

Babytown.com.sg has doubled revenue with Google AdWords.



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Eric Liebman
Babytown.com.sg

ABOUT GOOGLE ADWORDS

Google AdWords is used by thousands of businesses worldwide to attract new customers cost-effectively. AdWords uses keywords to target ad delivery to web users who seek a particular product or service. The cost-per-click (CPC) pricing means advertisers only pay when an ad is clicked on. Advertisers benefit from a massive distribution network and choose their own support level and spending.

For more information on launching your own campaign, visit <http://adwords.google.com.sg>

Business

As parents of two children, Martha Liebman and her husband Eric understood only too well the daunting task of selecting and purchasing a wide array of necessary gear with the arrival of each new baby. Adding to the stress is the desire for parents to provide only the best for their little ones while knowing that they will grow out of it in a short time, leaving their investment to gather dust. The couple began helping friends buy and sell baby gear which led to the founding of Babytown in 2002.

Babytown is the only online store of its kind in Singapore that sells both new and second-hand baby products including strollers, car seats, furniture, clothing and toys. Visitors to Singapore can also rent baby gear from Babytown, avoiding the need to carry bulky equipment when traveling. In addition to its online store, Babytown maintains a retail store for those shoppers who prefer to see the items in person.

Challenge

The business grew steadily for several years mainly through word of mouth with added publicity driven by Martha’s “celebrity” status as a model-turned-entrepreneur. Without any advertising or marketing activities, revenues grew on average 50 percent year over year with 6,000 visitors to the site per month. Although the business was progressing nicely, the couple felt it was time to take Babytown to the next level.

“When I looked at the results after the first month, I was shocked by the traffic that Google AdWords brought to our website. On average, monthly visitors are now running 20,000 per month – a 233 percent increase – and revenues are now growing steadily at 110 percent each year. We hit an all-time high revenue growth recently, and are showing very strong signs of continuing this pace.”

Approach

Wanting to raise the visibility of Babytown, Eric, who is head of marketing for the company, started researching various tools to increase the site’s chances of appearing on the first results page of popular search engines. He contacted Google, and that’s when he learned about AdWords. “What I find most appealing about AdWords is that it brings very targeted visitors — parents — to our site,” he says. And he notes that AdWords “also provides us with intelligent data to better serve our customers and being charged based on the clickthrough rate shows a clear ROI.”



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To initiate Google AdWords, Eric selected 65 keywords relating to the business, set an initial monthly budget. His registration process was completed in just 30 minutes.

As part of the service, Google tracks the rate of appearance of Babytown's selected keywords and clickthrough frequencies with reports that are accessible online and updated every 24 hours. "I use this intelligence to gauge the effectiveness of each word and then overlay our sales relative to each keyword," says Eric. "If a particular keyword has a high clickthrough rate but we're not selling a lot of that particular item, we revisit our pricing and inventory for the category to see why we are getting traffic but not sales." He notes that the AdWords reporting features "help us understand the potential mismatch between what our customers are looking for and what we are offering them. This has helped boost our conversion rates and at the same time indicates that the people who find Babytown through Google are more disposed to actually making a purchase."

Results

Increase in relevant traffic

"When I looked at the results after the first month, I was shocked by the traffic that Google AdWords brought to our website," recalls Eric. "On average, monthly visitors are now running 20,000 per month – a 233 percent increase – and revenues are now growing steadily at 110 percent each year. We hit an all-time high revenue growth recently, and are showing very strong signs of continuing this pace."

Targeted reach to global customer base

Babytown also credits Google AdWords with helping the company broaden its customer base. Initially serving only Singapore-area clients, Google's reach of 451 million unique users worldwide* has raised Babytown's brand awareness and visibility to international customers, who now comprise 15 percent of the company's total sales. "Almost all our customers for rentals have found us through the Internet. In that respect, nearly 100 percent of our rental business comes from our search engine advertising," Eric notes.

Growth in retail store traffic

"We also see a definite correlation between our online visibility and in-store traffic," Eric observes. Since we sell both new and 'gently-loved' baby products, many parents prefer to come into our shop to see the items for themselves. People learn about us either through word-of-mouth or the search engine — for which Google is a 70 percent contributor."

"Google AdWords has completely exceeded my expectations," says Eric. He adds that the success of the keyword search advertising campaign to date has led Babytown to double its AdWords spend. "As Google keyword advertising is carefully targeted and charged based on clickthrough rates, none of my ad spend is wasted."

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