



SF Cinema Gets Better Connectivity for a Third of Its Operating Costs

SF Cinema is a cinema and entertainment venue operator in Thailand. Established in 1999, it is the second largest cinema chain in the country, with more than 400 screens in 65 locations. SF Corporation also operates bowling alleys and games arcades, as well as a shopping mall.

Industry

Media and Entertainment

Partner

Set up in 1997, *PROEN Corp* provides internet services, internet data center, ICT solutions and business telecom services. It was one of the pioneer providers of VMware SD-WAN in Thailand.

VMware footprint

- VMware® SD-WAN™
- VMware SASE™

One of the largest cinema chains in Thailand, SF Cinema, faced financial challenges due to COVID-19 restrictions and competition from streaming services. The MPLS circuits that connected its 65 cinemas nationwide to the headquarters in Bangkok were expensive and had low bandwidth. To save costs, SF Cinema switched from MPLS to broadband, and VMware SD-WAN, deployed by VMware partner PROEN Corporation, helps to maintain quality by optimizing the underlying circuit issues. This resulted in higher speed with better uptime and high application performance while operating costs went down by more than 65 percent. To become future-ready, SF Cinema is exploring VMware Secure Access to secure and optimize access for remote teams.

Giving customers a great time

SF Cinema has been in the cinema industry for more than two decades. Starting its operations in the eastern provinces of Thailand, it has grown into the second largest cinema chain in Thailand, with 65 cinemas around the country offering over 400 screens and more than 82,000 seats.

Panuwat Thongrompo, CTO, SF Corporation Public Company Limited, says, “Our vision is to give people a great time, and we want this to be reflected at every customer touchpoint, from booking tickets on the mobile application, ordering food and beverages at the cinema, to selecting collectibles after the show.”

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Trying to preserve cash flow

SF Cinema was steadily expanding when COVID-19 halted its plans. To make matters worse, at the height of the pandemic in 2020, all cinemas in Thailand had to close for 75 days. “We had virtually no revenue,” says Panuwat.

Even when cinemas were allowed to re-open, there were restrictions on seat capacity as well as the consumption of food and drinks in the hall, which left patrons not wanting to return to the cinemas. Moreover, the Hollywood blockbusters that SF Cinema typically relied on to attract audiences were either delayed in production or released directly to consumers on streaming services instead.

These streaming services, which were already getting popular before COVID-19, grew aggressively during the pandemic when everyone had to stay home during lockdowns. Consumers became used to turning to these platforms for entertainment instead of going to the cinema.

“All these factors directly impacted our revenue and our bottom line,” says Panuwat. “Our most pressing challenge was to preserve cash flow and stay afloat.”

At that time, SF Cinema relied on MPLS circuits to connect each cinema to the headquarters and data centers in Bangkok to process payment gateway transactions for ticket and merchandise sales. But low bandwidth adversely affected operations, especially when consumer demand surged during peak periods such as the weekends or when blockbusters were released.

“The bandwidth costs per megabit were also really high, so we needed to find alternative solutions that offer a better network at lower costs, in the light of our financial challenges from COVID-19,” Panuwat explains.

Rethinking the network

At the start of the pandemic, SF Cinema was looking for a cost-effective solution for its network challenges. Panuwat turned to PROEN Corporation, which has been providing data center and connectivity services to the cinema chain since 2013, for advice.

“We recommended VMware SD-WAN, which can deliver high application performance and reliable access to the cinemas while lowering networking costs,” says Visrut Manunpon, vice president, business development at PROEN Corp.

As one of the first to offer VMware SD-WAN in Thailand and having achieved a Master Services Competency in VMware SD-WAN, PROEN Corp is highly experienced in the deployment and management of the solution.

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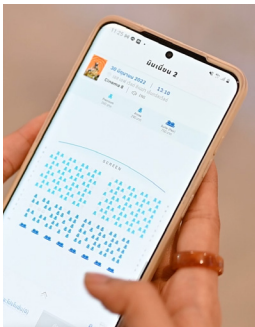
The VMware partner quickly deployed zero-touch, enterprise-class VMware SD-WAN Edge 610 appliances in all the cinemas to provide secure optimized connectivity as well as VMware SASE Orchestrator in the headquarters for centralized management, real-time monitoring, and orchestration of data flow through the cloud network.

VMware SD-WAN, a service of VMware SASE, ensures resilient WAN connectivity. It allows SF Cinema to have flexible WAN choices, such as broadband and LTE/5G while doing away with MPLS. Because it can detect the slightest degradations and dynamically remediate over one or multiple WAN links, it solves the operational issues SF Cinema faced.

“PROEN Corp is our long-term partner and trusted advisor, and VMware is a global leader in technology and innovation,” says Panuwat. “Going with the recommendation of VMware SD-WAN has been a game-changer for us.”

Operating costs dropped by 65 percent

The impact from replacing MPLS with VMware SD-WAN was immediate and substantial — operating costs at SF Cinema fell by more than 65 percent. Implementing the solution at the beginning of the pandemic gave the entertainment giant some leeway during that uncertain period. “It greatly eased our financial pressures during this economic climate,” says Panuwat.



While costs went down, performance went up. Since traffic is now optimized over multiple connections such as broadband and LTE, SF Cinema no longer experiences downtime even when customer demand peaks.

“The cinema may not be open 24-7, but we need a solution that operates around the clock, so our online platforms like the mobile app and website remain always available to our customers, and they can purchase movie tickets or order popcorn delivery without any lag. This is crucial for our business,” Panuwat says.

Having a stable connection meant that SF Cinema can participate in more events in the provinces. Previously, when it took part in events in remote locations as a food and beverage partner to sell popcorn, drinks and other merchandise, the onsite staff always struggled with using the point-of-sale system, which was routed through MPLS. The connection was either slow or would just drop, resulting in unhappy customers and frustrated employees. With VMware SD-WAN, the connection is so reliable that transactions can be made and recorded promptly, which also resulted in more sales. VMware SD-WAN can support any connection, including cellular, providing the ability to stage a pop-up location anywhere.

Set up for growth

Other than a significant reduction in operating costs, VMware SD-WAN helps simplify operations at SF Cinema, with the centralized monitoring and rapid zero-touch branch deployment making it flexible and efficient.

“We have 65 cinemas around Thailand. We simply can’t go to each location for installation or configuration, it would take months,” Panuwat says.

Productivity has also increased across the company. With MPLS, working remotely and collaborating with colleagues on conference calls was challenging but VMware SD-WAN has delivered optimal performance even for demanding applications, such as voice and video. Additionally, from a networking perspective, SF Cinema can now expand into new locations, such as shopping malls that have physical restrictions on the number of MPLS circuits they can support.

And it helps that the IT team has full visibility into the health of the connections and can monitor whether the network providers are delivering on their SLAs. If there is any drop in the connection, they can get their vendors to troubleshoot and remediate it quickly.

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From a customer perspective, the cost savings not only allow the cinema giant to keep its ticket prices competitive but also enable SF Cinema to invest in experiences that will delight the patrons. For example, it was during the pandemic that SF Cinema pioneered a unique concept of having beds with luxurious linen in the cinema hall instead of regular seats, where customers could literally lie down to watch a movie.

Securing the future

Buoyed by the success of VMware SD-WAN, SF Cinema is exploring VMware SASE solutions, such as VMware Secure Access, to ensure all users get consistent and secure access to the data center hosted applications. This will enable employees to be more productive and effective as they work remotely.

“As people start returning to normalcy, we are ready to welcome them back to the cinema with an improved experience,” says Panuwat. “Thanks to PROEN and VMware, we will be able to give our customers a great time wherever and whenever they visit us.”