With New Media Leadership, Is Rogers (TSX:RCI.B) Stock a Buy?

Description

Rogers Communications (TSX:RCI.B)(NYSE:RCI) has some tough competition in the telecom space, that's for certain. With **Telus** as the pure-play option in Canadian wireless investment, and **BCE** holding the reins as the country's fastest ISP (internet service provider), Rogers is up against the big boys. However, with the fight for the content-streaming crown picking up steam ahead of a sea change this year, Rogers has everything to play for.

Canadian telecom companies are getting territorial

Solidifying its Francophone offerings this week, BCE is a strong investment choice itself. With the 5G rollout and Crave (possibly Canada's brightest hope for content streaming) both bringing growth to the BCE umbrella, there's a lot here to get excited about if growth is the main focus of your dividend portfolio. Speaking of dividends, a 5.32% yield is on offer, placing BCE higher up the telecom list than Telus if your need for growth is matched by a preference for a wider passive profit margin.

Additionally, Thursday, August 1, was a big day for BCE investors and for the wider telecom investment community in general, with the company's strong and much-awaited second-quarter results announcement. BCE's focus on Ontario and notably Quebec continues, meanwhile, with the latter province being the main focal point for the Bell parent company's round of investments.

But the big news for Rogers at the moment is that fact that its media segment, Rogers Media, is getting a new helmsman. The company will be swapping out four-year Rogers Media veteran Rick Brace for Jordan Banks, most recently of **Facebook**. Banks headed up Facebook's vertical strategy department and can add managing director of Instagram Canada to his resume. Over at Rogers Media, his purview will cover Sportsnet, TSC, OMNI Television, and other connected businesses.

Rogers's sports media game is strong

With a focus on sports and local media in an increasingly digital market, Rogers Media's mandate under Banks will be growth-centric and will build upon Brace's work to position the company as a market leader in sports media. Though investors have been slow to respond to the news (a fairly mixed Q2 report continues to weigh on the stock this week), the leadership move will no doubt be beneficial to the Rogers brand.

But what will it mean for investors? Two words: *growth* and *stability.* Going forward, an investment in Rogers stock will reward a long-term investor twofold if Banks can keep the ball in the air: through the prospect of capital gains as a widening economic moat improves the company's share price, and through a better-defended dividend. As Rogers strengthens its position as the Canadian market leader in sports media, its stock will improve and investor confidence will solidify.

The bottom line

Bringing in talent from the social media industry will likely prove a canny play on the part of Rogers Media. As the country's three big telecom companies continue to strengthen their presence in their respective territories, the name of the game seems to be playing to strength — and sports media is certainly something Rogers does well. Displaying middling value and paying a dividend yield approaching 3%, the stock is a moderately strong buy.

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