

Search marketing company uses Google AdWords API to increase clients' conversion rates by 34% and to achieve up to a 50% decrease in cost per click

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"What we're doing now is automating all the perpetual rules that you need to do every day just to maintain your campaign," says Holmén. "We are drastically reducing the time that you need to keep your campaign fresh."

Who they are

- Keybroker
- Swedish search engine marketing services firm

What they needed to do:

- Lower cost per click for blue-chip clients
- Drive up conversion rates
- Increase overall product sales
- Improve client's return on investment

What they did:

- Using the Google AdWords API, Keybroker built technology that integrates a company's supply chain with Google to produce highly relevant, up-to-the-minute ads

What they accomplished:

- Lifted conversion rate by 34%
- Cut average cost per click by up to 50%
- Decreased cost per order by 10%
- Sales increased with 25%
- Based on all active RealTime Ads clients in April 2010

Aim high

Founded in Stockholm in 2005, Keybroker is considered one of the most innovative search marketing companies in Europe today. But in order to hold on to demanding blue-chip clients like American Express, Electrolux and IKEA, the company can never rest on its laurels. Fredrik Holmén, the company's co-founder and CTO, explains: "Basically we already had achieved quite high levels of sales for them on a repetitive basis, but their challenge to us was, 'Now we want even more sales and lower acquisition costs.' How would we go about providing that?" This formed the motivation for developing an enterprising new solution using Google AdWords API.

The need for speed

Using the Google AdWords API, Keybroker built RealTimeAds on top of their campaign management platform CampaignControl®, an end-to-end technology that automates the production of search ads on Google. Holmén explains how it works. "We take a snapshot of the retailer's inventory from their warehouse management system. We get a list of all the products, their current prices, current stock availability, where one can find these products on the site and a lot of other product attributes. We take this dataset and import that into our system, which converts this into full campaigns with text ads and keywords, which then get published on Google."

The technology is especially useful for clients with huge inventories, for example in electronics and retail. "You get an ad for every single product. If your product all of a sudden is out of stock, that ad is deactivated. If you have price changes, which happens quite frequently, prices are updated and reflected in the ad. If new products come into the inventory, new ads are created."

The benefits of integrating a company's supply chain with Google don't end with better ads; clients are able to make better business decisions too. "Because Google represents a very accurate and true demand signal, it means we know exactly what customers want and what they're buying," Holmén says. "Based on what the supply chain looks like, we can then sell more efficiently and maximise margins." In this context, ads are not mere illustrations of products but active drivers of sales. "We're helping the e-tailer to be more of a businessman, less of a technician."

Real time, real money

Keybroker is creating ads more quickly and more accurately than ever before. "We're getting product feeds from our client on a daily basis, on an hourly basis, and reflecting that reality on Google. So basically you're converting Google into your shopping window, which is always updated with the products that you have in stock, with the right price."

So how does this play out in terms of results? In short, Keybroker's RealTimeAds have automated the creation of dynamic search advertising; automation increases productivity while dynamic content drives up relevancy. It's a win-win combination that can't help but affect a client's bottom line.

"Users will have a very relevant user experience," Holmén affirms. "They will get information that the product is in stock and the current price of it, linking directly to the page where they can buy. By doing this we can increase click frequencies and therefore conversion rates. That reduces the cost per order."

About the Google AdWords API

The Google AdWords API lets developers build applications that interact directly with the AdWords platform. With these applications, advertisers and third parties can more efficiently and creatively manage their large or complex AdWords accounts and campaigns.

For more information, visit
<http://code.google.com/apis/adwords/>

Keybroker has seen conversion rates go up by 50% and cost per order fall by 40%. Meanwhile the cost per click has dropped off 50%. "The reason why it could decrease so much is clients' ads appear on long-tail keywords, so you get very specific product information which keywords typically wouldn't have if you did this manually." Considering that the company is updating ads for around 6,000 products per client per day, great leaps forward both in efficiency and effectiveness are possible. Ultimately, this is reflected in increased sales. "Total sales from search have increased 21% for one client," Holmén reveals.

Success breeds success

Keybroker's clients are impressed with the results achieved through RealTimeAds using Google AdWords API. As businesses seek to gain competitive advantage over their competition, Holmén says applying business rules, like this solution allows, offers the way forward. "I think it's really a step-change, and we call it the third generation of search marketing. The first round was bid-based tools, the next round was rule-based; this is about being business-based."

While Keybroker has been primarily pushing their offering toward large retailers with significant product ranges, volatile stock levels and fluctuating prices, they also see potential to apply it elsewhere, such as in the travel, telecoms and events sectors. The reason, says Holmén is simple. "It's more granular, it has lots more impact and it takes much less time ultimately resulting in better results."

