NTUC Foodfare-Kopitiam merger

Some food for thought

Barton Ong
For The Straits Times

In countries where consumers can agree on what the price-quality ratio will be for a given food category, the concept of “value for money” takes on a primal importance. However, as far as NUS Foodfare customers are concerned, the Kopitiam does not necessarily mean that the food is getting cheaper, and we are likely to see a reversal of the trend.

Some operators have also noted that the behaviour of Kopitiam customers is not what was expected. Customers have been found to be more likely to buy products from Kopitiam than from NUS Foodfare, even though Kopitiam is known for its cheaper prices.

The decision by NTUC Enterprises to merge the two companies is likely to be seen as a move to capitalize on the strengths of both brands. Kopitiam, with its reputation for affordability, and NUS Foodfare, with its reputation for quality, are seen as complementary.

Customers are likely to benefit from this merger, as they will have access to a wider range of products and prices. The merged company is also likely to be more efficient in terms of cost and operation.

The merger is also likely to bring about a change in the market dynamics. With the two companies combined, the competition among foodservice providers will be reduced, allowing the merged company to control the market.

In summary, the merger of NUS Foodfare and Kopitiam is likely to be a positive development for consumers. With a wider range of products and a more efficient operation, the merged company is likely to be able to provide better value for money to its customers.