



Ready for Her Close-up  
**Ada Polla Tray** was tired of paying for publicity that never materialized.

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**MARKETING**

**GOODBYE, RETAINERS  
 PAY AS YOU GO WITH  
 RESULTS-BASED PR**

AFTER MONTHS OF WAITING for articles about her company to appear in newspapers and magazines, Ada Polla Tray began to ask herself exactly what she was paying her public relations firm to do. Tray launched the U.S. arm of her family’s Swiss skin care company, Alchimie Forever, in Arlington, Virginia, in 2003. Eager to generate buzz, she soon hired a PR firm that promised meetings with editors, celebrity endorsements, and coverage in *Us Weekly*, *Vogue*, and *Esquire*.

The proposition was so alluring that Tray agreed to pay the firm a \$2,000 monthly retainer. It was a huge cost, but she figured it was worth it. She was wrong. Seven months and \$14,000 later, the firm had gotten mentions of Alchimie’s skin care products, which are sold in boutiques, spas, and doctors’ offices, in only a few lesser known publications, including New York City magazine *Gotham*. Tray fired the firm and hired a freelancer, who agreed to charge her when her prod-

**Hands On** MARKETING

ucts appeared in publications. "I didn't want to be in a position again where I was going to be paying something every month for nothing," she says.

Tray is part of a growing group of business owners eschewing the traditional retainer-based PR model in favor of pay-for-placement arrangements. The notion is simple: Companies pay only when their PR rep lands them mentions in the press. The model is becoming more popular owing, in part, to the fact that many companies have become accustomed to tracking the effectiveness of online marketing tools, such as pay-per-click ads, and are eager to do the same offline. "As an agency guy, I can remember sending out bills I was embarrassed about to clients, because we really hadn't done anything for them," recalls PR veteran Dick Grove, who worked in traditional PR for 20 years before starting Ink, a pay-for-placement firm in Kansas City, Missouri, a decade ago. "Clients are demanding more and more accountability today, and this is one model that solves the problem."

(Of course, there's no guarantee that any PR firm will convince editors to cover your company. At *Inc.*, for example, relatively few stories start life as PR pitches. For the record, though: We're always interested in companies whose stories other companies can learn from.)

Depending on how much press you receive, pay-for-placement PR can be just as pricey as retainer-based deals. So it's imperative to set a budget up front, says Ian Treibick, founder of WindPath, a fractional ownership sailboat company in Greenwich, Connecticut. "If you're willing to pay for the big pieces, they're going to try to get you a lot of them," he says.

When Treibick signed up with Califon, New Jersey, firm PayPerClip, he told his rep that he was willing to pay up to \$70,000 a year for mentions in niche sailing publications. Instead, the rep recommended targeting mainstream publications aimed at consumers who may be interested in timeshare sailboats. Last year alone, WindPath was featured in a CNBC news segment about affordable luxury and appeared in articles in *Newsweek*, the *Chicago Tribune*, and the

## GETTING YOUR MONEY'S WORTH

Pay-for-placement deals can help remove some of the mystery from your company's PR bills. Here's a sampling of charges from PayPerClip, a performance-based PR firm in Califon, New Jersey.

### \$400

Brief airing on a TV news show in a small market

### \$1,000

Radio segment broadcast on 25 or more stations

### \$2,000

Significant coverage in a small trade magazine

### \$2,600

Full feature, including a link to your site, on CNET.com

### \$8,900

Full feature in *The Wall Street Journal*



*New York Post*. His PR bill for the year was only slightly above the original budget. His PR rep "knows what kind of opportunities I'm looking for, and he knows if he doesn't get them, he doesn't get any money," he says.

Most pay-for-placement firms offer a tiered pricing approach, so before signing a deal, find out how much a placement in a national newspaper would cost

compared with, say, a mention in a local paper. Primetime Publicity, a firm in Mill Valley, California, ranks media outlets on a 12-point system based on factors such as circulation and power within a publication's peer group. The firm charges \$1,199 for a radio spot in a midsize market, for example, while a feature story in *Vanity Fair* would fetch \$25,250. Some firms also charge nominal initiation fees and maintenance charges.

Next, determine what constitutes a mention, say, versus a feature, and pinpoint how much each one will run you. Find out whether you'll pay less for a story that also includes your competitors, and whether you'll get a discount if you write your own press releases. Ask if you'll pay for a mention the firm had nothing to do with. And how much you'll be charged if, for example, 200 stations pick up an AP Radio story about your company. Denver's Matrix Marketing Group, for one, charges clients half of the original placement fee each time an outlet repeats a story, with a cap of \$3,000 per story. Above all, don't rely solely on your PR firm to decide what publications to target. Instead, do your own research. Most publications have online media kits describing their audience, which can help you determine their value.

Of course, pay-for-placement PR isn't right for every company. The approach "can really skew your strategy to a very short-term focus," cautions Elizabeth Albrycht, research chair of the Society for New Communications Research, a think tank based in Palo Alto, California. If you need strategic help—you want to establish your fashion line among the cognoscenti, for example—a pay-for-placement approach may not be advisable. And if you're likely to need services related to crisis communications or event planning, having a firm on retainer is a good idea.

No matter what PR model you use, there's no guarantee that your company will land on the cover of *Time*. Or *Inc.* But at least pay-for-placement deals ensure that you get what you pay for. Tray, for her part, ended up getting just one mention—in *Women's Wear Daily*—via her new PR rep. The good news is that she ponied up only \$1,075, a small fraction of what she paid her previous agency for similar results. —Stephanie Clifford

**Resources** For more PR advice, check out marketing coach John Jantsch's website Duct Tape Marketing. Jantsch's new book, *Duct Tape Marketing: The World's Most Practical Small Business Marketing Guide*, is due out this winter.