This Canadian Answer to Netflix (NASDAQ:NFLX) Is a Solid Buy

Description

What is it with media content streamer **Netflix** (NASDAQ:NFLX) at the moment? “Netflix is bottoming out.” “Netflix is losing market share.” “Here’s why Netflix is a great company.” These sort of headlines surrounding the popular tech stock having been coming in thick and fast.

Netflix stock never fails to be entertaining

The NASDAQ-listed content streamer has two things going for it. The biggest is that its business model is very unique and isn’t replicated by any of its competitors. While it produces its own material, as do rivals **Disney** and **Amazon**, Netflix is also very desirable production platform with everyone from Ricky Gervais to Martin Scorsese making good use of its reach and loyal subscriber base.

The other is that Netflix is a founding member of the high-momentum FAANG stock group beloved of tech investors for its strong performance on the NASDAQ and gravity-defying qualities. If the stock does see a sell-off, it likely won’t be protracted, as investors will eventually realize that Netflix is more than capable of holding its own against the onslaught.

While Disney and the other companies queuing up to steal market share from the NASDAQ streamer are strong brands in themselves and will likely attract plenty of subscribers, consumers will largely keep hold of their Netflix accounts primarily because of the platform’s richer base of offerings and customizable listings.

Canada won’t remain neutral in the streaming wars

Bell Media’s Crave is perhaps the closest thing we Canadians have to our very own version of Netflix on the TSX. While, admittedly, it’s not exactly comparable, there is definitely some crossover in terms of functionality. If Netflix does go into decline, then Crave will certainly be among the competing streamers waiting on the sidelines to pick up some of the slack, otherwise known as subscribers, in the industry.

Paying a satisfying 5% dividend yield and still much cheaper than Netflix in terms price but also in terms of its fundamentals, Bell company parent **BCE** (TSX:BCE)(NYSE:BCE) was up a percentage point at the end of last week. By contrast, it was a solid five-day stretch of market turbulence that saw Netflix down 7.96%, with a single-day loss of 5.56% on Friday.

BCE expanded its Internet of Things (IoT) coverage in the U.S. with **AT&T**, enabling cross-border coverage for home-grown companies and driving bullish sentiment in the TSX telecom ticker, partially accounting for last week's modest gains. This is the kind of development that will ensure companies have the edge going into 2020 — a year that is likely to be a battlefield of lost customers and encroached-upon territories.

The bottom line

BCE is the closest comparable stock on the TSX to Netflix in terms of product, if not platform. While Netflix serves as a strong play in the tech stock arena, BCE covers the media base and pays a well-covered dividend fed by a strongly defensive telecom business. In short, the Bell parent company is the better stock for a newcomer to media investment and one of the strongest stocks on the TSX.

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