



TFSA Investor Alert: Forget BlackBerry (TSX:BB) and Buy This Stock To Profit From the Internet of Things (IoT)

Description

Much has been made of the Internet of Things (IoT) and how that is the next big revolution that will completely change the way humans live. Think of the animated cartoon series, The Jetsons, from the eighties.

At that time, a robot housekeeper was seen as a total flight of fancy, but that time is not far off when we will actually have robot housekeepers. We already have fully automated household vacuum robots and lawnmowers.

The reason all these things can be automated and can operate effectively in real-time is through the technologies that IoT is making possible for us. For all its faults and foibles as a company, the one thing that **BlackBerry** has gotten spot-on is that it needs to align its company vision with the IoT revolution.

BlackBerry's main angle on IoT is security — something the company knows how to do well. But does it mean that BlackBerry will prosper in its mission on IoT?

My view is that BlackBerry will certainly win some business from enterprise customers on this front and will do well because the IoT market is in the trillions, not billions. There is enough room for all sorts of players to prosper in this emerging industry.

However, there's one big player that stands to benefit even more from its IoT business, and that is **Telus Corporation** ([TSX:T](#)). Most people in Canada think of Telus as simply a wireless carrier who makes their smartphones work.

People barely register the fact that Telus is first and foremost a technology company, which is actually a big differentiator between Telus and the [other Canadian telecommunications giants](#).

Telus is a lot more than just a wireless carrier

Telus has built an infrastructure exclusively to support the IoT, which means that “smart things” like your washing machine and dishwasher will never compete with other traffic such as mobile devices used by consumers.

People may not realize how important this is, as most of the wireless bandwidth is taken up by smartphones; if your dishwasher doesn’t work because you’re downloading a movie on Netflix at the same time, that is not going to be a great customer experience, now is it?

Telus’ robust IoT technology means that customers will be able to quickly implement a new connectivity solution or make changes to an existing one and can customize settings based on unique needs.

New partnerships can be forged with cities

Telus is going far beyond traditional telecommunications-type businesses to take advantage of its know-how when it comes to IoT solutions. A perfect example of that is its snow plowing solutions that it’s offering to cities, towns, and municipalities across Canada.

An unexpected snowstorm can wreak havoc on a city’s snow removal resources, but proper management of the snow plow fleet can reduce costs and make snow removal a more efficient operation.

Telus is offering its “connected solutions” to municipalities to better manage snow plow routes and sidewalks in real-time to gain a better view of what is left to plow, while the amount of snow collected is monitored to help cities better allocate resources for its disposal.

While this may not feel like a big thing, municipalities spend millions of dollars every year on snow removal and salt and pay contractors a lot of money to handle the physical aspects of this task. But Telus’s offering means that cities can spend less money on this essential service and residents can gain more value out of it.

This is one small example of an IoT win-win, and there are a lot more service offerings like this that Telus is focusing on. This augers very well for the company over the next decade and beyond.

The foolish bottom line

At 15 times its forward earnings, BlackBerry isn’t exactly cheap, but the company has the [size, scale, and sophistication to handle any economic downturn](#) and keep paying its juicy 5% dividend yield.

This is much better than BlackBerry with its P/E ratio of 30 and significantly smaller market cap, which makes it far more vulnerable to economic shocks.

BlackBerry may feel like a value play, but smart investors will look deeper and accumulate a position in Telus at \$46 or below for a perfect combination of stock price safety and its growth potential to win from the IoT revolution.

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