SINGAPORE: With SingTel poised to take on StarHub in the pay-TV sector, experts say it is a positive development for the industry here.

But they note that it is still early days yet to forecast how SingTel will do.

They say much depends on factors like content, pricing and the complete bundle of services the new entrant will offer.

Industry watchers say SingTel's nationwide IPTV (Internet Protocol Television) licence will help it compete much better with rival StarHub.

"It also corrects the structural anomaly in the Singapore market, because StarHub could do all three - TV, data and voice but SingTel could not. So I think it's positive for the company. What they've already done with 'Generation MIO' is that they created a platform for them to roll out new services," says Jayesh Easwaramony, principal consultant of ICT Practice at Frost & Sullivan.

"I think it's one of the many incremental additions in the product line that SingTel can add to and that will strengthen itself towards, perhaps, StarHub," says Assistant Professor Terence Fan, Management, Lee Kong Chian School of Business, SMU.

Recently, SingTel unveiled its new MIO set-top boxes, paving the way for services like pay-TV and home monitoring.

It has lined up media companies Mega Media and Rainbow Media's VOOM HD networks to supply high definition channels for its IPTV service.

Analysts say it is crucial for SingTel to differentiate, in terms of content, by tapping into niche markets.

"For example, there are 60 homegrown Indian channels but currently, StarHub offers only five. That could be an opportunity. There's a whole host of Chinese programming in China, Hong Kong and Taiwan which could probably come into this market," says Jayesh Easwaramon.

"At the same time, there could be an early adopter segment which wants to get a lot of content which is available on the internet, for example YouTube videos, and view them on TV, or look at music play lists and see them on TV."

Some analysts note that further down the road, SingTel could look into expanding its IPTV service into the region.

"In the long run, I see SingTel also benefiting in this enhancement because it has operating arrangements in a number of countries in the region. So one could extrapolate that in the future, they can perfect the technology here before bringing it to other parts of the region," says Assistant Professor Fan.

Analysts are cautiously optimistic about the prospects for IPTV in Singapore. They say this will not just depend on the content that SingTel provides but also on how it plans to bundle IPTV with its other services.

"It's the whole bundle - the internet package plus voice, plus video-on-demand, plus TV channels as well as gaming," says Jayesh Easwaramon.

SingTel began running its six-month IPTV trial last November. - CNA /Is