



What Does Rogers' New Partnership Mean for Investors?

Description

Rogers Communications ([TSX: RCI.B](#))([NYSE: RCI](#)) recently announced a new partnership with **Vodafone** ([NASDAQ: VOD](#)) that will give it more international exposure. Vodafone, based in the U.K., is the world's second-largest telecom provider, with operations in over 40 countries. The non-equity deal was announced without financial terms being disclosed but it will make Rogers Vodafone's exclusive partner in the country.

The deal will give Rogers access to Vodafone's knowledge base when it comes to implementing the latest generation of 4G LTE networks. Rogers will also be able to utilize a variety of Vodafone's products and take advantage of its international buying power. Investors shouldn't be too surprised that Rogers has partnered with Vodafone as Rogers' new CEO, Guy Laurence, used to be the head of Vodafone's U.K. operations

Rogers is hoping to leverage this new international partnership to lure in new business clients, who have been previously swayed by the joint international venture between **Telus** ([TSX: T](#))([NYSE: TU](#)) and **BCE** ([TSX: BCE](#))([NYSE: BCE](#)). Rogers has been trying to fill its international exposure gap since a falling out with **AT&T** ([NYSE: T](#)).

Investors are desperate to see any form of growth in the wireless division, especially since the company only added 2,000 new contracts last quarter, which is a drop in the bucket compared to the 33,964 added by BCE and the 48,000 picked up by Telus.

Customer benefits

Rogers customers should expect better roaming rates throughout Europe and the Middle East, and Vodafone customers should expect the same reduced rates in Canada. As mentioned before, Rogers will be targeting business and multinational corporate clients through this deal by giving more seamless service and better coverage to users going overseas.

Rogers is also hoping that the added resources of Vodafone will help to reshape how it serves its customers. Customers have little love for the company, as Rogers was tied with BCE as Canada's worst wireless company when it comes to customer satisfaction by J.D. Power & Associates.

Investor benefits

For investors in Rogers Communications, it has gotten to the point where any news is good news, and this move towards international expansion should be noteworthy. Rogers has been the only telecom in Canada to see its stock price slump over the past year. Also, analysts are projecting a third consecutive quarter of falling revenue. Although it offers an annual dividend of \$1.83 with a yield of 4.1%, the stock has seen better days, with a 52-week low of \$40.18 in August and a 52-week high of \$48.64 in December. At the time of writing, the stock was trading Friday at \$44.26, just shy of its average price target of \$44.60. The stock has a "hold" rating.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:VOD (Vodafone Group Plc)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TU (TELUS)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:T (TELUS)

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