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Why are BBB Accredited Businesses getting added points?

Grades represent BBB's degree of confidence that the business is operating in a trustworthy manner and will make a good faith effort to resolve any customer complaints in a timely manner that is equitable and protect the public. In addition, under this agreement with BBB to abide by these standards and supports BBB's efforts to educate and protect the public. In addition, under this agreement, the business must work with BBB to resolve complaints in a timely manner that is equitable for the consumer.

In tough economic times, people become more concerned about getting the most value from the money they spend. Accreditation with the BBB gives businesses this kind of value.

Not only is “Accredited Business” status a powerful sign to consumers, but it also serves as a meaningful guide to other businesses who may be trade customers. Both consumers and businesses want to know they are dealing with trustworthy businesses. Accreditation by the BBB is an excellent indicator for trust.

Research consistently shows that no other organization’s name and logo mean as much to people when they are looking for a reliable, ethical and trustworthy business as the name of the Better Business Bureau and its torch emblem.

The Better Business Bureau has consistently been named by consumers as the #1 organization that provides information about the reliability and reputation of businesses.

More than 85 percent of people indicate they would rather do business with a company that is accredited by the BBB.

More than 80 percent of the public recognizes the Better Business Bureau as a sign of integrity.

More than 70 percent of BBB Accredited Businesses feel accreditation enhances credibility with customers.

Accreditation delivers Value by creating customer trust in the business. The BBB symbolizes businesses that demonstrate high business ethics, standards and practices. Accreditation also provides instant awareness of the values of a business to the type of customers that companies themselves value.

Accreditation through the BBB provides a Competitive Advantage. It shows the strong reputation that affiliation has in the eyes of the general public. It shows that the business supports a system to resolve complaints. Accreditation sets the business apart from unethical competitors. It also shows the company supports truthful, accurate advertising.

Accreditation Enhances the Reputation of a business. It provides instant credibility. Accreditation demonstrates marketplace leadership by supporting fair and ethical practices. The power of your business brand is reinforced and multiplied by the well-recognized BBB brand.
New BBB Letter-Grade Ratings System helps Businesses Evaluate Suppliers, Assists Consumers in Selecting Trustworthy Companies

The Better Business Bureau, one of the first organizations to rate businesses on their honesty and fairness to customers, is improving its rating system. The new business ratings are now shown as letter grades A+ through F. These provide more specific information for businesses to find suppliers and vendors, and at the same time provide a more precise guide to improving their own operations. The new ratings also assist consumers to find trustworthy businesses. The new letter grades replace the previous “satisfactory” or “unsatisfactory” ratings.

“These new ratings provide tremendous value-added benefits to businesses,” stated Steve J. Bernas, president & CEO of the Chicago and Northern Illinois Better Business Bureau. “Of those, more than 7,000 are Accredited Businesses belonging to and valued by businesses,” he said. “In today’s tight economic times, these ratings not only spotlight the honest and ethical companies customers look for, but the ratings components also assist companies to see where their operations may be improved.”

The proprietary BBB ratings formula takes into account 17 weighted factors, using objective information and actual incidences of business behavior that are verified and evaluated by BBB professionals. Specific issues affecting a business’s rating are described in detail in BBB Reliability Reports. Ratings factors include:

- The business’s overall complaint history with BBB, including the number and severity of complaints to BBB from customers.
- Whether complaints have been resolved in a timely manner or the business has demonstrated a good faith effort to resolve them.
- How long the business has been operating and whether it meets appropriate competency licensing.
- Government actions against the business related to marketplace activities
- Advertising issues evaluated by BBB.
- Whether the business is a BBB Accredited Business and has committed to BBB standards. Rating factors also take into account whether businesses and industries operate in violation of the law, misrepresent products and services, and are likely to generate trade practice concerns and/or have high levels of customer dissatisfaction.

“Good businesses that want to become more successful, can very effectively improve their performances by using complaints as an indicator of where attention is needed,” Bernas said. “Nobody likes to get complaints, but when they are used as improvement tools, they become valuable.”

The new letter-grade concept was tested for more than two years at selected BBBs. With modifications, based on testing, the new ratings system was adopted by the parent organization Council of Better Business Bureaus as the standard for all BBBs to follow and introduce in 2009.

As part of its strategy to build trust in the marketplace, the BBB also recently changed the way businesses affiliated with the organization were designated, from “BBB Member” to “BBB Accredited Business.” The “Accredited” designation highlights the fact that businesses have been evaluated by BBB and have contractually agreed to meet and uphold BBB’s high standards for integrity and reliability when dealing with customers.

For more information on BBB ratings and to find out ratings of local businesses, go to www.bbb.org.

Does Your Business Deserve A Higher Grade Than Shown?

The new letter-grade ratings are calculated automatically by computer. They are much more precise than the previous satisfactory/unsatisfactory ratings. If this new precision causes a business concern, we invite them to make sure that the computer database has the latest business information.

There are more than 102,000 businesses in the database for the Better Business Bureau of Chicago and Northern Illinois. The entire BBB system covers more than 4 million businesses across the United States and Canada.

We want the ratings to be as accurate as possible.

On each company’s BBB Reliability Report page, which is where the rating is shown, there is a box that states “Click Here to Update Your Company Information.”

Both Accredited Businesses and non-accredited companies can update information that the computer uses to calculate a company’s individual business rating by going to chicago.bbb.org/updatecompany. *
FAQs
Help Understanding of New Ratings System

What is the ratings system?
The new BBB rating system relies on an A+ through F letter-grade scale. The grades represent BBB’s degree of confidence that the business is operating in a trustworthy manner and will make a good faith effort to resolve any customer concerns.

Why did BBB change its ratings system?
BBB updated its BBB Reliability Reports to help consumers more easily and quickly identify and compare the reliability of businesses based on BBB’s unbiased evaluation. Previously, BBB awarded businesses either a “satisfactory” or “unsatisfactory” – which did not provide as much insight as a letter grade.

What are the factors that go into a business’ rating?
Specific factors include:
- The type of business and its business model
- How long the business has been operating
- Whether the business has appropriate competency licensing
- Total volume of complaints filed against the business
- The number of unanswered complaints
- The number of unresolved complaints
- The number of serious complaints
- An overall complaint analysis
- Number of complaints with a delayed resolution
- Government actions against the business
- Any advertising issues found by the BBB
- The extent of background information available to the BBB for evaluation
- The extent to which the BBB is able to develop a clear understanding of the business
- Whether the business has honored any media
tion/ arbitration commitments
- Whether the business has attained BBB Accredited Business status
- Whether the business has had its BBB Accreditation revoked
- Failure to address underlying cause/s of a pattern of complaints

How is the letter grade computed?
Businesses are awarded points based on 17 factors, which are weighted according to BBB’s assessment of the importance of each factor. The points are calculated and a letter grade is awarded based on the point range the businesses fall into.

How are the factors weighted?
In most cases, complaint history drives a business’s letter-grade rating. Nearly 85 percent of the scoring is determined by consumer-reported complaints that have been verified and evaluated by BBB, such as the number of complaints, the severity of complaints and how a business resolves complaints. There are some overarching factors that will impact a business’s rating even if there have been no complaints to date, such as: how long the business has been operating, government actions, and advertising and competency license issues.

How does a grade increase or decrease?
Ratings can and will change in a number of ways. Changes depend on the factors involved and how that factor is weighted. Generally speaking, a business’s grade is a function of the level of trust BBBS has in the business as a result of its actions in the marketplace. Therefore, a business’s grade can rise or fall depending on how the business performs in regard to the 17 factors.

How can a business improve its letter grade?
First and foremost, BBB will examine the specific issues that contribute to a business’s rating. From that information, BBB can then offer specific, qualified guidance on how the business can improve its BBB rating. In general, BBB recommends that any business consistently treat its customers in a fair and honest manner. And, if honest mistakes are made, take prompt and appropriate action to resolve issues in a timely manner.

Will larger businesses receive lower grades because they likely will receive more complaints due to the sheer volume of business they do?
No. BBB takes into account the size of a business, such as the number of customers, when evaluating the volume of complaints.

Why is length of time in operation a factor?
How long a company has been in business is one of the first things consumers consider when researching a company to hire. They want to have a degree of confidence that the business has experience and a track record, so our formula factors this key consideration in.

Are BBB Accredited Businesses guaranteed a higher grade than non-accredited businesses?
No. While BBB Accredited Businesses do receive additional points, other factors contribute to a company rating and non-accredited businesses can also have favorable ratings.
New BBB Ratings System Grades Business

A+ through F

Check out the letter grades for:
- Your business
- Businesses that you patronize
- Your competitors

More precise letter grades:
- Are more recognizable to people.
- More effectively communicate an overall score.
- Allow better comparisons between businesses.
- Are based on facts and computer calculated.
- Are a summary of all the information that is on a business’s BBB Reliability Report available for FREE at www.bbb.org.

www.bbb.org

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