

3. Dollond & Aitchison Ltd was one of the oldest chains of retail opticians in the United Kingdom, having been established in 1750. The business merged with Boots Opticians in 2009, and its stores have been rebranded under the Boots name. This is an example of **horizontal integration**.

- (a) (i) Explain why the merger of Dollond & Aitchison and Boots is an example of *horizontal integration*. [2]

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- (ii) Explain the benefits to Boots Opticians of the merger with Dollond & Aitchison. [4]

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Boots Opticians has over 650 optician shops throughout the UK, with approximately 210 of them operating as franchises. Boots is already one of the biggest **franchisors** in the sector. It has ambitious plans to open more franchises over the next few years.

- (b) What are the advantages and disadvantages to Boots Opticians of operating as a *franchisor*? [6]

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