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## Editorial: BBB's ratings unfair

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The Better Business Bureau has recently changed the way in which it rates businesses. Now instead of the usual black and white -- "satisfactory" or "unsatisfactory" -- ratings, the bureau has adopted a rating system that yields grades from A+ to F.

The grading system is based on 16 different factors, including how long a company has been in business, the type of business and the complaint volume, among other factors. The bureau determines the importance of each factor and distributes points accordingly. These points are added together and calculated in a formula before the bureau bestows a business with a certain grade.

Though it may seem that having a wider range in the BBB grade scale would provide a clearer and more accurate assessment of businesses for consumers, this hasn't been the case.

The new way in which the bureau has gone about assigning ratings is unfair to many businesses for several reasons.

Instead of judging each business on a level playing field, the system favors paying members over non-members. From the start, non-members are already penalized for their lack of membership to the BBB. Non-members can never achieve an A+ no matter how perfect their business because the highest ratings are reserved only for paying BBB members. The highest score non-members can receive is an "A."

According to Richard Kitterman, executive director of the bureau's office that serves the Waco area, the bureau justifies its grading discrepancies on a stipulation required as part of the BBB's membership. Kitterman told the Waco Tribune-Herald that members must agree to a binding arbitration through the bureau in the event that a business is unable to resolve consumer complaints. Once this condition is accepted, members are allotted extra points, giving them a ratings advantage over other businesses.

The double standard inflicted upon non-member businesses is hardly fair. For businesses that can't afford to pay the membership fee, such as small family-owned restaurants or mom and pop stores, money becomes the issue. Based on the size of the company, annual membership fees can range from a minimum of \$360 to thousands of dollars. Some businesses aren't able to afford an A+, even if they deserve it.

How the bureau chooses to issue extra points is comparable to a student paying a teacher for higher grades. As this practice would never be tolerated in the academic world, such practice should also be condemned in the business world.

Not only is the BBB's grading scheme designed to favor paying customers, it's also industry biased.

Businesses in certain industries, which include "online casinos, work-at-home companies and sweepstakes," as reported by the Tribune-Herald, are subjected to point deductions. The reason is these industries have higher customer dissatisfaction rates. It's obviously unfair to punish every business in an entire industry because of the faults of a few.

Preconceived prejudices shouldn't have a place in the bureau's new rating system. Instead of judging a business based on the members of its extended family, the bureau needs to judge each business as its own individual. If a work-at-home company complies by the standards of the bureau, then it should receive equal treatment from the rating system.



**Claire Taylor/Lariat Staff**  
(Click here for larger view)

Another way points can be deducted is if the bureau has insufficient background information on a business. Something as small as an un-updated e-mail address can cost businesses points. Before the lack of information is factor into the grade, the bureau should notify the business a give them a chance to respond, to send in updated or missing information.

It's not to say this new rating system isn't an improvement from the last. It does offer more comprehensive grades. But for all the measures that the bureau has taken to give consumers more information about businesses, it's actually doing consumers a disservice by allowing double standards and bias to impinge upon it grading practices.

For the bureau to be a credible and fair assessor, it must reformulate its system and purge itself of the double standards and favoritism that are present.