



Should You Invest in Canada's Most Hated Companies?

Description

Even though there are very few formal lists that exist, it's obvious which are Canada's most hated companies. All it takes is just a few minutes on social media or brainstorming with your friends to come up with a list of the usual suspects.

Naturally, most investors would look at this in a negative way. Nobody wants to invest in a company that generates a massive amount of negative publicity. Customers are more likely to leave a company they hate. Employees are more likely to look for greener pastures. Even the press can get involved, featuring stories from ticked-off customers. Put these together, and it hardly seems like a recipe for success.

But when you think about it further, it's almost as if the opposite happens. Take a look at **Wal-Mart**, as an example. It might be the most hated company in the world. It regularly gets accused of everything from exploiting workers to destroying America's manufacturing base. We all know people who refuse to even enter the company's stores.

And yet, it sold more than \$476 billion worth of goods in 2013. *Somebody* must be going there.

If I were to guess Canada's three most despised companies, I'd say they are **Rogers Communications Inc.** ([TSX: RCI.B](#))([NYSE: RCI](#)), **BCE Inc.** ([TSX: BCE](#))([NYSE: BCE](#)), and **Air Canada** ([TSX: AC.B](#)).

With Air Canada, the reasons are simple; just ask any frequent flyer. Flights are often late, planes are crowded, tickets are expensive, and the company's staff isn't exactly known for giving stellar customer service. Tack on the additional fees the airline charges for perks like picking your own seat or checking a piece of luggage, and it's pretty obvious why Canadians don't like Air Canada.

It's the same deal for Rogers and Bell. Stories about poor customer service are incredibly common. Customers are often put on hold for up to an hour at a time when calling in for support. Advertised Internet speeds are almost never recorded by end customers. Stories about cell phone overage charges in the thousands of dollars are legendary. And, to top it all off, just about every Canadian pays more for cable or Internet than they did a year ago.

You could even add **Toronto-Dominion Bank** ([TSX: TD](#))([NYSE: TD](#)) to the list of Canada's most hated companies. Sure, it's done a nice job with things like keeping branches open during evenings and on weekends, but the company didn't win any friends when it switched to collateral mortgages back in 2012, which force customers to pay additional legal and registration fees to transfer their loan to a different lender.

The case for investment

When it comes to the companies Canadians love to hate, there's a common theme. Most of them do really well. With the exception of Air Canada, the rest I've mentioned are among Canada's most successful investments.

The reasoning is simple. Not only are Canada's most hated companies among the leaders in their industry, but they also tend to be in sectors where there's little competition.

Sure, many customers do switch telecom providers or banks, but most don't bother. You might have equipment rented from Rogers, which is a pain to return. Then you'll have to take the day off work to meet the Bell rep at home for the install. It's the same scenario with bank accounts as well. When you have a bank account, credit card, and investments with the same bank, it takes work to leave.

From an investing perspective, these are exactly the kind of companies you want to own. They're not hated because they're evil; it's just a byproduct of being a dominant player. If a company serves enough customers, some will end up dissatisfied. Focus on the millions of happy customers, not the unhappy ones.

We have another great company that's not popular lately. Check out our free report!

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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Date

2025/07/27

Date Created

2014/10/21

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