Telus is holding its own in an increasingly competitive landscape.

Investment Thesis 24 Sep 2014
Telus has managed to build a strong competitive position in a three-player oligopoly with both its low-cost and high-quality communications products and services across Canada, giving it economies of scale. Additionally, with high quality, Telus can still generate internal top-line growth from new subscribers.

Canada's telecommunications sector provides a compelling investment proposition, especially in a relatively low-growth environment. Major players, such as Telus, RBC, and Bell Canada, have subscribers in Canada and have been insulated from economic issues that have insulated the firms from new entrants that have launched service over the past five years. These small carriers such as Mobility, Wind Mobile, and Public Mobile lack the scale, spectrum, and network infrastructure to be disruptive on a national scale. After a few years of pricing aggressively at the low end of the market, these smaller firms are now on the brink of bankruptcy.

In fact, the barriers to entry are so strong in Canada that even well-funded, large carriers such as Verizon and AT&T have assessed the investment case for launching in Canada and decided...