



Is Shaw's Proposed All-News Channel Good for Investors?

Description

As part of the Canadian Radio-Television and Telecommunications Commission's "Let's Talk TV" consultation process, Calgary-based **Shaw Communications** ([TSX: SJR.B](#))([NYSE: SJR](#)) has submitted a proposal to create a national news channel called Global News 1.

So what do investors need to know?

These are not uncharted waters

Over the past few years, Shaw has acquired various media assets. In 2013, it launched BC1, a British Columbian all-news station focused on attracting more regional advertising. Shaw could leverage the best practices from this station and apply them on a national scale.

The under-35 market is tough

There has been a tremendous shift in viewing habits from traditional television to mobile platforms, especially for those under 35. The British Broadcasting Corporation tried to cater to the under-35 market by creating "BBC Three" using UK content and talent. Earlier this year, it was axed as part of cost-cutting plans and will be moved entirely online. Investors should applaud Shaw for not catering only to this segment.

It's about engagement

Technology continues to transform the media industry, especially in content distribution and viewership. Over-the-top content providers such as **Netflix** continue to grow while traditional networks try to engage their customers through a "TV everywhere" strategy that allows customers to stream TV anytime and anywhere as long they have an account with their provider. While people may prefer to stream their television shows, they also have a tendency to want the latest news. A national news channel may provide Shaw with a more attractive value proposition.

Currently, **BCE** ([TSX: BCE](#))([NYSE: BCE](#)) operates CP24, a Toronto-focused news channel with some national and international coverage. **Rogers** ([TSX: RCI.B](#))([NYSE: RCI](#)) failed to compete with its own CityNews channel because it did not differentiate enough. The success of Global News 1 will be

determined by a combination of applying best practices from its regional affiliate, engaging customers through a compelling viewing experience, and differentiating itself from similar competitors.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:SJR (Shaw Communications Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:SJR.B (Shaw Communications)

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