

# Radio Parts Increased Revenue 10% by Adding Marketplaces to the Mix

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CASE STUDY



- Revenue Up 10%
- Marketplaces among top 20 selling channels

**Location:** Melbourne, Australia

**URL:** [www.radioparts.com.au](http://www.radioparts.com.au)

**Industry:** Electronics

## COMPANY OVERVIEW

As one of Melbourne's largest and most established wholesale distributors of electronics and components, Radio Parts is the place people go when they want to buy everything from home theatre equipment to commercial radio accessories. And that's not hyperbole. The company's fast service and knowledgeable staff — employees are known for their expertise on even the most obscure technology parts — has led to an "excellent" rating on [Trustpilot](#).

After many decades of selling solely in the realm of business-to-business, Radio Parts recently decided it was time to venture into the business-to-consumer space. Making the move to a B2C e-commerce model was no easy feat. But with the right technology and guidance from experts, the business has been able to stay strong throughout the transition.

## THE SITUATION

When Radio Parts chose to expand upon its B2B business and start selling to consumers, the decision was a highly strategic one.

"Still to this day, B2B accounts for a larger share of our revenue," said Business Development Manager Bilgin Ozkan. "However, we have a steady and growing B2C business, too. Consumer Electronics now makes up about 30% of our profit."

Still, Radio Parts says getting to that stage of growth came with its fair share of challenges.

On the one hand, the company knew that listing on e-commerce marketplaces would be critical for success. With so many consumers using these channels to discover, browse, compare and purchase products, Radio Parts determined it was essential to get its products front and centre. At the same time, Ozkan and his team would also need to be extremely careful about which of its thousands of SKUs were listed, and how to maintain profit margins.

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## THE SITUATION (CONTINUED)

“We sell everything from speakers costing over \$6,000 to tiny components that 95% of the population would have no idea what they do,” Ozkan said. “Unfortunately, the consumer electronics industry runs on extremely tight margins. We carry product ranges that result in an immediate loss if sold on marketplaces because there isn’t much margin to play with in the first place.”

In an online selling environment where thousands of brands and retailers are competing inside a very narrow window of opportunity, Radio Parts says remaining competitive is a big undertaking. So the wholesale distributor set out to find a solution that would allow the company to manage complexity and stay ahead of the curve.

## THE SOLUTION

After comparing a few potential solutions, Radio Parts decided to engage ChannelAdvisor Managed Services for Marketplaces.

“We spoke with a couple of solution providers,” Ozkan said. “ChannelAdvisor exudes professionalism. We decided to go with the fully managed service because there are too many moving parts and we would never be able to match the expertise of ChannelAdvisor consultants.”

As a first step, the Managed Services team helped Radio Parts exclude low-margin items from its product feed, along with products that could potentially cause competition with the company’s resellers.

The ChannelAdvisor team then put dynamic repricing in place to help keep items in line with the competitive landscape. Radio Parts set a goal for themselves to be a successful marketplace seller but also had to make sure their B2B customers and resellers were able to prosper alongside them and avoid competing with them on the marketplaces. Without the extensive business rules, competitor watch facilities and support offered by ChannelAdvisor, this would’ve been an impossible task. With all the tools available from ChannelAdvisor they also began to clean up inconsistencies in their product data. In addition to fixing missing bullet points, duplicate barcodes and other errors, the Managed Services team made major improvements to product descriptions — ambiguous ones that had worked well for B2B customers but would be confusing to marketplace consumers.

“ChannelAdvisor forced us to sanitise our product descriptions and fix up a lot of errors or inconsistencies that we didn’t know were present until an issue popped up in one marketplace or another,” Ozkan said of the process. “These would’ve gone unnoticed had it not been for our integration to ChannelAdvisor.”

Meanwhile, Radio Parts reports ChannelAdvisor Managed Services for Digital Marketing helped the company improve campaigns and attract more customers.

Throughout it all, Radio Parts reports it was able to develop several overarching strategies to successfully tread the line between B2B and B2C while maintaining strong relationships with resellers.

“Without ChannelAdvisor, we simply would not consider being a part of the marketplaces at all,” Ozkan said. “The business rules allow us to stay competitive without any detriment to our bottom line. We might get exclusivity for a certain brand for one marketplace but not the other, and be completely disallowed to sell in another. Setting up these rules in ChannelAdvisor is a breeze.”

“Without ChannelAdvisor, we’d need a team of people and still be open to inevitable human errors.”

— BILGIN OZKAN  
Business Development  
Manager, Radio Parts

## THE RESULTS

The results have been tremendous.

Since the company began listing on marketplaces, Radio Parts reports those channels immediately contributed to more than 10% of its total revenue stream.

“When we check our top accounts in our backend, all our marketplaces are in the top 20 accounts each month,” Ozkan said. “Without ChannelAdvisor we wouldn’t know where to start in getting our vast and mixed product catalogue available on so many different platforms. We’d need a team of people and still be open to inevitable human errors.”

Today, the company is selling successfully on Amazon Australia, eBay Australia, Catch and MyDeal, and is advertising on Google, Facebook, Instagram, Criteo, Bing and more.

Since expanding to e-commerce marketplaces and building a digital marketing strategy, Radio Parts’ says its annual revenue increased 10% — and the company reports there’s still plenty of room to grow.

“Before...we couldn’t fathom how to integrate our catalogue with all the different marketplaces with all their different requirements,” Ozkan said. “ChannelAdvisor makes it easy to adapt to the specific needs and requirements of each marketplace.”

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Business Development  
Manager, Radio Parts