INDUSTRY GUIDE · CONSUMER GOODS

Distributor and retailer loyalty for consumer goods brands: a practical guide

How consumer goods brands reward distributors, wholesalers and retailers for verified purchases, regular orders and new launch adoption. With results from programs on Xoxoday Loyalife.

900+	82%	22%	92%
wholesalers enrolled in the first month of a snacks program	wholesalers who completed KYC on their own	sales uplift during a home care brand's festive window	coupon claims auto-reconciled for an incense brand

SUMMARY

Key takeaways

- Distributors and retailers decide which brands get shelf space and how often they reorder. Most stock several competing brands, so they push whoever rewards them faster and more clearly.
- Trade schemes run one season at a time and often pay out after the season ends. A loyalty program runs all year and pays inside the scheme window, which is what keeps retailers ordering on a regular cycle.
- Tying every reward to an invoice or distributor sales record stops payouts on unverified purchases and cuts scheme disputes.
- Launch boosters and focus SKU points give retailers a reason to stock new products early, and outlet-level data shows where a launch is stalling.
- In five programs, a snacks brand enrolled 900+ wholesalers in its first month, a home care brand lifted festive sales by 22%, and an incense brand cut scheme disputes by 68%.

01 · WHAT IT IS

What distributor and retailer loyalty is

A distributor and retailer loyalty program rewards channel partners for verified purchases, regular orders and the adoption of new products. Points accrue from invoices and distributor sales data at SKU level, so every reward ties to a real purchase.

It is different from a trade scheme. A trade scheme is a time-bound offer, often tracked on paper and settled after the season. A loyalty program is always on: partners see their targets and progress, earn as they order, and get paid while the reward still affects what they order next.

It also gives the brand outlet-level data it rarely has today: which retailers stock which SKUs, how often they reorder, and how they respond to each scheme.

ON LOYALIFE

Distributors, wholesalers and retailers sign up on a white-labelled app, microsite or WhatsApp bot in their own language, earn on verified purchases, and cash out to a bank account or UPI.

02 · THE CHANNEL

How consumer goods reach the shelf

Packaged consumer goods pass through several partners before they reach the shopper. Each one decides how much of the brand to stock and how hard to push it.

- **Brand:** manufactures, sets trade schemes and runs sales teams across regions.
- **Distributor or super stockist:** buys from the brand and supplies wholesalers and retailers in a territory.
- **Wholesaler:** buys in bulk and supplies smaller outlets the distributor's sales team does not cover.
- **Retailer:** decides shelf space, places regular orders and recommends products to shoppers.
- **Sales officer:** visits outlets, enrols partners, explains schemes and settles disputes.
- **Shopper:** picks from what is on the shelf and what the retailer suggests.

Where brand visibility stops

Most brands can see primary sales to distributors in their ERP. Past that point, data on secondary sales is patchy or arrives late. The brand cannot easily tell which outlets stocked a new launch, which stopped reordering, or which scheme actually moved volume.

ON LOYALIFE

Distributor sales data, invoice uploads and coupon claims sit in one program, so the brand can see purchases and reorders by outlet, region and SKU.

03 · THE GAP

The gap consumer goods brands face today

- **Schemes are scattered.** Different regions and brands run separate schemes with different rules, and retailers cannot keep track of what they qualify for.
- **Rewards arrive after the season.** When payouts come weeks after a festive or quarterly scheme ends, they do not change ordering behaviour.
- **Claims get disputed.** Paper coupons and manual tallies lead to duplicate claims, mismatched numbers and long settlement cycles.
- **New launches stall without data.** The brand ships a new SKU to distributors but cannot see which outlets stocked it or reordered.

The result is trade spend that goes out every season without a clear link to repeat orders or launch adoption.

ON LOYALIFE

Invoice-linked points, maker-checker review and points locked until approval keep scheme spend tied to verified purchases.

04 · WHO TO REWARD

Who to reward in the consumer goods channel

Channel partner	Why they matter	What the brand wants from them
Distributors	Hold territory stock and decide how hard to push the brand to outlets	Secondary sales growth, wider outlet coverage and fast placement of new launches
Wholesalers	Supply outlets the distributor's team does not reach	Regular bulk orders and accurate invoice data
Retailers	Control shelf space and recommend products to shoppers	Regular reorders, range depth and early stocking of new SKUs

Shelf space versus repeat orders

Winning shelf space once is not the same as winning repeat orders. Retailers reorder from whoever makes the next order worth it. Rewards tied to order frequency, monthly slabs and tiers keep a retailer on a regular cycle instead of buying only when a promotion runs.

ON LOYALIFE

Sales officers approve enrolments, schemes and disputes with maker-checker review, and distributors manage their retailer network and see scheme performance by region and SKU.

05 · WHAT TO REWARD

What to reward and how to verify it

Earning method	How it works	Best for
Distributor sales data	Secondary sales from the distributor's system sync into the program, and points accrue at SKU level	Distributors and retailers billed by distributors
Invoice upload with OCR	The retailer uploads a purchase invoice, OCR reads it, and maker-checker review approves it before points are credited	Retailers and wholesalers buying from multiple sources
Coupons issued by distributors	Distributors hold coupons in the app and issue them to retailers, who submit claims that are reconciled automatically	Brands moving off paper coupon schemes

Earning rules that change behaviour

- Monthly order slabs that reward retailers who order on a regular cycle
- Milestone bonuses when a retailer crosses a volume threshold
- Launch and focus SKU boosters with extra points for a set period, by region or outlet type
- Tiers that give higher earning to retailers who stay active
- Redemption caps that keep scheme spend within budget

Rewards that work for distributors and retailers

- Cash to a bank account or UPI, paid inside the scheme window
- E-vouchers, electronics and gift hampers from the rewards marketplace
- Utility bill payments

ON LOYALIFE

SKU bonuses, order slabs, redemption caps, tiers and boosters are set in the admin console, without code.

06 · THE PLATFORM

What the Loyalife platform covers

Loyalife is a self-service loyalty platform. The brand's trade marketing and sales teams set up and change schemes themselves, without waiting on IT.

- **Onboarding and KYC:** partners sign up on a white-labelled app, microsite or WhatsApp bot in their own language. KYC checks tag each account as verified or pending, so only verified partners earn.
- **Purchase-linked earning:** points accrue from invoice and distributor sales data at SKU level.
- **Claim management:** invoice uploads read by OCR, with maker-checker review before points are credited.
- **Rule engine:** order slabs, milestone bonuses, SKU bonuses and launch boosters by region or outlet type.
- **Tiers:** tiers that reward retailers who order regularly.
- **Spend controls:** points stay locked until approved, with redemption caps per partner or scheme.
- **Sales officer and distributor controls:** approvals for enrolments, schemes and disputes, and distributor views of their retailer network.
- **Rewards and redemption:** a marketplace of e-vouchers, electronics, gift hampers and utility payments, plus bank and UPI cashouts.
- **Reports:** scheme performance, new SKU stocking and reorder rates by region, outlet type and SKU.
- **Partner app:** retailers see targets, progress, and locked and redeemable points in one app or on WhatsApp.

Xoxoday is SOC 2 Type II and ISO 27001 certified.

07 · BUSINESS OUTCOMES

Business outcomes to expect

Business outcome	Impact on the business	KPI to track
Higher repeat order rate	Retailers order on a regular cycle, not only during promotions	Order frequency per active outlet; share of outlets ordering every month
Faster new launch adoption	New SKUs reach more outlets sooner and get reordered	Outlets stocking the new SKU; reorder rate in the first 90 days
Secondary sales growth	Distributors and retailers push the brand over competing brands on the same shelf	Secondary sales from enrolled partners vs non-members
Lower scheme leakage	Trade spend goes only to verified purchases	Share of claims rejected; payouts blocked by redemption caps
Lower cost to run schemes	Fewer disputes and less manual reconciliation for sales and finance teams	Scheme disputes per month; share of claims auto-reconciled
Higher trade spend ROI	Budgets shift to the regions, SKUs and outlet types that respond	Incremental volume per unit of scheme spend, by region