city of modern concepts with indefinite effects, and speed, organizational flexibility, cost and quality have become nowadays important competitive tools for organizations in the markets, and that the real advantages of competitive advantage are cities with advantages that competitors cannot emulate, and that their development can take many forms, including the search for something unique and different from competitors, and competitive advantage in business is described as (the characteristics desired by the business organization in a way high which are difficult to identify or measure and are often described as fictional),

Competitive advantage plays an important role in business survival, and competitive advantage depends on the coordination between the internal capabilities of the organization and its opportunities in the external environment, and researchers have some definitions of sustainable

competitive advantage: (Tai and Sabai, 2013: 258)

(Hassan, 2017:22) defined competitive advantage as a company's ability to meet customer requirements and needs, it affects the company's stability in the market and achieves a competitive advantage by increasing its market share and maximizing its profitability.

Ali (2017:61) defined competitive advantage as a company's ability to create additional value, which is not available to competing companies in the market, whether local or global.

He defined (Abdelhamid, 2018:37) competitive advantage as the ability to outperform others in price or quality, so it can Take Price form Less for For competitors with equal benefits, or it can be in the form of offering products of higher quality than those of competitors at the same price.

The researcher believes that competitive advantage is a characteristic or set of unique relative characteristics of an organization that can be maintained for a longer period of time due to the difficulty of suffering or achievements during the period of benefit, and enable them to outperform their competitors in the services and products they provide to customers.

## **Second: The importance of competitive advantage**

In recent years, with the development of technology and the ever-increasing requirements of customer needs and desires, the importance of competitive advantage has increased significantly, prompting many companies to pay attention to their many competitive advantages, which helps to achieve the highest levels of outstanding organizational performance. Indicate (Zubeidi and Hussein, 2013: 97) (Abbas, 2016: 106) **and** (Smart & Wolfe, 2000: 134) to the importance of the Mez Whatever our machine Physio It is represented by the following:

- 1- Improving the efficiency of the organization and its ability to adapt to changes in the internal and external environment in the midst of continuous change.
- 2- By investing in the innovative ideas of employees and better using them in products, it helps to improve the level of organizational performance in the organization.
- 3- It represents an integrative process that connects the goals of the organization and the goals of customers by providing what meets their needs and expectations.
- 4- Increase the sales of the organization by owning a large market share and attracting more loyal customers compared to competitors.
5. It is a powerful weapon for an organization to respond to environmental challenges by taking advantage of opportunities and facing challenges.
- 6- The competitive advantages possessed by the organization are of positive benefit to investors and customers in general

### 3.1.2 Types of competitive advantage and their determinants:

#### First: Types of competitive advantage

There are three main types of strategies that represent the types of competitive advantage as follows: (Isaiah and Manouri, 2016: 38)

##### 1- The advantage of the lowest cost:

It means the ability of the organization to offer cheaper products compared to its competitor, which leads to higher performance, and this case requires the organization to exert cost pressure by performing its functions more efficiently than its competitor, and that the competitive advantage resulting from the lowest costs is the distinction and superiority of the organization unless it maintains it and ensures its continuity, and temporary improvements can allow the organization to keep its costs close to the costs of its competitors, but it does not guarantee its high costs.

##### 2- Product Differentiation Feature:

It means that the enterprise can offer products with distinctive and unique characteristics from the customer's point of view (quality, usage characteristics, after-sales service ...) which makes them more valuable than similar products, and the enterprise achieves this advantage through the excellent quality of existing raw materials, the possibility of obtaining goods and services anytime and anywhere, and the excellent way of manufacturing goods and providing services.

##### 3- Distinctive feature product and at a cost Fewer:

Combine the table Fig asla t bugs, in this case the organization must display its different and unique products from competitors' products, and the same needs will not be sold to consumer groups, at the same time due to the low cost of these products, the price is also very low.

#### The choice of one type of advantage over the other depends on the following factors:

- A- Attractiveness of the activity.
- B- The intensity of competition.
- c. Technology used.
- D. Develop customer needs over time.
- E. Opportunities used.

#### Second: Feature determinants. Competitiveness

The Tan feature is af company through For yet Yen: Size. Feature Altana The degree of competition, as shown in the figure: (Zaher, 2014: 109)

##### A - Feature size. Competitiveness:

Supports annexation Continuation of the feature. Diaphysis on the company's capacity On the

barefoot on the competition, The larger these are Feature, The harder it is for competing companies to imitate or eliminate them as competitive advantage develops. By the life cycle of the product itself, i.e.:

**A- Stage Prefixing:**

It is the longest stage for a company that creates competitive advantage because it requires a lot of human, material and financial thinking and preparation, and competitive advantage becomes widely known over time and this is evident in the acceptance of specialization when getting more customers.

**B- Stage Adoption:**

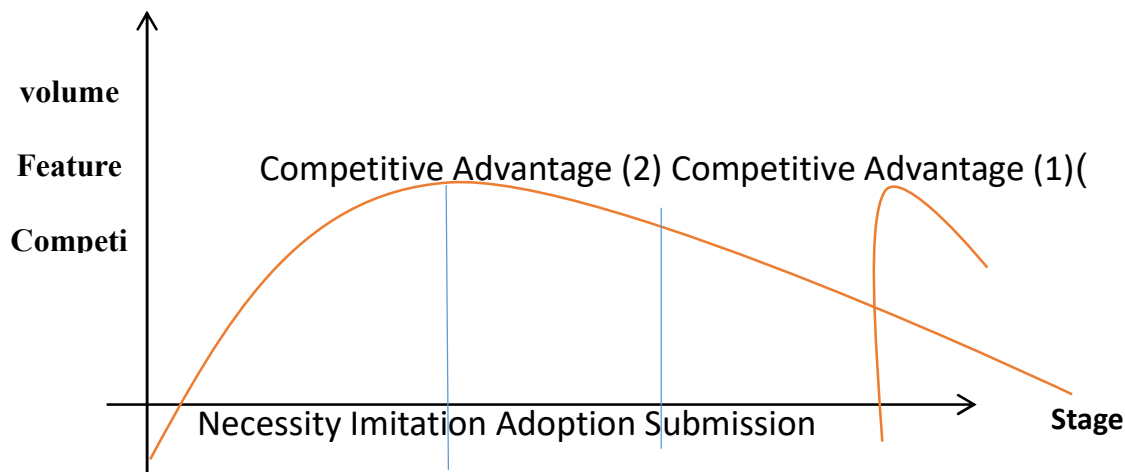
And know the feature. Here is relatively stable. From. Were expansion, given that manna They started to focus. on them.

**C - Refutation stage:**

The size of the advantage is declining, slowly moving towards recession, because competitors imitated the advantages of the company, and secondly its priority is declining.

**D- Necessity Stage:**

This requires rapid improvement and development of existing functions, or the creation of new ones on a lifespan basis completely different from existing advantages. If a company cannot improve or get new jobs, it will be given full priority, hence it is difficult to return to competition, and since the company cannot always gain a competitive advantage, it needs to track the life cycle of its activities.



**Figure 3 Competitive Advantage Life Cycle**

Source: Morsi, Nabil, Modern Information Technologies, University House, Alexandria, Egypt, 2005. p. 141

**2 - Scope of competition or target market:**



Any scope Activities and operations The company that helps to achieve Our advantage Fasih. through To save costs compared to competitors, the scope of competition consists of four dimensions: (Zaher, 2014: 110)

**A- Market Sector:**

This reflects the diversity of the company's services as well as the diversity of customers Where are you taken Important , and the choice is made Here between the Keys on. Sector. A specific market or a whole market service.

**B- The degree of frontal integration:**

It refers to the extent to which a company conducts its activities internally or externally; higher forward integration compared to competition can bring advantages in terms of lower costs or differentiation.

**C. Dimension. Geographer:**

It represents a number Geographical regions or countries that The company competes in them. This scope can be used to gain a competitive advantage by offering one type of activity and function in several areas. Different geography. This feature is important for companies operating globally and, in the world’s, services are available everywhere.

**D. Sector. Activity:**

Shows how interconnected Between industries which companies operate. Having links between different activities in many industries will create opportunities to gain many competitive advantages. It may be possible to use similar facilities, technologies, or individuals and expertise across industries. different that belong To it the company.

The company works to find a competitive advantage that suits its capabilities and field of activity, and then seeks to develop dynamic standards and controls to measure and control the effectiveness of the approved benefits to determine the structures and limits to control them until the desired result is achieved. (Zaher, 2014:110)

**3.1.3 Dimensions of competitive advantage:**

Writers and researchers presented different dimensions to achieve competitive advantage, Table 2

Dimensions	Writer
Cost, quality, flexibility, speed, creativity	Evans 1993
Price, quality, attribution, reputation, design	Mintzberg 1996

Cost, Quality, Flexibility, Time	Grajewski & Ritz man 1999
Best, Lowest Price, Latest, Fastest Product	Kotler & Armstrong 1999
Design, flexibility, ease, use, creativity	Slack 1998
Cost, Excellence, Flexibility, Time, Technology	Macmillan & Mahan 2000

**Table 2: Dimensions of competitive advantage**

Source: Al-Najjar, 2001

It is clear from Table (2) that there is a kind of difference and variation between authors and researchers in the number of dimensions of competitive advantage, and therefore the current research will depend on the dimension of cost, quality, flexibility and speed as there is a pause between these authors and researchers about these dimensions, and the following is a definition of each of these dimensions.

### -1 Quality Advantage

Quality is a prerequisite for all organizations, regardless of whether it is a service or an industry, as it represents a key factor for the success of organizations because of its role between exploiting resources and achieving a competitive position in the market, and competition for the quality of services to ensure that customer needs are met is a difficult and arduous matter due to the characteristics that characterize services compared to goods (Darwish, 2007: 4).

This is achieved by adding new features to the services that give them competitive attractiveness that benefits customers, and returns through the quality of the design, which means that the features of the service design can be applied to the function, and consistent quality expresses the capacity of the organization on Turn IL tide Acetate to the outlit gate matches or corresponds to the specified properties In. The design, also reflects the liter Keys On the air advantage and profitability (Roussanne, 2007: 142).

### 2- Speed feature Speed Advantage

As time became more important to customers, time-based competition between organizations also intensified, regarding many important issues such as speed, logistics, and timeliness for goods or services. If the customer needs it tomorrow, but delivers only after two months, the organization needs to work with the supplier to improve the delivery elf. (Haram, 2007: 4)

It is one of the unique means and capabilities of the organization to reduce the time of providing services by receiving the difference between service requests and satisfying them, and it also

expresses the time through the reliability of delivery, and means the extent to which the company has reached the provision of compliance services with the date of service provision agreed upon with the customer, and it also expresses the time required for the speed of development and is calculated from the beginning of access to product ideas until reaching the final service (Al-Roussanne, 2007, 143).

### **-3Flexibility Advantage**

The lowest cost and best quality will not provide a competitive advantage, as customer demand for change and variety is rapidly increasing, and price and quality have become the key to the products of many commercial organizations: flexibility has thus become a key competitive dimension of large-scale adaptation to the ability to change the environment. (Solomon, 2004-78)

Flexibility includes service and means. Ability to Moa Kibbeh Change. In individual tastes and needs. For each customer through For procedure. Change At at The second flexibility is the flexibility of scale and means the company's ability to keep up with RFID changes in levels (Slack, et al, 1998,59).

### **-4Cost Advantage**

The best indicates that cost does not mean that the organization provides services at a lower cost, but it is a cost associated with quality so that it is attractive in the market in which the organization operates and the organization can obtain the cost advantage through variable costs that are lower than marketing costs, or through low operating costs (154: 1997, Best).

It means that there is a proportional relationship between the costs involved in supplying a product with the specifications contained therein, and the company usually adopts methods to reduce fixed costs, continuous control of raw materials, strive to reduce wage rates, and achieve high productivity levels (50, 1992 Dilworth).

Companies usually take measures to reduce fixed costs, continuously control raw materials, reduce wages and achieve high productivity (50, 1992 Dilworth).

### **3-2: The role of quality banking services in achieving competitive advantage:**

We mentioned that the term quality refers to the capacity of a product or service on Meet or Even exceeding customer expectations, while competitive advantage means outperforming competitors in individual capabilities and therefore banks seek to gain a competitive advantage from reaching quality due to a significant impact on it. (Khar khash et al., 2019: 35)

#### **3.2.1 Customer satisfaction and loyalty are an entrance to achieve competitive advantage:**

Satisfaction and loyalty are important criteria, especially when banks use quality as a

mechanism for excellence:

### **First: The role of quality in enhancing customer satisfaction:**

Satisfaction is defined as "the result of comparing actual performance with expected service, expressing feelings of anger or pleasure." Quality is achieved when an organization successfully designs, implements, and provides goods or services that meet the clear and even potential needs and expectations of customers. (Shevat, 2011:153)

The customer is the final arbiter of the banking institution's presentation and the basis of its success. It cannot guarantee its survival without satisfying its customers, and in this area, it must focus on the performance and skills of its employees in order to provide services that achieve customer satisfaction and must have elements of dealing with customers through: (Sami, 2007, 233).

1- Develop a positive attitude towards customer service and interact quickly and individually with customers.

2- Building a relationship based on mutual benefit and interests with the customer and responding to customer complaints.

That's why he doesn't mind paying more for quality products that are more consistent than his expectations, and he doesn't pay it to competitors because their products are of lower quality, assuming the customer comes from quality service.

### **Second: The role of quality in gaining customer loyalty:**

Loyalty is "a profound reaction or commitment to buy and buy again, and banks seek to empower human factors and marketing efforts capable of bringing about positive changes in human behavior (Kotler, 2006, 185). It is "the preference of customers for a particular bank while committing to requesting different services and repeating the inquiry process over a long period of time" (Mahboub, 2014: 149). No way Investigation That except of Vinegar s Work and continuous research to provide quality services that make their satisfaction above the level of competition and thus increase their market share.

Maintaining customers and their loyalty through the bank is not easy, but it requires a closer employee-customer relationship – and at the same time maintaining them by gaining their trust and satisfaction, which is essential to building a competitive advantage. This does not come from a vacuum, but from the quality of services that result from tracking operational progress to monitor the quality of results and their impact on performance that achieves the expected quality and effectiveness. (Wasilla and Hamdoud, 2009:137)

Achieving customer loyalty is about meeting their needs and developing and managing the relationship with them by developing their expectations and linking them to the customer

database (Maier compile, 2004, 413).

Therefore, banks should strive to focus on the quality of their products and services, as it is necessary to retain customers by meeting their needs and exceeding their expectations, which guarantees them continuous satisfaction and even achieve an impressive level, and thus loyalty and continuity in their relationship with them, this is what gives them a free promotion, which reflects positively on their goals.

### **Third: The impact of the quality of services on the relevant parties is a way to competitive advantage:**

If you lead Yummy. Banking services. High quality corresponds to the wishes parties related to Egypt, its management, shareholders, employees and customers. Considering that the impact of the quality of banking services on all stakeholders and associated with the institution extends through: (Abbas and Kahit, 2016:16)

1- Encourage employees to adopt a quality approach, because the embodiment of competitive advantage will be on internal customers and their salaries in parallel with external customers, based on the profitability achieved in it, and it is possible to keep employees inside the bank and attract employees of competing banks.

2- Assist in the development of services on the basis of the budget resulting from the approval of quality.

3- Expanding the market share (multiple and expanding market).

4- Encouraging suppliers to deal with banking institutions without their competitors.

### **3.2.2 The role of quality of services in supporting banking competitive strategies:**

The concept of feature refers to tna. Therefore, choosing the appropriate strategy to achieve competitiveness requires reliance on successful and effective foundations and elements, and owning the quality of services is one of the priorities that determine the strategies that must be followed in order to become the leading company in the market and a greater number to gain customers supporting this advantage. (Maiecommille,2004,413)

### **First: The role of quality in the strategy of leadership costs:**

In today's world of competitiveness, a successful organization is one that has the ability to provide good service at the lowest costs, and it is the one that has the best chance of earning the respect of that customer (Dian et al., 2012: 56).

Despite the widespread belief that quality does not play a significant role in a cost control strategy. However, Japanese industry has proven otherwise, with the level of quality inversely proportional to the cost. (Fella and Ihara, 2005: 19)

The higher the level of quality, the lower the costs of quality. This leads to an increase in quality compliant services, reduces error costs and tries to avoid the costs of defective services from the start, so it is recommended to measure the value chain when testing the possibility of cost reduction. (Ander, 1992:40)

We conclude that the cost leadership strategy produces a competitive advantage, that is, customers understand that the price of the services provided by the bank is lower than the price of the competition, if combined with quality, it will gain a stronger position in the market and a competitive position.

### **Second: The role of quality in the strategy of excellence:**

Quality is a factor that distinguishes services from other banking institutions, and it is also one of the basic dimensions of the basis of excellence, because the latter is based on the design dimension, especially after innovation, which is one of the foundations for satisfying the needs and desires of customers, and through the excellent quality strategy, customers can realize the unique things that the bank offers, so that they do not mind the rise in prices, allowing the bank to increase the price of its services at the same price or conquer a large market area and high quality. (Chopsticks) et al., 2012: 56)

### **Third: The role of quality in the focus strategy:**

It is based on two dimensions of consistency and design, as well as the advantages obtained in the field of quality and through these advantages customers in the corporate sector can realize the unique things they offer, this will help banks to penetrate the parts of the market with high profitability, gain customer trust and loyalty, thus achieving market share and high profits, and after introducing the three strategies, the focus is on the cost leadership strategy and the excellence strategy, it can be said that the combination of excellence And cost leadership is more convenient to exercise the advantages of each, since it provides two types of value to customers, namely the differentiation of products, while lowering prices and reducing risks, which are difficult for competitors to imitate. (Bouزيد, 2012:77)

### **3.2.3 Total quality management is a way to achieve competitive advantage and sustainable excellence:**

A total quality plan helps to increase the level of quality and value it provides to customers, with the aim of improving performance and developing marketing and competitive skills:

#### **First: Orientation of total quality management to achieve competitive advantage:**

Total Quality Management is defined as an introduction to the quality-based management of an organization and the participation of all members of the organization, aimed at achieving long-term success by achieving customer satisfaction and achieving benefits for the organization and society. Or it is the quality of performance of all working individuals, committed to the continuous improvement of goods and services in order to achieve and

consolidate the competitive advantage of the organization. (Bouزيد, 2012: 77)

Total quality management has become the main entrance to continuous development and improvement, and it includes all stages and aspects of performance, and constitutes the responsibility of everyone, from senior management to all departments of management and work team, and its scope includes all stages of operation from the beginning of dealing with suppliers to the design and operation process, and even providing services to customers, and total quality management is the basis of continuous development and performance improvement, through which the organization aims to achieve the primary goal of customer satisfaction, and by taking advantage of Resources and provide an environment that enables individuals to work Hama o Ability and commitment in Maja Lat Labor (Nayla, 2016: 54)

In order to improve the quality of banking services and achieve a competitive advantage under TQP, the following points must be followed: (Sami, 2007, 235).

1. Continue to use studies and research.
2. Paying attention to internal marketing programs and working to attract and employ the best talents.
3. Quick response to customer problems and complaints.
4. Develop an organizational culture that supports quality.
5. Emphasize the role of quality teams.
6. The existence of a management undertaking or commitment to the quality of service.

Jasim Al-Someday added that the quality and quality of banking services need to be measured high and tangible, and the establishment of a system to monitor the performance of banking services and competitors' services continuously. (Samidi's and Youssef, 2001: 70)

We have summarized the most important factors that support competitive advantage, as total quality management enables it to increase productivity, reduce costs, integrate creativity and innovation processes to meet challenges and achieve the highest level of competitiveness.

### **Second: Quality and continuous improvement as a means of sustainable excellence:**

Excellence also means that we do not only do what others do, but do something different and better, so that we are not competitive, but pioneers in our field, and excellence also means excellent business performance and achievements before others or better, by ensuring a balance between all the activities and outputs of the organization's operations, and the need to identify the requirements, expectations and needs of all groups in order to achieve their satisfaction and gain their loyalty (Bachata, 2015: 180).

According to this principle, customers feel the added value provided to them, because the sustainable competitive advantage reflects the organization's ability to achieve good performance compared to competitors and maintain it over a longer period of time. (Abdel Fattah, 2017: 72)

This requires everyone in the bank to work hard to ensure the vitality of work, optimal use of resources, creativity and re-innovation, and continuously based on permanent development and automation of routine procedures, so the competitive advantage is not through immediate success, but through planning, preparation and continuous efforts of all members of the banking institution, especially since institutions have a greater sense of responsibility towards customers than before, because customers are their source of profit, and with globalization and technological development And subsequent changes, openness, multiple customer choices, their awareness continues to be strengthened.

### **Third: Quality of Service to Raise the Bank's Competitiveness:**

Starting from the realization of the overall equation, only the achievement part can be achieved, because competitiveness is twofold, one is the ability to distinguish between competitors, and the other is the ability to attract effective and influential customers through quality service design and delivery. There is no doubt that the success of the second part depends on the success of the first part, success in both aspects leads to success. In the lead Higher utility to the customer and gain his satisfaction loyalty. One of the advantages achieved by the bank from obtaining a quality advantage is in the ability of the institution to face competitive pressures through cost control, and as a result, the possibility of charging high prices, as well as the possibility of maintaining and achieving customer relationship management, as it acts as a sales representative when acquiring new customers from friends and colleagues and thus the market share of the bank and thus profitability and continuity. (Abdelkader, 2005, 258)

## **Conclusions and recommendations**

### **Conclusions**

1. The existence of a statistically significant effect of the level of quality of banking services on the competitive advantage of commercial banks in Duhok Governorate at a significant level of 0.01, which is what. Illustrates the validity of the main hypothesis of the study
2. The existence of a statistically significant impact of the level of tangibility as one of the dimensions of the quality of banking services on the competitive advantage of commercial banks
3. The existence of a statistically significant impact of the level of reliability as one of the dimensions of the quality of banking services on the competitive advantage of commercial banks



4. The existence of a statistically significant impact of the level of response as one of the dimensions of the quality of banking services on the competitive advantage of commercial banks
5. The existence of a statistically significant effect of the level of empathy as one of the dimensions of the quality of banking services on the competitive advantage of commercial banks
6. The existence of a statistically significant impact of the level of safety as one of the dimensions of the quality of banking services on the competitive advantage of commercial banks

## Recommendations

1. The need to work to increase the capabilities and skills of workers in commercial banks by providing programs and training courses on all developments in the field of work
2. Work to maintain the quality of banking services provided in commercial banks with interest in adding and innovating new services that contribute to improving customer satisfaction levels and increasing the competitiveness of commercial banks

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