



How the Building Materials Industry is Making Channel Loyalty a Competitive Edge

Walk into any hardware market and you'll hear familiar questions. Which brand gives better margins? Who delivers faster? What scheme is live this month?

This is where channel loyalty begins (or breaks).

For building material companies, the real battle rarely plays out in marketing rooms. It plays out at dealer counters, shop floors, and construction sites.

Loyalty programs are slowly becoming the lever that shapes those conversations and influences who recommends whom.

Let's look at how some of that is changing.

Loyalty now helps protect market share during uncertain cycles

Dealers and contractors are known to shift between brands, especially when pricing fluctuates or availability changes. Loyalty programs are being used to anchor those relationships.

Instead of just offering periodic trade discounts, some brands now structure their programs around consistent activity.

A dealer who bills a minimum volume over three months might unlock higher-tier support. A contractor who stays engaged through app check-ins or training attendance could earn credits toward tools or personal rewards.

These small, continuous touchpoints are giving brands a steadier presence in highly competitive areas.

Contractors and dealers carry more influence than many assume

In this category, the buyer and the decision-maker are rarely the same person.

A homeowner may pay for the paint, but the contractor often chooses the brand. A builder might approve a cement type, but the dealer's recommendation can tilt the choice.

Brands are learning to treat these stakeholders as active participants, not just order-placers.

Incentivizing that influence—whether through structured points, recognitions, or product-based incentives—helps turn preference into habit. It also creates a feedback loop that reaches further than the sales team ever could.

The value offered has started moving beyond financial incentives

Loyalty once meant slabs, discounts, and trade credit. Now, brands are rethinking what "value" actually means to their channel partners.

In some cases, dealers are receiving priority support or quicker order fulfillment as they move up in the loyalty program.

Contractors are getting access to certified training or being featured in brand-led showcases. These benefits may not have a fixed monetary value, but they carry practical weight.

The shift is subtle but impactful. The reward becomes part of their business workflow, not just an extra on the side.

Tiered systems are helping brands build better engagement momentum

A flat reward system works to an extent. But when partners can see where they stand (and what comes next), it changes how they interact with the program.

A basic tier might offer standard rewards. As they move up, partners may get account manager support, faster dispute resolution, or exclusive invites to dealer events.

Some cement and paint companies even offer co-branded assets to top-tier partners, such as signage, in-store displays, or branded apparel.

What matters here is not the tier name, it's the fact that movement within the system feels achievable and rewarding.

Technology is closing long-standing data gaps across the channel

Manual tracking often made loyalty programs feel clunky. Paper bills, verbal redemptions, and delayed validation used to hold back adoption. That friction is easing.

Now, dealers upload invoices through a mobile app. Contractors scan codes directly from product packs. In some programs, engagement is tracked automatically through digital sales tools linked to the brand's backend.

The benefit is not just speed. Partners get transparency. They know what they've earned and how. And for the brand, this creates a record of real-time behavior they can actually act on.

Several large brands have already evolved their channel loyalty models

In paint, for example, contractor clubs have become a common structure. Contractors earn points for product usage, referrals, and participation in training modules.

These points translate into rewards that feel useful—site gear, branded uniforms, or recognition at regional meets.

In cement, dealers often operate under volume-linked tier systems.

Brands assign quarterly targets and build reward brackets around them.

Some programs go further and involve influencers like masons, offering them rewards for continuous product use captured via app-based surveys.

These programs are no longer side initiatives. They sit at the center of retention efforts.

The most effective programs customize rewards by role and goal

A dealer running a multi-brand store looks for different benefits than a contractor who works on four sites a month. Programs that treat both with the same metrics often fall short.

Instead, brands are building tracks. A retailer might earn rewards for billing volume and digital order placement. A contractor might earn points for attending product demos, sharing usage data, or helping drive demand on new projects.

This flexibility allows loyalty to feel relevant without making the system too complex to manage.

Small signs of respect often deepen long-term partnerships

Not every reward needs to be material.

Some brands now give top contractors early previews of product changes or invite them into product testing rounds. Others issue printed certificates, appreciation kits, or give visibility in brand social media channels.

These efforts may not cost much. But they build memory.

For someone in a competitive channel, even a simple gesture of recognition can influence how they respond the next time a rep walks in.

Clear program structure helps reduce day-to-day channel friction

Loyalty programs are helping bring order to what often used to be messy.

When rules are written, metrics are clear, and rewards are consistent, there is less room for side agreements or ambiguity. Dealers know what qualifies. Contractors know what action triggers a benefit.

That structure helps reduce internal sales pushback too. Field teams focus more on enabling success within the program and less on ad hoc negotiations.

Early loyalty matters most when disruption hits the market

During peak demand, brands with stronger partner engagement often get better shelf space.

When material costs go up or supply chains get stretched, loyal dealers are more likely to hold inventory for brands they trust. Contractors are more likely to wait a few days rather than switch to an unfamiliar brand.

These outcomes are hard to achieve through pricing alone. They are built over time, through consistent loyalty mechanics that offer value before it's urgently needed.

Programs that invest in everyday touchpoints (beyond just high-season pushes) tend to create stronger buffers during uncertainty. That reliability often becomes a brand's quiet advantage when others are scrambling.

Final thought

Brands used to run loyalty like a seasonal campaign. Today, it's closer to a sustained engagement engine.

For building material companies, that means treating loyalty less like a bonus scheme and more like a behavior design framework. It helps create habits, reduce churn, and build brand fluency across layers of influence.

Dealers, contractors, retailers—each plays a part in how your product moves. Loyalty programs that recognize those roles, reward them thoughtfully, and adapt with them tend to grow stronger without needing constant force from the top.