Attempts to distribute durable, life-improving goods to customers at the Base of the Pyramid (BoP) – the more than three billion customers who live on less than US$2.50/day – through traditional supply chains or e-commerce have struggled to succeed at scale. One hypothesis for why distributors struggle to scale last-mile distribution is poor relationship management with small informal retailers, who are the primary source of retail purchases for BoP customers. These retailers are often embedded within communities, where local and long-term relationships are particularly important to business transactions. We provide empirical evidence for this hypothesis through an analysis of panel data from a distributor selling to 331 formal retailers and 493 informal retailers in India from April 2016-December 2019. Specifically, we study the role of long-term relationships in selling durable goods to informal retailers, by leveraging a staged natural experiment that allows us to examine the effect of a sales agent reallocation on subsequent orders placed by informal and formal retailers. Using two different quasi-experimental methods, we find that formal retailers experience an average performance decrease of at least 35.7% relative to predicted order value and then recover within three sales cycles of a sales agent reallocation; in contrast, informal retailers experience an average performance decrease of at least 70.4% relative to predicted order value, and do not experience sustained recovery within five sales cycles of a sales agent reallocation. This indicates that business relationships, and disruptions to these relationships, are particularly important when selling to retailers in informal markets.