



## 3 Reasons I'm Considering Shaw Communications Inc.

### Description

Canada's telecoms are a peculiar set of companies that have plenty in common with one another. The Big Three have very similar product offerings, pricing models, and have even expanded into similar complementary businesses and investments.

The fourth player in the market — **Shaw Communications Inc.** ([TSX:SJR.B](#))([NYSE:SJR](#)) is becoming an appealing option for investors that are looking to diversify their portfolios with what is going to be a disruptive player in this otherwise tame telecom market.

Here's a look at a few reasons why Shaw could be a perfect fit for your portfolio.

### Shaw finally has a viable mobile strategy

One area where Shaw has lagged its competitors has been in offering a truly mobile product.

Shaw's decision to sell its media holdings and purchase Wind Mobile was the beginning of what could prove to be a very lucrative opportunity. Shaw is investing in, upgrading, and expanding that former Wind network and has relaunched the service as Freedom Mobile.

Two areas where Wind mobile excelled was in offering a competitive rate that was priced far below the Big Three telecoms and providing what customers wanted, specifically contract-free plans or different data plans. Shaw has committed to keeping that model in place, and the company has already seen impressive subscriber growth because of that model.

Canadian telecoms are well known for charging subscribers significantly more and offering much less than comparable wireless plans in other countries. Wind knew this and proved to be wildly successful at drawing customers in, but ultimately failed in not being able to expand quickly enough.

Shaw may still have a few years to catch up to the other telecoms, but as it does, expect the company to lure in subscribers from the competition in droves.

## Shaw is a dividend and growth superstar

Telecoms are well known for providing a great dividend, and Shaw is no exception. The current dividend provides investors with a monthly distribution that boasts a yield of 4.39%.

While that dividend is great, it's not the best among telecoms. Shaw's real benefit comes in the form of its long-term growth prospects, particularly as Freedom mobile begins to take off.

Shaw's recent quarterly numbers came in a little weaker than expected and ultimately resulted in the stock retreating over the past few weeks. Despite that drop, Shaw's business is solid, and the current environment makes for a [perfect opportunity](#) to buy into the company at a discounted rate.

## Shaw is still considered an underdog.

In many ways, Shaw is viewed as an [underdog](#) compared to the other telecoms. While there is some truth in that statement, the gap between the carriers is closing fast, and it's only a matter of time before consumers begin to think of Shaw as a real competitor to the RoBelUs trio.

In fact, it's already happening.

Shaw saw wireless subscriber numbers grow by 103,000 over the past year, which is really astonishing since the company just launched its mobile offering to only a subset of the country.

Another interesting tidbit has to do with wireless spectrums. Shaw may have an advantage over the Big Three in attaining new spectrums at auctions, as regulatory bodies have taken steps to give new entrants an advantage at the 600 mhz auction to help offset the imbalance between new entrants such as Shaw against the incumbents that have much more mature networks with plenty of spectrum.

## Final thoughts

Any way you look at Shaw, the company is full of potential. Whether it's through the impressive dividend, or playing the waiting game while Freedom Mobile ramps up, investors looking at the long term will be more than pleased with what an investment in Shaw will provide.

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