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The 2022 State of Volume Rebates

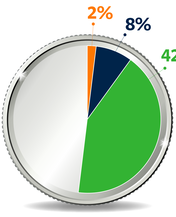
2 out of 3 manufacturers offer volume rebate programs annually.

Rebates make up **60–100%** of net profit for distributors.

Distributors have rebate programs with **50 of their top 100 manufacturers.**

How effective is your volume rebate strategy in achieving your primary goal?

Only 2% of manufacturers think their rebate strategy is very effective at achieving their goals.



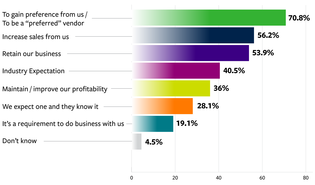
For distributors, a good rebate strategy...

Protects margins

Offers shelf space

Consolidates buying power

Manufacturers offer distributors rebates to...



When it comes to reconciling rebates, administration is easy *(for manufacturers)*...

60% of manufacturers **reconcile rebates within 14 days.**

Only 17% of manufacturers **take more than a month.**

...but communication is hard.

Only 1 in 3 distributors receive updates on their progress against goals when they ask.

1 in 5 distributors reported that they only receive updates when they receive their payments.

Only 9% of manufacturers have on-demand reports available via a portal for their customers.

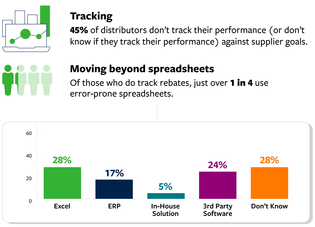
Opportunities for improvement for distributors

Tracking

45% of distributors don't track their performance (or don't know if they track their performance) against supplier goals.

Moving beyond spreadsheets

Of those who do track rebates, just over **1 in 4** use error-prone spreadsheets.



Better communication

For **44%** of distributors, only purchasing and senior management are familiar with the details of their rebate programs.

Opportunities for improvement for distributors

Awareness

46% of manufacturers said that trading partners need an increased awareness of the program.

Analytics

42% of manufacturers reported that they need better analytics.

Reporting

1 in 4 manufacturers reported that they didn't know how many distributors they support with their volume rebate programs.

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Get the Full Report for Distributors

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