

## **INTRODUCTION TO BBB STATISTICAL COMPILATION - 2007**

### **WHO WE ARE**

BBB is comprised of 185 local BBB offices and branches serving communities throughout the U.S. and Canada, the Council of Better Business Bureaus (CBBB), located in Arlington VA and the Canadian Council of Better Business Bureaus (CCBBB) in Toronto ON.

BBB is a private, non-profit organization. BBBs are not government or law enforcement agencies. Local BBBs are supported by over 410,000 community businesses that voluntarily agree to abide by standards of ethical marketplace interaction with the public. Local BBBs are entitled to use the BBB name and logo through their membership in either the U.S. Council of Better Business Bureaus (CBBB) or the Canadian Council of Better Business Bureaus (CCBBB). Both CBBB and CCBBB provide service and support to local BBB offices. Both Councils are funded, in part, by nearly 300 leading edge companies and local BBBs.

### **WHAT WE DO**

BBB system provides services to consumers, businesses and charities. It provides BBB experience reports on companies, assists in resolving disputes, monitors advertising, sets standards for charitable giving and provides consumer and business information to assist in making wise purchasing decisions. Reports on BBB Accredited Businesses and non-Accredited Businesses are made available to the public free of charge through [www.bbb.org](http://www.bbb.org).

Local BBBs provide dispute resolution services such as conciliation, mediation and/or arbitration for consumers and businesses. BBB also assists businesses in a self-regulatory mechanism to foster truth and accuracy in advertising. Other programs, such as *BBBOnLine* ([www.bbb.org/online](http://www.bbb.org/online)), promote consumer trust on the Internet. Additionally, the BBB Wise Giving Alliance ([bbb.org/charity](http://bbb.org/charity)) is an advisory service of CBBB that sets standards for charitable organizations and distributes information on the programs, fund raising practices, and finances of thousands of soliciting organizations. In addition, the BBB system provides consumer and business shopping tips through publications, on its Web sites, and in public outreach.

In the calendar year 2007, BBB system supplied over 110 million instances of service to its customers: the consuming public, business community, and charitable organizations. Over 54 million company reports were requested by the public. BBB assisted consumers and businesses in more than 800,000 marketplace disputes. Of those disputes, local BBBs offered mediation or arbitration in over 4,400 instances to assist the parties to obtain resolution if conciliation fails. In addition, the public received over 17 million web confirmations of reliability through a BBB safe shopping seal displayed on over 39,000 eligible company Web sites. Approximately 2 million requests were made by the public for reports on national charities.

## 2007 Statistical Activity for U.S. and Canadian BBB System

Company Report Requests		
U.S.	52,167,879	
Canada	2,805,321	
Total		54,973,200
BBB <i>OnLine</i> Company Reliability Seal Confirmations		17,018,538
BBB Wise Giving Alliance Charity Report Requests		2,000,000
General Assistance, Counseling & Industry Information		
U.S.	33,309,920	
Canada	2,535,950	
Total		35,845,870
Investigations Conducted by BBBs		
U.S.	913	
Canada	3	
Total		915
Complaints closed (Includes 4,405 Mediations, Arbitrations and Dispute Settlement hearings)		
U.S.	808,278	
Canada	26,006	
Total		834,284
BBB AUTO LINE cases		29,488
Local and National Advertising Review		4,576
<b>Total 2007 BBB Services to Business, Charities &amp; the General Public</b>		<b>110,706,871</b>

### BBB Services

Most **company report requests** are inquiries from the public seeking to check out the BBB's experience on individual companies and organizations before making purchases, investments, or donations to charities. **In 2007, BBB issued close to 55 million company reports to the public – online and offline.** BBB also provides **general information** on shopping wisely and avoiding questionable

promotions. In addition, BBBs assist the public by offering business and consumer education through its Web sites, brochures and community outreach. **In 2007, BBB assisted the public by providing general industry tips and consumer information, referrals and counseling in more than 35 million instances.**

**Complaints from consumers and businesses processed and closed** by BBB include those mailed to BBBs, taken by telephone, or filed online. Complaints are presented to the business for response, information, and resolution. The BBB helps resolve disputes through conciliation, mediation and arbitration. **In 2007, over 800,000 complaints were handled by local BBBs.**

The **BBBOnLine® Reliability** ([www.bbb.org/online](http://www.bbb.org/online)) program provides the public an easy way to distinguish reliable companies' Web sites and online services by awarding seals to those companies that meet responsible online business practices. **In 2007, the public received over 17 million online confirmations of "safe shopping" reliability posted on 39,000 company Web sites.** These businesses pledge a commitment to resolve any online complaint disputes and adhere to ethical online business practices through the BBBOnLine® Reliability Program.

The **BBB Wise Giving Alliance** (WGA) ([www.bbb.org/charity](http://www.bbb.org/charity)) received nearly **2 million online and offline requests from the public for reports on charities located in the U.S.** The Alliance, an affiliate of the Council of Better Business Bureaus, reports on nationally soliciting charitable organizations that are the subject of donor inquiries. These reports include an evaluation of the subject charity in relation to voluntary BBB charity standards.

**BBB AUTO LINE®** ([www.dr.bbb.org](http://www.dr.bbb.org)) is administered to help participating automobile manufacturers and individual customers resolve disputes concerning alleged manufacturing defects. This program handled **over 29,400 cases between manufacturers and their customers in 2007.** For a list of program participants and information on eligibility, visit [www.dr.bbb.org](http://www.dr.bbb.org).

**BBB System Advertising Review** ([www.bbb.org/adreview](http://www.bbb.org/adreview)) BBB reviews, makes recommendations and reports on local and national advertising in the U.S. and Canada. This includes cases whereby local BBBs have requested local businesses to substantiate, modify or discontinue misleading advertising claims. Advertising disseminated on a national level or broad regional basis is reviewed by the National Advertising Division (NAD) ([www.nadreview.org](http://www.nadreview.org)), Children's Advertising Review Unit (CARU) ([www.caru.org](http://www.caru.org)), Electronic Retailing Self-Regulation Program (ERSP) and National Advertising Review Board (NARB). Together, local BBBs and the national advertising units of CBBB handled **over 4,500 cases in 2007.**

### **Local Industry Investigations**

**BBBs conducted nearly 1,000 investigations on companies and promotions in 2007.** Many investigations are conducted and publicly reported in tandem with governmental law enforcement agencies to provide the marketplace an ethical foundation on which to do business.

<b>UNITED STATES BBBS 2007</b>
<b>TOP TEN REQUESTED INDUSTRY REPORTS</b>
1. Roofing Contractors
2. Mortgage Brokers
3. Movers
4. Contractors-General
5. Work-At-Home Cos.
6. Auto Dealers-New Cars
7. Home Builders
8. Construction & Remodeling Services
9. Auto Repair & Service
10.Plumbing Contractors

<b>UNITED STATES BBBS 2007</b>
<b>TOP TEN INDUSTRY COMPLAINTS</b>
1. Cellular Phones Service & Equipment
2. Auto Dealers-New Cars
3. Internet Shopping
4. Banks
5. Television - Cable, CATV & Satellite
6. Collection Agencies
7. Internet Services
8. Furniture-Retail
9. Telephone Companies
10.Auto Dealers-Used Cars

<b>CANADIAN BBBS 2007</b>
<b>TOP TEN REQUESTED INDUSTRY REPORTS</b>
1. Roofing Contractors
2. Movers
3. Not Elsewhere Classified
4. Work-At-Home Cos.
5. Contractors-General
6. Auto Dealers-New Cars
7. Auto Repair & Service
8. Plumbing Contractors
9. Auto Dealers-Used Cars
10.Paving Contractors

<b>CANADIAN BBBS 2007</b>
<b>TOP TEN INDUSTRY COMPLAINTS</b>
1. Furniture-Retail
2. Auto Dealers-New Cars

<b>3. Roofing Contractors</b>
<b>4. Cellular Phones Service &amp; Equipment</b>
<b>5. Movers</b>
<b>6. Internet Services</b>
<b>7. Internet Shopping</b>
<b>8. Health Clubs</b>
<b>9. Telephone Communications</b>
<b>10. Advance Fee Brokers</b>

### **ABOUT THIS REPORT**

The preceding tables provide specificity on the major inquiry and complaint categories by type of business or industry, including numbers of company reports requested and complaints processed. It also provides the complaint settlement indices. **In 2007, the overall average settlement rate for complaints filed with BBBs in the US and Canada was 74%.**

### **DEFINITIONS FOR CLOSED COMPLAINT CATEGORIES**

The following terminology used in this report reflects how BBB evaluates and closes consumer to business and business to business disputes, as reflected in the above tables.

**Settled:** Settled complaints are comprised of disputes where the company resolved the issues of a dispute; or made reasonable efforts to resolve the matter through conciliation. In addition, some complaints are considered settled although the complainant remained dissatisfied with the outcome. In those situations, the BBB made a determination that the company had made a fair and reasonable effort to resolve the matter. In many cases the company agreed to mediate or arbitrate the dispute but the complainant declined the offer. Arbitrated and mediated complaints are considered settled disputes. Failure to abide by an arbitrator's decision or mediated settlement is, however, considered "not settled."

**Not Settled:** Complaints that are not settled are those instances where the company did not respond to the complaint, or where BBB believes that the company did not adequately address the issues nor make a reasonable effort to resolve the dispute. Complaints are also considered not settled when neither party is willing to work together to resolve the complaint issues. Additionally, complaints are considered "not settled" if the company agrees to mediate or arbitrate disputes but fails to follow through on its commitment or fails to comply with an arbitration decision or mediated settlement agreement.

**Unable to Pursue:** BBBs are not able to pursue or process some complaints against companies if the company could not be located or has gone out of business.

The statistics for 2007 were obtained using a new data collection method. As such, discrepancies from previous years may exist. For questions, please contact [help@bbb.org](mailto:help@bbb.org).