



**Inspector A** has strong technical and marketing skills and is very helpful to consumers by delivering many good inspections to the market. After licensing his market position relative to his competitors is diluted (less space between him and them).

**Inspector B** is technically strong but weak at marketing and if he can survive long enough, gains marketing strength over time through word of mouth reputation and becomes helpful to consumers. His market position after licensing is not improved much as most of his business comes from existing reputation but somewhat harmed because of competitor D's drastic market improvement after licensing.

**Inspector C** is technically weak but strong at marketing and is harmful to consumers by delivering many poor inspections to the market. His relative position after licensing is improved as his new credential permits him to exploit the fact that he is *equally as licensed* as Inspectors B and A. The licensing credential cures his biggest weakness from a marketing standpoint.

**Inspector D** has weak technical and marketing skills and generally goes out of business quickly without doing too much harm to consumers because he doesn't get much work and the work he does happen to get doesn't lead to future referrals. Licensing keeps him alive and moves him toward Inspector C with a state issued credential that falsely implies that he has equivalent technical skills (*equally licensed*) as Inspectors B and A.