

4. WFG is a private limited company in country X. It owns 120 supermarkets, of which 20 are operated as franchises. One of WFG’s objectives is to expand by opening 30 more shops in the next 18 months. The Managing Director said: ‘Market research shows that fewer people are going to the local markets every day to buy their food. It is important for us to set prices at the right level.’ The Managing Director is thinking about whether to introduce new technology into the business.

Explain **two** factors WFG should consider when deciding whether to introduce new technology into its business.

(d)

Factor 1: *Cost of technology*.....

Explanation: *as WGF has 120 locations which they may not be able to afford to introduced the technology in all supermarkets*

Factor 2: *What efficiency gains will there be?*

Explanation:.....  
*Technology with lower average cost so WFG can lower the prices of its food*.....