



Move Over Rogers Communications Inc.: There's a New Game in Town

Description

It was a love fest down at **Rogers Communications Inc.** ([TSX:RCI.B](#))([NYSE:RCI](#)) headquarters July 20 as newly minted CEO Joe Natale unveiled the company's plan to improve its customer service while delivering strong second-quarter results.

Rogers's stock is 27% higher year to date in anticipation of all the wonderful things the former **Telus Corporation** chief executive is going to do to reverse all the bad things former CEO Guy Laurence did to lose the trust of employees and, most importantly, the Rogers family.

Natale is the conquering hero to Laurence's bumbling fool. However, before you start planning how you'll spend all your capital gains, you might want to have a seat.

Goodbye, cable

U.K.-based Perform Group's DAZN (pronounced "Da Zone") live-sports streaming service announced — the very same day as Rogers's good news — that it had acquired the Canadian rights to NFL Game Pass, the NFL's premium digital subscription service that allows viewers to watch every NFL game.

Rogers and the other cable operators' loss is DAZN's gain. And it's only getting going.

Some liken DAZN to **Netflix, Inc.** ([NASDAQ:NFLX](#)), that little video streaming service that's grown into an \$80 billion market cap, calling it the "Netflix of sports." If that's even halfway true, Rogers and company are soon going to be feeling the pain.

The cord-cutting tsunami

Ask any sports fan what holds them back from cutting the cord, and you inevitably get, "I can't live without my live sports," or some other equally honest answer.

Why do you think the show *Ballers* is so popular? Yes, everybody loves the Rock, but it's really about our love of pro football and sports in general. We can't get enough of live sports — the only programming on television where advertising is still growing.

"Your average fan should think this is like Netflix," Alex Rice, DAZN's managing director of strategic partnerships said when discussing its entry into Canada. "It will be available on all the major connective devices, including all the major TV manufacturers."

That's huge.

I've been a Washington Redskins fan since Joe Theismann left the Toronto Argonauts in 1973 to go to the NFL. I'm seriously considering the service's \$150 annual subscription for two reasons:

First, it's almost impossible to see their games on regular TV. Second, to do the same thing with Rogers, for which I'm already paying too much, it currently costs \$300 per year for Game Pass. Even at DAZN's \$20 per month, I'm saving 20%, and it'll gradually show more sports (probably not hockey) on the streaming service for the same monthly price.

DAZN is providing Canadians with quality TV programming at reasonable prices. How strange.

Bottom line on latest development

Rogers and the rest of the cable operators have been overcharging and underdelivering for years. Thankfully, companies like DAZN understand that customer service is about more than a happy voice when you call to complain about your cable bill.

What's the only downside to DAZN's announcement?

The holding company, Access Industries, which controls the streaming service through its 85% interest in Perform Group, isn't a public company.

If it were, I'd buy that, too.

What about Rogers stock? Not so much.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:NFLX (Netflix, Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:RCI.B (Rogers Communications Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise

4. Yahoo CA

Category

1. Investing

Date

2025/08/25

Date Created

2017/07/24

Author

washworth

default watermark

default watermark