

Media : Singapore Business Review
Date : 22 Aug 2017
Section : Business
Page/s : <http://sbr.com.sg/co-written-partner/sponsored-articles/story-behind-cityneons-notable-success>

MEDIA MONITORING – Cityneon Holdings



The story behind Cityneon's notable success

With a healthy mix of guts, creativity, and keen business sense, Cityneon has become one of the fastest-growing companies in Singapore.

When Victory Hill Exhibitions (wholly-owned Subsidiary of Cityneon Holdings) launched its first Avengers S.T.A.T.I.O.N in New York, its chief executive officer Ron Tan feared that the company was simply not cut out for the job. “I nearly lost everything in our first exhibition in New York. I totally underestimated the scale of this project,” he shares. “I had only three full-time staff and over a hundred part-time contractors. And we were going to transform 20,000 sq ft of space by ourselves.”

Three years after that first exhibition, Tan just smiles at the memory and all the hardships. “Marvel came by seventeen times and didn’t allow us to open at first. I guess we didn’t look like we can deliver what we said we will deliver then” he says.

After Cityneon Holdings acquired Victory Hill Exhibitions, it transformed Cityneon into a \$250 million favorite at the Singapore Stock Exchange. “The new business created a brand new dimension for Cityneon. Look at Avengers S.T.A.T.I.O.N,” Tan says. “There is only one brand in the whole world. Media companies want content; they want real high end content. We are a content company, and when we entered Singapore we had zero execution risk. Because of our products, we don’t really compete for a share of the consumers’ wallet.”

Reinventing a legacy business

Cityneon started out as a family-run supplier of electrical appliances in 1956. Within a few years of its inception, the company expanded its business to include the design and installation of shop displays and retail fronts. This marked the start of its journey to transforming customer touch points into holistic brand experiences, culminating in the incorporation of Cityneon Displays and Construction.

By the early 70s, the group clinched a partnership with the Australian Trade Commission to erect booths and provide logistical support for their “Made in Australia” marquis exhibition – the first of its kind to be hosted in Singapore. It proved to be the turning point for the company, as it enabled Cityneon to showcase its creative prowess at an international stage, thus opening doors to new frontiers.

Today, the company is known as Cityneon Holdings Limited – a full service ideas agency specialising in transforming customer and brand experiences, encompassing four independent yet integrated business divisions. These divisions are Interior Architecture, Experiential Environments, Events and Exhibitions.

Perfecting the craft

The group has made its name building theme parks across the Asia Pacific and constructing expo pavilions in several parts of the Middle East. According to Tan, the group was involved by being one of the agencies appointed in creating the aesthetics of these major theme parks. Tan is also proud of their office in Bahrain which specializes in expo pavilions. This office, Tan proudly shares, has never failed to deliver a profit. The company also has projects in Oman and Qatar.

“These pavilions are pretty exciting, and they’re all government-run projects. There are big expos happening in 2020 in Dubai, and we’re really looking forward to that,” the CEO notes.

Apart from working with industry giants, the group is also focusing a lot of its energy and creativity on interior architecture. “We have a big project with the Brunei Palace for the interior design of one of their palaces. We also have a couple of big projects in Vietnam; we’re working with international hotel chains such as Sheraton and we also worked with RWS Singapore. We are in charge of the interiors of their hotels there,” Tan notes.

Aside from major hotels, the group also handles logistics for sports events. It has long been a mainstay at Formula 1 in Singapore, and it has also worked for locally-held international events such as the Asian Games, Youth Olympics, and the Southeast Asian Games. Cityneon Holdings Limited also handled the Youth Olympics in Nanjing.

“These are the five business segments of Cityneon today,” Tan says, in reference to the aforementioned projects. “These are what we call the four traditional businesses. We also have what we call new frontiers, such as the intellectual property businesses. This was born from our long engagement with major studios such as Marvel and Hasbro. Those businesses need a lot of support from the old businesses. There’s a lot of the old and new coming together. That chemistry allows us to propel this new business to where it is today,” Tan notes.

Victory Hill Exhibitions (VHE)

In 2015, Cityneon acquired Victory Hill Exhibitions, a widely successful immersive attractions company that focuses on delivering visual-appealing, engaging, educational and interactive “ready-to-showcase” exhibitions, designed to wow viewers’ senses. Both Cityneon and Victory Hill Exhibitions are recognized as leaders in their respective industries.

“Intellectual property for the Avengers S.T.A.T.I.O.N belongs to us until 2024. We produced everything from scratch, and we launched our first exhibition in New York. From there we went to Seoul, then to Paris, Las Vegas, Singapore, Beijing and Taipei,” Tan says. Victory Hill Exhibitions (VHE) has also opened an Avengers S.T.A.T.I.O.N recently, just within the month of May 2017. They are also looking to open an Avengers S.T.A.T.I.O.N in far west of Europe next year.

While other media companies despair over viewers’ increasingly shorter attention spans, Tan believes that Cityneon’s strength lies precisely in the experience that they offer to their clients.

“We are not an exhibition company,” he stresses. “Nobody pays to enter an exhibition; they pay for the experience. The whole Avengers S.T.A.T.I.O.N is about experience. You are part of a world which is under attack. It is the experience that matters.”

Staying ahead of the pack

“In the space of a year, the company has grown over ten times, transforming from a \$20 million company to a \$250 million company. It’s pretty amazing. Even our old shareholders are thrilled,” Tan shares.

Cityneon’s transformation has allowed it to explore new ground and leave its former competitors behind. “We used to put in a tender for jobs, then we wait, then we pray. But those business models don’t work anymore. Any project that requires a tender results in a price competition. At the end of the day, no one wins,” Tan says.

When Tan came to the helm, he realized that the only way to move forward was to manage the company’s ballooning overhead costs. He was determined to cut them. “We are in an economy that is quite tight. This is the reason why we decided to cut our overhead costs. When I first came into this company our overhead costs were \$25 million. It went down to about \$19 million; now we have cut it to \$15 million. This allowed us to pick and choose projects with higher margins. I’ve never been a fan of tendering for projects,” he notes.

The secret to success

Tan knows that Cityneon’s success relies on the strength of its products. While popularity is beyond the company’s control, the fact that it is backed by two of the world’s best studios puts them at an advantage. To ensure profitability and sustainability, the company only selects movies which have grossed over \$1 billion worldwide and have guaranteed sequels. For Cityneon, product is king, and their projects speak for their triumph as a brand.

Cityneon’s success was recognized this year at the Singapore Business Review Awards. In a gala night held at the Conrad Centennial Singapore last June 08, Cityneon Holdings won a National Business Award in the Diversified Services category for their execution of the project “Sultanate of Oman National Pavilion at Expo Milano 2015”.

Their subsidiary Victory Hill Exhibitions dominated the Media and Entertainment category at the International Business Awards . They were lauded for their immersive attraction exhibition, “Avengers S.T.A.T.I.O.N,” that boasts of its visual appeal, educational content and entertainment value. This is Victory Hill Exhibitions’ first International Business Award.