



## Model of Excellence

ValueStar

Company:

Business Model:

**Service Ratings LLC**  
**Oakland, CA**  
[www.valuestar.com](http://www.valuestar.com)

**Advertising & Transaction Supported:  
 Fully Paid**

### Overview of General Business Model Characteristics

The **Advertising and Transaction Supported: Fully Paid** business model, is a powerful, though relatively rare “paid inclusion” model, because it can generate substantial revenue, though obtaining a critical mass of listings is tricky when they are all paid. Those publishers that are quickly able to get a solid base of participation generally find that base to be stable and highly profitable. Increasingly, since databases with this model are rarely comprehensive, the publisher must offer a significant value-add both to users and paid listers in the database.

### Models of Excellence Benchmarks

ValueStar can loosely be described as a for-profit Better Business Bureau except that ValueStar is much more proactive in researching and rating companies and publicizing the results. With the BBB model, all participating companies are assumed to be good unless and until there are complaints about them. In the ValueStar model, companies have to demonstrate their credentials and a level of customer satisfaction before they are admitted to the program. Another key differentiator is that ValueStar is actively engaged in promoting its listed companies through its Web site, a printed directory and numerous distribution partners.

Unlike some companies engaged in providing supplier recommendations, the ValueStar model is quite rigorous, up to and including direct links into the major credit card transaction systems so that it can confirm that the consumers rating a company have actually made purchases from it to minimize the chances of false ratings being submitted.

The company rounds out its offering with a free dispute resolution service, a \$1,000 guarantee of satisfaction, and rewards points (good for gift cards with major retailers as well as “miles” in major airline programs) to those consumers who participate in its rating surveys.

Unlike many competitive offerings, ValueStar is free to the consumer so that increasing user traffic will spur additional paid listings, an approach that has proven successful elsewhere.