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Challenges and Opportunities in Supplier-Retailer Negotiations: The Brazilian Gourmet Coffee Case

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Abstract

This article addresses a business negotiation involving a Brazilian gourmet coffee company and a major retailer. The negotiation would expand operations and market share, improve brand visibility, and secure larger orders by partnering with a retail chain. In addition, the retailer would benefit from offering high-quality products, negotiating favorable terms, and enhancing customer satisfaction, increasing customer loyalty. However, there were divergencies on price, discounts, promotional support, and meeting quality and sales volume expectations. Whether the companies reached a deal or not is described in this study, along with the Brazilian coffee market as the backdrop, shedding more light on retail business negotiations, which is helpful to scholars, negotiators, and other practitioners.

Keywords: *Coffee industry, business retailer-supplier negotiation, Brazil.*

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Introduction

In this article, we describe a Type II negotiation, following Dias (2020), in which two parties negotiate multiple issues. Specifically, a Brazilian gourmet coffee company and a retailer negotiate to secure market share, distribution channels, and sales volume, among other objectives. In the sections that follow, we introduce the global and domestic context of the coffee market, which is necessary for understanding the scenario in which this passionate topic unfolded. Such information provides the reader with the essential information to better comprehend the unfolding of the negotiation process. Therefore, in this article, we first introduce the literature review on negotiation, followed by methods and materials. Then, we describe the negotiation context, including global and domestic scenarios, varieties of coffee (needed to categorize what is considered a special coffee), as well as Brazilian coffee quality control standards and geographical indication origins, which serve as the backdrop for the business negotiation case. Finally, this work compiles analysis, discussion, implications, research limitations, and conclusion.

The study of negotiation has gathered researchers' attention over the past few decades. Negotiation considers convergent perspectives, including its principles (Fisher, Ury & Patton, 1981; Kissinger, 1969; Lax & Sebenius, 1986; Pruitt, 1981; Raiffa, Richardson & Metcalfe, 2002; Rubin & Brown, 1975), its role in the decision-making process (Bazerman & Moore, 1994), and its application in business (Dias, 2019; Dias, 2023; Dias, Almeida, Silva, Russo et al., 2022; Dias, Lafraia, Schmitz et al., 2024; Dias, Leitão, Batista & Medeiros, 2022). Thus, this case focuses on Type II negotiation, in which two parties, a producer and a retailer negotiate several issues (Dias, 2020). We examined, through a case study approach

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(Yin, 2018), the unit of analysis on the negotiation process between a Brazilian gourmet coffee company and a major retail chain. The special coffee context provides a rich backdrop for exploring the complexities of business-to-business negotiations. When necessary and to ensure confidentiality, specific details and names have been omitted from the case study. However, the special coffee producer, Café Constantino, expressly authorized the usage of images, direct quotations, and information for academic purposes. To all the interviewees, we assured them that the study has no commercial purposes.

Coffee: The Most Consumed Beverage Worldwide

According to the Food and Agriculture Organization (FAO), coffee is the world's most widely consumed beverage, with Brazil being the largest coffee producer and exporter, accounting for approximately 38 percent of global production, followed by Vietnam and Colombia (Morari et al., 2017). In contrast, the United States and the European Union are the largest consumers of coffee (FAO, 2025). Coffee also gathers approximately 25 million farming households, accounting for 80 percent of the entire global production (FAO, 2025), as illustrated in Figure 1:

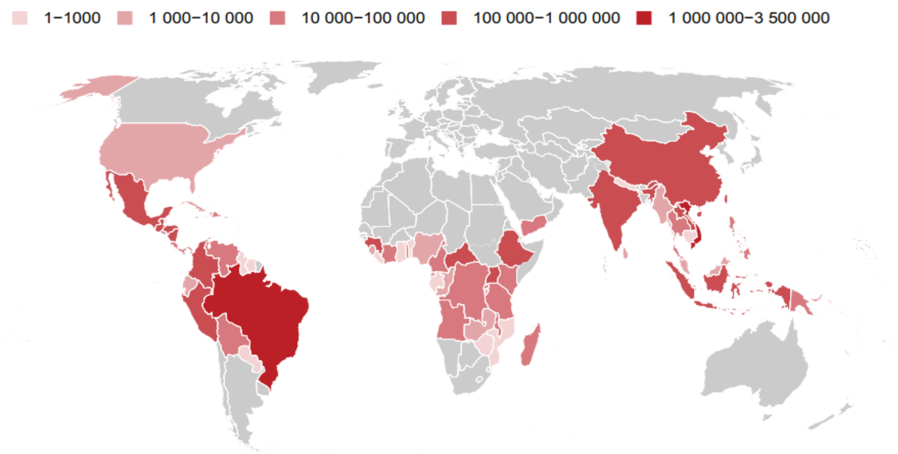


Figure 1. World Coffee production.
Source: FAO, 2025

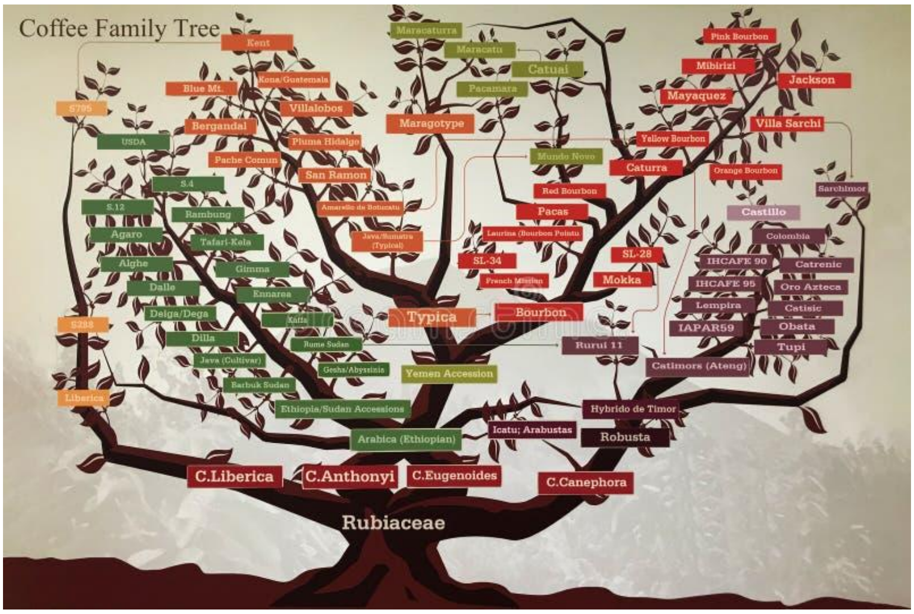


Figure 2. Coffee Family Tree
Source: ABIC (2025) All rights reserved

Rubiaceae Gentianales and Coffea Genus: The Classifications of the Coffee Family

Coffee varieties are subdivided into two major varieties: Arabica (*coffea arabica*) and Robusta (*coffea canephora*). These two varieties are the major flowering plants in the *Rubiaceae* family. Figure 2 displays the coffee family tree and its major families. Note in green the Arabica family (*Coffea arabica*) and in purple the Robusta family (*Coffea canephora*).

Arabica: The Most Popular Coffee in the World, and the Most Commercialized in Brazil

Arabica is the most popular type of bean, and its origins date back approximately 3,000 years (FAO, 2025). Arabica beans originate from the Ethiopian highlands and thrive in mountainous regions. Arabica beans are more complex than its main competitor, Canephoras (*Robusta* and *Conilon*). Arabica variety is the most commercialized in Brazil. According to the Ministry of Agriculture, Livestock and Supply – MAPA, and the Brazilian Agricultural Research Corporation (Embrapa)[1], there are 176 different varieties of coffee Arabica registered the National Cultivar Registry (RNC) in Brazil, but approximately only 40 varieties are commercialized (EMBRAPA, 2021). The principal Arabica varieties commercialized in the country are:

(a) **Catuaí**, which is produced primarily in both yellow and red varieties, is found in Minas Gerais. It is considered a variety 100% Brazilian, a crossing between *Mundo Novo* and *Caturra*, developed by the Agronomic Institute of Campinas (SP) in 1949. The drink is light, smooth, and has just the right amount of acidity (EMBRAPA, 2021).

(b) **Mundo Novo** was developed through a cross between Sumatra and Red Bourbon cultivars in São Paulo, conducted by the Agronomic Institute of Campinas in 1952. The coffee is grown in southern Minas Gerais and has a caramel-like aroma, medium body, and sweet flavor (EMBRAPA, 2021).

(c) **Caturra,** is a natural mutation of red *Bourbon*, is found in Minas Gerais. It is production is aimed at specialty coffees (EMBRAPA, 2021).

(d) **Topázio**, which is a combination between *Catuaí* and *Mundo Novo*, developed by the Agronomic Institute of Campinas in 1960. The variety is cultivated in the South and Cerrado of Minas Gerais, and has a citrus aroma and mild flavor (EMBRAPA, 2021).

(e) **Acaiá**, cultivated in southern Minas Gerais, produces large quantities of Acaiá coffee, which is appreciated for its smooth, chocolatey flavor and fruity notes (EMBRAPA, 2021).

(f) **Bourbon** originated in France and arrived in Brazil in 1959 in the yellow variety, but it is also available in the red variety. The former is adapted to high, mild climates, such as the Cerrado, and has a sweet, hazelnut-like flavor. The latter, produced in smaller quantities, is not as smooth (EMBRAPA, 2021).

(g) **Catucaí** is separated into yellow and red beans and is known for its natural sweetness, medium acidity, and citrus and fruity notes on the palate. The coffee has adapted to high-altitude regions in Brazil, particularly in Minas Gerais, as well as in the interior of São Paulo, in mountainous areas such as *Pardinho*, located approximately 210 km from the state capital (EMBRAPA, 2021).

(h) **Geisha**, which is a variety from Ethiopia. Considered one of the most valuable coffees in the world, it has a cream body, jasmine aroma, and jasmine and papaya notes. Panama is prominent in production.

(i) **Icatu**, which is a combination of Bourbon and Robusta. A strong variety, it is adaptable to different regions. *Icatu* has an aroma of almonds and chocolate notes (EMBRAPA, 2021).

[1] EMPRAPA is a public company, linked to the Ministry of Agriculture and Livestock (MAPA), which was established in 1973.

In this article, the specialty coffee sold by the Brazilian coffee company mentioned above is a unique blend of the *Mundo Novo* and *Yellow Catuaí* varieties, resulting in a balanced, creamy, and velvety drink with a striking aroma of chocolate and hazelnuts, as illustrated in Figure 3:

Figure 3. Yellow Catuaí (left) and Mundo Novo (right) coffee varieties.
Source: Fundação Procafé (2025). All rights reserved.

Robusta: The Second Most Popular Coffee in the World

In Brazil, the second most popular varieties of *canephora coffea* is Robusta:

(a) **Robusta,** originating from Congo and Guinea, it accounts for a quarter of global production, concentrated in Africa, Asia, and South America. In Brazil, the variety was developed with the help of Embrapa research and was given the name Amazonian Robusta in 2016, when production in Rondônia was already established. In the region, indigenous peoples also cultivate this coffee in various ways, including organic production, which has yielded special batches of the beverage. It matures late and is more resilient to climate variations. It has a characteristic bitterness and is intense, with almost 1.7-4% caffeine content, practically double that of Arabica (EMBRAPA, 2021). Figure 4 illustrates the Robusta variety:

(b) **Conilon** is cultivated mainly in southern Bahia and Espírito Santo, the largest producer of *Conilon* in the country, accounting for over 60% of the national production. Because of its bitterness, it is a crucial component in industrial blends and instant coffee (EMBRAPA, 2021).

Figure 4. Robusta Variety
Source: EMBRAPA, 2021

In sum, the two main varieties of coffee beans are depicted in Table 1, which also illustrates the main differences between the two beans, helpful to understand what an exceptional coffee is, and why the producer specializes in Arabica beans, as discussed ahead.

Table 1. Arabica Versus Robusta: Main Differences

Feature/Bean	**Arabica**	**Robusta**
Grain		
Grain shape	Elongated	Rounded
Caffeine content	0.8-1.4%	1.7-4.0%
Number of chromosomes	44	22
Flavor	Smooth, sweeter, fruitier, citrusy	Striking, more bitter, full-bodied
Ideal temperature for cultivation	15-24^{o}C	24-30 ^{o}C
Ideal altitude for cultivation	1000-2000 m	0-700 m
World production	60%	40%

Source: ABIC, 2025

Brazilian Domestic Coffee Market: Background

In Brazil, Arabica beans are grown primarily in the southeastern states of Rio de Janeiro, São Paulo, Espírito Santo, and Minas Gerais, where the majority of coffee producers are located. Conversely, Robusta is cultivated in the lowlands of Bahia, Rondônia, and Espirito Santo state (ABIC, 2025). According to the Brazilian Coffee Industry Association (ABIC), the two major varieties' production, per state, is illustrated in the following Figure 5:

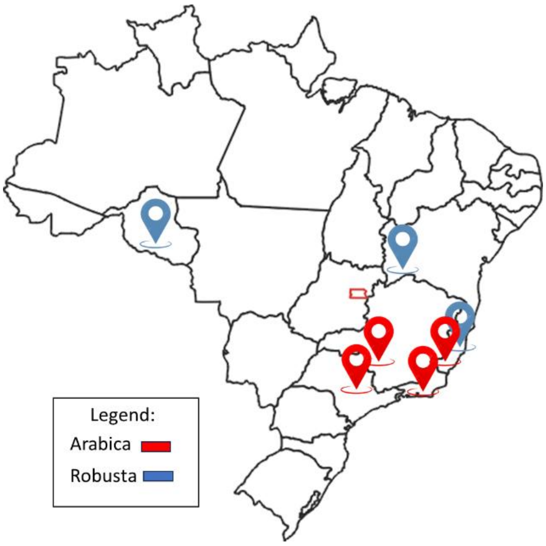
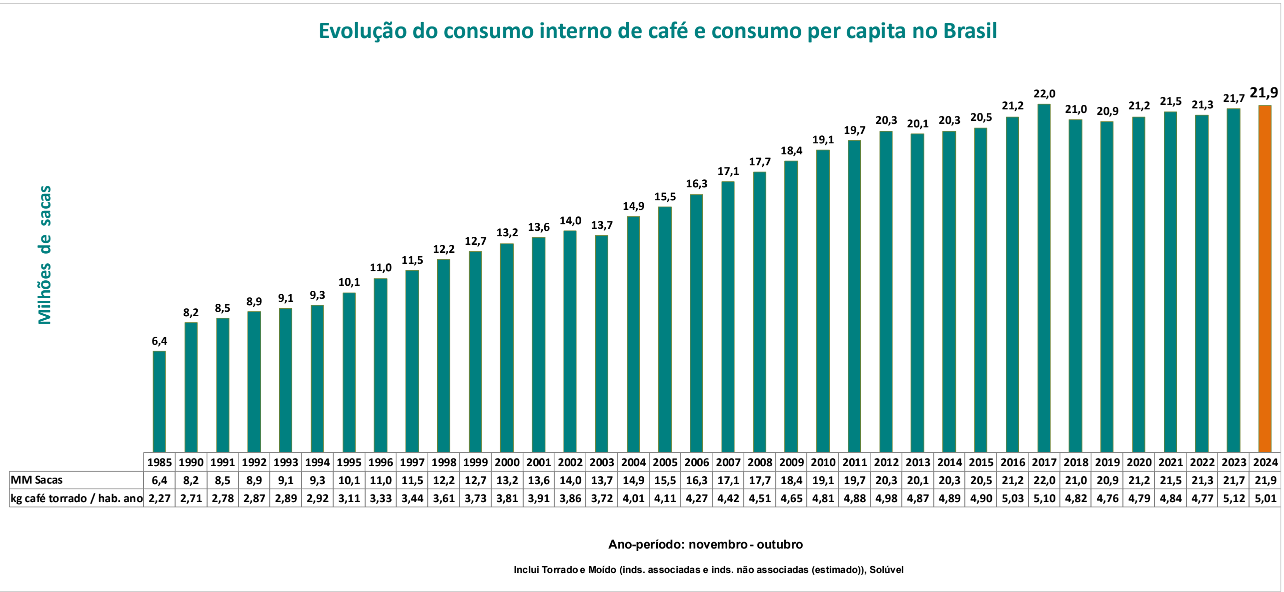


Figure 5. Arabica x Robusta Production per State in Brazil
Source: ABIC, 2025

The world consumption in 2023/2024 was 177 million of 60kg coffee jute bags. In Brazil, the domestic consumption totaled 21.9 million 60 kg bags, with a consumption per capita of 5.01 kg/inhabitant/year, as illustrated in Figure 6, as follows:



	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MM Sacas	6,4	8,2	8,5	8,9	9,1	9,3	10,1	11,0	11,5	12,2	12,7	13,2	13,6	14,0	13,7	14,9	15,5
kg café torrado / hab. ano	2,27	2,71	2,78	2,87	2,89	2,92	3,11	3,33	3,44	3,61	3,73	3,81	3,91	3,86	3,72	4,01	4,11

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
MM Sacas	16,3	17,1	17,7	18,4	19,1	19,7	20,3	20,1	20,3	20,5	21,2	22,0	21,0	20,9	21,2	21,5	21,3	21,7	21,9
kg café torrado / hab. ano	4,27	4,42	4,51	4,65	4,81	4,88	4,98	4,87	4,89	4,90	5,03	5,10	4,82	4,76	4,79	4,84	4,77	5,12	5,01

Figure 6. Evolution of Domestic Coffee Consumption and per Capita Consumption in Brazil (1985-2024)
Source: ABIC, 2025

Brazilian coffee domestic consumption per region in 2024 is illustrated in the following Figure 7:

Figure 7. Brazilian Coffee Domestic Consumption per Region
Source: ABIC, 2025

The Quality Standards for Brazilian Coffee: Sustainability, Purity, Quality

In 1973, the Brazilian Coffee Industry Association (ABIC) was established by the state unions of the roasting and grinding industries to promote the development of the Brazilian coffee industry through continuous quality improvement programs, education for consumption, and incentives for innovation (ABIC, 2025). Between the 1970s and 1980s, domestic coffee consumption in Brazil decreased drastically due to government interventions, price freezes, and, primarily, the proliferation of companies that adulterated coffee. In summary, until 1988, Brazil had no quality control program for its coffee. Only in 1989 did the first ABIC initiative to improve domestic coffee consumption result in the creation of the

Purity Label. The creation of the Coffee Quality Program (PQC) aimed to ensure and maintain the quality of the beverage, demonstrate the quality of Brazilian coffee to the market, and increase consumer satisfaction, consequently leading to higher domestic coffee consumption.

The Coffee Quality Program (PQC) emerged to achieve three main objectives which include quality maintenance of the beverage and market demonstration of Brazilian coffee excellence and enhanced customer satisfaction for increased domestic coffee consumption. The Permanent Coffee Purity Control Program (PPCPC) which ABIC introduced in 1989 used voluntary self-regulation to improve Brazilian coffee quality and established a Purity Seal for authentic 100% pure coffee. ABIC introduced the Coffee Quality Program (CQP) in 2004 followed by the Brazilian Sustainable Coffee Program (BSCP) in 2007 to share sustainable best practices. ABIC unified its programs under a single Certification Program for roasted coffees of different formats which combined legal compliance with quality and purity standards by 2023. Companies demonstrating sustainable sourcing practices can earn the ABIC Sustainability Seal, which emphasizes traceability and adherence to good manufacturing practices. Figure 8 illustrates the timeline for the quality control programs, as follows:

Figure 8. Timeline for the Quality Control Programs
Source: ABIC, 2025

ABIC's Ordinance No. 570 from May 9, 2022 defines the official classification criteria for roasted coffee through its specifications for identity and quality standards and sampling procedures and presentation methods and sustainability requirements and labeling standards for product classification (ABIC, 2025) as shown in Figure 9.

Brazilian Special Coffees Association (BSCA) Certification

The Brazilian Special Coffees Association (BSCA) emerged in the 1990s when twelve producers united to support Brazilian specialty coffee production through complete tracking from farm to consumer. linked to the Specialty Coffee Association (SCA). BSCA offers certifications for specialty *Arabica* and *Canephora* coffees, recognized in Brazil and worldwide. This certification is a unique benefit for members of the Association. Whether you are a producer, exporter, or roaster, BSCA certification adds value to your specialty coffee, opens doors to new markets, and ensures that each lot is recognized for what it has to offer: the excellence of Brazilian specialty coffee. The certifications are issued for coffees greater than 80 points for approval (BSCA, 2025). Figure 10 depicts BSCAs' certifications:

Special	Sweetness	● ● ● ● ●
	Acidity	● ● ● ● ●
	Bitterness	● ○ ○ ○ ○
Gourmet	Sweetness	● ● ● ● ○
	Acidity	● ● ● ● ○
	Bitterness	● ● ○ ○ ○
Superior	Sweetness	● ● ● ○ ○
	Acidity	● ● ● ○ ○
	Bitterness	● ● ● ○ ○
Traditional	Sweetness	● ○ ○ ○ ○
	Acidity	● ● ○ ○ ○
	Bitterness	● ● ● ● ○
Extra strong	Sweetness	● ○ ○ ○ ○
	Acidity	● ○ ○ ○ ○
	Bitterness	● ● ● ● ○

Figure 9. ABIC's Purity and Quality Certificates
Source: adapted from ABIC, 2025

Good Practices	For producers with up to 20 hectares who meet BSCA criteria. Ideal for small and medium-sized producers just starting out in the specialty coffee world.
Certified Farm	Designed for properties that already hold recognized sustainability certifications, such as Rainforest Alliance, Certifica Minas, and others. It reinforces the company's commitment to environmental, social, and ethical responsibility.
Quality in the Blend	Aimed at cooperatives, exporters, and roasters who want to enhance the quality of blends based on 80 sensory points.

Figure 10. BSCA Certifications
Source: BSCA, 2025

Rainforest Alliance Certification

Other certifications include the Rainforest Alliance initiative, which promotes sustainable practices to protect nature and cultivates community partnerships in over 62 countries, focusing on rigorous sustainability standards for crops that prioritize environmental, social, and economic sustainability. Their initiatives include supporting responsible business practices that enhance rural economies, advocating for human rights, and promoting policy changes within the government. Overall, the organization aims to regenerate ecosystems, enabling communities to prosper and access profitable markets in a sustainable manner (Rainforest Alliance, 2025).

Geographical Indication of Origin

Brazilian Federal Government, represented by the Ministry of Foreign Affairs - MRE, Ministry of Agriculture, Livestock and Supply – MAPA and 16 other Brazilian coffee associations (including ABIC, for instance), issued in 2021 the Geographical Indication of Origin (*Indicação Geográfica de Procedência*)[2], indicating 12 regions Geographical Indications of Brazilian coffees, taking into consideration quality, landscape, human element, territory, and national culture (MRE, 2021), in which geographical indications (*Indicações Geográficas de Procedência*) are registered at the National Institute of Industrial Property (*Instituto Nacional de Propriedade Industrial*), such as Alta Mogiana (since 2013), Campo das Vertentes (since 2020), Caparaó (since 2021), Espírito Santo (since 2021), Matas de Rondônia (since 2021), Matas de Minas (since 2020), Mantiqueira de Minas (since 2020), Montanhas do Espírito Santo (since 2021), Oeste da Bahia (since 2019), Norte Pioneiro do Paraná (since 2012), Região de Pinhal (since 2016), and finally, Região do Cerrado Mineiro (since 2014). Their locations are depicted in the following Figure 11:

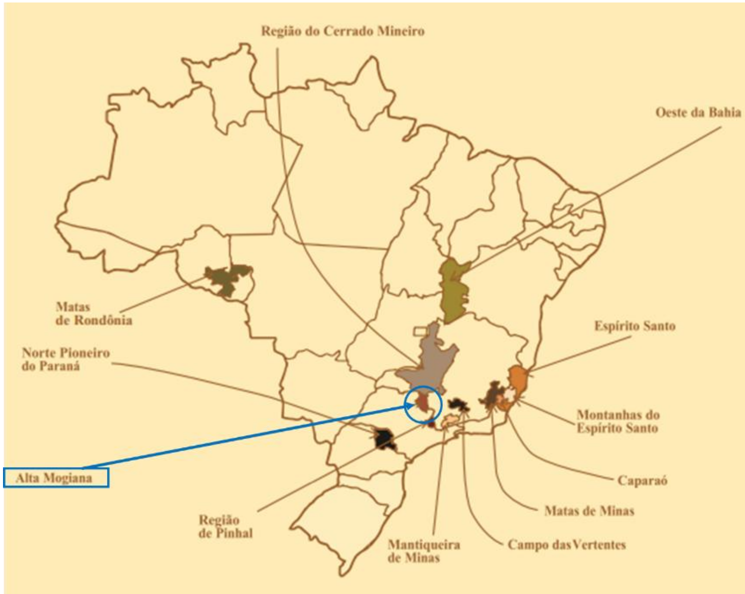


Figure 11. Geographical Indications of Brazilian Coffees
Source: Ministry of Foreign Affairs, 2021

Figure 11 also shows the twelve geographical indications of origin. Note the Alta Mogiana region (highlighted in blue). Border between the states of São Paulo and Minas Gerais, with an average altitude of 1,000-1,200 meters, ideal for cultivating specialty Arabica coffees, is the location where negotiations between producers and distributors took place.

[2] quite similar to the French wine industry, corresponding to the *Appellation d'Origine Protégée (AOP)*

Materials and Methods

This study adopts a qualitative approach and interpretivist worldview, focusing on the negotiation process between a Brazilian gourmet coffee company and a major retail chain. Through a qualitative case study approach (Yin, 2018) and an in-depth exploration of business negotiations through the collection of rich data gathered from semi-structured interviews, incorporating direct participation, direct observation, and archival research. Data analysis employed content analysis, following the method outlined by Saunders et al. (2009). The study ultimately offers a nuanced understanding of the negotiation dynamics involved.

Constantino Café Company

Background

Café Constantino, established in 2018, specializes in the production and marketing of specialty coffees tailored for the Brazilian market. Located on the border between São Paulo and Minas Gerais, as depicted in Figure 12, the Alta Mogiana region has had a strong presence in the coffee industry for over 150 years, exerting a significant influence on virtually every phase of coffee's history in Brazil. Known worldwide for producing Arabica coffees of extraordinary quality, with a balanced body and acidity, natural sweetness, and a caramel aroma, the region is situated on a plateau between 800 and 1,200 meters in altitude. Ipoméia Farm is situated on the Minas Gerais side of the border with São Paulo state, at an altitude of 1,100 meters – a location that allows for a heightened perception of the coffee's most distinctive qualities. The tradition of producing excellent coffees stems from the favorable natural conditions, ideal climate, and humidity, bringing together producers, farmers, and farms like ours that are experienced in cultivating and manufacturing specialty coffees. Constantino's exceptional coffees are a blend of Yellow Catuaí and Mundo Novo varieties, medium-roasted and with notes of chocolate and hazelnuts, featuring a sweet caramel flavor.

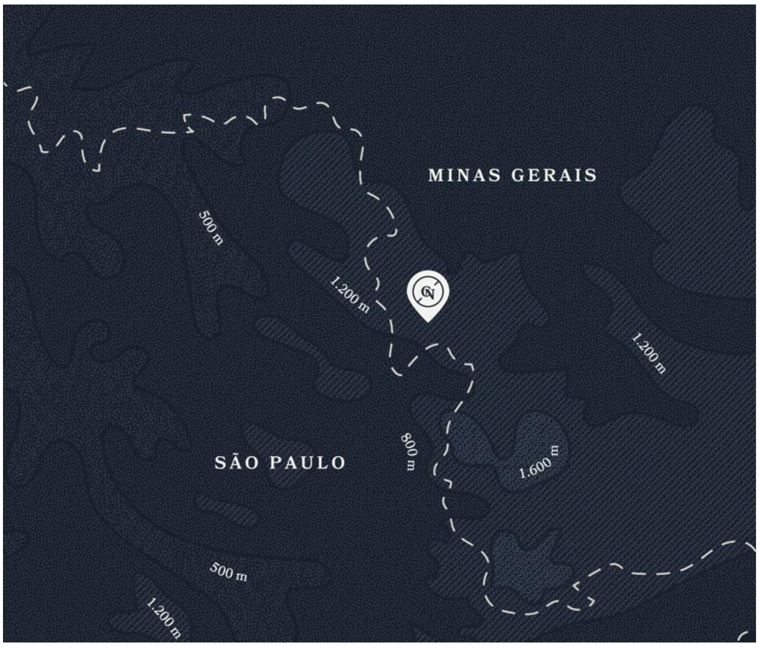


Figure 12. Ipomeia Farm/Café Constantino Location

The company utilizes multiple sales channels to reach its customers, which include on-trade sales primarily through food service establishments, off-trade sales via retail outlets such as supermarkets and emporiums, direct-to-consumer (D2C) sales via its own e-commerce platform and marketplace, and sales to companies. Constantino's share of revenue in the off-trade channel, compared to the other sales channels, is approximately 70%. In addition, the average ticket for this channel is significantly higher than for the others, due to the large number of retail chains in Brazil and the high preference for coffee purchases by the consumer market in supermarkets, which tends to the detriment of other channels. However, commercial negotiations and the formalization of partnerships are complex, involving several issues beyond merely the sale price and receipt of orders, also known in the retail world as "sell-in" (industry > sales channel).

Some of the points discussed in the negotiation refer to the generation of sell out (sales channel to the final consumer) which is essentially the responsibility of the supplier, and/or a joint work with the retail chain, and/or also that would be the responsibility of the retail chain, but is usually outsourced to the supplier, which is the case of the promoter, for organization and display of the product on the shelf. Other demands that enter the discussion, and are strictly linked to the trade marketing area of the retail chain, are related to participation in actions such as "Coffee Month", "Black Friday", "Christmas", among others, which require an investment from the supplier, in addition to sporadic tastings. With the commercial department, issues of price discounts on products are discussed, to occasionally place offers, and the issue of exchanging products, if the expiration date has expired. Café Constantino, focused on gaining market share, having more profitability and consequently increasing its revenue and the monthly volume of kilograms sold, contacted, through its owner and a commercial representative, a large retail chain, in early 2023, in order to start a relationship so that there is the possibility of a meeting and initial presentation of the product, and with the course of the negotiation, an introduction into this large network, very relevant to the company and the Brazilian market.

From Initial Contact to Face-to-Face Meeting

The choice of the representative was made because she is already inserted in networks similar to the one in question, with another product from another company. Although the buyer of the chain is from another area, this helped and made the difference for Café Constantino to be able to deliver samples to the company's headquarters. Later, after exchanging emails and follow-ups, it was possible to schedule a face-to-face meeting. It was preferred by the company Café Constantino to have a face-to-face meeting, where the buyer could be better observed, in addition to strengthening ties, relating beyond the issue of the business itself, and gaining a better understanding of whether there is a possibility of success or not in the Negotiation. Days before the meeting, the representative and owner of Café Constantino had an online alignment meeting to define the commercial table and sales arguments. It was a fundamental moment to be prepared for the meeting with the retail chain; however, today, extracting lessons from the subject of "Negotiation and

Conflict Management", a ZOPA would be made, containing mainly the minimum and maximum price limits of the company, and the "Options" would be itemized, and more would be sought to "create value" for the company and its products. On the crucial day of the meeting between Café Constantino and the buyer of the retail chain, an introduction was made by the owner of the company about the brand, seeking to create value, talking about its differentials of quality, packaging and unique origin, its main points of sale, in addition to the name of the company being associated with the name of his grandfather, in order to bring the buyer closer and sensitize. The buyer was very open and showed great interest in the products, praising the beauty of the packaging and commenting that the product should already be available in stores.

The Challenging Negotiation Process

Before the commercial table was presented, the buyer commented that a category manager committee would review the products, that the shelves, as always, are full of coffees, and that to enter a supplier, it is necessary for one that is not performing well to be removed. After that, he commented on the discount on duplicate items necessary for the retail chain, due to the ease of delivering in a single CD, the inclusion of product exchange, marketing work, anniversary celebrations, and store openings. The company owner was accustomed to this percentage discount, but it was not disclosed to him or the representative that it would exceed 15% for the product. This discouraged the owner and the company representative a little, but they were facts and obstacles that were necessary to hear. However, the commercial table presented was based on a 5% discount on duplicates, which was the average known at the time, and an 8% commission to the representative. The buyer soon asked about the prices charged. The company's owner took the floor and presented the commercial table, soon emphasizing that the prices there were discounted by 5% and that he would send a revised commercial table later that same week. Following this issue, the buyer commented that the following committee would convene within sixty days. At the end of the meeting, the buyer, the owner, and the representative thanked him for the conversation. Soon after, the owner analyzed the retail chain's shelf with the representative. It was found that the prices would be much higher than what was being practiced there, for the final consumer. It was then necessary to reduce the margin, in view of a higher volume of sales, and also to reduce the representative's commission from 8% to 5%.

This negotiation with the representative was complicated and uncomfortable because an 8% commission had already been agreed upon, but there was an understanding that this 3% reduction would represent a greater success of the product in the retail chain in question, generating more sales and, consequently, a greater commission for the representative. Once the commercial table was made and sent to the buyer, he requested to wait for the deadline for the retail chain's committee meeting. This process took longer than expected, initially scheduled for sixty days. In this extended period, the initial excitement of a great opportunity, marked by samples, email exchanges, and meetings, led to frustration. However, there was also learning from everyone, in order to avoid creating unrealistic expectations in advance. Emails were exchanged, but it was not easy to return with a more concrete position on the side of the retail chain. Despite the good receptivity of the buyer in person, asynchronous communication was challenging, as it lacked the expected return. About 5 months passed, and finally, there was a new hope for the company and the representative, due to the exchange of the buyer for another professional. This process took the negotiation back to the practical initial level, but with the difference that a history with the previous buyer had already been built. Subsequently, a meeting similar to the first one with the first buyer was held, but with the table already set up. With this new buyer, the process flowed more smoothly, and it took approximately 60 days for the company to receive its first order. Thus, this stage of the negotiation was won, which, in fact, was just the beginning of the work between the company and the retail chain, focused on generating sales, delivering performance, and avoiding the risk of the retail chain withdrawing coffee due to poor performance.

The negotiation reported above between the company, its representative, and the buyer of the retail chain was a collaborative negotiation, focused on a win-win outcome, naturally, because the more sales were made, the more sales were generated. There were also several options discussed in the negotiation meeting, including trade marketing actions, price reductions, payment terms, and store-to-store delivery, among others, that extended beyond the price issue. The ZOPA, which, due to a lack of knowledge, was not defined in this case, should be based on the average price of the product at the point of sale, considering its competitors, as well as the company's costs and desired margins. The product cannot be priced too much below or too much above the market rate. The company, being small, is a price taker, not a price maker.

Implications and Discussion

The negotiation between Café Constantino and the retail chain highlights several key implications for organizational behavior and management. The study's results have significant implications for organizational behavior and management, suggesting that managers must prioritize employee well-being and work-life balance, particularly in sectors under significant pressure (Dias, Lopes, & Duzert, 2020).

The negotiation between Café Constantino and the retail chain was a Type II negotiation (Dias, 2020), including effective communication and strategic decision-making, which are crucial in addressing conflicting priorities and expectations (Fisher, Ury, & Patton, 1981; Lax & Sebenius, 1986). Café Constantino's owner had to adapt to the retail chain's requirements, reducing the representative's commission from 8% to 5% to accommodate the retail chain's pricing needs, demonstrating the importance of flexibility in negotiation (Dias, Lopes, Cavalcanti, & Golfetto, 2020). The negotiation has implications in other fields of research, such as (a) trust in long-term business negotiations (Dias, 2016; Dias, 2018; Santos & Dias, 2024; 2024a); (b) contract negotiations (Cunha & Dias, 2021; Dias & Teles, 2019; Dias et al., 2020; Dias et al., 2021; Dias & Silva, 2021); (c) government negotiations (Dias & Navarro, 2022; Dias et al., 2022; Navarro & Dias, 2024); structured negotiations (Dias, 2020a; 2020b; 2020c; 2020d), amongst others. The case provided information on the special coffee business in Brazil, shedding more light on retail business negotiations.

Research Limitations

This articles' findings are limited to the retail business case described, and to the parties involved. Nevertheless, similar business may be benefitted with the lessons learned from this experience, and to increase the debate on business negotiation. This case is also limited to the Brazilian coffee market. Other countries or industries are not the scope of the present work and should be investigated in future studies.

Future Research Directions

Future research is encouraged on other types of negotiations, such as contract negotiations, as well as types I, III, and IV negotiations, following Dias (2020). Future research opportunities wait to be uncovered in other business industries and scenarios. Additionally, to what extent the coffee business may impact other business segments, such as agricultural cooperatives and retail businesses. Additionally, further studies are being conducted on the ever-changing perceptions of clients regarding special coffees, which are becoming more sophisticated and demanding. Finally, future research is indicated in other Brazilian settings.

Conclusion

Analyzing the history and learning from the subject, the company and its representative would prepare in advance, in addition to the ZOPA and Options, to question the discount percentage in advance, thereby being more prepared for the meeting. This question is open because going in-depth and asking many previous questions in advance can also hinder the negotiation process. Another change that would be made refers to the commercial presentation, bringing more valid points to the buyer's interest, such as the theme of generating sales and partnerships with the trade marketing area, applying value creation.

Conflict of Interests

In this article there are no conflicts of interest.

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