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THE BRIEFING

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Pay For Play

By Jeromy Lloyd

You know the cliché "you get what you pay for?" One PR firm is turning that saying on its head with a "you pay for what you get" system called pay-per-placement (PPP).

PayPerClip, a division of New Jersey-based PR agency Stephenson Group, only charges clients for the stories it gets placed, as opposed to the traditional retainer-based model of most other agencies. If the company can't find you a place in the media spotlight then you don't give it a dime. Clients pay no monthly fees and can end the relationship whenever they like. Some agencies already offer pay-per-placement on a one-off basis, but PayPerClip is building its entire business around it.

The company's price list reads like a menu of media options, ranging from a radio sound bite (US$250) to feature segments on national network TV (US$5,500). Rates are based on the value of the equivalent advertising in that space, reduced by approximately 80%.

NACHA, an American trade association for electronic banking, moved its business to PayPerClip in 2005 after repeated false starts with retainer-based agencies. "That [retainer] system really did not generate the type of PR that my management was expecting," says Robin Reeder, senior manager at NACHA. When asked if her organization has saved money using the PPP model, Reeder said she spends just as much, but "the return on investment is much higher."

Ann Stephenson, CEO of PayPerClip's parent company, says few clients from her retainer-based business have crossed over to PPP. Most of PayPerClip's clients find the agency online through search engines or through word of mouth. Stephenson ballparked her company's total annual revenues at over US$1 million, with most of that now coming from PayPerClip, which she says was outpacing her 20-year-old traditional PR business two years after launching.

However, critics say PPP devalues PR professionals' most important commodity: time. Diana Robinson, president of Diana Robinson & Associates, based in Guelph, Ont., believes in using "every possible factor to show how effective your program was," including retainers and the media rating points system, which measures coverage on a variety of factors. But she won't use PPP. "There's a lot of strategy that goes into public relations, a lot of thinking time," Robinson says. Not billing for that time, she adds, is selling short.

Susan Willemsen, president of The Siren Group in Toronto, has a similar view. "If a PR practitioner spent six months working on the placement of an in-depth feature, how would we accurately bill if not for the time spent? If a story resulted from a quick news tip that was e-mailed to a journalist, would we bill the same? I think not."