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Negotiating with suppliers of imported beverages in the context of exchange rate volatility in Brazilian retail.

Supplier negotiation for imported beverages under exchange rate volatility in Brazilian retail

Negotiation with imported beverage suppliers in a context of changing volatility in Brazilian minority trade

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SUMMARY

The retail and distribution of imported beverages in Brazil operates under a cost structure tied to the dollar, while revenue is generated in reais and subject to consumer price sensitivity. This article examines how negotiation with suppliers can mitigate the effects of exchange rate volatility on margins, working capital, and continuity of supply in this segment. The research, qualitative and exploratory in nature, combines a narrative review of the literature in international economics, supply management, corporate finance, and negotiation theory with a descriptive analysis of the monthly series of the US dollar exchange rate published by the Central Bank of Brazil between 2015 and 2025. The data show that the monthly average exchange rate more than doubled during the period and that about one-third of the monthly variations exceeded 3% in absolute value, reinforcing the need for purchasing practices capable of absorbing shocks. The analysis indicates that the negotiated outcome depends less on the nominal discount and more on the combination of portfolio positioning, negotiation preparation, payment terms, inventory policy, hedging instruments, and long-term relationships based on trust. It can be concluded that, for small and medium-sized enterprises, negotiation should be treated as a financial and strategic decision, and not just a commercial one.

Keywords: Negotiation. Currency exchange. Beverage retail. Working capital. Supplier relations.

ABSTRACT

Retail and distribution of imported beverages in Brazil operates under a cost structure tied to the US dollar, while revenue is generated in reais and is exposed to consumer price sensitivity. This article examines how supplier negotiation can mitigate the effects of exchange rate volatility on margins, working capital and supply continuity in this segment. The research is qualitative and exploratory, combining a narrative review of the literature on international economics, supply management, corporate finance and negotiation theory with a descriptive analysis of the monthly US dollar exchange rate series published by the Central Bank of Brazil between 2015 and 2025. The data show that the monthly average rate more than doubled over the period and that about one third of monthly changes exceeded 3% in absolute value, which reinforces the need for purchasing practices capable of absorbing shocks. The analysis indicates that negotiated outcomes depend less on nominal discounts and more on the combination of purchasing portfolio positioning, negotiation preparation, payment terms, inventory policy, hedging instruments and long-term relationships based on trust. It concludes that, for small and medium-sized firms, negotiation should be treated as a financial and strategic decision rather than a purely commercial one.

Keywords: Negotiation. Exchange rate. Beverage retail. Working capital. Supplier relationships.

1 INTRODUCTION

The Brazilian market for imported spirits, wines, and specialty beers brings together importers,

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Distributors, wholesalers, and specialty stores share a structural problem. Their
Acquisition costs are defined in foreign currency, while revenue is calculated in Brazilian reais.
It depends on a consumer who easily compares prices and reacts to increases. Since the adoption
Under the floating exchange rate regime, in January 1999, the dollar's exchange rate began to reflect the situation more rapidly.
External shocks, changes in fiscal expectations, and shifts in global risk appetite. For
For those who buy finished goods abroad, every significant currency movement translates into...
immediate decision regarding selling price, inventory level and purchase conditions, and the margin of error.
It decreases as competition intensifies.
Literature on purchasing management often treats negotiation as an operational step, focused on...
obtaining lower prices. This approach proves insufficient when the main component
The cost is beyond the control of the parties. In unstable exchange rate environments, the value of an agreement
It depends on both the unit price and the payment terms, the invoicing currency, and...
Predictability of deliveries and the supplier's willingness to share risks. Kraljic (1983) already
He argued that the purchasing function needed to evolve into a supply management approach driven by...
risk, and this recommendation carries particular weight in sectors where foreign currency determines the
The cost base and final demand are price-sensitive.
Given this scenario, the article seeks to answer the following research question: How does the
Negotiating with suppliers can reduce the exposure of beverage retailers and distributors.
Imports subject to exchange rate volatility? The overall goal is to integrate contributions from the economy.
international, supply chain management, corporate finance, and negotiation theory
within an analytical framework applicable to the segment. Specifically, the aim is to characterize...
The recent behavior of the exchange rate in Brazil, discussing the determinants of bargaining power in
channel, examine the role of deadlines and working capital and assess how inventories, instruments of
Protection and long-term relationships come together to form more resilient agreements.

2 METHODOLOGY

This is a qualitative research study, with an exploratory and descriptive character. According to Gil
(2008), exploratory studies are indicated when the aim is to provide greater familiarity
with a problem that is not very systematized, making it more explicit and allowing the formulation of
Suggestions for future research. This is the case with negotiating purchases in the beverage retail sector.
imported goods, a theme that appears sporadically in different fields of literature, but is rarely...
treated in an integrated manner. Regarding the technical procedures, the research is bibliographic and
documentary, combining the review of published studies with the analysis of official secondary data.

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regarding the exchange rate, in order to anchor the theoretical discussion in verifiable empirical evidence.
The literature review followed the narrative and integrative approach described by Snyder (2019).
suitable when the purpose is to bring together perspectives from different disciplines and build a framework.
conceptual, and not measuring effects in aggregate. The survey was conducted on databases such as
SciELO and Google Scholar, in central bank repositories and in reference journals in
areas of international economics, finance, logistics, and marketing. The selection criteria prioritized...
seminal works, widely cited and with recognized theoretical influence, and empirical studies that
They deal with foreign exchange transfers, trade credit, inventory management, and relations between
buyers and suppliers. Inspired by the recommendations of Tranfield, Denyer and Smart (2003) for
Regarding management reviews, the selection process sought transparency regarding sources and consistency between the issue of
research and the material analyzed.
The documentation phase utilized series 3698 from the Bank's Time Series Management System.
Central do Brasil, which corresponds to the free exchange rate of the US dollar for sale, calculated
as a monthly average. The time frame ranges from January 2015 to December 2025 and totals 132
observations, a period that encompasses relevant episodes of instability, such as the 2015 fiscal crisis.
and 2016, the electoral uncertainty of 2018, and the initial shock of the Covid-19 pandemic. For each year there were
The average, minimum and maximum values, the relative range between them, and the coefficient were calculated.
Variation, defined as the ratio between the population standard deviation and the mean. Also included were...
The percentage variations from one month to the next were calculated in order to identify the frequency.
expressive movements throughout the series.
The study has limitations that should be considered when interpreting the results. The analysis of
The exchange rate series is descriptive and is not intended to estimate specific pass-through coefficients for beverages.
imported goods, a task that would require price data per product and econometric controls that are beyond the scope of...
The scope of this work. Similarly, the narrative review does not claim to be exhaustive.
literature, and the propositions presented should be understood as analytical hypotheses to be
tested in future empirical research, preferably with primary data collected from
importers, distributors, and retailers in the sector. Still, the combination of fundamentals
Consolidated theory and official data allow us to offer a consistent framework to guide practice.
management and the research agenda.

3. Exchange Rate Volatility and its Impact on the Prices of Imported Beverages

The starting point for understanding negotiation in the segment is the recent behavior of
currency. Figure 1 shows the monthly average of the dollar exchange rate between 2015 and 2025, alongside the

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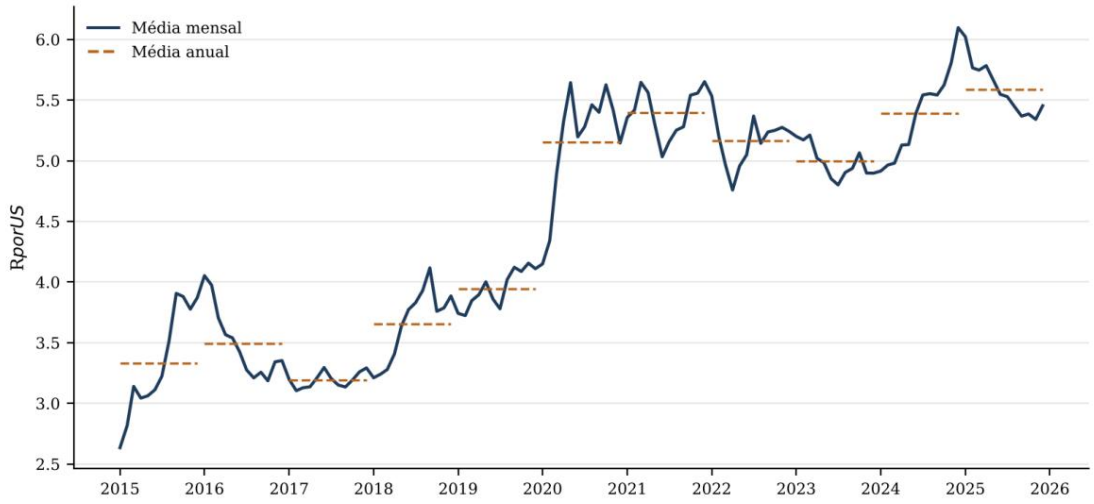
annual averages. The exchange rate went from R$2.63 in January 2015 to R$5.45 in December 2025. an increase of approximately 107% in eleven years. The peak of the series occurred in December 2024. when the monthly average reached R$6.10. More relevant than the trend, however, is the irregularity. of the trajectory. Of the 131 monthly variations calculated, 48 exceeded 3% in absolute value, which This means that, in just over a third of the months, the cost in reais of the same order changed. significantly higher compared to the previous month.

Figure 1 – US dollar exchange rate (selling price), monthly and annual averages, 2015 to 2025



Source: compiled by the author using data from the Central Bank of Brazil (2026).

Table 1 details the annual dispersion. The years 2015 and 2020 show the largest fluctuations, with coefficients of variation of 12.7% and 8.8%, respectively, while 2017 stood out for Stability, with a coefficient of 1.9%. The largest monthly increase in the series occurred in March 2020. when the average rose 12.5% compared to February, at the beginning of the pandemic. The biggest drop was recorded in October 2018, with a decline of 8.7%. These numbers reveal that the instability does not It is distributed homogeneously over time. It is concentrated in episodes of shock, interspersed with periods of relative calm, which makes buying strategies based solely on risky. current price and reinforces the importance of contractual mechanisms that distribute risk among the parts throughout the supply cycle.

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Table 1 – Annual descriptive statistics of the US dollar exchange rate (selling price), 2015 2025

Year	Annual average (BRL/US$)	Monthly minimum (BRL/US$)	Monthly maximum (BRL/US$)	Amplitude (%)	Coefficient of variation (%)
2015	3.33	2.63	3.91	48.3	12.7
2016	3.49	3.19	4.05	27.2	7.9
2017	3.19	3.10	3.30	6.2	1.9
2018	3.65	3.21	4.12	28.2	7.8
2019	3.95	3.72	4.16	11.6	3.8
2020	5.16	4.15	5.64	36.0	8.8
2021	5.40	5.03	5.65	12.3	3.5
2022	5.16	4.76	5.53	16.3	3.8
2023	5.00	4.80	5.21	8.6	2.7
2024	5.39	4.91	6.10	24.1	6.6
2025	5.59	5.34	6.02	12.7	3.6

Source: compiled by the author with data from the Central Bank of Brazil (2026). Note: the range corresponds to the difference between the monthly maximum and minimum divided by the minimum.

Economic theory offers explanations for how these fluctuations affect the final price.
Dornbusch (1987) showed that, in imperfectly competitive markets, the degree of pass-through of
The exchange rate for prices depends on the market structure, the number of competitors, and substitution.
between products. Krugman (1987) introduced the notion of pricing to market, according to which exporters
They adjust their prices in foreign currency to preserve market share.
absorbing part of the exchange rate variation within their own margins. In the review by Goldberg and Knetter
(1997), the evidence gathered indicates that the pass-through to import prices is typically
incomplete and varies between sectors and countries. This finding has direct implications for negotiation.
because it signals that the distribution of the exchange rate shock among manufacturer, importer and retailer is, in part,
It's a matter of bargaining power.
Subsequent empirical studies have refined this diagnosis. Campa and Goldberg (2005), when
to examine 23 countries from the Organisation for Economic Co-operation and Development,
They found partial pass-through in the short term and higher pass-through in the long term, in addition to associating it with
decline in aggregate pass-through to changes in the composition of imports. Gopinath, Itskhoki and
Rigobon (2010) demonstrated that the currency of invoicing matters. In North American imports...
In the US, goods priced in dollars showed an average pass-through of about 25%, compared to

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approximately 95% for goods priced in other currencies. For the Brazilian buyer, the lesson...
The point is that the choice of currency and the timing of price fixing in a contract is not a purely technical detail.
but a negotiable variable with a concrete effect on risk exposure.
In the Brazilian case, Correa and Minella (2006) estimated a Phillips curve with a threshold and verified
that the short-term pass-through to inflation is greater when the economy is overheating, when the
Depreciation exceeds a certain level and occurs when exchange rate volatility is lower. Taylor
(2000), in turn, argued that low and stable inflation environments reduce the power of
Companies are less likely to pass on cost shocks because they begin to perceive these variations as less significant.
persistent. For the imported beverage retail sector, these results suggest that the decision to pass on costs...
It depends on the economic cycle and the assessment of the persistence of the shock, which gives leeway to the negotiation.
with suppliers playing a buffering role in moments when the full cost is passed on to the consumer.
It proves to be commercially unviable or risky for customer loyalty.

4. Bargaining Power and Positioning of the Purchasing Portfolio

The ability to obtain good conditions from a supplier depends, above all else, on...
market structure in which the negotiation takes place. Porter (1979) identified that suppliers tend
to become more powerful when the sector is dominated by a few companies, when their products are
differentiated, when there are high costs to switch suppliers and when there is a credible threat of
Forward integration. In the imported beverage market, many spirits brands belong to
Large multinational groups sell these products and market them in the country through importers with contracts.
exclusivity. Under these conditions, the independent retailer usually negotiates with an intermediary.
which controls the supply of high-demand brands, thus reducing its room for maneuver and requiring
Strategies that compensate for size and information asymmetry.
Kraljic (1983) proposed a tool that remains useful for addressing this problem. The cross matrix
the impact of each item on the company's bottom line, considering the risk associated with its supply and
It classifies purchases into four groups, namely, non-critical items, leverage items, bottleneck items.
and strategic items. Each quadrant calls for a distinct approach. In leverage items, the
The buyer can explore competition among suppliers, while in strategic items the
The recommendation is to build partnerships and reduce risks jointly. Table 1 presents a...
adapting this logic to the typical portfolio of a retailer or distributor of imported beverages,
developed from the author's original categories and the segment characteristics discussed in this
article.

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Table 1 – Purchasing portfolio positioning matrix applied to beverage retail.

imported

Quadrant	Features	Examples in the segment	Recommended negotiation stance
Strategic items	High impact on the bottom line and high supply risk.	High-demand imported labels distributed exclusively.	Long-term partnership, contracts with price review clauses, and sharing of demand forecasts.
Leverage items	High impact on the bottom line and low supply risk.	Spirits and wines with various importers or with marks available equivalents	Competition among suppliers, consolidation of volumes, and periodic price quotes.
Bottleneck items	Low impact on the bottom line and high supply risk.	Niche labels, limited editions, and products with restricted availability at the source.	Guaranteeing supply, safety stock, and developing substitutes.
Non-critical items	Low impact on the bottom line and low supply risk.	Accessories, packaging and sales support materials	Standardization, simplification of the purchasing process, and reduction of administrative costs.

Source: prepared by the author based on Kraljic (1983).

Applying the matrix to the exchange rate context has an important consequence. The position of a

The product's weight in the portfolio is not fixed, because the devaluation of the real alters both the item's weight in the overall valuation.

The result is a supply risk. A high-turnover label that previously behaved as an item.

Leverage can shift to a bottleneck condition when the importer reduces volumes.

This is in response to a rise in the dollar or when the manufacturer redistributes quotas among countries. For this reason, the

Classification should be reviewed periodically, and trading needs to keep pace with these changes.

Insisting on price pressure on a supplier that has become critical may compromise access.

to the product precisely at a time when the competition is also facing shortages and the consumer

They are more likely to switch stores.

Transaction cost theory adds another layer to the analysis. Williamson (1985) argued

that, in the presence of specific assets, bounded rationality, and the risk of opportunistic behavior,

The parties tend to seek governance structures that protect the investments made in

In the beverage retail sector, investments in team training for a specific category...

Point-of-sale actions and exclusive brand communication are examples of assets that

Value decreases if the supplier is replaced. The greater the investment, the greater the dependence.

Mutual and more valuable agreements become contracts with price review clauses, cost sharing.

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Currency risk and volume commitments reduce uncertainty for both sides.

In practice, the bargaining power of smaller buyers can be increased through

Strategies that alter the market structure in their favor. Order consolidation between stores.

or through purchasing associations increases the volume traded and the client's relevance to the

supplier. The development of alternative sources, including direct import of labels from

Smaller scale and the inclusion of high-quality domestic products reduces dependence on a single supplier.

importer. This movement aligns with Kraljic's (1983) recommendation to balance the portfolio.

and with Porter's (1979) observation that the availability of substitutes limits the power of

suppliers, especially when the buyer is able to communicate the value of the products to the end customer.

alternatives.

5. Negotiation as a Structured Process

The literature on negotiation distinguishes two fundamental logics. Walton and McKersie (1965)

They called distributive the negotiation in which the gains of one party correspond to the losses of the other.

another, and integrative, type is that in which the parties can increase the total value available before distributing it.

In purchases subject to exchange rate shocks, the distributive logic tends to prevail when the

The discussion is limited to the unit price. The problem is that, in this format, the supplier is also...

Pressured by the rising dollar and with little room for concessions, the integrative approach broadens the...

agenda to include deadlines, volumes, delivery frequency, promotional support and mechanisms of

Adjustment, creating combinations in which both sides improve their position without one side gaining.

depend directly on the loss of the other.

Fisher, Ury, and Patton (2011) consolidated principles that have become a benchmark for negotiations.

integrative approaches. These include separating the people from the problem, focusing the conversation on their interests, and...

Not in positions, but in creating mutually beneficial options and insisting on objective criteria. The concept of best

An alternative to a negotiated agreement, known by the acronym BATNA, is particularly relevant.

in the segment. A retailer who knows their real alternatives, like another importer, a label

A replacement or a temporary reduction in category allows for more secure negotiation and the ability to know when a

The agreement is not advantageous. Without this reference point, the buyer tends to accept unfavorable conditions.

out of fear of running out of supplies, especially during periods of sudden currency appreciation.

Raiffa (1982) contributed an analytical view of the process by formalizing concepts such as price of

Reservation and area of possible agreement. The reservation price corresponds to the limit from which the party

prefers to abandon the negotiation, and the zone of agreement only exists when the parties' boundaries are met.

They overlap. In a volatile exchange rate environment, these limits shift frequently, which requires that

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The buyer recalculates their reservation price each round based on the replacement cost, at the margin.
desired and perceived elasticity of demand. Trading with outdated figures exposes you to
A company accepting agreements that, a few days later, no longer cover the actual cost of the goods or
who miss out on more favorable conditions.

Cognitive biases also influence the outcome. Tversky and Kahneman (1974) demonstrated this.
that judgments under uncertainty are affected by heuristics such as anchoring, whereby a value
Initial findings condition subsequent estimates. Galinsky and Mussweiler (2001) showed, in studies
experimental, where the initial offer acts as an anchor and tends to favor whoever presents it,
although this effect can be reduced when the other party focuses their attention on their own
alternatives and the opponent's reservation price. In negotiations for imported beverages, the table of
Prices sent by the supplier after a rise in the dollar act as a powerful anchor. Counteracting this
Using proprietary data, such as price history and product turnover, helps to shift the...
discussion for objective criteria.

Lewicki, Saunders, and Barry (2015) emphasize that preparation is the stage that most influences the
The outcome of a negotiation. For the buyer of imported beverages, preparing means knowing...
the supplier's cost structure, including the incidence of taxes on the customs value.
Converted to Brazilian Real, monitor exchange rate trends, map the demand calendar, and define...
In advance, determine which variables can be interchanged. A smaller discount may be...
compensated by a longer term, just as a volume commitment can justify a clause.
a fixed price for a specific period. This deliberate exchange of concessions is typical of negotiations.
Integrative approaches transform the purchasing meeting into a value-building exercise, not just a mere process.
dispute over percentages.

6. PAYMENT TERMS, TRADE CREDIT AND WORKING CAPITAL

The payment term is one of the most underestimated variables in purchase negotiations, although
has a direct effect on the financial health of small and medium-sized enterprises. When the supplier
By granting a deadline, he is, in practice, financing the buyer. Petersen and Rajan (1997) analyzed
They analyzed data from small American businesses and found that trade credit functions as
A significant source of financing, especially for firms with limited access to bank credit.
The authors also observed that suppliers with better access to resources tend to offer more.
credit to its customers. For the imported beverage retailer, this means that the negotiated term
It can replace expensive loans and free up cash during times of a strong dollar.

Ng, Smith and Smith (1999) investigated the determinants of the credit conditions practiced between

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Companies have found that these conditions vary considerably between sectors, but tend to be...
relatively stable within each sector. The study also draws attention to the implicit cost.
to refuse discounts for early payment, which can result in high annual fees. This
This finding has two implications for the buyer. The first is that there is room for negotiation.
Different conditions apply when there is a good payment history and significant volume. The second
The decision between taking advantage of a cash discount or using the payment term should be based on...
A comparison between the discount offered and the opportunity cost of cash, which in periods of interest rates
High values can change the correct answer.
The relationship between working capital and profitability was studied by Deloof (2003), who analyzed companies.
Belgians and found a negative relationship between gross operating profit and payment and collection periods.
storage. The author also identified a negative relationship between profitability and payment terms.
suppliers, interpreted as an indication that less profitable companies take longer to pay.
your accounts. A combined reading of these results suggests that the cash conversion cycle, which
It adds up the days of inventory and the days of receipt and subtracts the days of payment; it is a central management variable.
In the imported beverage segment, where inventory turnover is often uneven across different brands, extending
Extending the payment deadline without reducing storage time does little to solve the problem.
Hofmann and Kotzab (2010) proposed a working capital approach oriented towards the supply chain.
supplies. The authors argue that transferring the financial burden to the weakest link, by
For example, demanding excessive deadlines from smaller suppliers does not generate value for the supply chain as a whole.
That's because the supplier's cost of capital ends up being incorporated into the prices. The alternative is
Coordinate the cash flow cycle between the links and seek solutions where those with the lowest cost of capital are most effective.
finance the operation. For the Brazilian buyer, this perspective helps to understand why
Importers with access to cheaper credit may accept longer payment terms in exchange for volume and
predictability, and why dialogue about the financing structure can yield more than...
Isolated dispute over discounts.
The exchange rate adds its own dimension to this discussion. When the merchandise is invoiced in reais (Brazilian currency).
by the importer, but the price is updated with each listing according to the quotation and payment terms.
It becomes even more valuable during periods of depreciation because it allows the retailer to sell part of it.
from inventory before paying for the purchase and reducing the need for equity capital. Conversely, in
During periods of appreciation of the real, inventories purchased at higher prices lose competitiveness.
compared to competitors who replenish later. Therefore, the negotiation of deadlines must be coordinated with
price revision clauses and inventory policy, the subject of the next section, so that the
Financial relief should not translate into margin loss during currency downturns.

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7. Inventory Management and Protection Against Foreign Exchange Risk

The decision about how much and when to buy is closely linked to negotiation. In periods of high prices
Given the dollar exchange rate, it's common for retailers to anticipate purchases to avoid announced price increases. Lee,
Padmanabhan and Whang (1997) showed that price variations are among the causes of the so-called
The bullwhip effect is a phenomenon whereby small fluctuations in final demand are amplified over time.
chain. When the price fluctuates, buyers place larger orders during periods of low prices and
They reduce orders later, generating artificial demand spikes that disrupt production, and
Logistics and supplier inventories. In the imported beverage market, announcements of price adjustments
High exchange rates produce exactly this type of behavior, with costs for all links in the chain.
Classical inventory management theory offers tools for dealing with this dilemma. Silver, Pyke
Peterson (1998) discusses models that balance ordering, maintenance, and shortage costs, and
They show that safety stock should reflect the variability of demand and replenishment lead time.
For imported products, the replenishment time is long and uncertain because it involves transportation.
international, customs clearance and any supply restrictions at the origin. Added to
Price volatility, this uncertainty tends to increase the desirable safety stock level, but also
It increases immobilized capital. Advance purchase is only justified when the expected gain from the...
Protection against high voltage outweighs the cost of charging and the risk of obsolescence or subsequent decline.
of the quotation.
Chopra and Meindl (2016) highlight that inventory decisions should be coordinated with suppliers.
to avoid distortions. Mechanisms such as the sharing of demand forecasts, the
Delivery schedules throughout the period and pricing agreements valid for defined windows.
They reduce the incentive for speculative purchases. For the imported beverage retailer, negotiating a
Scheduling orders with a locked-in price for a few months can be more advantageous than buying.
a large batch at once. This arrangement protects against some of the exchange rate increase, preserves cash and
It offers the importer predictability to plan their own purchases abroad and their
foreign exchange transactions, which tends to improve the conditions offered.
Protection against exchange rate risk can also be obtained through financial instruments. Froot,
Scharfstein and Stein (1993) argued that risk management adds value when financing
External protection is more expensive than internal protection because it ensures the company has its own resources.
available for investment even after adverse shocks. Allayannis and Ofek (2001), in studying
Large non-financial companies in the United States have found that the use of currency derivatives
was associated with reduced exposure to exchange rates, indicating predominantly targeted use for
Protection, not speculation. Although forward contracts and options are less accessible to small investors.

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For retailers, the logic of protection can be incorporated into negotiation, for example, by transferring to...
The importer, in exchange for remuneration, assumes part of the risk through fixed prices.
Allayannis, Ihrig, and Weston (2001) showed that operational protection strategies, such as
Geographic diversification works best when combined with financial instruments.
Applying this reasoning to the beverage retail sector, operational protection includes diversifying product sources.
of products, balance the mix between imported and domestic products, and adjust the inventory policy to the phase of
exchange rate cycle. Negotiation becomes the space where these strategies are put into practice, through
of price clauses, delivery schedules, deadlines, and volume commitments. The more the
The more a company understands its own exposure, the more clearly it can identify which risks it should take.
to assume which ones can be shared with the supplier and which ones must be transferred to third parties.

8. Long-term relationship, trust, and diversification of the mix.

The instruments described in the previous sections depend on an element that is difficult to formalize in
contract, which is the trust between the parties. Morgan and Hunt (1994) proposed that commitment
Trust and confidence are central variables for the success of business relationships, and they tested the model.
with independent tire dealers in the United States. The results indicated that these
Variables that favor cooperation, reduce the propensity for rupture, and decrease uncertainty between
The parties. In the imported beverage retail sector, where currency shocks force renegotiations.
Frequent, trust-based relationships allow these reviews to occur with less
friction, with more transparency about costs and a greater willingness on both sides to find solutions.
intermediate solutions.
Ganesan (1994) specifically investigated the relationship between retail shoppers and their
suppliers and found that long-term guidance depends on mutual trust and
Interdependence between the parties. Trust, in turn, is built upon the partner's reputation.
from accumulated experience and the perception that specific investments have been made in the relationship.
These findings help explain why suppliers tend to offer differentiated conditions.
such as prioritizing supply during periods of scarcity or offering flexibility in deadlines to customers with
Consistent payment and partnership history. Buyer behavior over time.
Normal operations therefore function as an investment that yields returns during crises.
Dyer and Singh (1998) expanded this discussion by proposing the relational view of competitive advantage.
According to the authors, companies can obtain relational rents, that is, gains that none of them...
would be able to independently, based on specific assets of the relationship, establish sharing routines for
knowledge, complementary resources, and effective governance mechanisms. Applied to

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In this segment, this perspective suggests that the exchange of information about product turnover and behavior...
Consumer data and exchange rate prospects between retailers and importers can lead to better decisions.
For both. The importer who knows the real retail demand plans their purchases better in
abroad, and the retailer who is aware of the importer's restrictions anticipates price and cost movements.
availability.
Diversifying the product mix complements the relationship strategy. Zeithaml (1988) showed that
The consumer evaluates the value of a product based on the relationship between perceived quality and the...
The sacrifice required includes the price. When the dollar rises, it increases the price of imported labels,
Some consumers may switch to alternatives that offer similar perceived quality.
at a lower price. The growth in the domestic supply of quality spirits and wines expands these
alternatives. For the retailer, incorporating these products into the portfolio reduces dependence on
Suppliers are subject to exchange rate fluctuations, increasing their bargaining power, in line with the observation that
Porter (1979) on the role of substitutes in limiting the power of suppliers.
The combination of relationship building and diversification, however, requires balance. An expansion
An excessive number of suppliers can dilute the volume negotiated with each one and weaken the...
relationship with strategic partners, which contradicts Kraljic's (1983) recommendation for items
Critical factors. On the other hand, excessive concentration increases vulnerability to shocks and loss of...
bargaining power. The solution suggested by the reviewed literature is to differentiate the treatment according to
the position of each item in the portfolio, maintaining deep partnerships with product suppliers.
strategic and leverage competition among suppliers in key areas. In this way, the
Trust becomes a targeted asset, not an indiscriminate commitment to all partners.

CONCLUSION

This article sought to understand how negotiating with suppliers can reduce...
Exposure of retailers and distributors of imported beverages to exchange rate volatility. The analysis of
Official data from the Central Bank showed that, between 2015 and 2025, the average monthly dollar exchange rate was more than
doubled, and movements exceeding 3% in a single month occurred in about a third of
period. This environment makes the view of negotiation as a one-off dispute over price insufficient and
It requires an approach that integrates economics, finance, logistics, and behavior.
The literature on exchange rate pass-through indicates that the transmission of exchange rate variations to prices is, in
In general, it is incomplete and depends on the market structure, the currency of invoicing, and the stage of the cycle.
economic. This characteristic reveals the division of the shock between manufacturer, importer, and retailer.
It is partially negotiable. For the buyer, the choice of the reference currency, the timing of

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Price setting and the existence of revision clauses are variables as relevant as the discount.
obtained with each order.
The structure of the imported beverage channel, characterized by the concentration of brands in large groups.
And the exclusive involvement of importers tends to favor suppliers. The matrix of
Kraljic offers a way to address this asymmetry by differentiating treatment according to...
The impact and risk of each item. Periodic review of this classification is especially important.
in a currency exchange context, because currency devaluation can quickly alter a position.
The product in the portfolio and, with it, the most appropriate negotiation stance.
Negotiation theory has shown that more resilient agreements result from integrative processes, in
Which parties broaden the agenda beyond the unit price. Knowledge of their own
alternatives, defining an updated reservation price and paying attention to anchoring effects
They allow the buyer to negotiate with greater security. The preparation, supported by exchange rate data,
Turnover and costs transform the purchasing meeting into a value-building space, reducing the
reliance on unilateral concessions.
In the financial field, the payment term proved to be a primary variable. Credit
Commercial financing functions as a means of providing financing for companies with limited access to bank credit, and the
The cash conversion cycle connects deadlines, inventory, and profitability. The supply chain-oriented approach.
The supply chain suggests that funding should be allocated to whoever has the lowest cost of capital, the
which opens up space for negotiations in which longer timeframes are traded for volume, predictability and
regularity of payment.
Inventory policy should be coordinated with negotiations to avoid fears of a rising dollar.
Provoke speculative buying and amplify the bullwhip effect. Priced delivery schedules.
locked by defined windows, sharing of forecasts and careful calculation of the cost of
Loading offers alternatives to the advance purchase of large lots. Currency hedging, still
which is not easily accessible through financial instruments for smaller companies, can be incorporated into
contracts through fixed prices and risk-sharing clauses.
Trust and commitment between buyers and suppliers have emerged as essential conditions.
so that these instruments would function. Long-term relationships reduce friction between
Renegotiations encourage the sharing of information and can generate relational income that
Neither party could achieve this alone. Diversification of the mix of quality domestic products.
This strategy is complemented by expanding the retailer's alternatives and limiting the power of suppliers.
Subject to exchange rate fluctuations, provided that it does not dilute the relationship with strategic partners.
As a research agenda, it is recommended to conduct empirical studies using primary data from
Brazilian importers, distributors, and retailers, capable of estimating the specific exchange rate pass-through.

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for imported beverages and to test the propositions formulated here. Comparative case studies
They could investigate which combinations of deadlines, inventory, contractual clauses, and relationships...
They produce better results at different stages of the exchange rate cycle. From a management perspective, the
The main contribution of this work is to show that, for small and medium-sized enterprises, negotiating
Having a good relationship with suppliers is a financial and strategic decision that directly influences...
Business survival.

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