

TOPIC OF THE MONTH: Public Relations

Getting the most—and best—exposure for the least money and effort

Paying for PR—But Only When It Works

For Gift-Basket Maker, Pay-Per-Placement Is Better Than Going Solo and Cheaper Than Traditional Firms

By SIMONA COVEL

Cynthia McKay admits she learned public relations the hard way.

The first PR professional she hired burned through \$3,000 in two weeks with no results. When Ms. McKay struck out on her own, she wound up on a national television newsmagazine in a segment on rudeness in America—as an example of how not to behave.

For years, Ms. McKay floundered trying to raise awareness for **Le Gourmet Gift Basket Inc.**, her small company in Castle Rock, Colo. Then she found a solution: pay-for-placement public relations.

She now works with an independent PR agent, who charges only when a story about her company makes it into the press. That's a contrast to traditional PR firms, which can charge retainers as high as \$20,000 per month for even small-company clients regardless of results.

Making a Pitch

A mention in a news article or television broadcast can have a big payoff for a little-known business. But small companies often struggle to get such media coverage. Most can't afford the big fees traditional agencies charge or in-house expertise to guide them. And solo efforts may yield only rejections

or, worse, bad press. So many small companies are constantly looking for some middle ground.

One approach that's getting an increasing amount of attention is pay-per-placement PR. Critics point out, however, that it isn't for everybody. For one thing, they say, many pay-per-placement firms usually won't take on tasks other than pitching stories to the media. That means no strategy development, marketing or other work that many small businesses may need for an effective PR campaign.

Public relations "is more than being in the media," says Rhoda Weiss, chairwoman and chief executive officer of the Public Relations Society of America, a trade group in New York. "When you work with a [full-service] public-relations firm, they will develop a communications strategy."

Still, pay-per-placement PR is gaining traction with people like Ms. McKay, Le Gourmet's chief executive, who simply wants exposure for her 28-employee company, which sells gift baskets though distributors around the world.

'Nickled and Dimed'

Ms. McKay, 52, began her PR efforts in 1992 after an ad she bought in a home-building magazine brought in no new business. Hoping to get more for her money, she hired a PR agent

whom she met through a business associate. Ms. McKay paid an initial \$1,000 retainer. Four days later, she was asked for another \$2,000.

The agent "was so charismatic," Ms. McKay recalls. "Every time she went to a cocktail party and mentioned me, she'd charge me. ...I thought, 'Of course I have to pay for her connections.'"

But after three weeks, Ms. McKay says, it became clear that she might not see results for a long time.

So, she decided to go at it alone. Ms. McKay wrote to 70 news outlets and garnered one mention in a local shopping column. She got three customer calls and two bounced checks. She earned another write-up in a paper—but no new customers—when she joined the local chamber of commerce.

Feeling desperate, Ms. McKay called a local TV show, hoping to appear in a segment. The producer not-so-politely declined. "That put me in my place," she recalls.

Soon after, Ms. McKay saw a PR firm mentioned in an article in a local paper about a grand opening of a woman-owned business. She called the firm and said that she'd been burned in the past. Its pitch to her: After an initial \$1,200 for five placements, it would charge her per article. She signed on.

A cover story about careers in a well-known women's magazine led to a huge sales jump, Ms. McKay says. She paid the firm \$2,500 for the placement.

Still, she wasn't completely satis-

The Right Fit

◆ **The Situation:** After years of trying different public-relations approaches with mixed success, Le Gourmet Gift Basket settled on a pay-per-placement program.

◆ **How It Works:** CEO Cynthia McKay paid a PR agent an initial fee of \$1,000. After that, she pays only when her firm gets a mention in a media outlet.

◆ **What It Lacks:** Pay-per-placement firms usually just pitch a story and don't offer other services like strategy development.

fied with the arrangement. Sometimes, the firm didn't seem to do much work for her. If, say, a journalist emailed the firm asking if it knew of any female business owners, she says, a representative would just forward the email to her—and charge.

A story mentioning Le Gourmet's donations of gift baskets to soldiers in Iraq was picked up by the Associated Press, which distributes articles to newspapers across the country. The PR firm charged Ms. McKay each time



Cynthia McKay, chief executive officer of Le Gourmet Gift Basket Inc.

a newspaper picked up the story, for a total of about \$11,000. She felt "nickled and dimed," she says.

Ms. McKay decided to stop working with the firm. She looked into big PR firms in Denver, but quickly realized she couldn't afford the retainers.

Good and Bad Exposure

So she tried again on her own. Last year, Ms. McKay heard that television newsmagazine "20/20" wanted to interview female CEOs. She got in touch with the show and in an interview revealed that she sometimes kept her cellphone turned on in movie theaters and slept next to her laptop. She assumed she'd be portrayed as a busy business owner.

But when the segment aired, she learned it was titled "That's So Rude! What's Happened to Manners in America?" Five minutes into the segment, she says, the hate email began rolling in. Six consulting clients left. "I never thought we'd recover," she says.

A "20/20" spokeswoman declined to comment on this episode.

A few months later, Ms. McKay hired another PR agent, Margie Zable Fisher in Boca Raton, Fla.

Ms. Zable Fisher had read about Ms. McKay's business and initially contacted her. Reassured that she could simply end the contract at any point if she wasn't seeing results, Ms. McKay

paid \$1,000 to get started. Ms. Zable Fisher asked Ms. McKay about her PR dream (appearing on "The Oprah Winfrey Show") and what she wasn't so interested in (radio interviews).

Ms. Zable Fisher reaches out to media contacts when she thinks Ms. McKay might be a fit for them—on topics from women-owned businesses to her animal-rights activism.

For instance, Ms. Zable Fisher says her bill for arranging the interview that led to this article will be \$6,000. Landing a feature in a large newspaper tops her price scale, which starts at \$500 for a mention on a low-traffic Web site or small radio or TV show. Ms. Zable Fisher occasionally forwards interview opportunities without requesting payment. Ms. McKay likes the exposure she has gained so far.

Despite her struggles, Ms. McKay says the time spent on public relations has been worth it. She estimates that 80% of her company's growth came from spreading the word through the media. But she hasn't made the Oprah show yet.

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PODCAST: Cynthia McKay on what she has learned about talking to reporters, online at WSJ.com/SmallBusinessLink.