

2010 ANNUAL REPORT



BBB serving Central,
Coastal & Southwest Texas



A letter from the

President & CEO

Dale Carnegie once said, *"You never achieve success unless you like what you are doing."*

Promoting trust in the marketplace is what we do, and BBB's 2009 accomplishments are reflective of that passion. It is with great pleasure that I present you with the 2010 BBB Annual Report, which provides a snapshot of your BBB's results.

One of the most exciting enhancements in 2009 was the introduction of a new rating system, which designates a quickly identifiable letter grade ranging from A+ to F on all BBB Reliability Reports™ issued by BBBs across North America. *Consumers have responded by contacting us in record numbers*, viewing 1,500 BBB Reliability Reports daily and searching for trustworthy businesses using the online Accredited Business directory, BBB Member Pages, more than 500,000 times. Along with our new rating system, we launched stronger BBB Accreditation Standards, which include a commitment to making a good faith effort to resolve consumer disputes and safeguard online privacy.

Another Accreditation enhancement was the implementation of the new "Members Only" Web site *personalized for each Accredited Business*. This Web site helps you track consumer requests for your BBB Accredited Business Reliability Report, update your business information, download the BBB seal and respond to disputes, all at the click of a button. With your help, we continue to keep BBB Reliability Reports current and accurate, which is a true measurement of success!

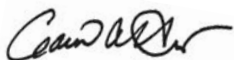
We also worked hard to reach out to new audiences. Through the production and distribution of our first Spanish-language TV PSA, *we promoted the importance of using trustworthy BBB Accredited Businesses to the Spanish-speaking community*. We also developed a presence on social networking sites including Facebook, YouTube and Twitter and began blogging to reach a younger audience.

These efforts did not go unnoticed. In 2009, your BBB serving Central, Coastal and Southwest Texas *received five international awards* at the BBB International Assembly of Better Business Bureaus. Your BBB earned the coveted Marshall A. Mott award, the highest honor a local Better Business Bureau can obtain. This award recognizes outstanding overall communications in areas such as internal and external communications and advertising and marketing campaigns. In addition, your BBB was recognized in all facets of BBB work including overall operations, public awareness and as the highest membership producing BBB nationwide.

Our staff has worked hard to continuously improve services at the local and national level, and I am sure you join me in recognizing them for these accomplishments. *The significance of these results lies in the increased value of BBB Accreditation for businesses and consumers in our community*. I hope you take personal pride in these accomplishments. They have a direct impact on your business, making your BBB one of the largest membership organizations in Texas.

On behalf of your BBB, I thank you for your continued support and am committed to serving you and striving to be the best. I commend your dedication to BBB's mission of advancing marketplace trust and congratulate all BBB Accredited Businesses for earning BBB Accreditation.

Respectfully Submitted,



Carrie A. Hurt, President/ CEO
BBB serving Central, Coastal and Southwest Texas



BBB President/ CEO,
Carrie A. Hurt



BBB Staff Accepting Five
International Awards



Executive Director Richard
Kitterman (far left)
Represents BBB at an Event



BBB President/ CEO,
Carrie A. Hurt is Recognized
by the Office of the Texas
Secretary of State



Advancing Marketplace Trust



Cuatro Kowalski, Owner of Cuatros, Proudly Displays his BBB Seal

BBB ACCREDITATION STANDARDS

Build Trust

Establish and maintain a positive track record in the marketplace.

Advertise Honestly

Adhere to established standards of advertising and selling.

Tell the Truth

Honestly represent products and services, including clear and adequate disclosures of all material terms.

Be Transparent

Openly identify the nature, location and ownership of the business, and clearly disclose all policies, guarantees and procedures that bear on a customer's decision to buy.

Honor Promises

Abide by all written agreements and verbal representations.

Be Responsive

Address marketplace disputes quickly, professionally and in good faith.

Safeguard Privacy

Protect any data collected against mishandling and fraud, collect personal information only as needed and respect the preferences of consumers regarding the use of their information.

Embody Integrity

Approach all business dealings, marketplace transactions and commitments with integrity.

▶ BBB Reliability Reports™

Prospective customers contact BBB to research the trustworthiness and Accreditation status of businesses over 2,000 times a day. BBB Accredited Businesses contractually agree to adhere to the highest standards of fair and honest business practices. Because of this, potential customers look for the BBB seal. In fact, over 60% of BBB Reliability Reports requested in 2009 were for BBB Accredited Businesses.

BBB Reliability Reports are available FREE of charge online and over the phone 24 hours a day. In 2009, BBB launched an enhanced version of its BBB Reliability Reports to include A+ through F grades. This new system better represents BBB's degree of confidence that the business operates in a trustworthy manner. BBB's proprietary rating formula takes 16 weighted factors into account using objective information that has been verified and evaluated by BBB professionals. BBB also released a BBB Reliability Report format optimized for iPhones to help consumers and businesses make informed decisions on the go.

▶ Complaints

All BBB Accredited Businesses must meet BBB Accreditation Standards, which include a commitment to make a good faith effort to resolve any consumer complaints. BBB is a recognized leader in facilitating disputes and offers conciliation, mediation and arbitration. In conciliation, BBB collects factual information from both parties, encourages open communication and facilitates discussions in hopes of reaching a resolution. If the dispute is not resolved, mediation can be used. In mediation, BBB provides a professionally-trained mediator to guide both parties to a mutually-agreeable solution. If conciliation and/or mediation efforts are not successful, arbitration may be the next step. In an arbitration hearing, both parties state their views, offer evidence and an impartial arbitrator makes the decision. In 2009, BBB's dispute resolution program delivered an 86.6% satisfaction rate.

BBB mediation and arbitration services save BBB Accredited Businesses court costs and are generally settled within 25 days. In 2009, BBB processed a total of 24,765 complaints. BBB also facilitated 153 mediations and 31 arbitrations through its award-winning dispute resolution program.

▶ Social Networking

BBB reached out to new audiences in 2009 by establishing a presence on social networking sites including Facebook, YouTube and Twitter. These forms of media reach out to a younger demographic, informing them about current scams while encouraging them to use BBB Accredited Businesses. In 2009, there were 7,426 total page views for BBB's YouTube, Facebook and blog pages.

▶ News Media Appearances

Because of its role of building trust in the marketplace, BBB works closely with media outlets across its 62 county service area. BBB uses these opportunities to inform consumers of potential scams and also urge them to use BBB Accredited Businesses. Media partnerships resulted in 3,572 BBB local television, print and radio stories in 2009. BBB also formally launched its Speakers Bureau, which offers Accredited Businesses free BBB professional speakers on a variety of topics.

▶ Television and Radio Advertising

BBB launched its *On the Right Path* multi-media campaign designed to drive consumers to its online directory, BBB Member Pages. This campaign included production of new TV and radio spots, opt-in email blasts and Web banner ads. The television campaign aired 4,791 times and received 6,485,691 potential impressions by viewers ages 35 to 64. The corresponding radio campaign aired 1,335 times and received 6,782,310 potential impressions. Web banner advertisements received 333,993 impressions and were linked directly to BBB Member Pages.

▶ Web Site

The BBB Web site received an average of 2,000 visits per day in 2009, a 40% increase over 2008. A total of 576,747 people visited the site and viewed 2,604,525 pages. This increase was due in part to extensive search engine optimization (SEO) collaborative efforts of the over 120 BBBs across North America, as well as local outreach efforts. Through SEO, BBB built a presence for Accredited Businesses in top Internet search engines to help businesses' online directory listings and BBB Reliability Reports become top results. BBB also partnered with Azigo to offer a free, easy to download browser plug-in that automatically displays the BBB seal next to all Accredited Businesses that appear in search engine results for Google, Yahoo! and Bing.

Driving Consumers to Trustworthy Businesses

▶ eQuote Program

Ultimately, BBB's value to businesses is its ability to drive consumers to trustworthy businesses. In 2009, BBB improved its eQuote program, which allows consumers to request a free quote from BBB Accredited Businesses via email through BBB's Web site. Through the eQuote program, Accredited Businesses received 3,152 emails from potential customers looking for a quote on a product or service.

▶ Accredited Business Directory

Consumers contact BBB every day for information in making pre-purchase decisions. With more than 95% of all BBB services provided online, consumers are turning to BBB's Web site more than ever, and much of this traffic is directed to BBB's online directory, BBB Member Pages. BBB Member Pages is an exclusive directory of BBB Accredited Businesses that meet strict BBB Accreditation Standards. BBB Accredited Businesses are categorized and searchable by industry or company name, which makes it easy for consumers to find exactly what they are looking for.

A recent survey found that *7 in 10 consumers say they will be more likely to buy from a company designated as a*

"BBB Accredited Business." BBB works hard to point consumers to BBB Accredited Businesses. In order to increase this number and help consumers quickly find exactly what they are looking for, BBB revamped its online directory. In 2009, BBB Member Pages hosted 534,520 searches from consumers looking specifically for trustworthy businesses.

▶ Phone Assistance

BBB handled a total of 106,745 phone calls. Many of these calls were from consumers researching local businesses, while others were from businesses and consumers who needed help resolving disputes. Due to the high volume of phone activity, BBB offers a hotline phone number to ensure that Accredited Businesses and their employees are a priority.

▶ Advertising Review and Assistance

BBB publishes a Code of Advertising that gives businesses guidelines and encourages accuracy in advertising claims to build consumer confidence. BBB promotes truth in advertising, and in 2009, BBB proactively reviewed 716 local advertisements and worked with companies to raise the bar in ethical advertising practices.

▶ BBBOnLine® Program

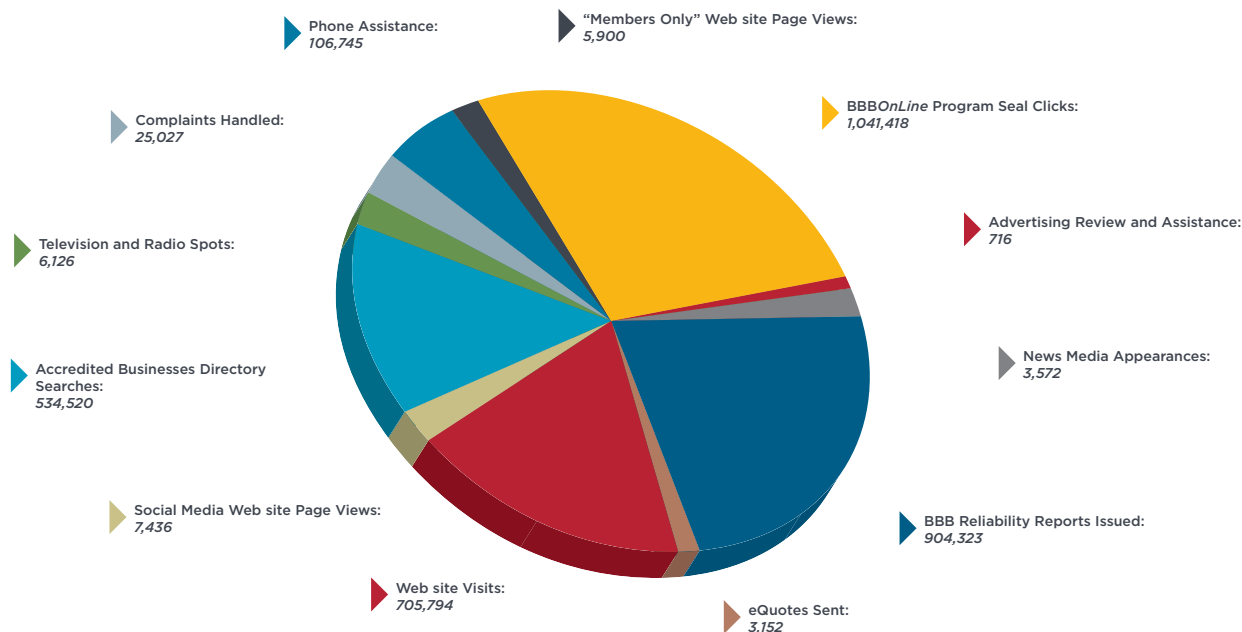
Through a special program called BBBOnLine, BBB Accredited Businesses display the BBB seal on their Web site and link to an encrypted Web page confirming their Accreditation. In 2009, participating companies' confirmation pages were visited 1,041,418 times. This figure represents the value and trust consumers have in the BBB seal.

▶ "Members Only" Web Site

BBB launched the "Members Only" Web site in May 2009, which is personalized for each BBB Accredited Business. The "Members Only" site offers resources 24 hours a day to help BBB Accredited Businesses take advantage of their BBB Accreditation. This exclusive site includes business-specific activity to give Accredited Businesses the opportunity to see exactly how many consumers have requested their BBB Reliability Report.

The new site also enables BBB Accredited Businesses to view their listings in the BBB Member Pages online directory, respond to complaints and obtain estimates from other BBB Accredited Businesses. The "Members Only" site represents BBB's commitment to provide information quickly and efficiently.

Service Delivery Profile



In 2009, your BBB provided 3,344,729 instances of service.

Empowering Through Results

Increased

- ▶ BBB mediations and arbitrations by 50% and the dispute satisfaction index to 86.6%.
- ▶ trade practice efforts with a 44% increase in investigations and advertising ethics reviews.
- ▶ media exposure by 62%.
- ▶ Web site visitors by 45% through an optimized Web site.
- ▶ total BBB Accredited Business locations to 9,559.

Launched

- ▶ strengthened BBB Standards and a new BBB rating program, which issues a snapshot letter grade from A+ to F.
- ▶ a new annual Accredited Business re-approval process.
- ▶ a BBB Speakers Bureau program in all six media markets.
- ▶ new iPhone optimized BBB Reliability Reports for businesses and consumers on the go.

Awarded

- ▶ the BBB Marshall A. Mott Award for excellence in outstanding BBB communications.
- ▶ outstanding Bureau awards for Overall Operations and Outstanding Targeted PR Campaign, as well as recognition for being #1 in the nation for sales volume.
- ▶ a Certificate of Recognition from the Office of the Texas Secretary of State for BBB efforts to promote high standards of ethical business practices.
- ▶ a Certificate of Recognition from Mayor Lee Leffingwell and the City of Austin in appreciation of BBB's work to promote marketplace trust in Austin, Texas.
- ▶ a Certificate of Commendation on behalf of the City of Corpus Christi, Texas in recognition of BBB's international awards.
- ▶ a Certificate of Citation from the City of San Antonio in recognition of BBB's international awards.
- ▶ the Yellow Rose of Texas Commendation to Carrie A. Hurt on behalf of Texas Governor Rick Perry in recognition of her outstanding leadership.

Developed

- ▶ a consumer newsletter, sent bi-weekly to over 25,000 consumers promoting Accredited Businesses.
- ▶ a presence in social networking sites including Facebook, YouTube and Twitter to reach out to a new target audience.
- ▶ a Spanish-language television public service announcement.
- ▶ two new Board sub-committees: operations and communications.
- ▶ the "Members Only" Web site.

Created

- ▶ a new administration department focused on employee development and retention.

Reached

- ▶ new markets of Victoria and Laredo through media activity, including weekly TV appearances, editorial columns and daily radio spots in Laredo.

Upgraded

- ▶ the BBB image in Corpus Christi with a more visible location.

Represented

- ▶ the local BBB on a national level with staff involvement in national sales training efforts, BBB leadership conferences and dispute resolution and operations development.



Harold Peterson of Drury
Roofing, BBB Accredited for
20 Years

TOP 10 MOST INQUIRED ABOUT INDUSTRIES

1. Roofing Contractors (72,990)
2. Air Conditioning Contractors & Systems (27,023)
3. Home Builders (22,251)
4. Construction & Remodeling Services (21,397)
5. Movers (20,084)
6. Insurance Companies (19,144)
7. Work-At-Home Companies (17,199)
8. Foundation Contractors (16,362)
9. Plumbing Contractors (14,805)
10. Swimming Pool Contractors, Dealers & Design (14,239)

TOP 10 MOST COMPLAINED ABOUT LOCAL INDUSTRIES

1. Consumer Finance & Loan Companies (910)
2. Credit Cards & Plans (558)
3. Auto Dealers of New Cars (398)
4. Burglar Alarm System Dealers, Monitoring & Services (369)
5. Apartments (358)
6. Computer Service & Repair (345)
7. Billing Services (307)
8. Auto Repair & Service (306)
9. Auto Dealers of Used Cars (275)
10. Banks (211)

Vision: *an ethical marketplace where buyers and sellers can trust each other.*

Mission: *to be the leader in advancing marketplace trust.*

BBB Trust Talk

"I just wanted to thank you guys for your help in resolving a past issue. Your Web site is so easy to navigate, and within a couple of weeks my problem was resolved with high satisfaction. It is comforting to know that consumers have your support on problems we face. Thanks again."

"I am so proud to be associated with the Better Business Bureau, not only because of the wonderful purpose and history of the Bureau, but also because of the incredible staff we are so fortunate to have. Your outstanding daily efforts on behalf of the members and consumers make the world a better place. Thank you all for the work you do."

"I really love my BBB! I call all the time to check on companies and y'all are always so helpful and easy to talk to. I really appreciate your work!"

"Congratulations again for all that you have accomplished to make our Better Business Bureau recognized as the # 1 BBB in the USA and Canada!"

"I would like to thank you for helping me with my complaint. I did not receive a response from the company until I involved BBB. Not only did they give me a refund, but they also returned more than I was asking for. I can't thank you enough."

"BBB and your leadership have performed a vital role in our community for many years. The information you provide is beneficial to us all!"

"Congratulations to all of the BBB staff. You represent BBB and its membership in a way that makes us all very proud. These awards demonstrate what we all have known for quite some time, that y'all do an outstanding job and are definitely the best at what you do."

2010 BBB Officers & Executive Committee

Chair: Jeff Evins, Evins Personnel

Chair-Elect: Laurens Fish III, Weed-Corley-Fish Funeral Home

Secretary: Nancy Thompson, Nancy Thompson Commercial Real Estate

Treasurer: Monica Davis, The Davis Group Inc./ Teleclip Inc.

Executive Committee: Jon Eckert, Compass Bank

Executive Committee: Bobby Hoxworth, First National Bank Texas

Executive Committee: Chris Strand, Strand Brothers Service Experts

Immediate Past Chair: T. Getterman, Supercuts

BBB President/ CEO: Carrie A. Hurt, Better Business Bureau, Inc.

2010 BBB Board of Directors

Monica Benoit-Beatty, eWomen Network

Martin Bomba, Window World of San Antonio

Randy Brunneemann, Crowne Plaza Hotel Austin

John Carlson, Braswell Office Systems

Paul Carrozza, Run Tex, Inc.

Mike Church, Cody Pools, Inc.

Darryl Clukey, NetSpend Corporation

Doug Davidson, BMC Select

Holly Dunham, Waco Hyundai

Kathryn Frank, Kathryn Frank CPA

Laura Hebert, Hebert Insurance Group

Bobby Jenkins, ABC Home & Commercial Services

Susan Jones, Extraco Banks Mortgage Department

Jason Kelley, IBM

Mat Naegele, Lamar Outdoor Advertising

Mitchell Neubert, Baylor University

Odis Pippins, Fort Hood National Bank

Rick Ravel, Karavel Shoes

Ron Robbins, Dell, Inc.

Clark Ross, Texas Star Document Services

Darrell Sander, Frost Bank

Angie Sinkfield, The Ted Smith Law Firm PLLC

Patti Smith, KVUE-TV, Inc.

Cheryl Traudt, Extraco Banks

Kurt Wade, Floor King Carpet One