



2 Ways to Profit From the 5G Revolution

Description

5G, which stands for fifth-generation cellular wireless, is set to become one of the next big developments that will change the way the world works. Already, we see new technology that many of us could have never dreamed of being invented, and with the implementation of 5G, the sky will be the limit.

With [5G technology](#), the speed for consumers or businesses to do things is incredible. Download speeds are rapidly increased, transfer times are decreased, and the ability to connect many more devices together all make 5G such a big deal.

These combined benefits will allow companies to continue to innovate their products to produce goods or services that do things we could have never imagined. From the Internet of Things to autonomous vehicles to better communication and productivity, all of these areas will be positively impacted by the growth of 5G.

The impact 5G will have on entire economies is what is so exciting, but for investors, there is even more excitement knowing the opportunities some stocks will have because of the impact 5G will have on their businesses.

In Canada, we generally have some of the fastest internet speeds in the world, but when it comes to 5G, we have been slightly lagging behind other countries.

Companies are slowly building the infrastructure that's needed to support the systems, as it is costly and needs to be scaled in strategically, while older networks are phased out. Each quarter, the major telecoms continue to invest in infrastructure, as they seek to replicate the dominant work American firms have been doing.

There are two strategies investors can use to benefit from the 5G revolution. You could, of course, buy the large Canadian telecoms that have huge barriers to entry and will really only compete among themselves. This is the safer strategy, to buy the large, stable, and mature companies and wait for the slow growth to hit the bottom line and compound for years.

The other way to play it is to find an up-and-coming tech stock that works with 5G to bring some revolutionary new service. This will be a much riskier strategy, but one that will offer investors the possibility for massive returns.

Canadian telecoms

A top example of a Canadian telecom poised to benefit directly from 5G would be **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE, Canada's largest telecommunications company, has been spending tons of money the last few years to improve its infrastructure, mostly by investing in fibre networks.

BCE believes that while these investments are useful now and can start earning a return on investment immediately, they will also be a huge competitive advantage when it comes to 5G.

The aggressive fibre-to-home expansion it has been investing in is a direct response to the fact that consumers have many more devices to connect these days as well as a preparation for the coming years when consumers are expected to continue to add more devices to connect.

The Internet of Things is creating growth for the telecommunications companies, and BCE has been taking advantage by positioning itself to be the market leader for decades to come.

As more devices and services are invented, BCE will be there to supply the network to support these services, which will result in continuous growth for years.

Bottom line

The bottom line is that investors who want exposure to the 5G revolution have two ways they can go about it. You can find a large telecom that is safe and will see stable increases to its business for years, as the industry evolves and sees more growth.

The other option is to find a small-cap tech company that is developing a revolutionary technology that will enable 5G or be enabled by 5G to bring some life-changing product or service to market that will reward investors who are getting in on the ground floor.

Following industry leaders in that regard is a great strategy to identify potential companies that well-known tech entrepreneurs or investors have already identified for you.

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