

## E-marketer finds the good ad words

Tina Traster

June 2010

### **PM Digital**

**Founder** Chris Paradysz

**Founded** 2002

**Employees** 60

**Projected 2010 revenue** \$18 million

**What NYC should do to nurture entrepreneurs** Stop the flow of talent away from New York City. Make the city more affordable for people to live and work here. Otherwise, we're going to see a continued drain on our talent pool.

Back in 2002, a year after the dot-com bubble burst, online marketing seemed like the last place a smart businessman should be positioning himself.

"No one trusted the Internet," says Chris Paradysz, who at the time was running an established offline marketing company, ParadyszMatera, with former partner Angelo Matera. "Budgets had been squandered. Advertisers had spent millions on banner ads without results. They had no way to measure their return on investment."

It's hard enough to measure consumer motivation in the offline world; how could anyone measure it online? Mr. Paradysz saw promise in a new service being offered by the big search engines: ad-word campaigns based on companies' key marketing words.

"I made our offline clients an offer," he recalls: "Give us the money you're spending on the worst thing you're doing and we'll do no worse."

Not exactly a great come-on, but Bloomingdale's bit, spending \$20,000 on a six-week campaign to buy ad words on Google and Yahoo, which offered more measurable results than the banners the big retailer had dumped money into previously.

Success with the campaign emboldened Mr. Paradysz to tap his client roster for more takers. From 2002 to 2006, he built PM Digital entirely by luring existing accounts, mostly retailers and publishers, to spend money on digital marketing.

By the time he was ready to ramp up growth, he had established himself as a pioneer in online marketing, one of the first to offer advertisers tools to measure the results of their online ad campaigns and see exactly what consumers were responding to.

“He focused on data insight when it wasn’t readily available, and that is what gave him a competitive advantage,” says Bruce Biegel, managing director of Winterberry Group, a consulting firm for advertising and marketing companies.

The field has since become much more crowded, but PM Digital continues as a cutting-edge agency that specializes in search-engine marketing, search-engine optimization, social media-marketing and shopping-portal feeds.

PM Digital, which projects \$18 million in revenue, has grown threefold since 2006. In September 2009, the acquisition of SpinShark, a search-engine-optimization company, expanded PM Digital’s capabilities in search and social media marketing.

Clients—primarily retailers and media—include Bloomingdale’s, Eileen Fisher, The North Face, *Harvard Business Review*, *The Wall Street Journal* and *Forbes*.

The Manhattan-based company — which has offices in San Francisco, Indianapolis and Columbia, S.C. — also handles online marketing services for several nonprofits, including the S.L.E. Lupus Foundation, American Cancer Society, Paralyzed Veterans of America and Habitat for Humanity.

Mr. Paradysz, a father of three, including a grown daughter who suffers from lupus, serves on the executive council of the S.L.E. Lupus Foundation. He recently completed a bike race that raised more than \$50,000 to fund medical research for the disease.