

ASSESSMENT OF THE RELATIONSHIP BETWEEN PRODUCT QUALITY AND SALES OF FINANCIAL SERVICES

**(A CASE OF SELECTED BRANCHES OF AMAL BANK IN
MOGADISHU CITY IN - SOMALIA)**

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**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE
MASTER OF BUSINESS ADMINISTRATION**

BY:

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FEBRUARY, 2011

DECLARATION A

I, **Mohamed Omar Ali**, do hereby solemnly declare that this work is my original piece and has not been submitted to any institution of learning for the award of a degree or diploma.

Signature:

Date:.....

MOHAMED OMAR ALI
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DECLARATION (B)

"I confirm that the work reported in this thesis was carried out by the candidate under my supervision".

Dr. Kerosi J. Bosire.

Date -----

DEDICATION

I dedicate this work to my dear wife Mrs. Aisha Elmi Mohamud for the kind support she rendered to me during the time of study.

May Allah reward her abundantly.

APPROVAL SHEET

"This dissertation entitled ASSESSEMENT OF THE RELATIONSHIP BETWEEN PRODUCT QUALITY AND SALES OF FINANCIAL SERVICES presented by **Mohamad Omar Ali** in partial fulfillment of the requirement for the degree of Master of Business Administration in Banking and Finance has been examined and approved by the panel on oral examination with the grade of PASSED.

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ABSTRACT

The study looked at the relationship between product quality and sales of financial services, a case study of three selected branches of Amal Bank in Mogadishu City – Somalia. The study was guided by the following objectives: -

- To determine the perceived quality components of financial product or service
- To ascertain the nature of the sales experience of financial products, or services
- To find out the relationship between quality and sales of financial products or services.

The required data was collected from Amal Bank Top managers, Middle managers and Support staff through questionnaire guides for primary data and secondary data being the library, internet and analyzed using Microsoft Excel and SPSS.

Questionnaires, Interviews and Observation methods were used to collect data from the respondent; self-administered questionnaires were ideal. The questionnaires comprised of both closed-ended and open-ended questions. Out of the 76 employees at the three branches of Amal Bank, the researcher only purposively and randomly selected 64 respondents as the sample size from various departments.

The key findings of the study suggest that there is a strong and standard relationship between product quality and sales of financial services. Implying that as long as the product quality is standard, the Amal Bank will improve its sales of financial services.

The study therefore recommends that; banking institution should put incentives in place to improve on the quality of products caused by lack of interest or care on the part of workers in the production department. This will bring about a competitive advantage within the organization which will end up improving quality of products and enhanced service delivery, the institution should also put measures in place that will stipulate the conditions to carry out with the aim of producing high quality products, the researcher also recommends that since marketing improves the selling environment and plays a very important role in sales, the institution should uphold the current marketing strategies and only make positive changes rather than backsliding. This will help maintain and improve the sales volume of the financial institution.

CHAPTER ONE

INTRODUCTION

Overview

This chapter presents the details of the following; background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, and significance of the study.

Background of the Study

This study looked at the importance of product quality in relation to sales of financial service, since it can affect them both positively and negatively.

Product quality is defined as conformance to specifications. The product should do what it was designed to do because conformance is something that can be measured, Crosby (1979).

Product quality can also be what the customer thinks it is. Product quality comprises of many factors and its perception remains a customer's concern and such factors include the following:-

The level of technology reflected in the product, compliance with standards that reflect needs, durability, price relative to competitive products, support service and follow through and that meet the expectations of the buyer. When a product falls short of performance expectations, its poor quality is readily apparent. So features that a buyer does not want or cannot effectively use especially if they result in higher prices do not enhance a product's quality, (Coteham & Graham, 2002).

In the case of Somalia, financial sector is recognized to meet the growing demands of the customers, thus private sector development has become the engine that drive employment and the economic in its entirety, facilitating financial transaction, providing social service, and contributing to peace and stability. (World Bank 2005).

Due to economic and political challenges in the region, Amal Bank - financial services

has used its pre-eminent position at the heart of the Somali community to diversify into other vital business. It is part of a wider group that has interests in Telecoms, Constructions and general trading, all operating with the same attention to detail and high levels of customer service.

AMAL BANK, one of several Somali remittance companies operating nationally and internationally provides efficient and speedy services to members of the Somali Diaspora scattered around the world to send remittances to their families and relatives in Somalia and in the sub-region as refugees. AMAL BANK also serves the private sector for the purpose of moving funds for trade and investment activities to and from Somalia. The main target beneficiaries, however, include poor families, vulnerable groups, Internally Displaced Persons (IDPs), refugees in the sub-region and drought affected communities, and majority of these beneficiaries are usually found in remote areas and without permanent address.

The AMAL GROUP OF COMPANIES is the largest Somali public company in the Somali (Remittance) business with worldwide network of associate companies and agencies. AMAL EXPRESS, which gave birth to the rest of the Amal Group of Companies, was formed in 1997 from the amalgamation of 13 individual (Remittance) firms. In merging their capital and human resources, the founders of AMAL succeeded in establishing solid financial and management base nationally and internationally, putting AMAL in the lead in the (Remittance) business.

The level of financial sales at Amal Bank in Mogadishu significantly wide due to the owing that Amal Bank is the biggest and most trusted financial institution because of its widespread branches across the country and its proven market stability; seen both locally and internationally.

Statement of the Problem

Many banks in Somaliland have experienced low growth and poor performance over the past decade (Maltby, 2000). Financially, there has been a problem of poor financial service in Somali banking institutions due to serious crisis facing the government owned financial institutions due to power struggle.

The impact of the civil war which started in 1991 till date and the absence of central government have not diminished the Somalis sense of community and entrepreneurship development. Banking sectors as leading financial services in Somali offers banking services including savings and cheque accounts to individuals, businesses and international organizations in Somalia. The researcher carried out in this research to identify the impact of product quality on sales of financial service in Amal Bank in Somalia. (<http://www.theatlantic.com/magazine/archive/2008/12/timeline-somalia-1991-2008/7190/>)

Although many companies and businesses have operated for long in Somalia and with a struggle to maximize their sales, the effect of product quality on sales of financial service has not been thoroughly researched on. It has not been known to what extent product quality can affect sales and therefore, this study will look at how quality can affect the number of sales of businesses which sale goods or services. This will be achieved by looking at the quality of the products and services offered in relation to the level of sales of the products and services.

Purpose of the Study

Many financial institutions have operated for long while registering success despite the truth that they do not look at assessing the relationship between product quality and sales of financial services. Thus the researcher intended to assess the influence of financial services of product qualities have on the sales financial institutions at Amal Bank in Mogadishu City – Somalia.

Research objectives of the study

General Objective

The study was intended to assess the relationship between product quality and sales of financial services.

Specific objectives

- i. To determine the perceived quality components of financial products and services;
- ii. To ascertain the nature of the sales experience of various financial products and services; and
- iii. To find out the relationship between product/service quality and sales of financial products and services.

Research Questions

In this study we ought to answer the following questions: -

- i. What are the perceived quality components of financial products or service?
- ii. What is the nature of sales experience on various financial products and services?
- iii. What is the relationship between product/services quality and sales of financial products or services?

Scope of the Study

Scope of the study was perceived from three dimensions: Time, Content and geography. The study based on the following: -

Time: From the year 2006 – 2010, and the data collection took 4 weeks. The sales were considered within this period and the quality development too with in same period.

Content: This covered all forms of product quality and sales of financial services at Amal Bank. There are many related aspects but the study confined it self to loans/credit products/customer service.

Geographical Scope: The study was conducted at AMAL BANK headquarter along Bakara Street, and some of their branches (Wadajir, Hamarweyne, Waberi) in Somalia. Other branches in different areas were not included. The study will focus on the

managers, sales persons and the customers of the bank focusing on the demand for quality.

Significances of the Study

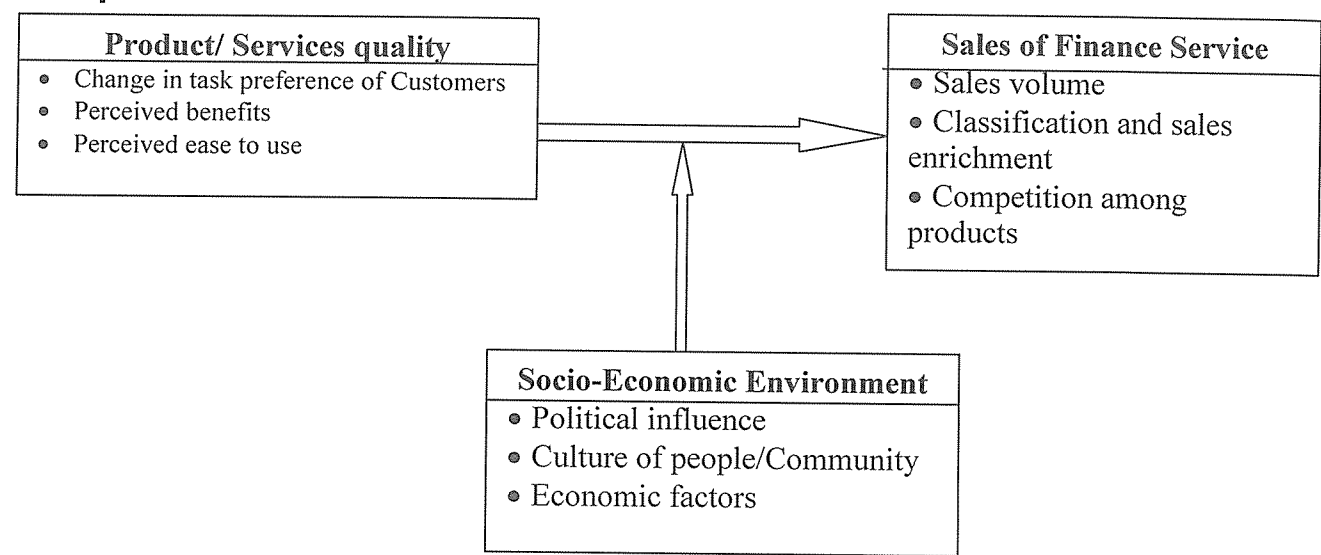
The study will make a contribution in terms of knowledge in the areas of the relationship between product quality and sale of financial services.

The study will give benefit to those who are interesting for further study. The recommendations from the study will be used by financial institutions and financial managers in implementing effective practices in banks.

The study will create knowledge for policy makers and regulators on the relationship between product quality and sale of financial services.

To the researchers, the study will provide more literature to enable further research. To the public, the information is a source of motivation to their use of high product quality.

Conceptual Framework



Source: Author 2010

The conceptual framework shows the independent and dependent variables that were used in the study. The independent variable is product quality as well as the dependent variable is sales.

CHAPTER TWO

LITERATURE REVIEW

Overview

This chapter will present the related literature to the relationship between product quality and sales of financial services. Different studies will be carried out and these include;

Review of Related Studies/ Literature

Product and Sales Quality

Newsome, (1992), Quality needs to be defined firstly in terms of parameters or characteristics, which vary from product to product. For example, for a mechanical or electronic product those performances are: reliability, safety and appearance. For pharmaceutical products, parameters such as physical and chemical characteristics, medicinal effect, toxicity, taste and shelf life may be important. For a food product they will include taste, nutritional properties, texture, and shelf life and so on.

If a product fulfils the customer's expectations, the customer will be pleased and consider that the product is an acceptable or even high quality. If his or her expectations are not fulfilled, the customer will consider that the product is a low quality.

This means that the quality of a product may be defined as "its ability to fulfill the customer's needs and expectations".

Nahmias, (2001), while the American economy was strong during the later part of 1990s, there is some disturbing in the trend. The trend continues to be negative year after year after in particular America has maintained a negative balance of trade with Japan for several decades. Negative balance means that America imports more than it exports. This is because Americans are consuming more Japanese made products at an increasing rate. The reason is that Japanese products such as automobiles and consumer electronics as part of those products are perceived to be of higher quality.

According to Manchanda and Cuintangunta (March 2007), service quality affects both directly and indirectly the new customers' acquisition. That in this technology services quality and signal quality determines the number of movies for viewing in case of movie industries as well as in other service sectors.

Human Factors in Product Quality

Suuroja (2003) it is commonly believed that most quality problems are caused primarily by lack of interest or care on the part of the worker in the production department. However, it is usually not the worker who can be blamed for this, since the conditions necessary to carry out the work correctly often do not exist.

For example, instructions may be inadequate, the incoming material may be defective, the machines may not be capable of producing goods of the required quality, and proper conditions for conducting inspection of the product are not given to the workers and so on. Unfortunately the worker has no control over these factors, but they may lead to defective work.

According to the analysis made by business owners' association (2002) goods with consumer's taste and with relatively affordable prices have captured customers' attention and hence the ones making big sales due to the way they have captured the market. This has left those which don't fit the customer preferences crumbling behind especially if their prices are higher or close to those proffered by customers.

Quality Control

Adsit, (2007), Quality control (QC) is the collection of methods and techniques for ensuring that a product or service is produced and delivered according to given requirements. This includes the development of specifications and standards, performance measures, and tracking procedures, and corrective actions to maintain control. The data collection and analysis functions for quality control involve statistical sampling, estimation of parameters, and construction of various control charts for monitoring the processes in making products.

There are three views for describing the overall quality of a product. First is the view of the manufacturer, who is primarily concerned with the design, engineering, and manufacturing processes involved in fabricating the product. Quality is measured by the degree of conformance to predetermined specifications and standards, and deviations from these standards can lead to poor quality and low reliability. Efforts for quality improvement are aimed at eliminating defects (components and subsystems that are out of conformance), the need for scrap and rework, and hence overall reductions in production costs. Second is the view of the consumer or user.

To consumers, a high-quality product is one that well satisfies their preferences and expectations. This consideration can include a number of characteristics, some of which contribute little or nothing to the functionality of the product but are significant in providing customer satisfaction. A third view relating to quality is to consider the product itself as a system and to incorporate those characteristics that pertain directly to the operation and functionality of the product. This approach should include overlap of the manufacturer and customer views.

Total Quality Management

Since the late 1980s, firms around the world have launched Total Quality Management (TQM) programs in an attempt to retain or regain competitiveness in order to achieve customer satisfaction in the face of increasing competition from around the world in this era of globalization. TQM is an integrative philosophy of management for continuously improving the quality of products and processes, (Ahire, S. L. 1997).

TQM functions on the premise that the quality of the products and processes is the responsibility of everyone who is involved with the creation or consumption of the products or services offered by the organization.

Sales

Selden (1998), A sale is completed by the seller or the provider of the goods or services to an acquisition or appropriation or request followed by the passing of title (property or ownership) in the item and the application and due settlement of a price, the discharge of or any claim upon the item. The purchaser, though a party to the sale does not execute the sale, only the seller does that. To be precise the sale completes prior to the payment and gives rise to the obligation of payment. If the seller completes the first two above stages (consent and passing ownership) of the sale prior to settlement of the price, the sale is still valid and gives rise to an obligation to pay.

The Sales department's goal would be to improve the interaction between the customer and the sales facility or mechanism (example, web site) and/or salesperson. Sales management would break down the selling process and then increase the effectiveness of the discrete processes as well as the interaction between processes. For example, in many out-bound sales environments, the typical process is out bound calling, the sales pitch, handling objections, opportunity identification, and the close. Each step of the process has sales-related issues, skills, and training needs as well as marketing solutions to improve each discrete step, as well as the whole process.

Sales and Marketing Relationship

Copper, (2008,) Marketing and sales are very different, but have the same goal. Marketing improves the selling environment and plays a very important role in sales. If the marketing department generates a potential customers list, it can be beneficial for sales.

The marketing department's goal is to increase the number of interactions between potential customers and company, which includes the sales team using promotional techniques such as advertising, sales promotion, publicity, and public relations, creating new sales channels, or creating new products (new product development), among other things.

Coteham and Graham, (2002), in most large corporations, the marketing department is structured in a similar fashion to the sales department and the managers of these teams must coordinate efforts in order to drive profits and business success. One further common complication of marketing involves the inability to measure results for a great deal of marketing initiatives. In essence, many marketing and advertising executives often lose sight of the objective of sales/revenue/profit, as they focus on establishing a creative/innovative program, without concern for the top or bottom lines. Such is a fundamental pitfall of marketing for marketing's sake.

Many companies find it challenging to get marketing and sales on the same page. Both departments are different in nature, but handle very similar concepts and have to work together for sales to be successful. Building a good relationship between the two that encourages communication can be the key to success even in a down economy.

Financial and Financial Institutions

Financial soundness is a situation where depositor's funds are safe in a stable banking system. The financial soundness of a financial institution may be strong or unsatisfactory varying from one bank to another. External factors such as deregulation; lack of information among bank customers; homogeneity of the bank business, connections among banks do cause bank failure. Some useful measures of financial performance which is the alternative term as financial soundness are coined into what is referred to as CAMEL. The acronym "CAMEL" refers to the five components of a bank's condition that are assessed: Capital adequacy, Asset quality, Management, Earnings, and Liquidity. A sixth component, a bank's Sensitivity to market risk, was added in 1997; hence the acronym was changed to CAMELS. (Note that the bulk of the academic literature is based on pre -1997 data and is thus based on CAMEL ratings.)

Ratings are assigned for each component in addition to the overall rating of a bank's financial condition (Jose, 1999). The ratings are assigned on a scale from 1 to 5.

Capital Adequacy: This ultimately determines how well financial institutions can cope with shocks to their balance sheets. The bank monitors the adequacy of its capital using

ratios established by The Bank for International Settlements. Capital adequacy in commercial banks is measured in relation to the relative risk weights assigned to the different category of assets held both on and off the balance sheet items (Wayne and Megan, 2002).

Asset Quality: The solvency of financial institutions typically is at risk when their assets become impaired, so it is important to monitor indicators of the quality of their assets in terms of overexposure to specific risks trends in non- performing loans, and the health and profitability of bank borrowers especially the corporate sector. Credit risk is inherent in lending, which is the major banking business. It arises when a borrower defaults on the loan repayment agreement. A financial institution whose borrowers default on their repayments may face cash flow problems, which eventually affect its liquidity position. Ultimately, this negatively impacts on the profitability and capital through extra specific provisions for bad debts (Wayne and Megan, 2002).

Earnings: The continued viability of a bank depends on its ability to earn an adequate return on its assets and capital. Good earnings performance enables a bank to fund its expansion, remain competitive in the market and replenish and /or increase its capital. A number of authors have argued that, banks that must survive need: Higher Return on Assets (ROA)., better return on net worth/Equity (ROE), sound capital base i.e. the Capital Adequacy Ratio (CAR), adoption of corporate governance ensuring transparency to stakeholders that is equity holders, regulators and the public. (Wayne and Megan, 2002).

Liquidity: Initially solvent financial institutions may be driven toward closure by poor management of short-term liquidity. Indicators should cover funding sources and capture large maturity mismatches. An unmatched position potentially enhances profitability but also increases the risk of losses. The management component is not considered in the measure, generally, literature on financial service comprises attributes such as financial transparency disclosure and trust among others and it is revealed that

financial transparency and disclosure enhance trust between the stakeholders and organizations like commercial banks. Capital Adequacy, Earnings and Liquidity are the key dimensions of measuring financial service in Banks. In summary, this literature forms an underpinning for the establishment of the association between product quality and sales of financial service (Wayne and Megan, 2002).

Financial Performance

Firm performance is an aspect of management control which indicates the extent to which corporate strategies and objectives may have been met. Performance is normally measured to check whether there is need to reinforce action or to devise alternative courses of action. Traditionally financial performance has been based on the income statement and balance sheet. However, the difference in accounting practices has led to a major problem concerning the financial performance of a firm. Its bottom line can be enhanced by creatively designing the contents of the Income statement (Bittlestone, 1998). The income statement and balance sheet also report historic data about the performance and do not provide any indication of the threats to the firm.

Given the above limitation, (Kaplan & Norton, 1992) identify the balanced score card; a set of measures that try to address the above concerns. The indicators include financial aspects, customer perspectives, innovation and learning, and internal business processes. The balanced scorecard was developed to help translate an organization's vision and strategy into a set of supporting factors. By developing indicators for the different factors, the balanced scorecard can provide an organization with the necessary tools for performance measurement and monitoring, directly addressing multiple aspects that support the overall vision and strategy (Kaplan and Norton, 1992).

Since the appearance in 1992, the balanced score card has gained widespread acceptance as an instrument for performance measurement and has also developed into an integrated part of the mission identification and strategy development process (Yee-Chin, 2004).

However, recent studies which use limitations to the balanced scorecard. It has particularly proved to be inadequate in addressing contributions from employees and suppliers, in identifying the role of the community, in developing performance measures to address stakeholders' contributions, in accounting for the importance of motivated employees and not being able to provide adequate distinction between means and ends (Maltz & Shenhar, 2003).

Financial indicators capture the quantitative aspects of the company's performance. These include profitability, financial position and general efficiency in financial operations. The other aspects of the balanced score card reflect qualitative measures that are indicative of performance.

Product Quality and Customer Satisfaction

A generalized decrease of the returns on product's sale, coupled with an increased focus on customer satisfaction, have been encouraging a rising number of financial institutions to supplement their product offerings with product-related services (or product-services) both before and after the sale. The rationale for this integration lies in the benefits that product-services can generate. First and foremost, product quality can generate substantial revenues and profits (Blumberg, 1991, Hull and Cox, 1994, Mathe and Shapiro, 1993).

These revenues can be hidden on a mark-up on product's price, as well as explicit and coming from the sale of services, in isolation from the product. Moreover, product quality can provide a stable source of cash flows (Srivastava et al., 1998), being more resistant to the economic cycles that drive investments and equipment purchases (Quinn, 1992). In addition to these financial benefits, product quality can give rise to several competitive benefits. They can provide differentiation, making products more appealing. Such a benefit is particularly relevant in mature mass-markets, where low-cost competitors provoke fierce price competitions, especially if products are easy to copy and patents offer only limited protection against copying. (Anderson and Narus,

1995, Kyj and Kyj, 1989, Mathur, 1988, Simons, 1991, Rapaccini et al., 2005).

Product quality can help achieve customer satisfaction (Oliva and Kallemborg, 2003), especially when products are complex and customers very service-demanding. Product quality can lead to building of a possible build strong, close, and positive relationships with customers. These relationships, in addition to increase customer (true) loyalty (Dick and Basu, 1994), allow the providers to collect reliability data as well as suggestions and complaints about the products and/or the services. These information help design products and/or services more tailored to the customers' needs (Goffin, 1990, 1994, 1998) and devise effective recovery actions whenever customers' expectations are not met.

Service Quality and Labour Intensive

Being labour-intensive, services are less easy to imitate, and therefore represent a more sustainable source of competitive advantage. The progressive shift of companies' focus from producing manufactured goods to providing services have encouraged several authors (Vargo and Lush, 2004, 2008, Edvardsson et al., 2005, Grönroos, 2008) to consider services no more as mere activities but, rather, as a perspective both on the customer's value creation process and on the provider's business logic. According to this perspective, customers buy products and/ or services for basically the same reason: receive a service that creates value for them. The consequence of such logic is that financial institutions should rethink their business logics to make them more service-oriented. The adoption of a service-logic implies focusing on how to provide benefits to customers (with both goods and services), rather than focusing on adding services to the current market offerings.

However, being a strategic decision, the adoption of a service-logic should be based on a careful assessment of the customers' purchase logic. As pointed out by Grönroos (2008), customers may not necessarily make an assessment of the benefits that products and services can generate for them (value in use) but, rather, consider value

as embedded (value in exchange) in the resources (goods and services) they buy. If that is the case, and if the customers' mindset cannot be changed, than approaching customers with a clear business language won't probably be rewarding.

Kano Quality Product Development Model

The Kano model is a theory of product development and customer satisfaction developed in the 80s by Professor Noriaki Kano which classifies customer preferences into five categories: - Attractive, One-Dimensional, Must-Be, Indifferent, and Reverse.

These categories have been translated into English using various different names (delighters/exciters, satisfiers, dissatisfiers, etc.), but all refer to the original articles written by Kano, (Cadotte, Ernest R.; Turgeon, Normand, 1988).

Attractive Quality: These attributes provide satisfaction when achieved fully, but do not cause dissatisfaction when not fulfilled. These are attributes that are not normally expected, For example, a thermometer on a package of milk showing the temperature of the milk. Since these types of attributes of quality unexpectedly delight customers, they are often unspoken.

One-dimensional Quality: These attributes result in satisfaction when fulfilled and dissatisfaction when not fulfilled. These are attributes that are spoken of and ones which companies compete for. An example of this would be a milk package that is said to have ten percent more milk for the same price will result in customer satisfaction, but if it only contains six percent then the customer will feel misled and it will lead to dissatisfaction.

Must-be Quality: These attributes are taken for granted when fulfilled but result in dissatisfaction when not fulfilled. An example of this would be package of milk that leaks. Customers are dissatisfied when the package leaks, but when it does not leak the result is not increased customer satisfaction. Since customers expect these attributes and view them as basic, then it is unlikely that they are going to tell the company about them when asked about quality attributes.

Indifferent Quality: These attributes refer to aspects that are neither good nor bad, and they do not result in either customer satisfaction or customer dissatisfaction.

Reverse Quality: These attributes refer to a high degree of achievement resulting in dissatisfaction and to the fact that not all customers are alike. For example, some customers prefer high-tech products, while others prefer the basic model of a product and will be dissatisfied if a product has too many extra features.

The Kano model offers some insight into the product attributes which are perceived to be important to customers. The purpose of the tool is to support product specification and discussion through better development team understanding. Kano's model focuses on differentiating product features, as opposed to focusing initially on customer needs. Kano also produced a methodology for mapping consumer responses to questionnaires onto his model, (Llosa, S., 1999).

Service Quality Management and Internal Customer Satisfaction

A high level of external customer satisfaction largely depends upon the level of internal customer satisfaction and corresponding nature of service quality delivered by internal customers to the external customer in financial services industry. Customer satisfaction for financial services industry is also dependant upon the amount of trust the customers place with the organization which is again dependant on the relationship of the customer with the employees of the organization i.e. for our purpose they are internal customers, (Zeithml and Bitner, 1996).

A good relationship is a reflection of greater propensity to buy the services from the financial institution. The customers view their financial institution to be professional par excellence in service quality delivery which can be explained through verbatim like professional dealings, friendly staff, being open, trust worthy, honest and finally delivering reliability what they have been asked to do. So it is important on the part of the internal customer to understand and communicate the explicit and tacit knowledge about the financial service delivered to customers, (Schimt , MJ, Allscheid, S. P., 1995).

The financial institution in the process should make an attempt to enhance the confidence of their staff about their brand building roles. Higher level of staff motivation and job satisfaction shall lead to greater consistency in service delivery. High level of service delivery will increase the customer satisfaction level reflected ultimately with higher sales, greater market share and good brand image. The success of a business enterprise is guided by the strategic orientation of the organization towards its customers, competitors and internal customers (employees) and the relationship between these significant components. External marketing addresses the relationship between the firm and its customers. Interactive marketing refers to the front end of the firm and the customer. Internal marketing refers to the relationship of the firm with its employees through its internal policies and interaction methods including the expectation – matching behavior and compensation planning. Substantial amount of research effort has been expended for understanding external customer behavior and developing tools and techniques for testing and interpreting the external consumer behavior (Parasuraman, A., Berry, L and Zeitham, 1998).

This understanding can also help in avoiding duplicity of effort and strains on functional relationships across departments in the organizations. Satisfied internal customer and their attitude is a prerequisite to satisfied external customers (Gemler , D D , Bitner M. J., 1994. Without integrating the service provision process across the whole organization one can not achieve strong customer relationship management through internal customer orientation.

The importance of the value and service supply chain and analysis of intra organizational value flows are receiving increasing attention in financial services sector. The financial services industry has understood the process of service value delivery integration through effective intra-organizational communication (Lawrence, HV and Wiswell, AK., 1998).

Customer satisfaction with quality and its link with service delivery has been explored in previous researches resulting in the identification of number of gaps, (Zeithml, VA, Parasuraman A. and Berry L. L., 1990). Have analyzed these gaps and have identified a number of service deficiencies or inadequacies within the service provider that would significantly contribute to sub optimization of the services and a higher probability of customer defection.

Kasper (1999), examined various alternative strategies for service marketing and gave emphasis to the need of a right service mix of services (product), people, system and technology. Many factors were identified as demanding attention in the triad of services, particularly the need of continuous interaction between the front office, the back office and the external customer.

From the review of the literature it can be said that delivery of the intended service to the customer is dependant upon the extent of integration of values and behavior of the employees in an organization.

There are two key aspects of banking operations where the service delivery can be looked at. One is the customer contact point (front end) and the other is the back end operation where customer requirements are processed. These back offices are more mechanistic with prefixed standards on service delivery for example the timing of processing a loan application form is fixed with certain degree of reliability; interaction of the staff being more technology driven and within the departments only. In many of the cases the back office does not need to be close to the customer contact point due to technological up gradation and interactive communication possible between the front end and the back end.

On the other hand the front office staff are close to the customers and are a part in the three way process of interaction i.e. customer, technology and internal customer that require a different set of tools, technology and process of transfer. So some differences in the front end and back end of a banking operation are expected but their focus areas

are to be identified and extend of their responses are to be measured, (Prof. Tapan K.Panda, 1998).

Conclusion

According to the related studies as have been discussed above, the researcher concludes that there is a varied relationship between quality and sales of financial services. Marketing and sales are very different, but have the same goal. Marketing improves the selling environment and plays a very important role in sales. If the marketing department generates a potential customers list due to the quality of the products and services offered, it can be beneficial for sales.

CHAPTER THREE

METHODOLOGY

Overview

This chapter presents the methodology of the study, and has the following sections, the research design, research population, sample and sampling procedure, research instruments, validity, reliability, procedures and data analysis.

Research Design

The study adopted descriptive - correlation research design. With the reference to Amin (2005) correlation study describes in quantitative terms the degree to which variable are related. It investigated relationships, including cause-and-effect relationships, in this case the relation between product quality and sale of financial service at Amal Bank-Mogadishu Somalia.

Descriptive research designs can be used in both quantitative and qualitative research projects. Research on strategy is descriptive when it measures, the types of strategy, their characteristics, when they are used, who uses them, the extent to which each is used and where they are used.

On the other hand correlation research design is a statistical measure of a relationship between two or more variables, giving an indication of how one variable may predict another. This allows the researcher to analyze the relationship among a large number of variables, and also correlation coefficients can provide for the degree and direction of relationships

Research Population

The population for study comprised of a total of 76 employees of the selected three branches of Amal Bank and they comprised of the Managing Directors/CEOs, HR manager, Finance manager, Operational manager, and Marketing Manager, and other employees of deferent departments of the three selected branches of Amal Bank. The

choice of the population is based on the fact that it provides the most reliable data and also be able to use the selected instruments since it is mostly literate.

Sample and Sampling Procedure

The study targeted 76 employees and managers at Amal Bank in Somalia out of which 64 respondents were randomly selected as the key respondents / the target sample population. Purposive sampling was used targeting the top managers of Amal Bank. This is because their particular job titles and description are of particular relevance to the study. For the AMAL BANK employees, stratified random sampling was used.

According to (Amin) 2005, stratified sampling is defined as a population divided into sub population such that the elements within each population sub group are homogeneous. Simple random sampling is then selected independently for each population sub group.

This stratification is likely to bear more valid and reliable data than if the researcher to settle for only two categories: professional and non professional staff. The rationale here is that the various categories have different needs and aspirations. This therefore means they may look at various factors for motivation.

This probability sampling procedures ensures that all elements in the population have the same probability of being selected. 50 support staff and 14 categorical managers will be distributed as key informants, making a total of 64 respondents. These are categorized as follows;

Table 3. 1: Profile of Respondents

Category of Respondents	Number	Percentage (%)
Top Level Managers (Amal Bank)	5	8
Middle Managers (Amal Bank)	9	14
Support Staff (Amal Bank)	50	78
Total	64	100

Source: Author 2010

Four Amal Bank branches were randomly selected and these included Bakara Street Branch which constituted 39% of the 64 respondents, Wadajir Branch which constituted 16% of the 64 respondents, Hamarweyne Branch which constituted 25% of the total respondents and Waberi Branch which constituted 20% of the total respondents. These are categorized as follows;

Table 3. 2: Distribution Sample Respondents per Amal Bank Branch

Name of Bank Branch	Number	Percentage (%)
Bakara Street Branch	25	39
Wadajir Branch	10	16
Hamarweyne Branch	16	25
Waberi Branch	13	20
Total	64	100

Source: Author 2010

Research Instruments

The researcher used structured questionnaires and semi-structured questionnaires.

Questionnaire

Structured questionnaires were used to collect data from the respondents. Self-administered questionnaires were ideal, because most of the respondents are literate, and are within the proximity of the researcher. It was also flexible and time saving, since it can be executed within a short period of time. The questionnaires comprised of both closed-ended and open-ended questions.

In the closed – ended questionnaire, the researcher used predominant multiple answers, with the corresponding liker rating scale, as follows: Strongly agree, agree, undecided disagree, strongly disagree.

Validity and Reliability of Research Instruments

To establish the reliability of the questionnaire, the researcher used the method of expertise judgment, which is recommended by Gay (1992) as the best method for reliability (Kimbowa, 2006). To affect this, after construction of the questionnaire, the

researcher approached the supervisor and other experts to ensure the reliability and validity of the research instruments.

The sampling techniques and procedures or mechanisms put in place made the study possible to ensure the validity and reliability as they kick off the biasness in the research. And the consultation of the supervisor will help the researcher to adjust the questionnaire and made it to the advice of the expert; which clearly made the research relevant, specific and logical.

In addition, a pilot test will be conducted in order to test and prove on the reliability of the questionnaire. To prove the validity of the data collection instruments, Dr. Chandy (2007) scale was used, the Validity = Relevant questions and the Total number of questions.

Ethical Issues

Before proceeding to the field, the researcher ensured that secured and he obtained and official introduction letter from the Director, School of Postgraduate Studies and Research of Kampala International University.

After acceptance by the Human Resource Department of Amal Bank to carry out research with the organization, the researcher was introduced to various parties who were to be involved in the research and they were welcoming and ready to give the necessary information.

Data Collection Procedures

On obtaining a letter from the University, the researcher proceeded to the field, made preliminary introductions to the staff members and selected the employees to participate in the study. The questionnaires were personally be delivered to the sampled respondents by the researcher, ample time provided to the respondents, which resulted to successful data collection.

Firstly, the entry point for organization was the HR manager who provided an introductory note or permission chit. The researcher personally administered the instruments to the respondents in their respective departments to minimize errors. The local lingua, Somali was employed to avoid ambiguity with staff and English was the mode of communication for professionals. In the former case, the Researcher employed an interpreter.

In regards to the ethics of the research, the respondents were assured by the researcher of the confidentiality of their responses and also to avoid collusion and consultation with other subjects during the exercise. It is further hoped that findings are to be shared with top management before the final copy is bound.

Data Analysis

By use of the questionnaires the data collected from the study area, was edited, collated and tabulated. For quantitative data sets questionnaires, data was manually entered, then tabulated using Excel / SPSS statistical packages and analyzed. The Researcher then entered the data, edited and produced tally sheets after which the report writing took course.

Descriptive research was used to obtain information concerning the current status of the phenomena describing "what exists" with respect to variables or conditions in a situation. The methods involved range from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time.

Quantitative data analysis was based on the quantification of the size, distribution and association of variables of the study population, Data was collected through open ended questionnaires.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter presents and analyses the empirical findings of the study and their interpretations that is based on the research questions and objectives which included: - to determine the perceived quality components of financial products and services; to ascertain the nature of the sales experience of various financial products and services; and to find out the relationship between product/service quality and sales of financial products and services.

The findings are a representation of the relationship between product quality and sales of financial services. Findings of this study are in a tabular and graph format so as to determine percentages and frequencies of the different respondents

Empirical Analysis

The study was set to establish the relationship between product quality and sales at Amal Bank in Mogadishu - Somalia.

The sample size was 64 employees who comprised of 5 Top Level Managers, 9 Middle Level Managers and 50 Support Staff from different departments of the three selected branches of Amal Bank. However, the greatest emphasis was put on the employers (Top Managers) and the support staff, since they are the ones who are affected directly by the topics in question. The respondents were given questionnaires for which they provided the following information: -

Analysis of the Response Rate

Out of the 64 Questionnaires that were administered at the three levels of employees of Amal Bank – Mogadishu, Somalia, all the 5 questionnaires for the top management were fully received, all the 9 of the middle level managers were received and also all the 50 of the support staff responded fully. Therefore, the response rate was at 100%.

Table 4. 1: Respondent's by Gender

Type of Gender	Frequency	Percentage (%)
Male	49	76
Female	15	24
Total	64	100

Source: Primary Data

In table 4.1, the study findings revealed that; among the managers and employees at Amal Bank who responded to the research questions, 76% of them were men and only 24% were female. This indicates that a highest number of employees at Amal Bank are male (76%), meaning that the management at Amal Bank prefers employing men than women.

Table 4. 2: Respondent's Designation / Position Held at Amal Bank

Type of Response	Frequency	Percentage (%)
Directors	5	8
Top Managers	9	14
Middle Managers	50	78
Total	64	100

Source: Primary Data

In table 4.2, the study findings revealed that; among the management at Amal Bank 8% of them were Directors, 14% were Top Managers, and 78% were Middle Managers in various designations. This indicates that most of the population at Amal Bank comprises of the support staff. The existing highest number (78%) of the employee population at Amal Bank ensures that there is performance competition in achieving the results as expected by the management and in the line with the organization's goal, mission and objectives.

Product Quality and Sales of Financial Service

Since the researcher was interested in assessing the relationship between product quality and sales of financial services at Amal Bank – Somalia, below are the findings from the employees (Supportive Staff) which comprised of 78% of the total sample size (50 of 64) that were interviewed.

Table 4. 3: Most Quality Problems are caused by lack of Interest or Care on the part of the workers in the Production Department

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
Most Quality Problems are caused by lack of Interest or Care on the part of the workers in the Production Department	Frequency	32	13	4	6	9	64
	Percentage (%)	50	20	6	10	14	100

Source: Management

In the interpretation in table 4.3, it was revealed that; 50% of the Support Staff at Amal Bank strongly agree that most quality problems are caused by lack of interest or care on the part of the workers in the production department, 20% agree, 14% strongly disagree, 10% disagree while 6% were undecided. This largely indicates that most quality problems are caused by either lack of interest or care on the part of the workers in the production department. This may bring about a reduction in product quality thus affecting the sale of financial services.

Table 4. 4: The Conditions to carry out to Produce High Quality Products do not exist in the Organization

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
The Conditions to carry out to Produce High Quality Products do not exist in the Organization	Frequency	6	19	8	5	26	64
	Percentage (%)	10	30	12	8	40	100

Source: Management

Interpreting the table 4.4 above its revealed that, 10% of the respondents strongly agreed that conditions to carry out to produce high quality products at Amal Bank do not exist, 30% agreed, 40% strongly disagreed, 8% disagreed and 12% of the respondents were not decided. This clearly indicates that there exist the conditions (30%), though not well known to the majority of the employees (40%). To a larger extent, this negatively affects the quality and sales of financial services.

Table 4. 5: The Machines are not Capable of Producing Goods of the Required Quality

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
The Machines are not Capable of Producing Goods of the Required Quality	Frequency	2	6	6	18	32	64
	Percentage (%)	2	10	10	28	50	100

Source: Management

When the researcher interviewed the top management, in table 4.5, it was revealed that, 2% of the respondents strongly agreed that the machines are not capable of producing goods of required quality, 10% agreed, 50% of the respondents strongly disagreed, 28% of the respondents disagreed and 10% were undecided. From the findings above, it is clear that (50%) machines at Amal Bank are capable of producing goods of required quality.

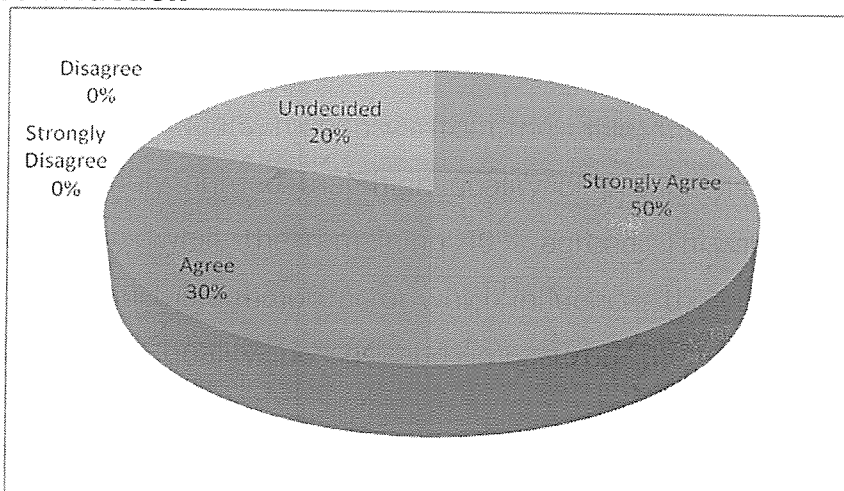
Table 4. 6: A High Quality of Product is one that can Satisfy Consumers' Preferences

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
A High Quality of Product is one that can Satisfy Consumers' Preferences	Frequency	38	26	0	0	0	64
	Percentage (%)	60	40	0	0	0	100

Source: Management

According to the top managers' responses from the table 4.6, it indicates that 60% of the respondents strongly agreed that high quality of product is one that can satisfy consumer's preferences while the remaining 40% agreed. This strongly indicated that the quality of the product is a major factor which influences the customer's preferences; indicating that product quality posses and impact on the sales of services in an organization.

Figure 4. 1: The Functionality of the Product s Significant in Providing Customer's Satisfaction

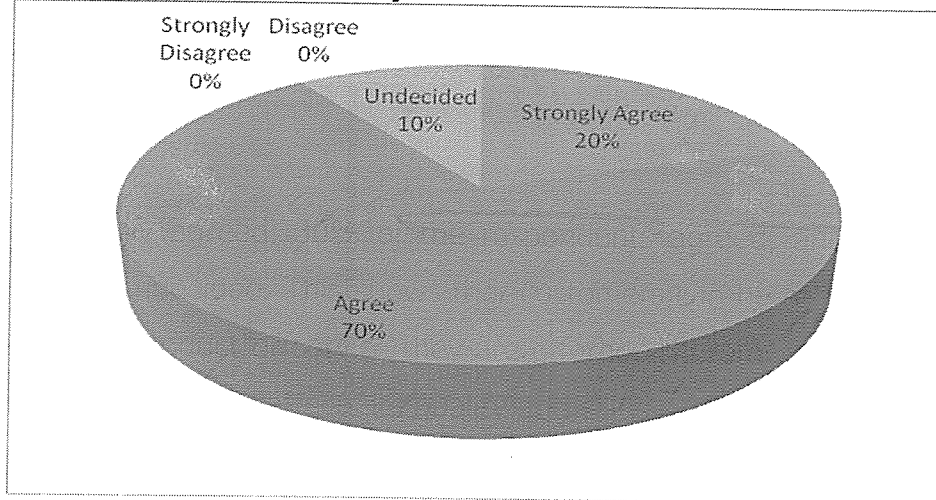


Source: Management

From the above figure 4.1, as regards the Support Staffs' responses on the functionality of the product being significant in providing customers satisfaction; 50% of the

respondents strongly agreed, 30% of the respondents agreed, and only 10% of the respondents were undecided. This shows that customers can be satisfied basing on the functionality of the product or service they are offered. Therefore, it is evident that the product functionality entirely affects its quality and sales.

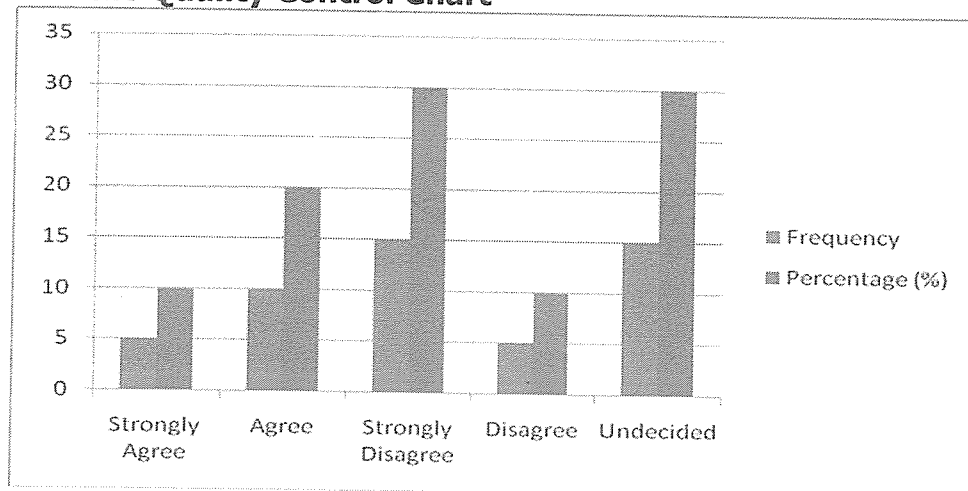
Figure 4. 2: Overriding Goal of Quality Control is the Attainments of the Highest Quality that is Technically Attainable



Source: Management

In figure 4.2 about the overriding goal of quality control being the attainments of the highest quality that is technically attainable, 20% strongly agreed, 70% agreed, and 10% of the respondents were undecided. This indicated that, the overriding goal of quality control leads to attainment of highest quality that is technically attainable by the organizations; this ensures that highest product quality is realized which also leads to increased sales.

Figure 4. 3: The Process Quality Control, all output Units are Inspected and Classified on the Quality Control Chart



Source: Management

From the above figure 4.3 as regards the process quality control where all output units are inspected and classified on the quality control chart, only 10% of the respondents strongly agreed, 20% agreed, 30% strongly disagreed, 10% disagreed, and 30% were undecided. This indicates that under process quality control, all output units are not inspected and classified on the quality control chart (30%). There is thus a strong probability that at Amal Bank, most of the output units are not inspected and classified on the quality control chart.

Table 4. 7: Good Sales are to Improve the Interaction Between the Customer and the Sales Facility

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
Good Sales are to Improve the Interaction between the Customer and the Sales Facility	Frequency	13	45	0	6	0	64
	Percentage (%)	20	70	0	10	0	100

Source: Management

From the above table 4.7 as regards the Support Staffs' responses on whether the good sales are to improve the interaction between the customer and sales facility; it's evident that 20% of the respondents strongly agreed, 70% of the respondents agreed, and only 10% of the respondents disagreed. This shows that good sales improve the interaction between the customer and the sales facility. This may positively enhance the product quality and the sales of financial services and Amal Bank.

Table 4. 8: Marketing Improves the Selling Environment and plays a very Important role in Sales

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
Marketing Improves the Selling Environment and plays a very Important role in Sales	Frequency	39	19	6	0	0	64
	Percentage (%)	60	30	10	0	0	100

Source: Management

From the above table 4.8 as regards the Support Staff's responses on whether marketing improves the selling environment and plays a very important role on sales; 60% of the respondents strongly agreed, 30% of the respondents agreed and only 10% of the respondents were undecided. This strongly indicates that marketing improves the selling environment and plays a very important role in sales (60%) and (30%), strongly agreed and agreed respectively.

Organization and Management

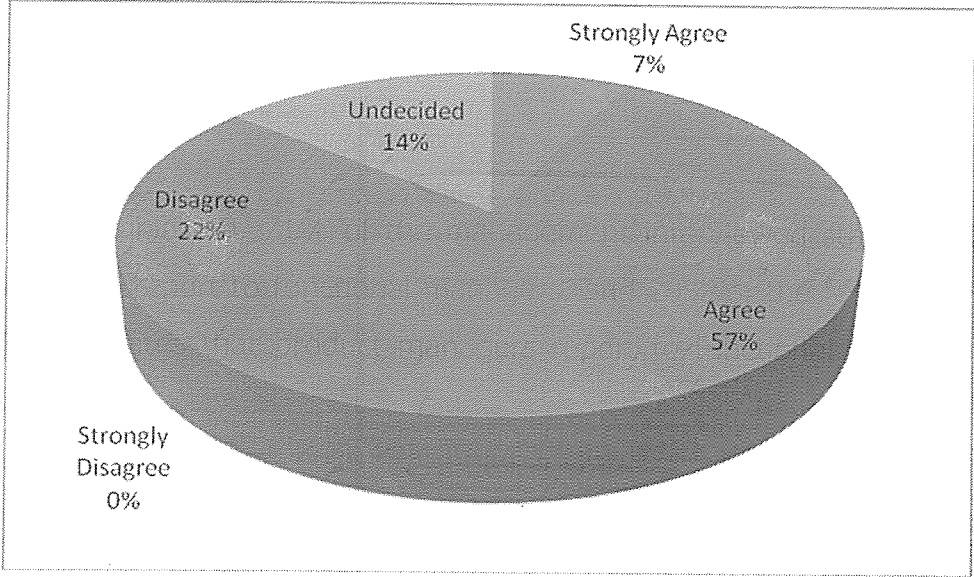
Table 4. 9: The Product Managers Report to Functional Managers

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
The Product Managers Report to Functional Managers	Frequency	45	19	0	0	0	64
	Percentage (%)	71	29	0	0	0	100

Source: Management

From the above table 4.9, 71% of the management interviewed strongly agreed that product managers report to functional managers, and 29% of the respondents agreed. This strongly indicates that product managers report to functional managers at Amal Bank.

Figure 4. 4: The Functional Departments have Difficulty Controlling a wide Variety of Products



Source: Management

From the above figure 4.4, 7% of the management interviewed strongly agreed that functional departments have difficulty controlling a wide variety of products, 58% agreed, 21% disagreed, and 14% of the respondents were undecided. This indicates that to a big extent, functional departments may to some extent face difficulty controlling a wide variety of products.

Table 4. 10: Employee has a full-time Commitment to a Particular Product line

Condition		Strongly Agree (5)	Agree (4)	Undecided (3)	Disagree (2)	Strongly Disagree (1)	TOTAL
Employee has a full-time Commitment to a Particular Product line	Mean Range	0	1.13	1.3	0.28	0.4	0.77
	Percentage (%)	0	29	43	14	14	100

Source: Author 2011

According to the mean range, the respondents indicated that they undecided (0.77). Basing on the percentage rate; a highest number of 43% of the respondents were undecided, 29% of the management interviewed agreed that employee has a full-time commitment to a particular product line, 14% strongly disagreed, and 14% disagreed. This indicates that there is a big unawareness among the management of Amal Bank about the employee commitment to a particular product line.

Table 4. 11: Product Managers and Functional Managers Collaborate and Manages their Conflicts

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
Product Managers and Functional Managers Collaborate and Manages their Conflicts	Mean Range	3.20	1.44	0	0	0	2.32
	Percentage (%)	64	36	0	0	0	100

Source: Author 2011

According to the mean range, the respondents indicated that they agree (2.32). This is evident of 64% of the management interviewed strongly agreeing that product managers and functional managers collaborate and manage their conflicts, also 36%

agreed that product managers and functional managers collaborate and manage their conflicts. This strongly indicated that there is a good collaboration between both the product managers and functional managers in conflict resolution which improves the quality of the products thus enhancing the sales volume.

Table 4. 12: Sales Department’s Goal is to Improve the Interaction between the Customer and the Sales Facility

Condition		Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	TOTAL
Product Managers and Functional Managers Collaborate and Manages their Conflicts	Frequency	23	28	13	0	0	64
	Percentage (%)	36	43	21	0	0	100

Source: Management

From the above table 4.12, 36% of the management interviewed strongly agreed, 43% agreed, and 21% were undecided on whether sales departments’ goal is to improve the interaction between the customer and sales facility. This strongly indicates that the goal of the sales department aims at improving the interaction between the customer and the sales facility.

Relationship between the Product Quality and Sales of Financial Services

The above relationship was determined using the Pearson's correlation coefficient and the table below gives the results of the findings;

Table 4. 13: Pearson's Correlation

	PRODUCT QUALITY	SALES OF FINACIAL SERVICES
PRODUCT QUALITY Pearson Correlation Sig. (2-tailed) N	1.000 .000 64	.884** .000 64
SALES OF FINANCIAL SERVICES Pearson Correlation Sig. (2-tailed) N	.884** .000 64	1.000 .000 64
** Correlation is significant at the 0.01 level (2-tailed)		

Source: Statistical Package for Social Sciences (SPSS Output)

From table 4.13, according to Pearson's coefficient, the relationship between product quality and sales of financial services is strong and at a value of 0.884 which is statistically significant. This implies that as long as the products are of perceived quality, the organization (Amal Bank) will improve its sales of financial services. This strong correlation coefficient implies that there is a strong relation between the quality of products and the sale of financial services.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

Introduction

This chapter specifically portrays a discussion of the results of the study based on the findings presented in chapter four. The discussion relates the objectives of the study to the findings aforementioned. The conclusions are drawn and the recommendations are also given.

Summary of the Findings

In determining the feasible findings of the study, the researcher took into consideration a total number of 64 respondents as the study sample.

Demographically, according to the study findings more males (76%) were involved in the research as compared to the females (24%).

According to the research findings, the largest number of the respondents constituted of the Support Staff (50 respondents).

All the questionnaires the researcher issued to the respondents for filling were all received and the results analyzed and interpreted (Response rate was 100%).

Product Quality and Sales of Financial Services

From the findings, the researcher found out that the support staff (50%) strongly agreed that most quality product problems are caused by lack of interest or care on the part of workers in the production department.

The findings also revealed that most respondents from the support staff (40%) strongly disagreed that conditions to carry out to produce high quality products do not exist in the organization, 30% of the agreed, while 10% of the respondents strongly agreed.

Also 50% of the respondents among the support staff strongly disagreed that the machines are not capable of producing goods of the required quality; 2% strongly agreed, 10% agreed, 28% disagreed where as 10% of the respondents were

undecided. This showed that the machines at Amal Bank are capable of producing goods of the required quality.

The findings also revealed that a high quality product is one that can satisfy consumer's preferences (60% strongly agreed and 40% agreed).

Also the functionality of the product was found to be significant in providing customer's satisfaction as 50% of the respondents strongly agreed, 30% agreed while 20% of the respondents were undecided on the matter.

The overriding goal of quality control is the attainments of the highest quality that is technically attainable as realised from the study findings; 20% strongly agreed, 70% agreed, and 10% were undecided.

Under the process quality control, all output units are inspected and classified on the quality control chart as realised from the study findings, not all the output units are inspected and unified as; 10% strongly agreed, 20% agreed, 30% strongly disagreed, 10% disagreed, and 30% were undecided.

The researcher also found out that good sales are to improve the interaction between the customer and the sales facility as indicated by the percentages from the findings which revealed that; 20% strongly agreed, 70% agreed, and 10% disagreed.

From the study findings, the researcher also revealed that marketing improves the selling environment and plays a very important role in sales. This was indicated by; 60% of the support staff respondents strongly agreeing, 30% agreeing, and only 10% of the respondents being undecided on the matter.

Organization and Management

From the findings, the researcher found out from both the top and middle management that product managers report to functional managers as 71% of the respondents strongly agreed, and the remaining 29% of the respondents agreed. This showed that there is an organizational structure that governs Amal Bank which most of the employees in various departments adhere to for smooth running of the daily business transactions.

The findings also revealed that some functional departments have difficulty controlling a wide variety of products. This was indicated by; only 7% of the respondents strongly agreeing, 58% agreeing, 21% disagreeing, and 14% being undecided. This is evident that the disagreeing and undecided percentages were somewhat high (21% and 14% respectively).

From the study findings, it was revealed that; 29%, 14%, 14% and 43%; agreed, strongly disagreed, disagreed and undecided respectively had views that employee has full-time commitment to a particular product line. However, the percentages from the findings indicate that to a wider extent the reverse is true; 43% undecided, and 14% both strongly disagreed and disagreed respectively.

The findings also revealed that product managers and functional managers collaborate and manages their conflicts; 64% strongly agreed and 36% agreed.

From the research findings, the researcher also found out that the sales department's goal aims at improving the interaction between the customer and the sales facility. This is evident from 36% and 43% of the respondents who strongly agreed and agreed respectively.

Conclusion

This subsection presents the conclusions of the research basing on the objectives of the study which included: - to determine the perceived quality components of financial products and services; to ascertain the nature of the sales experience of various financial products and services; and to find out the relationship between product/service quality and sales of financial products and services.

To Determine the Perceived Quality Components of Financial Products and Services

From the findings, the researcher concludes that most quality product problems are caused by lack of interest or care on the part of workers in the production department.

From the study findings the researcher also concludes that most that conditions to carry out to produce high quality products do not exist in the organization.

At Amal Bank, it can be concluded that most of the machines are capable of producing goods of the required quality as expected by the clients.

The findings also reveal that a high quality product is one that can satisfy consumer's preferences.

Also the functionality of the product was found to be significant in providing customer's satisfaction.

The researcher can also conclude that the overriding goal of quality control is the attainments of the highest quality that is technically attainable.

Under the process quality control, all output units being inspected and classified on the quality control chart, the researcher concludes that only a few output units are inspected and classified due to a high number of respondents with varying percentages with a negative view.

To Ascertain the Nature of the Sales Experience of Various Financial Products and Services

From the findings, the researcher can conclude that there is an organizational structure that governs Amal Bank which most of the employees in various departments adhere to for smooth running of the daily business transactions.

The findings also reveal that some functional departments have difficulty controlling a wide variety of products.

The researcher can also conclude that some of the employees do not have full-time commitment to a particular product line.

From the findings the researcher can conclude that product managers and functional managers collaborate and manage their conflicts with Amal Bank.

The researcher can also conclude that the nature of the sales experience of various financial products and services is standardized and that customers are at satisfaction with the nature of experience of the various financial products and services offered at by Amal Bank.

To find out the relationship between product/service quality and sales of financial products and services

From the research findings, the researcher can also conclude that the sales department's goal aims at improving the interaction between the product quality and the sales of financial products and services through various customer satisfaction ways such as quick service delivery, good intercommunication skills, among other customer motivating factors.

The researcher can also conclude that good sales volume may aim at improving the interaction between the product/service quality and the sales financial products and services.

From the study findings, the researcher can also conclude that marketing improves the selling environment and plays a very important role in sales. This is attributed to the fact that the quality of the products and services offered by Amal Bank are under experienced marketing personnel.

From the research findings, the researcher can also conclude that the sales department's goal aims at improving the interaction between the customer and the sales facility. This is a proof by the fact that the quality of the products and services offered by Amal Bank meets customers' desires and demands.

Recommendations

From discussed findings, the following are recommendations to the management of Amal Bank, Mogadishu - Somalia and their subordinates as it relates to the relationship between product quality and the sale of financial services: -

Product Quality and Sales of Financial Services

The banking institution should put incentives in place to improve on the quality of products caused by lack of interest or care on the part of workers in the production department. This will bring about a competitive advantage within the organization which will end up improving quality of products and enhanced service delivery.

The institution should also put measures in place that will stipulate the conditions to carry out with the aim of producing high quality products.

There is also need for Amal Bank to improve on the machines to realize production of quality products as a whole which will improve the sales that can meet the institutions, mission, goals and objectives.

Also, under the process of quality control, the financial institution should make sure that all output units are inspected and classified on the control chart.

The researcher also recommends that since marketing improves the selling environment and plays a very important role in sales, the institution should uphold the current marketing strategies and only make positive changes rather than backsliding. This will help maintain and improve the sales volume of the financial institution.

Organization and Management

The top management should also make sure that all functional departments are equipped with appropriate numbers of qualified personnel to remove the bottleneck of having difficulty in controlling a wide variety of its products.

The management should make sure that there is an arrangement that puts measures in place to have employees with a full-time commitment to a particular product line.

The product and functional managers should introduce scheduled consultative meetings to enhance collaboration that will maintain quick and viable problem resolution criteria amongst themselves.

The Amal Bank management should strengthen and put up new measures in the sales and marketing department in improving the relationship between the customer and sales facility.

Areas of Further Study

Further research can be conducted in the following topics: -

1. Relationship between productivity and profitability of Financial Institutions
2. The Impact of Product Quality and Sales Volume on Employee Performance in an Organization
3. The Relationship Between Product Branding and Sales Volume

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APPENDICES

APPENDIX I: QUESTIONNAIRES

RESEARCH INSTRUMENTS

The researcher is carrying out a research on the relationship between product quality and sales of financial service. The study will be carried out in Amal Bank - Mogadishu-Somalia. The research is education purpose oriented and even of great importance to the business sector and the public. Due to that I humbly request you to fill in this questionnaire. Thank you for your cooperation and time.

Please respond and fill in all questions.

SECTION A: BIO DATA

Please tick on what indicates your option.

1. Gender: Male ☐ Female ☐
2. Position held: Directors ☐ Top Managers ☐ Middle Managers ☐
3. Years spent in business: 1-2 ☐ 3-4 ☐ 5 -7 and above ☐

SECTION B: Product quality and sales of financial service Employees

1: Strongly Agree (SA) 2: Agree (A) 3: Strongly Disagree (SD)

4: Disagree (D) 5: Undecided (U)

1. Most quality product problems are caused by lack of interest or care on the part of the workers in the production department.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

2. The conditions to carry out to produce high quality products do not exist in the organization.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

3. The machines are not capable of producing goods of the required quality.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

4. A high quality product is one that can satisfy consumers' preferences.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

5. The functionality of the product is significant in providing customers' satisfaction.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

6. The overriding goal of quality control is the attainments of the highest quality that is technically attainable.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

7. Under process quality control, all output units are inspected and classified on the quality control chart.

SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

8. Good sales are to improve the interaction between the customer and the sales facility.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

9. . Marketing improves the selling environment and plays a very important role in sales

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

10. Is there any relationship between product quality and sales of financial services?

.....

.....

QUESTIONNAIRES

The researcher is carrying out a research on the relationship between product quality and sales. The study will be carried out in Amal Bank in Mogadishu- Somalia. The research is education purpose oriented and even of great importance to the business sector and the public. Due to that I humbly request you to fill in this questionnaire.

Thank you for your cooperation and time.

Please respond and fill in all questions.

SECTION A: BIO DATA

Please tick on what indicates your option.

1. Gender: ☐ Male ☐ Female
2. Position held: Directors ☐ Top Managements ☐ Middle Managements ☐
3. Years spent in business: 1-2 ☐ 3-4 ☐ 5 -7 and above ☐

Middle level managers

- 1: Strongly Agree 2: Agree 3: Strongly Disagree 4: Disagree 5:
Undecided

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

1. Product managers report to functional managers.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

2. Managers in charge of functions for a particular products report to a products managers.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

3. Functional departments have difficulty controlling a wide variety of products.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

4. All the functions that contribute to a given product are organized under one manager.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

5. Employee has a full-time commitment to a particular product line.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

6. Many top managers receive crucial early experience in product structures.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

7. The product structure is more flexible than the functional structure of the organization.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

8. The product structure is best suited for unstable environments.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

9. Product managers and functional managers collaborate and manage their conflicts.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

10. Comparing production cost with sales price shows whether or not profit

Managing is adequate.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

11. While process is in operation, product measurements are taken.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

12. Your products are similar those are available in the market.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

13. Sales department's goal is to improve the interaction between the customer and the sales facility.

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

15. Marketing improves the selling environment and plays a very important role in sales of banking products and services?

(SA) ☐ (A) ☐ (SD) ☐ (D) ☐ (U) ☐

APPENDIX II: INTRODUCTION LETTER



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22nd September, 2010

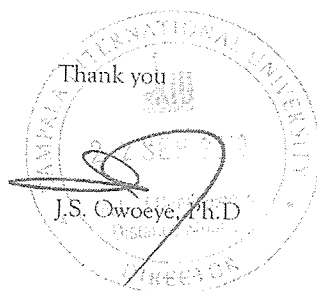
To Whom It May Concern:

Dear Sir/Madam,

Introduction Letter For Research

I have the pleasure to introduce Mohamed Omar Ali (MBA/10070/81/DF) to you. He is a student of Masters Degree in Business Administration – Banking and Finance option at Kampala International University. He is carrying out his research on “Assessment of the Relationship Between Product Quality and Sales of Financial Services” A Case Study of Three Selected Branches of Amal Bank in Mogadishu City in Somalia. He is at the data collection stage and your Institution / Organization has been identified as his area of study. It will therefore be appreciated if you can give the best assistance to him for a dependable research work.

The university will be counting on your kind cooperation.



“Exploring the Heights”

CURRICULUM VITAE

1.0 PERSONAL DETAILS

Full Name	:	Mohamad Omar Ali
Sex	:	Male
Date of Birth	:	05 November 1976
Nationality	:	Somali
Marital Status	:	Married
Contact	:	+254722480030
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2.0 EDUCATIONAL AND KEY QUALIFICATIONS

YEAR	INSTITUTION
2009 – 2011	Kampala International University (KIU), P.O.Box 2000, Kampala, Uganda. Master of Business Administration (MBA), in Banking and Finance.
2004 – 2008	Somali Institute of management and administration development (SIMAD), Mogadishu Somalia. Bachelor degree in accounting.
2001 – 2004	Al-fajri Secondary School Mogadishu Somalia. Secondary certificate.
1996 – 2001	Al-fajri Secondary School Mogadishu Somalia. Primary certificates.

WORK EXPERIENCE.

2007-2008	Teacher in Mathematics at Global Primary and secondary school in Mogadishu Somalia.
2005-2007	Head deputies at Anas primary and secondary school in Mogadishu Somalia.

INTERESTS.

- ✓ Sports and watching business news.
- ✓ Reading novels.
- ✓ Teaching math.

REFERENCES.

- 1- *Mr. Hassan Abdi Mohamed- Program Officer at Islamic Relief in
Nairobi-Kenya Tell: +254729621002.*
- 2- *Dr. Hassan Mohamed Hassan- Director of ARAN ORGANIZATION in
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