



This Canadian Disruptor Could Rattle an Entire Industry in 2018

Description

Investors who can spot industry disruptors early in the game could find themselves profiting big time as the disruptor shakes up the industry it operates in, causing competitors to scramble to retain market share. You're probably very familiar with **Amazon.com, Inc.** and its disruption in the retail world. Jim Cramer, the host of *Mad Money*, recently referred to Amazon as the "death star" because of its ability to destroy a huge chunk of its competitors.

I believe there's another "death star" that's set to shake up a Canadian industry, which has enjoyed favourable conditions for far too long. The general public hasn't really given this company the respect it deserves as a potential disruptor, but as it starts wreaking havoc in its industry, I think investors will start to take notice and its shares will start to take off.

I'm talking about Freedom Mobile, the wireless business of **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) and its potential to shake up the Canadian telecom industry. The company has been spending a great deal in wireless infrastructure upgrades since Shaw purchased and renamed WIND Mobile to Freedom earlier in the year.

As a new competitor in the wireless space, regulators may give Freedom Mobile first dibs at spectrum auctions, which will accelerate the imminent disruption that Freedom will cause on the Canadian wireless scene. The 600 MHz band spectrum auction is underway, which will improve reception in tough locations like underground areas or within thick concrete buildings.

The AWS-3 (Band 66) network is one of the most advanced LTE networks out there, and it's been confirmed that **Apple Inc.'s** iPhone 8/8 plus and X will be compatible with this network. That means iPhones are indeed coming to Freedom Mobile likely in 2018, and may be the cheapest option for Canadians to get their hands on the best iPhones yet.

Freedom Mobile is able to offer much cheaper plans than its peers, and as its network continues to strengthen, management has made it clear that it wishes to continue to remain a cheaper wireless provider. One of the biggest disadvantages that Freedom Mobile has had is its lack of iPhone support, but this is going to change very soon.

Given that all of Freedom Mobile's current offerings have the option for \$0 upfront with select two-year plans, it's likely we will see the new iPhones being offered at a \$0 down price point as well. That's an offer that's too good to pass on for most Canadians, and I think the release of iPhones (likely in 2018) at Freedom Mobile will be a major driver of subscriber growth at the expense of the Big Three incumbents.

If you're looking for a high dividend yield (currently at ~4.2%) and the potential for next-level capital gains, I'd back up the truck and load up on shares of Shaw today before the Big Three incumbents start to experience subscriber losses after Freedom Mobile expands its device offerings.

Stay hungry. Stay Foolish.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NASDAQ:AMZN (Amazon.com Inc.)
3. NYSE:SJR (Shaw Communications Inc.)
4. TSX:SJR.B (Shaw Communications)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2017/11/23

Author

joefrenette

default watermark