Improving Bank's Customer Service on the Basis of Quality Management Tools

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Abstract:

In the current market conditions, when the difference between the characteristics of services is becoming less noticeable, for saving their leading positions and improving competitiveness the loan companies should pay more attention to the relationship with different customer groups. The problem of obtaining service requirements from the customers, the necessary information about the quality of work with services and bank departments, the need for conducting the surveys and studies, analysis of comments and suggestions are especially relevant for the Russian regional banks.
This article focuses on the application of quality management tools for improving the process of bank's customer service.
The article presents results of the study conducted by the authors in 2011 and 2015 and aimed to confirm the hypothesis that the use of the tools of quality management in banking activities of customer service improves the competitiveness of the bank, due to better satisfaction of customers' requirements.
The application of QFD and SERVQUAL methodologies is emphasized, the methods of questionnaire and expert survey were used in the process of the study, the satisfaction of different customers' categories was assessed. The object of the study was regional banks of Russia, located in the Republic of Mordovia. The study resulted in practical recommendations for improving the process of customer service in the regional Russian banks, as well as the proposal of the scheme of process management for customer service at the bank on the basis of various quality management tools.

Key Words: Bank, service process, customer service, banking services, regional bank,
quality management tools, QFD methodology, SERVQUAL methodology

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1. Introduction

1.1 Status of the Problem

At the present stage of development of the world economy the business related to banking activities becomes especially important. The stability of performing functions by loan companies that ensure the effective development of the economy, is a key factor of intensive economic growth, which is especially important for Russia in the task of improving competitiveness. In connection with the accession of Russia to the WTO there is an urgent need for improvement of the quality of the banks due to increasing competition under the conditions of more open economy. Against the background of the foreign economic restrictions imposed by the Western countries, the rigid policy of the Central Bank of the Russian Federation in relation to loan companies (a sharp withdrawal of licenses in the past year and a half), there is necessity for a fundamentally different approach to running business in the banking sector.

Practice shows that the competitiveness of a commercial bank may be provided in case the bank is constantly improving the products, updating and expanding the range of services, using the available financial resources and internal resources for development, applying modern information technology. But even in case of its successful implementation the bank does not reach the expected results without focusing on the client, without maximal satisfaction of the client's requirements and expectations. In the hard conditions of competition the consumers of banking services have the right to presume on receiving some of the benefits for themselves, in particular better satisfaction of their needs and the introduction of high service standards. The management of knowledge about consumers becomes the priority for any bank, irrespective of the size and scale of its activities, ensuring its actual competitiveness, as a rapid increase in the number of loan companies leads to a shift in emphasis to ensure the quality of services.

As the number of banks increases, the customers have become more exacting to loan companies, since they are provided with a wide range of services and the price is no longer a determining factor. Now the quality of the rendered services comes to the fore. Currently, on the banking market, it is important to pay maximal attention to the customer and to offer exactly the range of services that suits him/her the best. But today not all the loan companies in Russia have realized this fact, and therefore there is a need for developing the methods and tools that contribute to a full understanding of customers by banks and increasing their satisfaction and loyalty.

1.2 Importance of the Problem

Focus on customer is a fundamental principle of modern management, being the basis of almost all successful business strategies. Maximal satisfaction of the requirements and expectations of customers is becoming a prerequisite for improving the competitiveness of any company.

To attract new customers and retain the current, banks develop programs aimed at increasing the attractiveness of the bank products. The programs include such activities as meeting the needs for services of specific customer groups, the development of new banking products and promotional activities, maintaining the image of a reliable bank etc. But, despite the effectiveness of these actions, and because banks provide similar set of services the quality of banking services has more influence on customers' selection.

At present, in the theory and practice of quality management there are the tools for getting detailed information from the client about his/her preferences and requirements, and then using it in the service management. The most common methods of studying the quality of services and service processes in the regional commercial banks are questioning, the method of mystery shopper and handling complaints. However, despite their advantages, including simplicity, low cost, ease of conducting and processing the results, these methods do not always allow achieving the planned objectives. In particular, these methods do not allow the regional loan companies to assess customer's satisfaction with the quality of service provided by the bank more fully and effectively. Therefore, banks need to obtain more information from the client by using additional methods and tools of quality management.

On this basis, there is a need for expanding the tools for assessing the quality of banks customer service. It is reasonable to check whether there is a possibility of applying other methods and tools of quality management in this field, whether this will lead to a positive effect and whether new conclusions will be made.

1.3 Background
Theoretical, methodological and practical issues of the process management of services in the bank, including using a variety of methods and tools of management, are the subject of studying by many Russian and foreign scientists.

Approaches to studies in the field of management and construction of models of individual processes management were developed in the works of Fayol & Gray (1984), Mescon et al. (1985), Andersen (1999), Jeston & Nelis (2013). The problems of quality management in the banking sector are studied by the Russian theorists and practitioners Vasiliev et al. (2004), Diakonov (2013), Isaev (2011), Novatorov (2001), Korolev (2006) and others. The issues of service quality management in the Russian banking sector have also been studied by Gerasimov (2005), Kosterina (2003), Milyukov (2009)and others.

The content, peculiarities and conditions of the application of the methods and tools of quality management are reflected in the works of Adler (2000), Novatorova and Novitskaya (2012), Salimova (2013), Vatolkina (2006). SERVQUAL methodology was developed by Parasuraman et al. (1990). The developer of QFD method is Akao

(1990), a special attention to the application of this methodology in Russia was paid by Mazur (2006) and Bragin (2003).

In the special scientific and practical literature the works are currently appearing, dedicated to the application of specific instruments aimed at improving the customer relationship management, improving the service and reducing the cost of services (Goncharenko, 2012; Ishchenko, 2014; Novikov 2011, and others.). For example, the questions of building a system of business processes of bank, SERVQUAL methodic application for customer's satisfaction with the service quality, use of cost-effectiveness analysis for determining the cost of the bank services have actively begun to be studied. The publications are connected with the application of different methods of how to obtain feedback from customers and to develop new products to meet the needs of customers in the quality of banking services. A special attention is paid to the choice of software products that must not only cope with the task of data detalization, but also provide flexible management in the process of customer service.

At the same time the process of customer service in the bank, its essence and content remains understudied. Currently, in the scientific literature there is no single, clear definition of "service process in the loan company". This is largely due to the fact that the service process is inextricably linked with the concept of "banking service", because it is considered as the process of its rendering. The lack of theoretical approaches to managing the process of customer service at the bank makes it difficult to develop practical approaches to improve the process and to determine the suitability for this purpose a variety of methods and tools of quality management.
These circumstances objectively determine the scientific and practical interest to the studying the issues of process management of customer service in loan company based on the methodology of quality management.

1.4 Hypotheses and Research Design
The study aims to test the hypothesis that the use of the tools of quality management in banking activities for managing the process of customer service will improve the competitiveness of the bank due to better satisfaction of customer's requirements.
The hypothesis determined the structure of the study, which had been conducted on the basis of loan companies located in the territory of the Republic of Mordovia. The situation in the banking market in this Russian region located in the Volga Federal District, existing at the present moment, is complex and ambiguous. During 2010-2015 there was a growth of banking infrastructure: there is an increased competition of branches of capital, regional and foreign banks. The competitiveness of large Moscow banks formed in the first place, due to the high standards of banking, which is not typical for the regional banks, most of which focus on the quantitative characteristics of its activities. There are currently no rigid barriers and conditions that prevent entry into the market of new loan companies which is confirmed by the absence of statements on these issues to the regional competition authority. Thus, the challenge to increase competitiveness is the most relevant for the regional loan

companies that do not have additional possibilities in comparison with the large banks.

A way to improve the operation of a loan company allowing it to win a greater share of the market and enhance the competitiveness is the orientation to better satisfaction of the needs and demands of consumers. The quality management tool that allows you to identify and transfer customer requirements into certain characteristics of the service, and also can be used by loan companies to improve service, is Quality Function Deployment (QFD). One of the main advantages of the method is that it carries the focus on the consumer through all the stages of the product life cycle. In addition, once implemented QFD methodology already adjusts the entire business process of the organization so that the designers of services have been informed of the changed requirements of consumers before the consumers themselves are able to recognize the need for such improvement. This feature of the method has great importance for the organization, which aims not only to catch up but overtake its main competitors (Adler, 2000).

To construct the QFD matrix it's necessary to obtain information about the requirements of customers, and to assess the existing service process in a bank. For assessing the quality of service the SERVQUAL methodology can be used in the bank. Information, obtained with this method (in the form of index) is used as an indicator of the successful functioning of the company, alongside with financial, economic and other indicators.

Thus, the purpose of the study is to test the hypothesis that the application of quality management tools (in particular, SERVQUAL and QFD) in banking activities for managing the process of customer service increases the competitiveness of the bank due to better satisfaction of customer's requirements.

2. Methods

2.1 Research Methods
The study of applicative aspects of process management of customer service was based on the analysis of the contents of this process in loan companies, as well as on the results of the study conducted by the authors.

The study used methods of system, structural, comparative analysis, graphical presentation of the results of the study, questionnaires, expert surveys, SERVQUAL methodology, QFD methodology, as well as QFD Capture Professional Edition software.

The key method forming the basis of the study and aimed at verification and confirmation of the hypothesis is the QFD method.

Quality Function Deployment (QFD) or structuring the quality function is a flexible decision-making method used in the development and improvement of products/services or processes. Application of the method is concluded in successive filling of series of logically related tables and special matrices, based on information obtained from customers and specialists in various departments of the bank. In construction of the matrix of this method a number of stages can be distinguished (Figure 1):

1. Identification of customers' requests regarding the service process

2. Transfer of customers' requests to particular characteristics of service quality

3. Assessment of customer service of competitors

4. Assessment of service quality characteristics

5. Finding characteristics of service quality to be improved
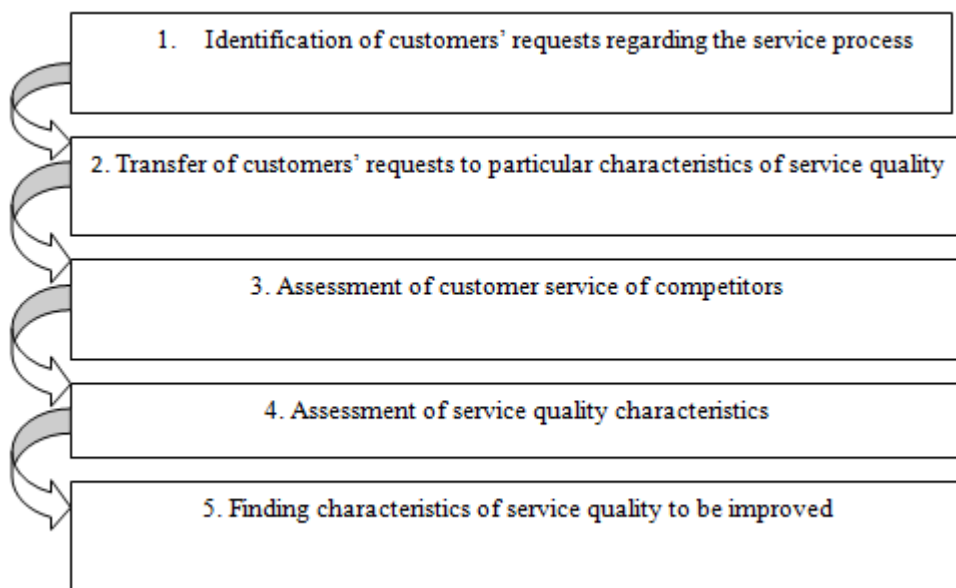
Figure 1. Stages of QFD matrices construction for banking

In the third and fourth stages of the construction of the QFD matrix the SERVQUAL methodology should be used. At present, the concept consists of five main criteria or dimensions: materiality, reliability, responsiveness, assurance, empathy. The difference of customers' questionnaires in SERVQUAL method from the usual survey is that clients are asked to rate their expectation with respect to the quality of service at the bank, and then to rate their experience. In addition, the customers assess these criteria according to 5-point Likert scale, which implies a numerical score (from completely satisfied to completely dissatisfied). The results of the assessment of the service and its characteristics are used in the comparison of bank services to its competitors.

Use of SERVQUAL and QFD in the process of improving client service will allow:
- identification of consumers' expectations the most effective way and allocating them among the key (in terms of the success of the bank)

requirements and transferring them into service, optimizing the quality characteristics of the service process for customer's satisfaction;

- coordinating all the stages of the service process, beginning from its design to meet the demands of customers;
- providing the ability allocate the most optimal way and therefore using the limited resources of the bank the most effectively, especially during the global crisis, for both tactical and strategic goals;
- improving the business culture and management at all levels of the loan companies.

2.2 Participants Characteristics
The object, which was the base for the conducted study, was one of the leading regional banks in the Republic of Mordovia Joint Stock Commercial Bank for Credit and Insurance KS BANK.

To determine the effectiveness of the proposed instruments two studies were conducted - in 2011 and in 2015. The study involved the clients who were served directly at a given time in the departments of the bank. Sample size was 200 respondents in 2011 and 400 in 2015. The questionnaires were offered to the respondents who had been the clients of KS Bank at least 5 years.

The starting point for using the QFD was the survey of customers in order to identify their requirements to the characteristics of the service process.

The analysis of the requirements of customers allowed forming questionnaire for the assessment of the bank's service according to the SERVQUAL method. The clients were asked to rate the level of expected and actual service in a particular loan company by the dimensions separated in the table with 5-point scale (where 1 - the least satisfied, 5 - the most satisfied), and to suggest how to improve the process of bank customer service. In addition to assessing the level of service in a particular loan company the customers were asked to assess the actual level of service at other banks of the Republic of Mordovia, main competitors of the studied object (Mordovia branch No.8589 of Sberbank, Joint Stock Commercial Bank AKTIV BANK, JSC VTB 24, Mordovia branch of JSC Rosselkhozbank).

3. Results

3.1 Use of QFD and SERVQUAL methods in 2011
At the first stage of construction of QFD matrices based on the analyzed results of the survey of customers, their requirements for the service process were revealed.
At the second stage the obtained customer requirements for the service process were transferred to the characteristics of quality of service, that the change in which will improve customer satisfaction. Table 1 shows the customers' requirements, which are transferred into criteria of SERVQUAL methodology, and then to the specific characteristics of the service quality of the bank.

Table 1. Allocation of customer requirements, measurement of SERVQUAL technique and characteristics of service quality

Clients requirements	Measurements according to SERVQUAL method	Characteristics of quality of service
Requirements to the bank's equipment, informational materials, premises	Materiality	Availability of information materials about the services
		Places to fill in documents
		Place for waiting
		Modern equipment
		Interior comfort
Requirements for range of services, the bank's reputation and service without errors	Reliability	The accuracy of service delivery
		Bank reputation
		Wide range of services
		The complexity of work
Requirements for the quick response to requests from clients and the availability of the information	Responsiveness	Discipline of employees.
Requirements for employees' attitude to customers.	Confidence	The completeness of the information provided
		Politeness of staff
Requirements for location of structural divisions and working hours	Empathy	Available location of bank divisions
		Convenient bank workhours

At the third stage a survey of consumers was conducted by means of a questionnaire developed according to SERVQUAL. As a result of mathematical processing of the questionnaires the degree of importance for each of the five measurements of quality of banking services was determined (see Figure 2).
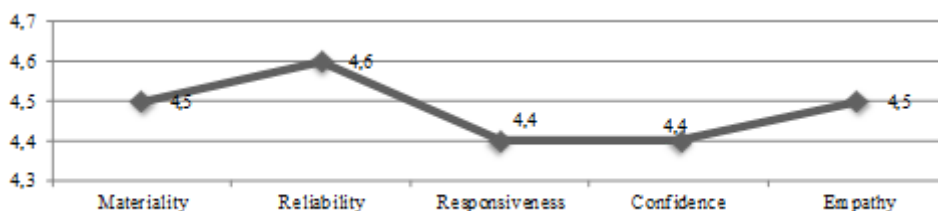
Figure 2. The relative importance of the characteristics of quality of services for clients

According to Fig. 2 the most important measurements for customers are reliability, materiality and empathy.

Direct graphical construction of "house of quality" begins with this stage of the study. In practice, when carrying out large-scale studies a variety of software for this process is used in order to obtain more accurate results and simplify the deployment of the quality function. In the Internet there are several software products with free access presented for practical use: QFD Designer, QFD Scope and QFD Capture Professional Edition. All of them have a sufficient number of positive reviews. However, the most popular in this area was a software package QFD Capture Professional Edition. This software product was used in the process of deploying customer service function of KS BANK. Using QFD Capture Professional Edition will significantly reduce the time of calculation and construction of QFD matrices. At the second stage the correlations between the characteristics of the quality of the bank's activities are also determined (Table 2).

Table 2. The matrix of correlations between the characteristics of customer service of KS BANK.

| Characteristics of the quality of the customers service process in bank	Availability of information materials	Places for filling the documents	Places for waiting of services	Modern equipment	Comfort of interior	Accuracy of the rendering of services	Bank's reputation	Wide range of services	Work content	Employees discipline	Employees politeness	Completeness of the provided information	Available allocation of the bank departments	Comfortable hours of bank service
Availability of information materials												+		
Places for filling the documents			-		+									
Places for waiting of services		-			+									

Modern equipment						+			+				
Comfort of interior		+	+										
Accuracy of the rendering of services				+			+						
Bank's reputation						+		+		+	+		+	+
Wide range of services							+						
Work content				+		+							
Employees discipline							+			+	+		
Employees politeness							+		+		+		
Completeness of the provided information	+								+	+			
Available allocation of the bank departments							+						
Comfortable hours of bank service							+						

According to Table 2, all the characteristics of quality of client service have positive correlation except for a couple of characteristics "Places for filling the documents" and "Places for waiting for services". In this case, when there is a negative correlation between the characteristics of quality, one of them must be selected to improve, but it is necessary to consider their importance for the consumer. In order to determine further actions in terms of the two competing characteristics the possible situation should be simulated and a decision warning its occurrence should be made(Table 3).

Table 3. Decision on the negative correlation during the matrix building "House of Quality" of customer service for "KS BANK"

Competing characteristics		Impact	Situation	Decision
The presence of a sufficient number of seats for	The presence of a sufficient number of seats for service	Increasing the number of seats for documents filling leads to a decrease in the free area of the	As the analysis of questionnaires shows, customers are generally satisfied with the bank's premises.	To increase the number of seats for waiting service without breaking the possibility of

| documents filling | waiting | premises of the bank, including reducing the number of seats going to service waiting | Branches of "KS Bank" are made the way that in the halls there is enough space to fill in the documents. But many customers as their recommendations for bank indicate an increase in the number of seats to wait for service. This is particularly important for such categories of clients, as pensioners and pregnant women | free movement of customers on the premises of the bank, as well as the bank aesthetics. Reallocate client flows, by transferring services as much as possible to the self-service (ATMs, information kiosks) |

At the third stage, the process of customer service in the KS BANK was compared with servicing in banks-competitors. The main competitors of KS Bank are Mordovian branch of JSC Rosselkhozbank, Mordovian branch No.8589 of Sberbank, AKTIV BANK, JSC VTB 24. The results of the comparative assessment of the quality of service in banks-competitors in 2011 are shown in Figure 3.
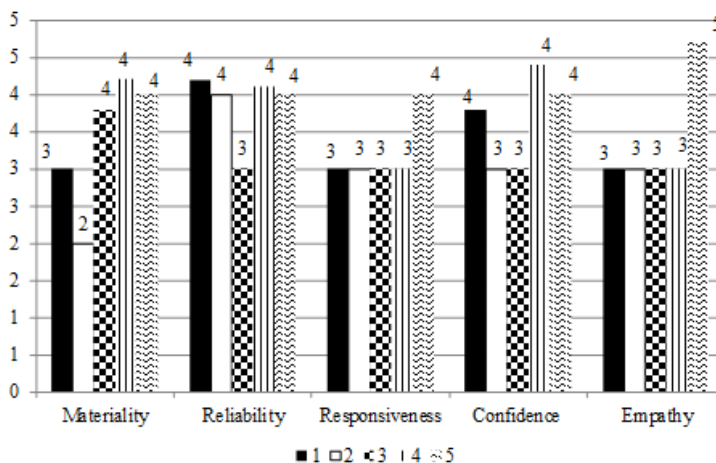
1 – Mordovian branch of JSC Rosselkhozbank. 2 - Mordovian branch No.8589 of Sberbank. 3 - AKTIV BANK, 4 - JSC VTB 24 5 - KS BANK
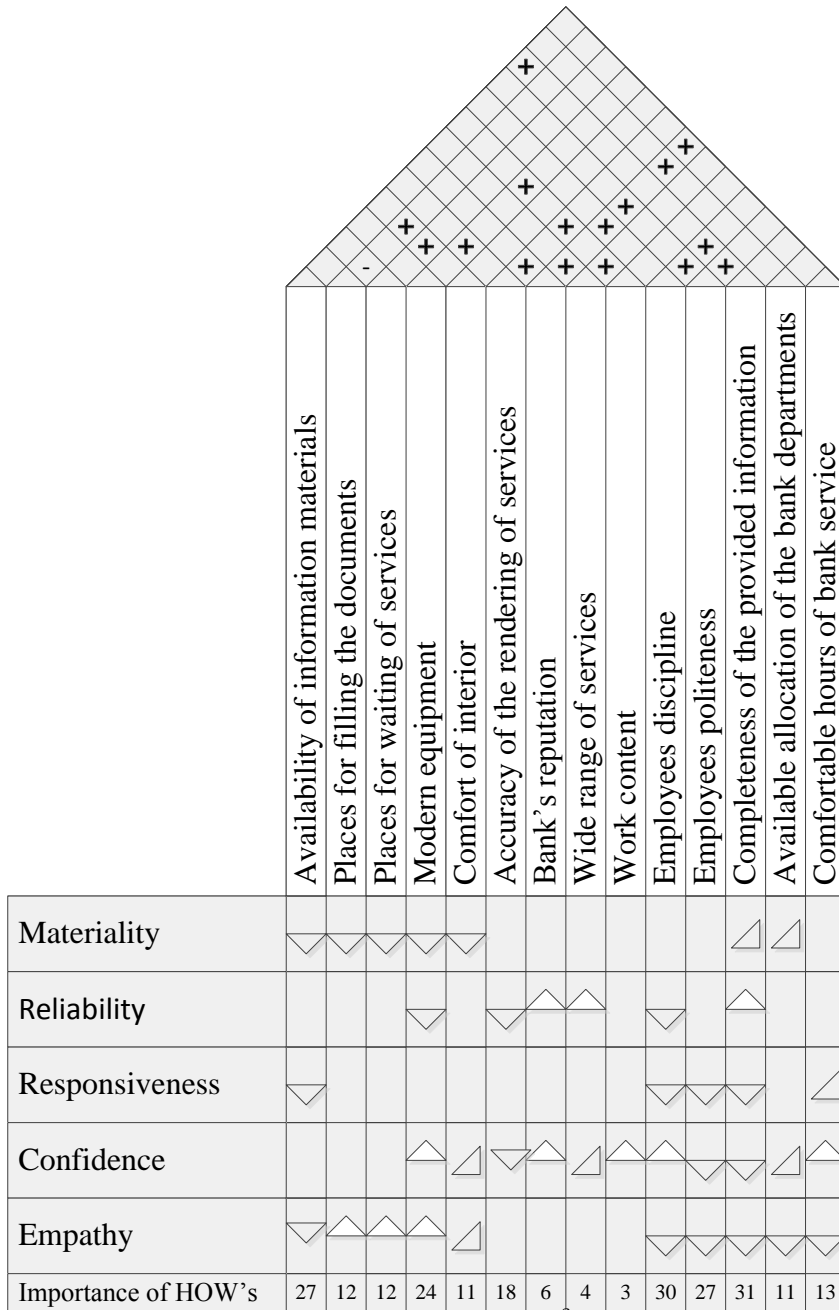
Figure 3. The results of comparing the level of customer service in KS Bank with the banks-competitors

Thus, virtually all the selected criteria in comparison with the competitors, the best level of service is observed in the KS BANK. However, this provision does not limit the possibility of improving the characteristics of the customer service in the bank. The fourth stage of the deployment of the quality function is to determine the quality parameters of the service process, which, according to the manufacturer of services will not only meet the expectations of the consumer, but also ensure the competitiveness of the bank in the planned sector of the market. At this stage, the characteristics of the quality are determined regarding Bank's rating giving the importance of client's demands, as well as the relationship between customer requirements and specifications. The relationship between customer requirements and the characteristics of the quality of service are provided in Table 4 (notes: ▼ – strong relation (9 points), Δ – medium relation (3 point), – weak relation (1 point)).

Table 4. The relationship between customer requirements and the characteristics of quality of service of KS BANK

Characteristics of the quality of the customers service process in bank	Availability of information materials	Places for filling the documents	Places for waiting of services	Modern equipment	Comfort of interior	Accuracy of the rendering of services	Bank's reputation	Wide range of services	Work content	Employees discipline	Employees politeness	Completeness of the provided information	Available allocation of the bank departments	Comfortable hours of bank service
Materiality	▼	▼	▼	▼	▼							◿	◿	
Reliability				▼		▼	Δ	Δ		▼		Δ		
Responsiveness	▼									▼	▼	▼		◿
Confidence				Δ	◿	▼	Δ	◿	Δ	Δ	▼	▼	◿	Δ
Empathy	▼	Δ	Δ	Δ	◿					▼	▼	▼	▼	▼

The fifth stage of construction of the matrix is concluded in determination of the quality characteristics of the bank's activities, which are subject to improvement primarily to better satisfaction of customer's needs. The result of the performance of all the above listed steps is QFD matrix shown in Figure 4.

	Availability of information materials	Places for filling the documents	Places for waiting of services	Modern equipment	Comfort of interior	Accuracy of the rendering of services	Bank's reputation	Wide range of services	Work content	Employees discipline	Employees politeness	Completeness of the provided information	Available allocation of the bank departments	Comfortable hours of bank service
Importance of HOW's	27	12	12	24	11	18	6	4	3	30	27	31	11	13

Figure 4. QFD matrix of customer service process of KS BANK according to the results of study, 2011

Thus, all the selected criteria in comparison with competitors, the best possible service is observed at KS BANK. The QFD matrix has prioritized the changing of characteristics of work quality of the bank, giving their importance in the process of service.

Based on the graphical representation of the results of the application of QFD methods, the quality characteristics of the bank work, placed in order of priority, are the following (Table 5):

Table 5. Distribution of the characteristics of the quality of service process on the priority of their improvement

No.	Characteristics	Priority
1	Completeness of the provided information	31
2	Employees discipline	30
3	Availability of information materials	27
4	Employees politeness	27
5	Modern equipment	24
6	Accuracy of the rendering of services	18
7	Comfortable hours of bank service	13
8	Places for filling the documents	12
9	Places for filling of services	12
10	Comfort of interior	11
11	Available allocation of the bank departments	11
12	Bank's reputation	6
13	Wide range of services	4
14	Work content	3

It's evident that the most correct solutions will be connected with the improvement of performance of the highly prioritized characteristics. However, in case of any negative correlations, their order of priority in the presentation should also be considered. In this case, the competing characteristics (8 and 9) are side by side and therefore do not require global changes. The situation should be improved only a little with the expansion of places for customers' waiting and their level of satisfaction with the quality of service of KS Bank will grow. The greatest value from the presented in Table 5 characteristics of quality of service of the bank was received by the characteristics associated with the work of the staff of the loan company - completeness of the provided information (31), employees discipline (30), employees politeness (27), as well as equipment and information materials - availability of information materials (27), modern equipment (24).

3.2 Development of Recommendations to Improve the Process of the Customer Service

The final step of the QFD method is the management decision-making associated with the choice of quality characteristics to be optimized. It is obvious that the most appropriate solution would be connected with the improvement ofperformance of the characteristics of the highest priority.

These findings were handed over to KS BANK. As a result of the analysis a range of measures to improve the quality of customer service was implemented, in particular:

–   To improve the performance of the employees the standards of service of KS Bank have been developed, which contain general rules for all the employees interacting with customers, regardless of the stage of the service and the standard of communication with customers over the phone, as well as the most specific description of what the employee should know and do in a particular situation on the major stages of the service process. In addition, the bank introduced the practice of the annual audit of personnel competence, which includes a test for knowledge of banking legislation, regulations and internal control issues, reflecting the specificity of each employee.

–   A call-center is opened, the employees of which consult clients on banking services and direct them to specific employees who can render the necessary services. Exactly the employees of this call-center are engaged in processing the complaints about services, received via the corporate website or e-mail. The period of the complaint processing in KS Bank now ranges from one to five days depending on the complexity of the complaint.

–   To assess customer satisfaction, alongside with the call-center the bank's website has been actively used, where the customer has the opportunity to assess satisfaction with the services, file a complaint or a recommendation regarding the banking services.

For the improvement of the equipment and information materials bank regularly updates and expands the number of self-service equipment. Information about expanding the list of services is brought to customers through mass media (radio, television, newspapers) and through the bank's website.

3.2 Assessment of Customer Satisfaction with the Bank in 2015
Repeated study of customer satisfaction with quality of services of KS Bank and its main competitors according to SERVQUAL method was conducted in 2015. Despite the increase in the number of loan companies in the Republic of Mordovia the main competitors of KS BANK remain the same: Mordovian branch of JSC Rosselkhozbank , Mordovian branch No.8589 of Sberbank, AKTIV BANK, JSC VTB 24. The results of the study are presented on Figure 5.
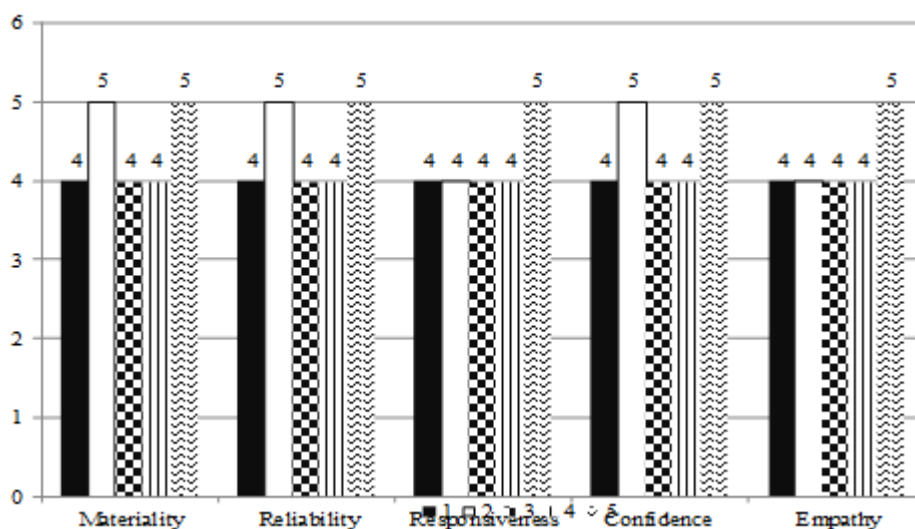
Figure 5. The results of comparing the level of customer service of KS BANK with the banks-competitors in 2015: 1 – Mordovian branch of JSC Rosselkhozbank, 2 – Mordovian branch No.8589 of Sberbank, 3 - AKTIV BANK, 4 - JSC VTB 24, 5 - KS BANK

According to the figure, over 4 years all the loan companies increased the level of customer service. However, again in almost all the selected criteria KS BANK has the best observed service in comparison with the competitors. The changes made by the bank in the service process over four years, were focused on the customers' requirements identified in the studied process. According to the analysis of figures 3 and 5 among the major competitors of KS BANK Mordovia branch of Sberbank No.8589 developed the most rapidly during the studied period. Increased satisfaction of Sberbank customers, especially in the assessment of dimension"Materiality" demonstrates the effectiveness of the introduction of of "Lean service" concept.

4. Discussion

According to the results of the study, conducted in 2011 by surveying customers, the key requirements for the service process at the bank were identified and then transferred to the characteristics of service quality. Based on the analysis of the importance to customers and the close relationship between customer requirements and quality characteristics by constructing a QFD matrix the characteristics of customer service of KS Bank were identified, which were the subject to improvement in the first place:

–   Completeness of the provided information
–   Employees discipline
–   Availability of information materials

–   Employees politeness
–   Modern equipment
–   Accuracy of the services provision

On the basis of recommendations made by the bank management a number of changes was introduced, primarily connected with the provision of the necessary information, discipline and politeness of staff, equipment of bank offices with the necessary facility and software.

Four years later, the second study was conducted. Comparison of service process to the competitors' showed that during this period there were qualitative changes in customer service almost in all the loan companies, but the highest level of customer satisfaction was observed among the customers of KS BANK. Changes made by the bank in the service process over four years, were focused on the customers' requirements identified in the 2011 study.

Thus, the repeated study conducted in 2015 proved the possibility and necessity of the application of the quality management tools in loan companies. However the application of the quality management tools during the improvement of the service process or its separate peculiarities is not limited to the methods of QFD and SERVQUAL. Among the disadvantages of application of these instruments are the lack of orientation to the bank's weaknesses, or "bottlenecks" of customer service, lack of graphic representation of the process. Furthermore, as the analysis of the scientific literature shows, the application of separate tools in the bank's activities does not give long-term positive results. For improving the customer service it's necessary to develop and use the system of quality management tools.

When managing the service process the following tools of quality management can be used (Figure 6).

It is worth noting that that the above listed methods should be used in conjunction with the tools and techniques which have been already applied.

The decision to use methods and tools of quality management in service process control should be based on the following results:
–   study of the banking market (determination of the need for improving the quality of services as a way of increasing the customer base, or capturing a bigger market share),
–   consumer survey (to identify a large number of negative comments about separate characteristics of the customer service process or service as a whole),
–   self-evaluation (determination of certain characteristics or the service process as a whole as key areas for improvement for loan companies).
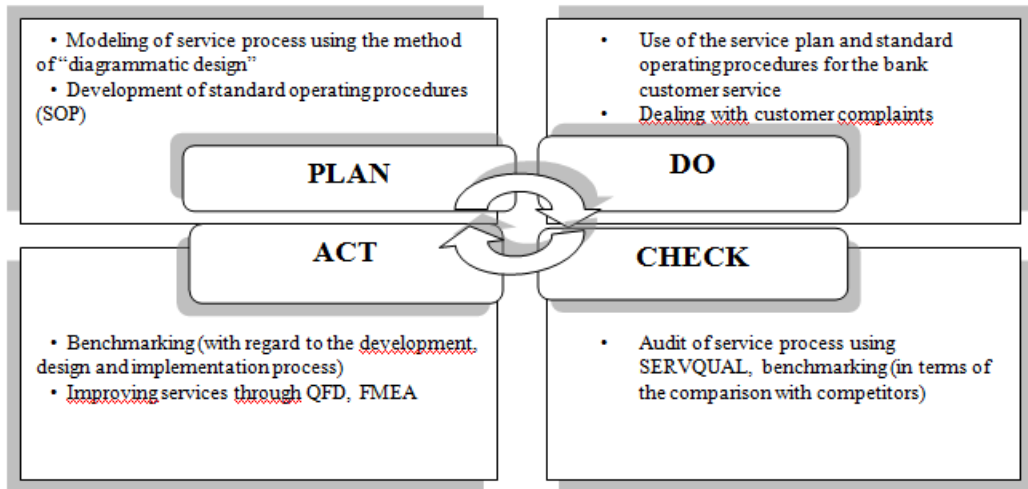
Figure 6. Content of stages of service process management with the use of quality management tools

Thus, the concept and methodology of quality management is an effective and integrated basis for the management and development of separate fields of activities and the company as a whole.

5. Conclusions

Rapid changes in consumer demands for quality and accessibility of banking products, as well as changes in the market and legislation require constant monitoring and the necessity of updating the management of the main processes of the loan companies. The most important way to increase the competitiveness and sustainable development of the banking sector as a whole and for each loan company (from a regional bank to large state-owned bank) is the introduction and implementation of management based on the use of quality management tools that can help to quickly adapt to the aggressive and constantly changing external conditions.

The article presents the results of studies conducted in 2011 and 2015 on the basis of a regional bank of the Republic of Mordovia.

The practical example of the quality function deployment in the bank presented in this study allowed showing the QFD method to improve the quality of customer service of banking sphere. Using the special software to build QFD matrices greatly simplifies the process and allows making more accurate calculations, followed by a clear graphical representation of the data. All this together allows the management of the bank to make good and informed decisions in the direction of further improvement of the loan company. Application of SERVQUAL allowed

respondents to assess their level of perception and satisfaction with specific aspects of the service process at the bank, as they were able to assess and compare the service process of assessed bank with its main competitors.

Thus, the theoretical and practical analysis of the customer service of loan companies conducted in the article has confirmed the hypothesis that the use of different tools and methods of quality management contributes to the improvement of services and hence increase customers' satisfaction and competitiveness of the bank. As a result of application of SERVQUAL and QFD the conclusions were made concerning the appropriateness of the use of other methodologies at different stages of service process management.

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