Two years after he handed over Atlas Hi-Fi, Michael Tien returned as CEO to get the company back on track in a changing world and a shift in consumers’ preferences.

"The core of Atlas is about providing outstanding customer service and experience," explains Mr Tien. “In the early days, people would go to Atlas showrooms and listen to my father deliver what was affectionately known as ‘lectures’ on sound and sound quality.” He adds: “We provided expert advice without the pressure of making them buy from us (it) ever time, we became friends with many of them, and they also became our customers because of that trust and knowledge.”

That tradition continues to this day, and Mr Tien says a customer cannot hear the difference between a $600 and $6000 pair of headphones, he would just suggest picking the cheaper one and spending the difference on purchasing some music or subscribing to a streaming service to enjoy with the newly purchased piece of hardware.

Under Mr Tien’s leadership, Atlas’ success has not gone unnoticed, and the company has received various business accolades through the years. These include the Singapore Prestige Brand Award in 2006 and 2007, as well as the Singapore Enterprise 50 Award in 2009.

About two decades after Mr Tien turned Atlas’ fortunes around, he found himself having to do the same again when he returned as chief executive officer in 2017. He had previously handed the position over to his nephew two years earlier as part of succession planning, and took a back seat to pursue “a different calling” – doing a Master of Divinity so that he could be more active in church, and dabbling in an aqua-tech startup.

“My goal for Atlas was always what my father wanted – to be a retailer,” he says. “Not to grow too large, or become a large distributor – we were always premium and niche.”

Under the new leadership, however, things deviated from the plan. During the years of his absence, Atlas went from doing 95 per cent wholesale and 5 per cent retail to 70 per cent wholesale and 30 per cent retail. So despite Atlas enjoying its highest ever turnover of S$90.2 million in 2017, it also came at high cost and loss of S$12 million. According to Mr Tien, the company had also grown to a “very unsustainable size” and incurred staggering costs. Not only that, the internal changes combined with a shift in demand from lifestyle to personal entertainment systems fell. “Nowadays with Netflix and Spotify, it is all plug and play. . . Who would have thought that the mobile phone would become the main source of audio and visual content?” Mr Tien says.

To save the company, Mr Tien says he had to reorganise and streamline the company’s liquidated stock taking place just two doors away. The core of Atlas is about providing outstanding customer service and experience,” explains Mr Tien. “In the early days, people would go to Atlas showrooms and listen to my father deliver what was affectionately known as ‘lectures’ on sound and sound quality.” He adds: “We provided expert advice without the pressure of making them buy from us (it) ever time, we became friends with many of them, and they also became our customers because of that trust and knowledge.”

Another setback was also in store when Bose took back Atlas’ sole distribution deal for Singapore and Malaysia in 2007 after 40 years – making them the longest and oldest distributor of the brand. While Bose still remains a money-spinner for Atlas, generating about half of its turnover, the company had also grown to a “very unsustainable size” and incurred staggering costs. Not only that, the internal changes combined with a shift in demand from lifestyle to personal entertainment systems fell. “Nowadays with Netflix and Spotify, it is all plug and play. . . Who would have thought that the mobile phone would become the main source of audio and visual content?” Mr Tien says.

ATLAS Sound & Vision
“THERE’S A LOT OF SENTIMENTALITY AND EMOTIONS TIED TO ATLAS – IT IS A FAMILY BUSINESS AFTER ALL – BUT I KNEW I CANNOT DWELL ON THE PAST.” – Mr Tien

This shift towards personal audio-visual consumption made Atlas branch out to lifestyle audio products and take on brands beyond just Bose which had been the company’s bread and butter for most of its 56-year existence. Today, Atlas also retails a curated selection of top premium audio brands including KEF and Devialet which offers wireless connectivity and cutting edge technology. It is also banking on its subsidiary Sovis brand which will allow the company to become a regional supplier of its own designed professional systems.

Reaching out to the customers has also become very different though the years. Mr Tien notes: “After Retail 1.0 which was product-centric, Retail 2.0 which is consumer-oriented, and Retail 3.0 which is values-driven; today, we are in the omni-channel age of digital and physical connectivity and touchpoints . . . Ultimately, our goal is to improve how our customers gather information and do their research online.”

To do that, he acknowledges that Atlas needs to be “nimble and responsive”. Thus, it has scaled down to smaller showrooms that allow potential customers to discover the brands and its unique selling point for themselves. “What customers get from these showrooms today is brand recall, and that doesn’t require a lot of space,” explains Mr Tien.

Atlas currently has stores at Tampines Mall, Funan and Millennial Walk. Its office also houses a purpose-built experience centre in Leong Huat Building at Harper Road for more complex entertainment systems.

Mr Tien is frank that the strategy may not be perfect: “Today’s retail landscape means that anything can happen, and it requires a lot of reflexivity – we’re learning not to rely on what made us successful in the past, but rather explore how we can fit into the dynamic market.”

To succeed, he acknowledges that the company has to learn to straddle both the online and brick-and-mortar models and explore how to harness digital platforms as they become more prevalent in consumers’ daily lives. “It will mean choosing the correct platforms to compete in, and turning the crowd into our core customers,” he says.

The company remains steadfast in its belief of delivering quality service to audiophiles in Singapore and Malaysia. After all, hearing is believing, as Mr Tien says: “If you’re going to spend upwards of a thousand dollars on a speaker, you’ll want to hear it and make sure you’re getting something really special . . . Good sound is something you have to hear for yourself; and that is our mission – to help people discover the power of sound and vision.”

Rising above the noise – including competitors offering similar products at lower prices – remains a challenge but the goal is to allow customers to hear “the difference between acceptable sound and amazing sound”, says Mr Tien, and that “premium does not have to be expensive”.

The move marks yet another chapter in Atlas’ 56-year history. “We are a business that grew with the industry,” states Mr Tien, citing how Atlas pivoted with the moving trends and went from a record library to branching out to become hi-fi retailers, then a distributor-retailer and today as a manufacturer-distributor-retailer.

He adds: “Structurally, we’ve changed a lot. But the company’s heart and soul has not. Atlas started out of my parents’ love for music, great sound quality and service from the heart – and that’s what we have been, and will always be about.”

SOUNDBITE
Mr Tien (right, with Thomas Tan, assistant manager, retail) says that Atlas remains steadfast in its belief of delivering quality service to audiophiles.