

CHAPTER 21

COMMUNICATION AS AIDS TO COMMERCE

Objectives

At the end of this chapter students should be able to trace the development of communications in Nigeria; explain the meaning of communication; explain the postal, telegraphic and telephone services. They should also be able to explain functions of satellite and the functions of courier services while comparing the courier services with the post office services.

21.1 Meaning and Functions of Communication

Communication is the passing of information from one person to the other. Communication, like transport, is an important aid to commerce. Transport and communication, though seem so much distinct in forms, have so much in common as aids to commerce. For instance, transport sometimes serves as the vehicles of communication - most mail and other forms of messages are conveyed through one form of transport or the other.

Since we have earlier on in Chapter 7 considered the role of the post office as a means of payment, here we shall only be concerned with its role as a means of communication.

Communication is basically the transmission of the needed information from one person to another. It can be oral or written. The oral involves talking face to face or by telephone and through radio and television.

On the other hand, written communication is by writing, or telegram, ordinary, cables, teleprinters, etc. Written communication provides a more permanent record.

21.2 The Importance of Communication to Commerce

Given an efficient posts and telecommunications services, communication is an invaluable asset to commerce. The reasons for this are as follows:

- (i) **As a unifying factor:** The whole world has become unified into a "common" market through communication.
- (ii) **As a means of contact:** Through the use of communication, contacts have become possible among people of different nations scattered over wide geographical areas and segregated by wide conflicting economic ideologies on trade policies.
- (iii) **As a carrier of business information:** In the commodity markets, the foreign exchange markets, and the banking operation circles (both local and international),

communication has helped to provide information from one place to another, e.g. from London to Lagos or New York.

(iv) **As a bedrock of some trade:** Most businesses would have failed, but for efficiency of communication system. The mail order business was used to order for goods.

(v) **The tripartite role of the post office as a boost to trade:** The triple role of the post office as a carrier of information through the mail, telephone and telegraphic messages; its other role as a carrier of goods through the parcel posts, the COD system and the mail order business; coupled with its third role as a paymaster through its postal, money order and telegraphic money order system has been a tremendous boost to trade.

21.3 Traditional Means of Communication in Nigeria

Communication in West Africa has a long history that dates back to the primitive age when the forms of communication were unique. The different types of early forms of communication are as follows:

Talking Drums: These are made of specially carved hollow objects, which are sealed up tightly at both ends with animal skins. They were used by the traditional head chiefs to communicate with their subjects on important occasions such as assembling them for communal work. The practice is still in use in some African communities up till today.

Trumpet and flute: Trumpets are the handwork of blacksmiths while the flute is made from bamboo. When blown by mouth, they produce sounds that carry messages far and wide.

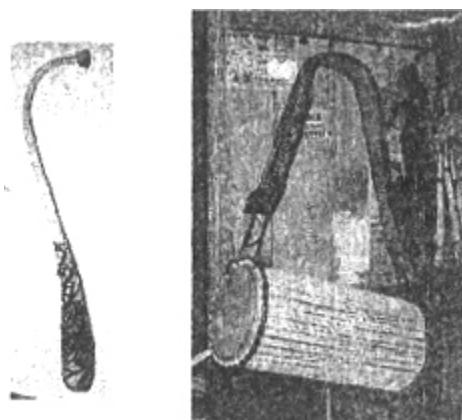


Fig. 21.1: Talking drum

The traditional gong: This is made from iron by the blacksmith. It produces a powerful resounding noise when struck with an iron rod or stick.



Fig. 21.2: The traditional gong

The blast of guns: In most African communities including Nigeria, the blast of guns is used to announce the death of a king, or any other local notable; gun blasts are also used to welcome important visitors to the community.

Making of Bonfires or smoke signals: Traditionally, bonfires were made during wartime, whereby the emergent smoke carried the message of an impending invasion of a community by enemy troops. They are also made during the celebration of happy occasions.

21.4 Postal Service Provided by NIPOST

It is important to note that, from 1985, the services formerly rendered by the post office are now undertaken by NIPOST and NITEL.

While NIPOST handles all written messages i.e. all postages, NITEL is charged with all oral messages, telephone, telex, etc.

Mass illiteracy held back the development of post office services until 1945 after which postal and telephone services, otherwise known as post and telecommunications were established.

In Nigeria today, NIPOST offers a number of communication services which include the following:

Carriage of letters: Letters are in two categories - inland letters and overseas letters.

The inland letters by ordinary post: This is effected by affixing a postage stamp at the back of the addressed envelope containing the letter, and posting it through the post office. Postcards are posted with postage stamps. Postcards are handy for brief, non-confidential written messages. Fromking machine is used to impress prepaid postage rate on letters. This facility is allowed to corporate bodies where large number of mails posted on payment of the necessary fees.

First class or second class mail: Ordinary post could be by first or second. class mail. The classes are not distinguishable in Nigeria as in Europe or USA. The first class is obviously much faster and, therefore, more expensive than the second class mail. The cost of postage depends on the weight of the correspondence.

The registered post: This is a means by which important mail could be made safer at extra postal charges. The sender is entitled to compensation in the event of loss or damage in

transist. The cost depends on the weight of the letter. The envelope for a registered letter is ruled vertically and horizontally along the centre on both sides. The post office counter clerk keeps records of all registered letters in form of two receipts, one is handed over to the person posting the letter as evidence of a registered mail, while the post office retains the other copy. The registered mail can be carried by ordinary post if inland, or by air at an extra charge, if it is for overseas. When the registered mail reaches the other end, a slip is issued and sent to the addressee, informing him that he has a registered letter to claim. If the addressee is not known by the post office official, he would have to be identified.

Recorded delivery: This is like registered letters in terms of safety. Letters or parcels could be sent by a recorded delivery. The sender gets a receipt from the post office clerk on the counter on paying the postal charges. On reaching its destination, the addressee must sign for it as evidence of delivery for the sender.

Express letter: Express letters are reputed for speedy despatch and deliveries. Express letters are expected to be carried by the next available mail transport. On reaching the post office of destination, they are usually delivered as urgently as possible - in most overseas countries by hand. Obviously, it is more expensive than the ordinary mail since payments have to be made for the post office's special attention services.

Mail order: Retailers in mail order businesses despatch their customers' ordered goods through the post office.

In addition, the post office is entrusted to receive payments on behalf of the retailers on delivery of the goods known as "Cash On Delivery" (C.O.D.), and also entrusted with remitting the payment to the mail order retailer by a crossed warrant, payable at a given post office or through the commercial banks. The post office charges for its services. It also earns commission on the postal or money orders through which payments are made.

Business reply services: This is another postal facility that is available to business people for advertisement purposes. Through it, a businessman who wants to receive replies to advertisements from prospective customers at no postage costs to the latter would have enclosed in his communication a specially designed but unstamp card. This prospective customer would simply post the card in the normal way without affixing stamps.

The design of the card can look like this:

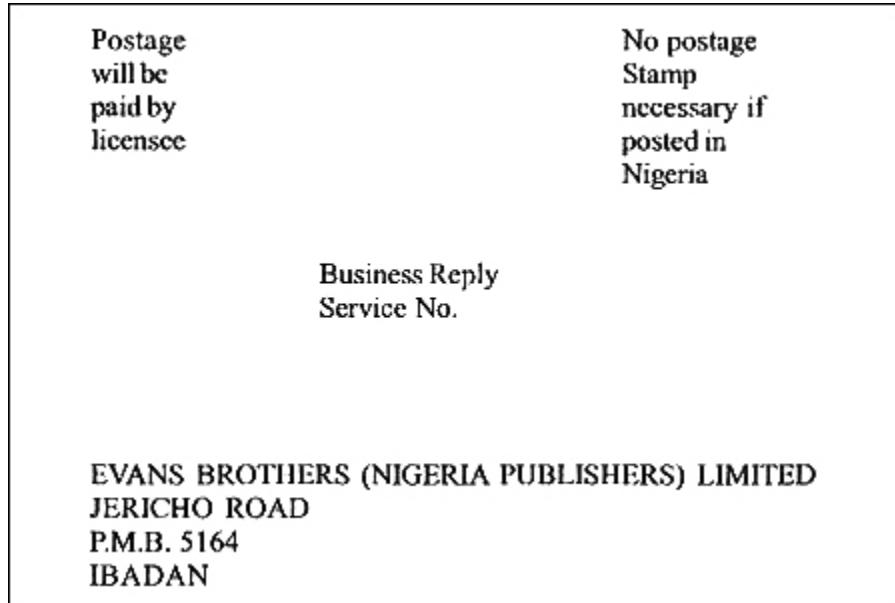


Fig. 21.3: Specimen of a business reply card

The businessman becomes the licensee, once he completes arrangements with the post office as to how to pay for the postal charges on all replies received.

The business reply card be inserted in publications like daily newspapers and the trade journals. It is a form of advertizing which can give tremendous boost to trade. The mail order business among others, uses it very often.

Free Post: This is somehow similar to the business reply services facility. By the free post service, some organizations like the mail order firm, by a special approval of the post office make an advance deposit payment. In return, they receive replies "Free™" from their clients or customers to certain correspondences sent to addresses already agreed with the post office. In overseas countries where the facility is available. it is restricted purely to second class mail services. In actual fact, however, it is wrong to refer to such services as "free™" since they have been paid for by somebody in advance.

Parcel Post: This is complementary to letter post. Parcel post facility is meant for sending mail that are larger and bulkier than ordinary letters. The service is handy for sending goods to customers and gifts to friends. However, there is always a limit to the size and weight of such parcels that the post office is usually willing to accept for delivery.

Overseas Letters: Nigeria, like other West African countries, is a member of the Universal Postal Union that operates agreed system of international letter post. Through this system, mail to member countries all over the world - can be sent by sea.

Airmail Letters: This service is handled in Nigeria by the Nigerian Airways, and in the United Kingdom by the British Airways. Letters sent by air are faster, although more expensive; there is a specially reduced rate for printed papers materials.

Post offices sell airmail cards or airmail letter forms otherwise known as airmail. Each card serves as the writing paper and envelopes with adhesive adges for closure. The address side of the card is pre-stamped. They are quite economical since they save users the expenses of

buying envelopes, writing papers, postage stamps and gum separately. They are cheaper than ordinary letter by air.

Letters Sent By Sea: Letters can also be sent by sea. This service is called surface mail and takes a longer period. For instance, a letter sent by sea from London (UK) to Lagos (Nigeria) might take between three to four weeks, given a maximum postal efficiency; whereas if sent by air, it might take two to four days but at four times the cost.

The Private Mail Bag (PMB) and the Post Office Box (PO Box)

These are postal services by which mail to an individual person or firm are sorted into a private mail bag or a post office box. Both the mail bag and the post office box are obtainable by a special application and on payment of an annual rental fee.

Both the private mail bag and the post office box have keys with which they are locked-up once letters are sorted into them. The mail bag is conveyed under lock and key to the owner's premises once the mail are sorted inside. They are opened, emptied and returned to the post office, locked. The mail thereby are safer and more secure between the post office and the owners' premises.

In the case of the post office box, the letters are sorted into the box by the post office, while the owner comes around to collect the mail. For either the mail bag or the post office box, the post office keeps one key while the owner keeps the other. Both mail bags and post office boxes are denoted by numbers, for instance, PMB 5555, Ibadan, (for mail bags) and P.O. Box 12481, Kaduna (for Post Office Boxes).

Poste Restante: This is a post office facility by which tourists (or travellers) who have no fixed address in a new town ask for their mail to be addressed to them in care of a particular post office. For instance:

Miss Ayoola Josephine Edet,
Post Restante,
The Regent Post Office,
London WIN 4AB
UK.

Miss Edet, in this case, would call at the Regent Post Office regularly to collect her mail at a small charge paid in advance.

21.5 Services Rendered by NITEL

Telegrams: Telegrams are facilities provided by NIPOST through which urgent messages can be sent or transmitted. Telegrams could be inland or overseas - the latter being referred to as cablegrams which are the older system before the advent of telegraphic messages. For correctness, messages are better written in block letters on forms provided for that use. The post office sends such messages on the telephone to the nearest post office to the addressee, where they are recorded and delivered to the addressee who must sign for the delivery.

Telegrams are more expensive than mail, and are charged per word.

Telegraphic Address: A firm or person that is likely to receive a large number of telegrams might register an abbreviated telegraphic address with the post office. This would save those who communicate with them by telegram substantial costs.

For instance: Evans Brother (Nigeria Publishers) Ltd. has a two word telegram address as simply: **EDBOOKS IBADAN™**.

Pre-paid Reply: Replies to telegrams could be paid for in advance. A reply telegram form showing on the back the amount pre-paid would be sent to the addressee for use for his own reply.

Greetings Telegram: Congratulatory messages can be sent in the form of telegrams which are then delivered on a special form enclosed in particularly decorated envelopes. Congratulatory messages normally attract extra charges.

Priority Telegram: Although, a telegram is for transmitting urgent messages, even then among urgent messages there are priorities. Messages of very great urgency receive topmost priority in transmission and delivery; but this is undertaken at an extra charge.

Multiple Address Telegram: The same wording of telegrams can be addressed to a number of people in the same locality. This is useful for summoning people to a meeting at a short notice. It has the advantage of reduced charges in addition to the obvious speed of delivery.

Overnight Telegram: This is the one sent between 8 p.m. and midnight for the following early morning delivery. It is charged at a cheaper rate than the ordinary telegram.

International Telegrams (or cables) to Passengers in Transit: It must be stated that telegrams are not restricted to homes and offices only. They can be used to contact passengers in aeroplanes (at airports) in ships (at seaports); and in trains (at railway stations) at home and abroad. The charges per word vary from country to country.

Private Telegrams (or cablegram) Companies: It must be added that the telegraphic systems in some overseas countries are not always the sole monopoly of the post office. For instance, in America, there are Commercial Cable Company and the Western Union Telegraph Company. In Scandinavia, there is the Great Northern Telegraph Company.

The Telephone System

Just like the telegrams are designed for urgent transmission of important written messages, the telephone system is meant for an immediate transmission of important oral messages.

Telephones are for conversations between two people either within or outside the country and it operates on different forms of installations.

The Private Branch Exchange (PBX): This is single line installation that is normally enough for the use of a private subscriber only.

The Private Manual Branch Exchange (PMBX): This needs a switchboard and an operator who makes connections to the persons the callers want to speak to, by slugging a card into a socket. By a signal, the operator knows when the call is finished so that he disconnects the line, clearing the way for any other incoming calls.

The Private Automatic Branch Exchange (PABX): This, like the PMBX, makes use of a switchboard and an operatorâ€ the main difference is that the latter still has a route to the calls accordingly.

Telephone Directories: These are books containing the names and addresses of all telephone subscribers. Each subscriber is to have a copy.

The Different Types of Telephone Service

Local Calls: These are telephone calls within a locality (or the same town or city or village of around 24 Kilometers radius).These are the least expensive.

Trunk Calls: These are calls outside the local calls area and are usually from one town to another, e.g. from Enugu to Lagos. Trunk calls can be made either through the operator or by direct dialing, the latter is cheaper. A booklet is usually supplied with the telephone directory which gives dialing instructions and call charges. However, trunk calls at â€˜peak rate timeâ€™™ (between 9 a.m. and 1 p.m. Monday to Friday) are dearer than the â€˜standard rate timeâ€™™ (between 1 p.m. and 9 a.m - Monday to Friday and throughout Saturday and Sunday). The trunk call numbers are preceded by area code number. For instance, to call Evans Publishers Ibadan, one would first dial Ibadan area code which reads 02-2414287. The same procedure is followed if you are calling Lagos or any other place.

International Calls: Telephone calls can be made to overseas countries. The caller dials the operator to whom he gives the name, address and the telephone number of the person he wants to connect in the foreign country. International calls are very expensive. The charges vary depending on the foreign country involved. Modern developments in telecommunication have made it unnecessary to make international calls through any operator. All you have to do is to set your phone for International call, key in the country code, the area code and the phone number of the person you want to call and the call goes. This is where the phone has direct dialing facility.

Transferred Charge Calls: This is useful for a firmâ€™s representative who for instance, is telephoning his head office from outside. The cost of such phone calls are transferred to the subscriber called at the head office.

Freephone: When a subscriber wants to receive calls without charging the callers, he obtains a *freephoneâ€™™* call number to which all the phone calls to him are charged. The subscriber pays the bills.

Other Additional Services: The post office guide gives a complete list of telephone services obtainable, but the following are found useful in certain circumstances in most developed and some developing countries.

- (i) Emergency calls to the police, the fire brigade or to the ambulance.
- (ii) Waking hour alarm calls.
- (iii) Weather forecasts information.

(iv) Knowing the correct time.

Telex and Teleprinters

Telex and teleprinters produce messages that are more accurate than the telephone messages and much quicker than letter writing. Both use machines that are connected to telephones. The messages that are typed on one machine appear automatically on the machine on the other line to which the messages are meant. They are used by firms and companies and the facilities eliminate the use of telephones, telegrams, or letters.

The machines also take messages, even when the office is unmanned or after office hours.

21.6 Courier Services

As a result of deregulation, courier services are undertaken by some agencies that are special and are noted for quick and prompt delivery of mail parcels within and outside the country.

They came into being as supplementary agencies to the efforts of NIPOST and NITEL. It can also be added that they owe their successes and profit-making so far, to the inefficient services of NIPOST and NITEL in performing their traditional functions of mail delivery efficiently and promptly.

Functions

The courier services have major records of successes in respect of quick delivery of letters and parcels. Such mail carry contents such as cheques, bank drafts and even currency notes - all of which must have been, of course, initially declared to the courier agency. Other mail services are manuscripts and very confidential materials such as agenda for and confidential minutes of very important meetings sent to participants of such meetings.

Other services includes handling cargoes i.e. clearing and forwarding of cargoes in Nigeria and other parts of the world. Courier services also undertake advance duty payments on behalf of their clients. Courier agencies operate both at national and international levels.

It is generally acceptable by the populace that courier agencies are much more efficient than the NIPOST. EMS is the type of courier service provided.

Criticisms Against Courier Services

It has been generally agreed that courier services are very expensive and are within the reach of only rich organizations and individuals. Courier agencies charge more than NIPOST. It must be added that the expensive nature of courier service is to pay for the promptness, and reliability of the service rendered. For example, mails between Lagos and Ibadan or between Kaduna and Lagos or Ibadan could be delivered within twenty-four hours.

Secondly, there are a few â€˜badâ€™ eggs among the courier agencies or a few fake ones which operate without registration according to the law. Again, it can be said that such bad eggs might soon be eliminated through the joint forces of the controlling agencies.

Future Prospects of Courier Agencies

There has been a lot of controversies as to the possibilities of courier agencies being outlawed in Nigeria. The reason for such controversies is that, courier services are in strong competition with the NIPOST especially, and have constituted a threat to the healthy economic existence of the latter.

However, courier services are seen as constituting a healthy competition and challenge to NIPOST. Consequent upon this opinion, there have been two important developments since 1987: (a) the government has ordered that courier agencies in Nigeria should register legally with the NIPOST. The activities of courier companies in Nigeria are being regulated and supervised by the Courier Regulatory Department (CRD) of NIPOST (b) NIPOST itself has announced its intention to carry out some courier services to compete with the existing courier agencies known for short as EMS.

N.B: As at 13 May 2004, there are 128 approved courier companies in Nigeria. The underlisted are some of them.

1. Abex Express
2. Baksfot Management & Fin Service
3. Cargo Zeal Technologies
4. Danzas Express Services
5. DHL
6. Edo Line
7. Fastlink Courier
8. Gal Express
9. Hisparron Courier Services
10. IAS
11. Joe Eboje International
12. Kalsaid Nig. Ltd.
13. Lekow Associates
14. Matt-Bim Courier
15. Nedlink Courier
16. Odalo Express Courier
17. Pab-Royal Express
18. Quality Express Ltd.
19. Racho Nig Ltd.
20. Red Star Express (Fedex)
21. Say Mighty
22. Thanet Deliveries
23. Trade Ways Express
24. United Parcel Service (UPS)
25. Vitesse Courier
26. Wadoye Express
27. Xpress Partners
28. Zion Express

21.7 Comparison of the Courier Services with the NIPOST Services

- (1) Courier services are more reliable.
- (2) Courier services are also faster than the post office services.
- (3) Equally the services of the courier companies are more expensive.
- (4) Important materials are insured in courier services while in public service materials are not insured.
- (5) The courier companies are more personal, and warm with clients than the public posted services.
- (6) Courier companies do send their staff to the clients to collect mails and services while NIPOST does not.
- (7) Courier companies undertake air cargo and bulky shipment, NIPOST does not deal in such things.
- (8) Courier services are rendered by the private while postal services are rendered by public establishments.

21.8 Other Communication Agents

The deregulation in telecommunication led to the breaking of the monopoly of NIPOST and NITEL which allowed private participation in telecommunication.

The Global System for Mobile (GSM): This is the most recent form of telephone. This is a kind of network which allows the user to carry a cellular telephone also known as the handset. This is different from landphone because one can receive or send messages anywhere one is, inside a bus, office, home, market, etc. Companies that offer this services include MTN, V MOBILE, STARCOM and GLOBACOM. All these are private companies. MTEL is NITEL's counterpart of all these mobile phone services providers. Deregulation of telecommunication in Nigeria has brought about this improvement in telecommunication in this country as the use of phone has come to the reach of many Nigerians at affordable prices.

Deregulation has brought about many telephone companies to compete with Nitel. These include MULTI-LINK, INTERCELLULAR and RELTEL and so the monopoly of NITEL is broken. As a result of deregulation, firms offering courier services have increased in number thus breaking the monopoly of NIPOST.

Other Agents of Communication are radio and television as electronic media. Internet is another agent of communication through which Electronic Mail (E-mail) could be sent and received. Through the internet information could be given on the website. information such as examinations results, bank statements, etc., could be communicated to students, bank customers, etc., online. E-mail has had a great impact on the amount of information sent worldwide. It has become an important method of transmitting information previously

relayed via regular mail, telephone, telex, courier, television, radio, etc. E-mail users send and receive several billions messages annually.

The agents of communication in the print media are, newspapers, magazines, journals, government gazettes, etc. through these, information could be given to the general public or to professionals.

Satellites: The use of satellites makes it possible to watch on our television sets, live or within a short time happening, important events in overseas countries. World Cup Competitions and the Olympic Games are some of the events transmitted to television viewers through the use of satellite. Nigeria has developed two international satellite earth stations, i.e. Lanlate satellite earth station in Oyo State and Kujamaion station in Kaduna State with local repeaters at Ikorodu in Lagos State and Alabato in Ogun State, Nigeria has launched her space satellite to further improve telecommunication.

Detel Service or Data Transmission: The increasing use of computers has necessitated the urgent transmission of data from one centre of the world to another. For instance, foreign exchange speculators always demand an urgent knowledge of international currency exchange rates say from Zurich (Swiss) to New York (U.S.A.). Bankers use detel services to pass information about customers' account from bank to bank. The booking offices of airlines, through the use of central computer information, do collect messages regarding flight availability in other parts of the worlds through connection to satellite.

Summary

Communication is the passing of information from one person to the other. Its history dates back to traditional times. Examples of traditional means of communication are talking drums, blasts of guns and the traditional gong.

NITEL and NIPOST replaced the post office in 1985. Nipost deals with postal services: inland and overseas mail delivery. Examples of such are by ordinary, express, registered post and parcels.

NITEL: It deals in telegrams of varying degree within offices; towns, inter-towns and overseas. It is generally more expensive than postage mails. In its fully developed form it could deal in emergency cases, e.g. waking early alarm calls, weather forecasts information and giving correct time information.

It could engage in data transmission, i.e. relaying information from one centre to the other; and also in satellite television viewing across continents like watching the World Cup Football matches in Canada from Nigeria.

The Courier Services: These deals with delivery of messages with utmost despatch. It proved a serious competition to both NIPOST and NITEL.

A more modern form of communication is the Global System Mobile (GSM). which allows the user to receive and make telephone calls anywhere.

Deregulation has also brought many telephone companies to compete with NITEL. Examples are Multilink, Intercellular and Retel.

Another form of communication is through the internet. With the internet, information could be given on a website and mails could be sent via E-mail.

Revision Questions

A. *Essay Questions*

1. (a) What is communication?
(b) Give five importance of communication.
2. Write short notes on the following:-
(a) Pre-paid reply
(b) Priority telegrams
(c) Greetings telegrams
(d) Multiple address telegrams
(e) International telegrams
(f) Overnight telegram
3. Explain briefly the following types of telephone services: -
(a) Detel services
(b) Trunk calls
(c) Freephone
(d) Telex
(e) Transferred charge calls
4. Explain four ways by which a registered mail differs from ordinary mail.
WASSCE (2002)
5. Explain the services rendered through the medium of satellites and the internet.

B. *Objective Questions*

1. Which of the following is NOT a traditional means of communication?
 - A. Flute
 - B. Metal gong
 - C. Talking drum

- D. Telegram
- E. Wooden drum

NECO (SSCE) 2002

- 2. The system of communication which allows messages to be received in printed form is called.
 - A. Internet
 - B. Telegram
 - C. Telegraph
 - D. Telephone
 - E. Telex

NECO (SSCE) 2002

- 4. Which of the following is a disadvantage of the use of teleprinters?
 - A. Transmission speed is slow.
 - B. Pictures cannot be transmitted.
 - C. Transmission quality is poor.
 - D. It cannot transmit during bad weather.
 - E. All of the above

WASSCE (2002)

- 5. Which of the following is NOT a service rendered by NIPOST?
 - A. Poste Restante
 - B. Telegrams
 - C. Air Mail Service
 - D. Recorded Delivery Services.

WASSCE (2000)

- 6. Which of the following is the quickest means for a firm to send a typed message to another branch?
 - A. Recorded Delivery
 - B. Telex
 - C. Letter Post
 - D. Telegram

WASSCE (1999)

- 7. The machine used for sending telex messages is known as a
 - A. Rador
 - B. Fax Machine
 - C. Dictaphone
 - D. Teleprinter

JAMB (2002)

- 8. Which of the following is used to inform the addressee that a registered parcel is ready for collection.
 - A. Express Label
 - B. Counter foil
 - C. Telegram

D. Slip

JAMB (2002)

9. One advantage of communication by telephones is that
- A. The conversation can be very short
 - B. It is less expensive
 - C. Feed back can be instantaneous
 - D. Conversation is strictly private

WASSCE (1999)

10. Which of the following is not a document sending message from place to another?
- A. Facsimile
 - B. Courier Service
 - C. Express Mail
 - D. Registered Mail.

Project

1. Draw one of the following communication networks.
 - (a) The major main roads in Nigeria.
 - (b) The major railway lines in Nigeria.
3. Visit a courier company and write how they operate.
4. Visit Evans Publishers website - www.evanspublishers.com.ng and any other website. Look out for the adverts, and make notes on the target audience.