



School of Social Sciences

M.Sc. in Supply Chain Management

Postgraduate Dissertation

Negotiating with monopoly suppliers. A critical analysis of
strategies and outcomes

Isidora Triantafyllou

Supervisor: Prof. Kalliopi Kravari

Patras, Greece, June 2024

Theses / Dissertations remain the intellectual property of students (“authors/creators”), but in the context of open access policy they grant to the HOU a non-exclusive license to use the right of reproduction, customization, public lending, presentation to an audience and digital dissemination thereof internationally, in electronic form and by any means for teaching and research purposes, for no fee and throughout the duration of intellectual property rights. Free access to the full text for studying and reading does not in any way mean that the author/creator shall allocate his/her intellectual property rights, nor shall he/she allow the reproduction, republication, copy, storage, sale, commercial use, transmission, distribution, publication, execution, downloading, uploading, translating, modifying in any way, of any part or summary of the dissertation, without the explicit prior written consent of the author/creator. Creators retain all their moral and property rights.



Negotiating with monopoly suppliers. A critical analysis of strategies and outcomes

Isidora Triantafyllou

Supervising Committee

Supervisor:

Prof. Kalliopi Kravari
School of Social Sciences
Hellenic Open University

Co-Supervisor:

Prof. Michail Geranios
School of Social Sciences
Hellenic Open University

Patras, Greece, June 2024

*This thesis is dedicated to
My family
&
The Professors of SCM-HOU*

Abstract

This thesis provides a critical analysis of negotiation dynamics with monopolistic suppliers, highlighting the challenges negotiators face and the strategies that can lead to successful outcomes. Limited choice of suppliers, price rigidity and power imbalance favoring monopolistic suppliers are some of the key difficulties identified, which make negotiations more complex without leading to satisfactory agreements.

The investigation of efficient bargaining strategies in monopoly markets is the subject of this paper. Including strengthening the negotiators' position by analyzing the market, the art of problem-solving using win-win approaches and creating value in collaborative relationships.

This work enhances negotiation theory by clarifying the challenges of negotiating with monopoly suppliers and providing a roadmap for practitioners to effectively manage these difficult negotiations. The findings offer practical guidance for negotiations in various sectors, promote adaptive strategies that align with the realities of monopolistic markets and highlighted the necessity of strategic negotiation as an essential skill for achieving positive outcomes.

Keywords

Monopoly Suppliers, Negotiation Strategies, Supply Chain Management, Market Power, Collaborative Problem-Solving, Organizational Performance

Διαπραγμάτευση με Μονοπωλιακούς Προμηθευτές. Μια κριτική ανάλυση με στρατηγικές και αποτελέσματα

Ισιδώρα Τριανταφύλλου

Περίληψη

Αυτή η Διπλωματική Εργασία παρέχει μία κριτική ανάλυση της δυναμικής των διαπραγματεύσεων με μονοπωλιακούς προμηθευτές, αναδεικνύοντας τις προκλήσεις που αντιμετωπίζουν οι διαπραγματευτές και τις στρατηγικές που μπορούν να οδηγήσουν σε επιτυχή αποτελέσματα. Περιορισμένη επιλογή προμηθευτών, ακαμψία τιμών και ανισορροπία ισχύος υπέρ των μονοπωλιακών προμηθευτών είναι μερικές από τις κύριες δυσκολίες που προσδιορίζονται, οι οποίες κάνουν τις διαπραγματεύσεις πιο πολύπλοκες χωρίς να οδηγούν σε ικανοποιητικές συμφωνίες.

Η διερεύνηση αποτελεσματικών στρατηγικών διαπραγμάτευσης σε μονοπωλιακές αγορές είναι το αντικείμενο αυτής της εργασίας. Περιλαμβάνει την ενίσχυση της θέσης των διαπραγματευτών μέσω ανάλυσης της αγοράς, την τέχνη της επίλυσης προβλημάτων χρησιμοποιώντας αμοιβαία επωφελείς προσεγγίσεις και τη δημιουργία αξίας σε συνεργατικές σχέσεις.

Αυτή η εργασία ενισχύει την θεωρία των διαπραγματεύσεων διευκρινίζοντας τις προκλήσεις της διαπραγμάτευσης με μονοπωλιακούς προμηθευτές, παρέχοντας έναν οδηγό για τους επαγγελματίες να διαχειριστούν αποτελεσματικά αυτές τις δύσκολες διαπραγματεύσεις. Τα ευρήματα προσφέρουν πρακτική καθοδήγηση για διαπραγματεύσεις σε διάφορους τομείς, προωθώντας προσαρμοστικές στρατηγικές που εναρμονίζονται με την πραγματικότητα των μονοπωλιακών αγορών και υπογραμμίζουν την αναγκαιότητα στρατηγικής διαπραγμάτευσης ως ουσιαστικής δεξιότητας για την επίτευξη θετικών αποτελεσμάτων.

Λέξεις κλειδιά

Μονοπωλιακοί Προμηθευτές, Στρατηγικές Διαπραγμάτευσης, Διαχείριση Εφοδιαστικής Αλυσίδας, Δύναμη Αγοράς, Συνεργατική Επίλυση Προβλημάτων, Οργανωτική Απόδοση

Table of Contents

Abstract	v
Περίληψη.....	vi
Table of Contents	vii
List of Figures	ix
List of Tables.....	x
List of abbreviations & Acronyms	xi
1. Introduction.....	1
1.1 Background on Monopoly Suppliers.....	1
1.2 Importance of Negotiation in this context	2
1.3 Objectives of this work.....	3
2. Literature Review	3
2.1 Monopoly theory and its implications for negotiations	3
2.1.1 Monopoly Supplier meaning.....	3
2.1.2 Negotiation Power and how monopoly affects it.....	4
2.1.3 Factors that Strengthen or Weaken the buyer’s Bargaining position.....	4
2.1.4 Previous Studies on Negotiating with Powerful Suppliers	6
2.2 Main Difficulties in negotiating with monopolistic suppliers.....	8
2.2.1 Lack of Alternatives and the Imbalance of Power	8
2.2.2 Limited Transparency, Information Assymetry and Price Control.....	9
2.2.3 Supply Interruption threat and long-term dependency risks	10
2.2.4 Examples of businesses that deal with difficulties in negotiating.....	12
2.3 Negotiation Strategies	13
2.3.1 Long-term Relationships	14
2.3.2 Value Creation Approaches	14
2.3.3 Hybrid Approaches	15
2.3.4 Risks and Limitations in Strategies.....	15
2.3.5 Risk Management Strategy	16
2.4 Factors Influencing Negotiation Outcomes	17
2.4.1 Company Size and Resources	18
2.4.2 Negotiators’ skills and experience	18
2.4.3 Culture.....	18
2.4.4 External Market Conditions	19
2.5 Strategies for Negotiations with Monopoly Suppliers: Insights from Literature and relevant Case studies	20
2.5.1 Strong Alternatives.....	20
2.5.2 Leveraging information assymetry	21
2.5.3 Value Creation	21
2.5.4 Build Strategic Relationship	21
2.5.5 Leverage Regulatory and public pressure	22
2.5.6 Collaborative Problem-Solving.....	22
2.5.7 Leveraging Smart Contracts and Blockchain Technology.....	23

3. Research Methodology.....	23
3.1 Method Selection	24
3.2 Data Collection.....	24
3.3 Data Analysis	33
4. Results	34
4.1 Demographic Information	34
4.2 Dealing with Monopoly Suppliers	36
4.3 Negotiation Strategies	37
4.4 Main Difficulties in negotiations with Monopoly Suppliers.....	41
4.5 Outcomes.....	43
4.6 Additional feedback on negotiations with monopoly suppliers	47
5. Discussion	47
5.1 Demographic Information	47
5.2 Dealing with Monopoly Suppliers	50
5.3 Negotiation Strategies	52
5.4 Main Difficulties in negotiations with Monopoly Suppliers.....	57
5.5 Outcomes.....	61
5.6 Cronbach’s Alpha Analysis.....	66
6. Conclusion.....	67
6.1 Summary of this work	67
6.2 Future work	69
References.....	70
Appendix A: Questionnaire.....	78

List of Figures

Figure 1, Gender Information of the participants that completed the survey	48
Figure 2, Age group of the participants completed the survey	48
Figure 3, Education level of the participants completed the survey	49
Figure 4, Participants' professional Department	49
Figure 5, Seniority Level of the participants that completed the survey	50
Figure 6, Years of experience of the participants in Supply Chain Activities	50
Figure 7, Responses related to dealing with Monopoly Suppliers	51
Figure 8, Responses related to the importance of strategies when negotiating with Monopoly Suppliers	52
Figure 9, Response related to Effective Strategies in managing risks and building resilience when dealing with monopoly suppliers	53
Figure 10, Responses related to the Use of strategies from the participants when negotiating with monopoly suppliers	55
Figure 11, Responses related to effective tactics used by participants in negotiations	56
Figure 12, Participants' responses related to the importance of strategies in managing long-term relationships with monopoly suppliers	57
Figure 13, Responses related to challenges when negotiating with monopoly suppliers	58
Figure 14, Responses related to Dominant Supplier behaviors during negotiations	59
Figure 15, Responses related to participants' considerations regarding main difficulties in negotiations with Monopoly Suppliers	60
Figure 16, Participants' responses related to effective factors to achieve favorable outcomes when negotiating with monopoly suppliers	61
Figure 17, Responses in practices implemented within organizations that contribute to achieving favorable negotiation outcomes	62
Figure 18, Responses related to the impact of negotiations with Monopoly Suppliers on Organizational Business Performance	63
Figure 19, Responses related to Emerging Approaches for Future Negotiations with Monopoly Suppliers	64
Figure 20, Participants' responses related to their overall outcomes	65
Figure 21, Responses related to Participants' organization's long-term strategic planning for dealing with monopoly suppliers	66

List of Tables

Table 1, Objectives of this work	3
Table 2, Framework of the survey	33
Table 3, Cronbach's Alpha Range	34
Table 4, Gender Information of the participants	35
Table 5, Age group Information of the participants.....	35
Table 6, Education Level Information of the participants	35
Table 7, Department where participants work	35
Table 8, Level Seniority of the participants	35
Table 9, Years of experience in Supply Chain Operations	36
Table 10, Statements related on Dealing with Monopoly Suppliers.....	37
Table 11, Importance of strategies when negotiating with Monopoly Suppliers	38
Table 12, Effective Strategies in managing risks and building resilience when dealing with monopoly suppliers	38
Table 13, Use of strategies from the participants when negotiating with monopoly suppliers	39
Table 14, Effective tactics in negotiations	40
Table 15, Importance of strategies in managing long-term relationships with monopoly suppliers	40
Table 16, Challenges when negotiating with monopoly suppliers	41
Table 17, Dominant Supplier behaviors during negotiations.....	41
Table 18, Considerations regarding main difficulties in negotiations with Monopoly Suppliers.....	43
Table 19, Effective factors to achieve favorable outcomes when negotiating with monopoly suppliers	44
Table 20, Practices implemented within organizations that contribute to achieving favorable negotiation outcomes	44
Table 21, Impact of Negotiations with Monopoly Suppliers on Organizational Business Performance	45
Table 22, Emerging Approaches for Future Negotiations with Monopoly Suppliers	45
Table 23, Participants' overall outcomes	46
Table 24, Participants' organization's long-term strategic planning for dealing with monopoly suppliers	47
Table 25, Comments / Feedback.....	47
Table 26, ANOVA two factor without replication analysis for the survey	67

List of Abbreviations & Acronyms

BATNA	Best Alternatives to a Negotiated Agreement
AWS	Amazon Web Services
EU	European Union
R&D	Research & Development
MSc	Master of Science
PhD	Doctor of Philosophy

1. Introduction

1.1 Background on Monopoly Suppliers

In the realm of business, monopolies extend far beyond their board game namesake, presenting a multifaceted array of challenges and possibilities. This thesis critically examines the negotiation strategies employed by firms when engaging with monopoly suppliers, highlighting the intricate dynamics at play. Unlike the board game Monopoly, where outcomes are often swayed by chance, real-world negotiation with monopoly suppliers demands strategic acumen, adept negotiation skills, and a profound comprehension of market forces (Raiffa, 2007). The power dynamics inherent in these negotiations are pivotal, as they shape the resultant terms and conditions for both the supplying monopolists and the procuring companies (Kim et al., 2005). In this research, through a detailed analysis, we will try to unravel the complexities and the outcomes that characterize these negotiations.

A monopoly supplier is one that controls the sole source of a particular product or service in a market (Calabresi & Price, 2012). The dynamics of business negotiations are significantly affected by this exclusivity in supply control.

The concept of monopoly has been the subject of economic study for centuries, with scholars such as Adam Smith and John Stuart Mill, providing early insights into the effects of such markets (Muthoo, 1999). In contemporary markets, monopolies could arise from various factors, including natural monopolies in industries, where the fixed cost is high, legal monopolies through generated patents or government regulation along with economic barriers to entry that limit (Kovac et al., 2007).

Monopoly suppliers vary across industries, with notable examples in sectors such as technology, utilities and pharmaceuticals. There is an increasing trend of market concentration in which a few firms control the largest share of their market (Inderst & Wey, 2003). In this way, their power in negotiations and pricing decisions has significant implications for businesses.

Additionally, monopolies can reduce market efficiency, stifle innovation, and negatively impact consumer welfare through higher prices and limited choices (Braid & Shalder, 2015). Antitrust authorities through various measures such as enforcement of antitrust laws,

restrictions on mergers and acquisitions, as well as promotion of competition, have tried to address these concerns (Spulber, 2021).

A firm's ability to secure favorable terms and maintain a competitive advantage are some of the multifaceted challenges that faces due to the power imbalance (Nyaga et al., 2013). This often leads to complex and high-risk negotiations that buyers must carefully navigate to protect their interests while maintaining key supplier relationships (Alavoine & Estieu, 2015).

1.2 Importance of Negotiation in this context

Negotiations are of the utmost importance for businesses, as well with monopolistic suppliers, as the results can have a far-reaching impact on their overall performance and competitiveness. Effective negotiations can enable businesses to create favorable terms and drive organizational success (Kim et al., 2005). On the other hand, ineffective negotiations can lead to increased costs, supply chain disruptions and loss of market share, ultimately undermining the long term viability of the business (Atkin & Rinehart, 2006).

Several key factors underline the importance of negotiation in this context:

- **Power Dynamics:** The power imbalance requires skilled negotiations to level the playing field. Strategic negotiation tactics should be used to offset supplier dominance and achieve fairer outcomes (Mediavilla et al., 2019).
- **Cost Management:** Since monopolistic suppliers often have significant pricing power, skilled negotiators could potentially secure better prices, payment terms or value-added services that can significantly benefit their company's financial performance (Krause et al., 2006).
- **Supply Chain Stability:** In the event that an alternative supplier cannot be found, maintaining a stable and reliable supply is critical. Building and maintaining long-term relationships ensures consistent supply and mitigates disruption risks (Gurtu & Johny, 2021).
- **Innovation and Quality:** Buyers inducing monopolistic suppliers, through strategic negotiation, to improve product quality or invest in innovations will likely lead to better products or services that benefit both parties (Inemek & Matthyssens, 2013).

- Risk Mitigation: Buyers can protect their company's interests by entering into agreements that provide recourse against adverse supplier performance to mitigate various risks (Steinle & Schiele, 2008).

1.3 Objectives of this work

As we mentioned, the primary objective of this work has been to examine the complexities and challenges in negotiations with monopoly suppliers, as well as to identify effective strategies for better outcomes.

To ensure the successful achievement of this goal, I have set the two following specific objectives with clear direction and measurable milestones.

OBJECTIVES	
OBJ. 1	Identify the main difficulties negotiators face when dealing with monopolistic suppliers. The aim is to uncover and analyze the key challenges and obstacles that may arise in monopoly supply negotiations
OBJ. 2	Determine the most effective negotiation strategies for engaging with monopolistic suppliers. The aim is to evaluate various approaches and tactics, identifying those proven to achieve favorable outcomes when negotiating under monopolistic conditions.

Table 1, Objectives of this work

2. Literature Review

2.1 Monopoly theory and its implications for negotiations

2.1.1 Monopoly supplier meaning

The products or services provided by monopolistic suppliers have no similar substitutes (Sjoerdstra, 2016). Also, monopolies do not allow entry into their market and in this way protect their position without leaving room for competition (Habib et al., 2015).

This is also the defining characteristic of a monopoly, the lack of competition (Varian, 2014). Monopoly suppliers are not responsible for the prices, but act factorially as a price creator, adjusting it as to maximize their own profits (Peleckis, 2016).

The presence of a monopoly significantly affects the overall efficiency and welfare of the market (Varian, 2014). Limiting production increases its profits as it usually leads to higher prices and can lead to misallocation of resources and of goods (Sjoerdstra, 2016).

2.1.2 Negotiation Power and How Monopoly Affects It

Bargaining power is unbalanced between the monopoly supplier and the buyer (Habib et al., 2015). Since, the supplier is the only one who can provide the good or service, the buyer has limited power to negotiate terms of the transaction (Peleckis et al., 2017).

The advantage of the single source of the product or service, the monopolist could dictate the terms of the exchange, including pricing, quantities, and delivery schedules. Since the monopolistic controls over the market, eliminating any meaningful competition, the options for buyer to find alternative suppliers are limited (Peleckis et al., 2017).

The buyer's dependence on the monopolist further weakens its power (Atkin & Rinehart, 2006). The monopolist knowing this dependence, has the power to impose higher prices or unfavorable terms or even to limit the buyer's access to the product. Also, finding an alternative supplier could be time-consuming and costly (Varian, 2014).

In summary, the presence of a monopoly supplier significantly alters the balance of bargaining power in favor of the monopoly. The buyer's ability to negotiate favorable terms is severely limited, as the monopoly can leverage its market dominance to dictate the terms of the transaction (Peleckis, 2016).

2.1.3 Factors that Strengthen or Weaken the Buyer's Bargaining Position

Various factors affect the buyer's negotiating position and power, which can either weaken or strengthen their ability for favorable terms

- **Factors that Weaken the Buyer's Bargaining Position:**

The absence of alternative suppliers is one of the most important weaknesses for buyers who trades with monopoly suppliers (Brett & Thompson, 2016). The monopolist gains significant power in this case and the buyer will be forced to accept the supplier's terms, which are often unfair. The level of uniqueness or necessity of the product for the buyer creates even greater power for the supplier (Habib et al., 2015).

For critical materials or services that are necessary in production and the buyer relies on the supplier, it will not be able to aggressively negotiate so as not to jeopardize its supply chain (Gandhi & Gandhi, 2021).

On the other hand, in some critical materials regarding the production process, the buyer may be more tolerant of price changes, due to the level of necessity or if there is a high profit margin. This could allow the supplier to increase the prices, which again weakens the position of the buyer (Sjoerdstra, n.d.).

In addition, the buyer's ignorance of market conditions and trends, along with pricing criteria and reports of the materials industry adversely affects his position. (Smeltzer et al., 2003). If there is a lack of knowledge or information about the purchase prices regarding the relevant materials, the buyer may accept unfavorable terms and prices from the monopolist supplier (Weiss, 2017).

If the buyer belongs to a non-united market with many small buyers, his position is already weakened. In this way, the collective bargaining power will not exist so again the supplier have the upper hand (Inderst & Wey, 2003).

- **Factors that Strengthen the Buyer's Bargaining Position:**

Alternative materials or services could enhance the buyer's bargaining position. By finding alternatives or acceptable substitutes, dependence on the monopoly is reduced (Varian, 2014). This gives the buyer the upper hand in bargaining power as they will have more flexibility. Different material technologies or product variants from other suppliers could strengthen its position and even improve the quality of the final product of its production (Alavoine & Estieu, 2015).

The ability to buy in bulk is another factor that could improve the buyer's bargaining position. Large orders always have the prospect of better terms and prices (Peleckis et al., 2017).

This could be an effective strategic negotiation, because a deeper relationship with the supplier also created. By agreeing to long-term contracts with fixed quantities, prices are also stabilized and there is flexibility in terms (Muthoo, 1999).

If the production requirements do not allow to the buyer to proceed with large quantities, a good move would be to join other buyers interested in the same products and form buying groups. So again there will be increase bargaining power against the monopolistic supplier and they will be able to put pressure on the supplier. (Inderst & Wey, 2003).

If the buyers' market position allows it, they could take advantage of it to show their strength to the supplier. They could create a negative impact in suppliers' reputation with a sale that was not within quality specifications and thus could require better terms and prices (Brett & Thompson, 2016).

Finally, the buyer's bargaining power could be strengthened by government intervention (Spulber, 2021). If the monopolist's practices are seen as harmful to the market, the government may take action through antitrust laws, enforcing control in prices or adopting other regulatory measures (Calabresi & Price, 2012).

2.1.4 Previous Studies on Negotiating with Powerful Suppliers

The topic of bargaining with monopoly suppliers has attracted the attention of academic scholars. In this section we will attempt to summarize key findings from previous studies and explore strategic approaches and tactics suggested for buyers in the face of monopoly challenges.

The role of purchasing power in negotiation also dominates the literature. Gundlach and Murphy, investigating the negotiation strategies used by buyers, argue that the results of the negotiations are significantly influenced by the strategy that will be chosen. From their study, the following six basic strategies are identified: competitive and cooperative negotiation, coercive tactics, avoidance, adaption and responsive negotiation. Using collaborative strategies often secures better terms than those with a more aggressive nature as well as maintaining the value of relationship management (Gundlach & Murphy, 1993) According to Carr and Smeltzer (1997), when buyers have to deal with a power supplier, a strategic partnership, leveraging their own sources of power, can serve to measure the supplier's dominance (Carr & Smeltzer, 1997).

Purchasing power is mentioned by Porter as one of the five forces shaping competition in an industry. According to Porter, the centralized association of buyers, large orders volumes and undifferentiated products enhance their power (Porter, 1998). The same is supported by empirical research that shows that effective negotiation can be achieved, even in monopolistic scenarios with the concentration of buyers. For example, through consortia or industry associations (Thomas et al., 2013).

“Portfolio Management” was explored in Gelderman and Van Weele’s study of the buyer-supplier relationship. By categorizing suppliers according to their strategic importance and their dependence on those suppliers, the scholars recommend that buyers adopt strategic cooperation to create mutually beneficial agreements and solve problems together (Gelderman & Van Weele, 2002).

Balancing the power dynamic by developing alternative materials or leveraging their own resources is paramount to buyers satisfaction and successful performance as emphasized by Benton and Maloni (Benton & Maloni, 2005)

Better long-term results could be achieved by building strong trusting relationships with suppliers, according to Caniels and Gelderman. Instead of using competitive tactics, a cooperative relationship could bring the ability to negotiate more favorable terms, improved pricing and quality in services and materials within monopoly (Caniëls & Gelderman, 2005). Likewise, Nyaga highlighted the significance of sharing information and collaborating to solve problems in festering cooperative and mutual beneficial relationships with dominant suppliers (Nyaga et al., 2013).

Belkin’s study emphasizes that the tone used in the negotiation process is very important. The tone and style used by the buyer during the negotiation significantly affects the way the supplier perceives the messages that he receives. An effective tone will transfer messages of certainty and confidence, for example. The authors propose negotiation in digital context as well (Belkin et al., 2013). Kaufmann, Schreiner and Reimann examine the concept of narrative frames as a critical element of negotiation processes between buyers and suppliers. Luntz points out that narratives are also strategic tools that shape the perceptions, expectations and actions of both parties involved in the negotiation. Also, through narratives, buyers could strengthen their negotiation position and influence supplier’s decision-making processes. Their research offers valuable insights in psychological and communicative aspects of negotiation, underlining the importance of narrative skill as a tool to achieve effective outcomes from the negotiation (Kaufmann et al., 2023).

The necessity of e-procurement tools is emphasized in Knudsen study. By using these tools, the buyer acquires the knowledge he needs for the supplier and for the market conditions so that having a clear picture they could manage the data to their advantage and enhance the effectiveness of their negotiations. This knowledge along with the chosen strategy, the buyer could develop a dynamic negotiation strengthening his position and power (Knudsen, 2003). Additionally, Bakogiannis et al, in their study show how advanced technologies such as blockchain can significantly enhance negotiations by providing transparency and accountability in supplier relationships. They argue that blockchain can challenge monopolistic behaviors, allowing buyers to build trust and negotiate more fairly, even with powerful suppliers. (Bakogiannis et al., 2020).

2.2 Main difficulties in negotiating with monopolistic suppliers

As we mentioned above, maintaining operational flexibility, ensuring reliable supply and competitive prices are the goal of every negotiator (Peleckis, 2016). Monopoly dominance in the market leaves little room for the buyer to negotiate and the power imbalance is further exacerbated by the absence of alternative suppliers, further increasing the buyer's dependence on the supplier (Vafin, 2017).

2.2.1 Lack of alternatives and the Imbalance of Power

Of utmost importance is the lack of alternatives for buyers when dealing with monopolistic suppliers. In monopolistic markets buyers are in a precarious position with limited choices. Limited choices increase the buyer's dependence on critical goods or services and this is the reason they may receive unfavorable terms (Habib et al., 2015).

The negative effects of this psychological burden on buyers affect, in addition to the direct impact of negotiations, to the overall competitiveness in the market (Peleckis, 2016).

The significant dominance of the supplier can often drive to terms that are not in line with the market rates. Along with the inability to find alternative solutions, buyers will have to face with the new reality of the monopolistic supplier that further limits their power to effectively claim their needs. This further strengthens the supplier's position in the negotiation since there is no incentive to cooperate or satisfy the buyer's request (Peleckis

et al., 2017). Managing the significant risks associated with the lack of alternatives supply option is now a requirement (Peleckis, 2016).

Assessing and understanding buyer's bargaining position becomes critical to shaping negotiations and setting expectations about potential outcomes (Muthoo, 1999). Under these circumstances the buyer needs to secure an agreement to meet their needs, but will likely accept terms and compromises that may not align with their interests (Peleckis, 2016).

The interplay between the power of buyers and the incentives of monopoly suppliers means that negotiations are often conducted in a context that favors the supplier excessively. As a result, buyers often negotiate from a position of weakness, making it imperative to understand the limited margins that result from a lack of alternatives (Baber & Fletcher-Chen, 2020).

2.2.2 Limited Transparency, Information Asymmetry and Price Control

An additional major challenge to negotiations with monopoly suppliers is the lack of transparency and the pricing control by suppliers. As a sole provider of a critical material or service, the monopolist has a significant information advantage over the buyer (Varian, 2014). Information asymmetry limits the buyer's effective negotiation since he will not have the knowledge to correctly estimate the suppliers' cost or profit margin (Admati & Pfleiderer, 1986).

The ability to set prices unilaterally restricts buyer options and undermines the competitive bidding process that typically helps balance pricing in more competitive markets (Florijn et al., 2024). Since there are no data for the buyer to compare purchases or other pricing, he couldn't effectively negotiate and evaluate the prices given by the supplier (Admati & Pfleiderer, 1986).

When information and transparency are not included at the same levels for the buyer as the supplier, the challenges are great. There is no possibility to analyze and compare with the past prices and the risk of binding agreements for the buyer increases ((Moosmayer et al., 2013).

In monopolistic markets, price control is affected not only by limited transparency but also by regulatory frames. Negotiation is very important in areas such as patent licensing. Buyers knowing how regulations affect them, may feel that they must accept the terms set by suppliers in order to gain access to essential goods or services. This regulatory pressure

combined with suppliers' control over prices, leads buyers to often accept unfavorable terms which strengthens monopoly power in the market (Spulber, 2021).

As a result of the transparency absence, there is a possibility that instead of the two parties building trust, the negotiations turn into competition (Kim et al., 2005). This increase of the power imbalance in monopolistic context, leading to consolidation of supplier power (Atkin & Rinehart, 2006).

If buyers perceive that there is a lack of transparency from the supplier, it is likely that they will not want to continue in productive negotiations, questioning the proposed terms. This is how buyer-supplier relationships break down (Brett & Thompson, 2016).

As long as the supplier manipulates critical information and pricing structures while the buyer does not, an environment is maintained where the prices are not contested and negotiations are only effective for the monopoly (Peleckis et al., 2017).

In cases where suppliers have monopoly control, they have the ability to earn excess profits, known as monopoly rents. These profits arise because suppliers can set prices without worrying about competition, which makes it more difficult for buyers. This economic reality creates challenges for buyers and also highlights the importance of transparency and price regulation (Braido & Shalders, 2015).

The rarer something is, the more valuable is. This is also valid in the case of information, so when more people have access to a piece of information, it loses its value (Admati & Pfleiderer, 1986). So, as long as the monopolistic supplier holds this information, its value translates into excess profits at the expense of buyers, who do not know and cannot assess the supplier's performance and profitability. The ability to negotiate fairly affects their relationship (Smeltzer et al., 2003).

2.2.3 Supply interruption threat and long-term dependency risks

Many times, a monopolistic supplier's bargaining position allows to threaten the buyer with a disruption. The buyer's dependence on critical materials for its production from the supplier, gives the last the opportunity to threaten with cutoffs in order to show its strength and impose the favorable prices for its own profit (Baber & Fletcher-Chen, 2020).

If the supplier controls a critical service or good, buyers become increasingly dependent on that supplier to cover their operational needs. So, buyers will accept terms that are

unfavorable to them because of the risk of the supply disruption (Sjoerdstra, 2016). Any disruption in supply is a buyer's worst nightmare when dealing with a monopolistic supplier. The exclusive control of supplies in critical materials or service following by any disruption in that supply chain—whether due to natural disasters, production issues, or geopolitical factors—can severely impact the buyer's operations. Risks are huge due to supply disruptions to businesses. Any delay in the flow of the production process results in increased costs and possible penalties or even loses in their share market (Gandhi & Gandhi, 2021). Knowing this vulnerability, suppliers have the ability to exploit buyers in the negotiation process, offering increased prices and not favorable terms, reducing the bargaining power of buyers which are not able to request better terms (Inderst & Wey, 2003). This situation can result in suppliers having more influence over prices, delivery schedules and product quality, limited buyers' options to challenge suppliers' requirements (Peleckis, 2016).

Long term dependence on one supplier can make buyers less flexible to new market trends or innovations, as adapting to new conditions or alternative suppliers becomes more difficult (Brett & Thompson, 2016). For example, if the supplier charges high prices or cannot meet demands for fast or on time delivery, dependent buyers may not have many options and may not be able to react dynamically to the market. Thus, long term dependence may not only limit their options but also delay them in adapting to developments and new market opportunities. (Kovac et al., 2007).

In addition, buyers must assess the strength and reliability of their relationships with suppliers operating in monopolistic conditions. They need to consider how robust and secure these relationships are and anticipate potential problems that can arise from their reliance on a single supplier. That way, they can make any adjustments to ensure the mitigation of any disruption impact (Sjoerdstra, 2016).

By investing in technologies that work on a monopoly's product, the buyer will find it difficult and costly to switch to another supplier in the future. Additional costs may be required and this change may be deemed unprofitable (Gandhi & Gandhi, 2021). Thus, its dependence on this supplier grows since the buyer develops the unique know-how for the specialized products offered by the monopoly (Sjoerdstra, 2016). Financial penalties or even legal barriers may be created for the buyer by such long-term agreements and investments, preventing switching suppliers (Bjørgum et al., 2021).

2.2.4 Examples of businesses that deal with difficulties in negotiating with monopolistic suppliers

In many industries and businesses, negotiations with monopolistic suppliers have proven particularly difficult, and this highlights the practical dimension of the theoretical challenges we mentioned above. Some notable examples follow:

- **Smartphone Manufacturers and Qualcomm:**

Qualcomm is a supplier of mobile technologies and chipsets having a strong patent portfolio with which it has gained a dominant position in the mobile industry. Its monopolistic practices and unfair licensing terms have caused many of its buyers to accuse it (Chen et al., 2021)

Apple and Samsung, for which Qualcomm is a supplier that controls critical materials for their products, have been embroiled in long-running legal battles over licensing fees and patent disputes demonstrating the scale of negotiation challenges (Chen et al., 2021).

- **Airlines and Boeing/Airbus:**

One of the most competitive industries is civil aircraft manufacturing, with monopoly suppliers Boeing and Airbus. Airlines companies often face difficulties in negotiating favorable terms and conditions. According to Benfrattelo's analytical study, the power imbalance is evident since airlines have limited alternatives, mitigating their bargaining power. Some of the limitations they face are the difficulty in agreeing on favorable prices, or after sales support, their operational flexibility and cost budgeting. Consequently, their procurement strategies are further complicated by the dominant monopoly (Benfrattelo & Verde, 2024).

- **Healthcare Providers and Pharmaceutical Companies:**

Healthcare providers also face challenges in the negotiation process from pharmaceutical companies. The life cycle of drugs, therapeutic markets, regulatory frameworks and high-priced prescription drugs and constant fluctuations in drug prices are some of the challenges they have to face. Market exclusivity is high in the industry, where there is patent protection.

All indications are that healthcare providers are highly dependent on pharmaceutical companies, which makes it difficult to negotiate prices while they need to care patients using high quality products (Gronde et al., 2017).

2.3 Negotiation Strategies

There are several negotiation strategies reported in the literature, with different practices, tactics and action content. The most basic strategies are: Win-Win or integrated with the goal of creating value for both parts. Win-Lose or distributive where one party wins and the other loses. The competitive in which the profit of one party burdens the other. The cooperative in which an effort is made to meet the needs of both parties and the compromising strategy where in order to achieve an agreement both parties make mutual concessions (Thomas et al., 2013). In addition, there is the accommodating strategy where one party facilitates the other party and accepts its demands and the strategy of avoidance where it is sought to delay or to completely avoid the negotiation (Baber & Fletcher-Chen, 2020). Depending on the desired outcomes, the conditions that exist and the power dynamics that the parties have, one of the above strategies is used or they are combined (Krause et al., 2006)

The complexity increases when a strategy choice has to be made in a negotiation with a monopoly supplier due to the power imbalance (Alavoine & Estieu, 2015). The implementation of the most common win-win and cooperative strategies will may not be easy to use due to the power of the monopoly supplier (Mediavilla et al., 2019). While some practices for long term value creation or mutual benefits can be used as a sign of good cooperation (Baber & Fletcher-Chen, 2020). Although the supplier is likely to use a profitable strategy because of its dominant position, the buyer's choice of strategy should be made carefully as it is influenced by several factors. These factors may include the criticality level of provided goods or services, the ability to find an alternative material or supplier and other sources that could be used (Sjoerdsma, 2016). From the buyer's side it may be better to combine strategies and approaches, the aim of which will be the best and most beneficial results by creating safety and risks reduction (Alavoine & Estieu, 2015).

2.3.1 Long term Relationships

Willingly or not, long-term relationships are built with a monopoly supplier as the partnership is maintained for a long time due to the buyer's dependence on the demand for the material. Creating value for both parties within the long-term relationship could turn into a mutually beneficial relationship and possibly lead to more favorable terms and outcomes over time (Muthoo, 1999).

By creating a strategic partnership with the monopoly supplier, under the commitment of a contract or cooperation in product development, the buyer turns into a valuable customer for the supplier and its treatment could be more privileged with more favorable terms. (Sjoerdstra, 2016). Strategic cooperation helps in building long term relationships (Inderst & Wey, 2003).

Once buyers and suppliers communicate honestly and share data, information and knowledge, trust between them is strengthened (Alavoine & Estieu, 2015). This trust could have a positive impact on relationships, facilitating future negotiations and promoting a more cooperative approach which ultimately benefits both sides (Billings-Yun, 2010).

2.3.2 Value Creation Approaches

Following on what we mentioned earlier about exploring mutual benefits for both sides, rather than focusing on who will claim the biggest share of the "pie", buyers and suppliers can work together to find ways in order to add value to both parties using value creation approaches (Muthoo, 1999).

This may include exploring new products or services, improving processes or developing innovation solutions that will benefit both. With this value creation approach, negotiations become more collaborative and can lead to better deals for both parties, avoiding the conflicts that often arise from competitive approaches (Kovac et al., 2007).

Another strategy that can be used in negotiations is to focus on joint problem solving. When both sides work together to resolve issues, they could find solutions that reduce costs or improve performance. For example, inefficient processes that cost delays or unnecessary costs may be identified with a result for both to get benefit from the outcome (Vafin, 2017). Also, with risk sharing as an approach, they could create value in their relationship. In a partnership where both parties agree to share for example the financial results of a project

or an investment, suppliers may feel less uncertainty about the future. This may encourage them to offer better terms or prices to buyers (Vafin, 2017).

2.3.3 Hybrid Approaches

The combination of strategic approaches could be effective in negotiations with monopoly suppliers (Alavoine & Estieu, 2015). A hybrid approach, as we mentioned before, is the combination of long-term relationships with value creation (Varian, 2014).

A different hybrid approach is for the buyer to maintain a cooperative relationship with the monopoly supplier, while simultaneously looking for alternatives. This may be research into alternative suppliers or materials, or internal development of materials or services in collaboration with the RnD department (Sjoerdstra, 2016).

Buyers could take a gradual approach to negotiations, starting with small transactions that have lower risk. This strategy could help to build a positive partnership history. When buyers engage in smaller, less risky partnerships and these are successful, they create a background that can later be used as a basis for more complex negotiations. Over time, this process could strengthen the buyer's bargaining position (Vafin, 2017).

2.3.4 Risks and Limitations in strategies

In monopolistic contexts, buyers' choices are usually limited. I strongly believe, that the most critical point for buyers is to understand the risks and limitations that exists so that they have realistic expectations before entering into a negotiation. Awareness of these difficulties allows them to have in advance prepared emergency plans. This preparation could also be included in the alternatives.

The most important risk often encountered in long-term relationships and especial with monopolistic suppliers is that the degree of dependence of the buyer is greatly increased (Peleckis et al., 2017). Relying more and more on the materials provided from the supplier and alternative sources seem even more difficult, since they have tailored their processes to the demands of the monopoly supplier, without being able to identify the opportunities that may exist in the market (Sjoerdstra, 2016).

Some risks can also be encountered in value creation strategies, where the supplier due to its strong position may extract a disproportionate share of the value created and not the benefits of a faire basis that the buyer believed. This can leave buyers in a position of weakness, limiting their ability to benefit from the partnership and potentially creating frustration and mistrust between the two parties (Baber & Fletcher-Chen, 2020).

An additional limitation can be defined the transfer of knowledge to the monopolistic supplier with the aim of their better cooperation. The buyer is likely to transfer to the supplier technological knowledge or other valuable information which the supplier could use and further consolidate its position in the market (Gabuthy & Muthoo, 2018).

The regulatory framework could create constraints on the mentioned trading strategies. The aim of these regulations is to prevent excessive concentration of market power and to ansure healthy competition, so they may prevent strategies for buyers that they would like to implement (Alavoine & Estieu, 2015).

2.3.5 Risk Management Strategy

Since these risks and limitations exist, it is vital for companies dealing with monopolistic suppliers to develop comprehensive risk management strategy to minimize or even eliminate the negative outcomes of a negotiation.

Alternative Development and Diversification: One of the most important risk management strategy is to develop alternative sources (Sjoerdstra, 2016). This may involve the following:

- Investing in research and development to create substitute products or technologies
- Exploring vertical integration opportunities to reduce dependency
- Cultivating relationships with potential new market entrants or emerging competitors
- Developing internal drawings for products that allow an easier searching for alternative providers in the future

Having the above as their plan B, buyers could strength their position into a negotiation (Florijn et al., 2024).

Contract Structure and Legal Safeguards: Contracting can help reduce risks as long as they are properly structured (Sjoerdstra, 2016). Basic considerations might include:

- Establish performance indicators and quality standards along with penalties or rewards
- Establishing clear intellectual property rights and confidentiality agreements
- Incorporating dispute resolution mechanisms and exit clauses

Legal expertise should be leveraged to ensure that agreements provide adequate protection while remaining compliant with relevant regulations (Savelyev, 2017).

Information Management and Intelligence Gathering: To address information asymmetry and reduce the risk of over-dependence (Habib et al., 2015), buyers should:

- Invest in robust market intelligence capabilities
- Regularly benchmark prices and terms against industry standards
- Monitor technological trends and potential disruptive innovations
- Develop internal expertise in the supplier's domain to better understand costs and negotiation levers

This proactive approach to information management can help level the playing field in negotiations and inform strategic decision-making (Calvaresi et al., 2018).

2.4 Factors Influencing Negotiation Outcomes

There are various factors that can influence and shape the results of negotiations. These factors could significantly influence the proposed strategies used as well, so it is very important to understand them. (Billings-Yun, 2010). They are categorized into internal and external factors that may determine the course and the results of a negotiation procedure (Atkin & Rinehart, 2006).

Internal factors include negotiators' personality traits, skills and motivations. Each negotiator is distinguished by his cultural background, communication skills, negotiation style and experience and emotional intelligent. He also sets specific goals and priorities. (Brett & Thompson, 2016). External factors include all the other elements that apply at the given moment of the negotiation, from the number of parties involved, time pressures and the level of power balance, to the wider socio-political and economic environment (Krause et al., 2006). In my opinion, the combination of the internal and external factors can never be exactly the same, so each negotiation case is considered unique.

2.4.1 Company Size and Resources

The results of a negotiation with a monopolistic supplier can be significantly affected by the size of the buying company. The larger the buying company, the more purchasing power it has and this makes it an attractive customer for the supplier (Inderst & Wey, 2003).

Furthermore, large companies usually have financial power and market influence, which gives them additional bargaining power, creating a threat to the monopoly supplier (Sjoerdstra, 2016). They are also more likely to have internal expertise, which enables them to assess risks and use targeted practices and approaches in their negotiations making the monopoly lose some of its bargaining power (Peleckis et al., 2017).

On the other hand, smaller companies often have the privilege of flexibility and immediate decision-making. They could also use their know-how to create valuable proposals and become attractive to monopolistic suppliers for expansion into new sectors (Raiffa, 1982).

2.4.2 Negotiators' Skills and Experience

As we mentioned, internal factors, that is the personality of the negotiator, significantly influence the results in a negotiation. More specifically, negotiator's skills may include technical knowledge, strategic thinking, communication skills, emotional intelligence and creative solution thinking.

When the negotiator has deep technical knowledge, he can better understand the importance of material costs and potential quality issues (Peleckis et al., 2017). Experience generates strategic thinking with which future scenarios can be identified with a long-term perspective (Peleckis, 2016). Emotional intelligence and relationship-building skills work together so that the negotiator could easily read the other party and lead to increased trust and understanding with short and long-term positive results (Bjørgum et al., 2021).

2.4.3 Culture

I chose to examine culture in a different chapter, although it is included in the internal factors we mentioned earlier, I think it is a topic that is of great concern to negotiators, especially those who work in international environments.

There are different styles of communication, let alone from different cultures in which there are specific rules of communication (Browaeys & Price, 2008)

A communication style could be appropriate for one culture while for another could be perceived as offensive or aggressive, negatively affecting in negotiation process (Dinkevych et al., 2017).

The collectivist background found in many countries in Asia, Africa and Latin America includes many stakeholders and large approval flows and this leads to slower decision-making due to the strict hierarchy that is followed. Whereas, in individualistic cultures, found in Western Europe and North America, faster decision-making and quick solutions are ensured (Hofstede et al., 2012).

Also found in Asian cultures is a preference for maintaining harmony over confrontation when resolving disputes (Adair et al., 2004).

In North America and Northern Europe, they tend to value punctuality and adherence to timeframes while in Latin America and the Middle East they prefer to give time in building relationships rather than chasing time schedules (Dinkevych et al., 2017).

I strongly believe that understanding and respecting the cultural background of the other parties, the negotiator could greatly facilitate communication and increase the cooperative effort to achieve positive results when dealing with monopolistic suppliers in global context.

2.4.4 External Market Conditions

The external conditions that prevail at the given time of the negotiation process play an important role in its results, and even the overall strength of the negotiation.

When the general economic environment is depressed, then the monopolistic supplier may be more willing to negotiate with favorable terms to secure revenues, while in economically developed environments it will have the opposite behavior to the buyer (Brett & Thompson, 2016).

As technology advances, it may be easier for the buyer to identify alternative or compatible materials to strengthen its position by weakening the monopoly supplier (Smeltzer et al., 2003).

Regulations could weaken a monopoly's position by setting stricter rules and antitrust laws (Spulber, 2021).

External factors such as natural disasters, war conflicts or pandemics can change the power of the global market resulting in change in priorities of both parties (Ortigueira-Sánchez & Stein, 2022)

The progress of market demand could affect the monopoly's treatment of the buyer. Increased demand gives the monopoly a position of power, while a decrease may lead it to more willing paths to cooperate with the buyer (Smeltzer et al., 2003).

Generally, the continuous monitoring of these factors could affect the adaptability of both parties before negative consequences appear for their proper risk management.

2.5 Strategies for Negotiations with Monopoly Suppliers: Insights from the Literature and Relevant Case Studies

In this section we will try to explore strategies along with related case studies that will show successful or failed negotiations.

2.5.1 Strong Alternatives

In previous chapters we have consistently referred to alternative as a strengthening way for the buyer's position. In the literature this strategy is referred as Best Alternatives to a Negotiated Agreement (BATNA) (Baber & Fletcher-Chen, 2020). By investing both time and resources, negotiators increase their leverage in negotiations with monopoly suppliers (Alavoine & Estieu, 2015).

Approaches that firms could use are to exploit technology development for innovative products as potential substitutes or targeting in internal material development to reduce their dependence in monopoly (Atkin & Rinehart, 2006).

Case Study (Success): To reduce its dependence on external providers Amazon developed Amazon Web Services (AWS). With this cloud computing platform and the self-sufficiency it gained, Amazon improved its logistics and operation capabilities creating a significant revenue stream. It has strengthened its dominance and is negotiating on better terms (Parker et al., 2021).

2.5.2 Leveraging information asymmetry

The monopoly having the informational advantage makes a larger gap in information symmetry. Buyers should focus on extensive market research to gather as much information as they can about the vendor's costs, capabilities and limitations. In this way, they will be able to equip themselves with the knowledge of the supplier's industry and have a better position in the negotiation process.

Case Study (Failure): Blockbuster had significant market and consumer data but failed to recognize the serious threat posed by Netflix's subscription model. Although knew that consumers want online viewing services, Blockbuster stuck to the traditional rental system and no serious efforts were made to innovate (Mirzazadeh, 2022).

2.5.3 Value Creation

Creating value for the other side of a negotiation could often be appreciated and result in a win-win relationship. One approach may be a long-term contract in exchange for more favorable terms or better prices (Vafin, 2017).

Case Study (Success): By entering into a long-term relationship, Coca-Cola and McDonald's is an example of successful cooperation. Meals with drinks promotions and continuous advertising campaigns created value for both companies by increasing their sales and customer satisfaction while increasing the reputation for both of them (Veselinović et al., 2024).

2.5.4 Build Strategic Relationships

Cultivating a strong, strategic relationship with a monopoly supplier can yield more favorable outcomes over time. To achieve this, organizations should invest in relationship-building activities that foster trust and collaboration (Muthoo, 1999). By demonstrating a genuine commitment to the supplier's success and actively seeking ways to become a

"preferred customer," businesses can enhance their negotiating position. A proactive approach to nurturing these partnerships not only strengthens ties with the supplier but also paves the way for better terms, increased support, and mutually beneficial opportunities in the future (Sjoerdstra, 2016).

Case Study (Failure): In 2017, Kraft Heinz attempted to acquire Unilever, which had a strong market presence. Although this move seemed to aim for a strategic partnership that could leverage synergies in product offerings, it ultimately failed due to resistance from Unilever's management who viewed the offer as underestimating their value. When the two parties do not realize the mutual benefits, then the negotiation leads to a loss of time and resources, while the difficulty of achieving strategic relationships with the monopoly is highlighted (Agnihotri & Bhattacharya, 2021).

2.5.5 Leverage Regulatory and Public Pressure

When unfair practices by the monopoly could be demonstrated, regulatory bodies can conduct audits and suggest corrective actions to suppliers in order to support fair market conditions (Spulber, 2021).

Case Study (Success): Google has come under scrutiny from the European Union (EU) due to its dominant position in the search engine market and related advertising practices. In 2017, the European Commission fine it with 2,42€ billion for abusing its monopoly power by favoring its own price comparison service over competitors. Although Google appealed the decision, it was forced to adapt its practices to comply with EU rules (Eben, 2018).

2.5.6 Collaborative Problem-Solving

Collaborative problem-solving is an approach to win-win solutions, encouraging open communication and creativity from both parties, meeting their respective needs (Habib et al., 2015).

Case Study (Success): Nestle's partnership with WWF focusing on deforestation by promoting sustainable palm oil sourcing has resulted in Nestle committing to responsible

sourcing standards, benefiting the environment and the company's reputation (Arroyo, 2019).

2.5.7 Leveraging Smart Contracts and Blockchain Technology

Smart contracts and Blockchain technology can increase the transparency and quality of information that is very important in monopoly transactions (Catalini & Gans, 2020). Smart contracts pre-determine terms while Blockchain tools create a secure and immutable record of transactions enhancing transparency and trust between parties (Calvaresi et al., 2018). Additionally using these approaches is facilitating the decision-making and reducing information asymmetry (Savelyev, 2017).

Case study (success): By developing a blockchain platform Everledger has managed to improve transparency and trust in the wine supply chain. With smart contracts the origin of the wine bottles is verified and negotiations become easier since parties know the authenticity of the information, while everyone has access to reliable data about the history and quality of the product (Majeed Parry et al., 2024).

3. Research Methodology

The research examines negotiations with monopoly suppliers, focusing on the main difficulties and challenges negotiators face. The first objective is to identify the main challenges that arise due to the strong position of suppliers in the market.

The second objective is to identify the most effective negotiation strategies to address these challenges. Through the analysis of successful practices, we would like to provide useful tools to negotiators, strengthening both their bargaining power and their relationship with suppliers.

3.1 Method Selection

The selection of a research method is crucial in addressing the objectives of the study and obtaining reliable and valid results. In surveying, qualitative methods are particularly effective when exploring complex human behaviors, perceptions, and motivations. Qualitative surveys often utilize open-ended questions that allow respondents to express their thoughts in their own words. This approach facilitates deeper insights into the issue at hand and captures the nuances of respondents' experiences. Qualitative methodologies enable researchers to gain a comprehensive understanding of varying perspectives and social contexts, making them ideal for exploratory research (Groves et al., 2011).

In contrast, quantitative research methods are advantageous by aiming to test hypotheses or obtain statistical results with measurable variables. Numerical data can be collected from the researchers using questionnaires including close type questions, analyzing them with statistical applications (Johnson & Christensen, 2017). Using this method, the identification of correlations between variables is easier and can be assigned to a large population sample, enhancing the reliability of the conclusions drawn from the collected data (Groves et al., 2011).

Qualitative and quantitative data could be combined using hybrid methods offering comprehensive results utilizing the advantages of both methods. Allowing the collection of qualitative data along with statistical analysis, it gives a comprehensive picture of the research objectives findings (Clark & Plano Clark, 2022).

Considering the above, for this research I used a quantitative approach that will be addressed to supply chain professionals, regardless of dealing with monopoly suppliers. This entails the identification and analysis of relevant quantitative data to formulate a hypothesis and subsequently apply it to the gathered findings.

3.2 Data Collection

Using quantitative methodology to collect data aimed to understanding this study, with participants will have access to this survey through a hyperlink, which they can visit anytime to participate in. Their responses will be automatically organized into a database for each question. This method is more efficient than face-to-face interviews and takes less time.

The survey is designed to address current strategies and primary challenges faced in negotiations with monopolistic suppliers within supply chain activities. A comprehensive literature review has been conducted to inform the structure of the survey, which is detailed in Appendix A. The survey was distributed in Greece, targeting individuals engaged in negotiations with dominant suppliers. The target group includes professionals from diverse departments related to supply chain functions, such as Procurement, Production, Manufacturing, Operations, Sales, Research and Development, and Logistics. Prior to participating, respondents were assured that their data would be anonymous, with the survey comprising multiple-choice questions. Participants were also informed that the estimated completion time for the survey was approximately 10 minutes and that their responses would be treated as confidential, utilized exclusively for academic research purposes.

The survey was organized into 6 sections:

1. **Demographic Information:** This section was designed to gather demographic information from the participants. It included details such as gender, age group, educational background, the department in which they work, their job level within the company, and the number of years of experience they have in supply chain activities.

2. **Dealing with Monopoly Suppliers:** The second section included a series of questions designed to gauge the current practices of employees within their work environment as they prepare for negotiations with monopoly suppliers. These questions focused on the preparatory actions and strategies individuals employ before entering negotiations, aiming to elucidate how effectively they align their approaches to negotiation challenges.

2.1 Is a significant portion of your supplier base comprised of monopolies or dominant market players?

2.2 When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to analyze the supplier's cost structure, profit margins, and constraints?

2.3 When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to identify and evaluate potential alternative sources or solutions?

2.4 When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to develop creative options that could create value for both parties?

- 2.5 *Do you regularly form cross-functional teams (e.g., procurement, legal, finance, operations) for negotiation planning?*
- 2.6 *Do you consistently conduct internal stakeholder analysis to align negotiation objectives across departments?*
- 2.7 *Do you frequently involve C-level executives in strategy development for high-stakes negotiations?*
- 2.8 *Do you often use internal knowledge management systems to capture and share insights from past negotiations?*
- 2.9 *Do you habitually conduct post-negotiation debriefs to analyze outcomes and identify areas for improvement?*
- 2.10 *Have you encountered challenges or barriers to implementing collaborative problem-solving approaches when negotiating with monopoly suppliers?*

3. **Negotiation Strategies:** In this section questions are listed regarding strategies and tactics that can be used in negotiations with monopoly suppliers, seeking participants' responses to understand which are considered important and effective or are commonly used to achieve satisfactory outcomes in these complex transactions.

- 3.1 *When negotiating with monopoly suppliers, do you believe the following strategies are important?*
- 3.1.1 *Developing alternative sources/solutions (BATNA)*
- 3.1.2 *Leveraging information asymmetry*
- 3.1.3 *Focusing on value creation*
- 3.1.4 *Building strategic relationships*
- 3.1.5 *Leveraging regulatory or public pressure*
- 3.1.6 *Disaggregating bundled services*
- 3.1.7 *Collaborative problem-solving*
- 3.2 *Do you find the following strategies to be effective in managing risks and building resilience when dealing with monopoly suppliers?*
- 3.2.1 *Developing internal capabilities to potentially insource the product/service in the future*
- 3.2.2 *Collaborating with other industry players to increase collective bargaining power*

3.2.3 *Investing in research and development to create substitute products/services*

3.2.4 *Implementing advanced supply chain mapping and risk assessment tools*

3.2.5 *Diversifying geographically to reduce dependency on specific monopoly suppliers*

3.3 *Do you often use the following strategies when negotiating with monopoly suppliers?*

3.3.1 *Conducting thorough market research on the supplier's costs, capabilities, and constraints*

3.3.2 *Engaging in joint brainstorming sessions to explore creative solutions*

3.3.3 *Making upfront investments or volume commitments in exchange for better pricing/terms*

3.3.4 *Highlighting the potential regulatory or reputational risks of the supplier's practices*

3.3.5 *Attempting to unbundle or disaggregate the supplier's bundled services*

3.3.6 *Emphasizing the long-term, strategic nature of the relationship*

3.4 *Do you agree that the following tactics are effective in negotiations?*

3.4.1 *Emphasizing the long-term value of the relationship to the supplier*

3.4.2 *Leveraging your company's brand or market position*

3.4.3 *Threatening to seek alternative solutions or suppliers*

3.4.4 *Offering incentives for improved terms or performance*

3.4.5 *Using data and analytics to support your negotiation position*

3.4.6 *Appealing to the supplier's corporate social responsibility goals*

3.4.7 *Involving higher management levels in the negotiation process*

3.5 *Do you agree that the following strategies in managing long-term relationships with monopoly suppliers are important?*

3.5.1 *Establishing joint innovation projects or research initiatives*

3.5.2 *Implementing regular performance reviews and feedback sessions*

3.5.3 *Developing mutual growth plans and shared business objectives*

3.5.4 *Creating formal knowledge-sharing platforms or processes*

3.5.5 *Investing in relationship-building activities beyond formal business interactions*

3.5.6 *Establishing clear escalation procedures for conflict resolution*

4. **Main difficulties in negotiations with monopoly suppliers:** In section 4, questions have been asked focus on the challenges and potential difficulties negotiators face in their negotiations with monopolistic suppliers. By evaluating the results of participants' responses we will try to understand the complex dynamics in these negotiations and highlight the obstacles that buyers face in monopoly contexts.

4.1 To what extent do you encounter the following challenges when negotiating with monopoly suppliers?

4.1.1 Power Imbalance

4.1.2 Lack of Trust

4.1.3 Limited Alternatives

4.1.4 Cultural Differences

4.1.5 Resource Constraints

4.1.6 Inflexibility of Suppliers

4.1.7 Internal Resistance

4.1.8 Short-term Focus

4.1.9 Communication Barriers

4.1.10 Market Conditions

4.2 To what extent do you encounter the following supplier behaviors during negotiations?

4.2.1 Refusing to provide cost transparency or justification for pricing

4.2.2 Bundling products/services in a way that limits your options

4.2.3 Threatening to withhold supply or impose other punitive measures

Furthermore, the target group was inquired about their perspectives on the following points:

4.3.1 Do you consider that it is difficult to develop collaborative, mutually beneficial relationships?

4.3.2 Do you consider that the risk of supplier opportunism is higher than with competitive suppliers?

4.3.3 Do you find it easy to obtain accurate information about the supplier's costs and profit margins?

4.3.4 Do you find it easy to identify and evaluate potential alternative sources or solutions?

- 4.3.5 *Do you find it challenging to align interests and create value for both parties?*
- 4.3.6 *Do you believe there is a lack of regulatory oversight or enforcement concerning monopoly suppliers?*
- 4.3.7 *Do you consider that the monopoly suppliers have control over critical resources or intellectual property?*
- 4.3.8 *Do you believe that there is difficulty in building trust and collaboration with monopoly suppliers?*
- 4.3.9 *Do you believe that a lack of internal support or resources (e.g., limited negotiation expertise) affects effective negotiations with monopoly suppliers?*
- 4.3.10 *Do you believe that resistance to sharing information or considering alternatives affects the effectiveness of negotiations with monopoly suppliers?*
- 4.3.11 *Do you believe that supplier's ability to withstand prolonged negotiations affects the effectiveness of negotiations?*
- 4.3.12 *Do you believe that cultural differences impact your negotiations with monopoly suppliers?*
- 4.3.13 *Do you often encounter differences in communication styles (e.g., direct vs. indirect) when negotiating with monopoly suppliers from different countries or regions?*
- 4.3.14 *Do you often encounter contrasting views on the importance of relationships versus contracts when negotiating with monopoly suppliers from different countries or regions?*

5. **Outcomes:** The questions set in section five focus on the factors that participants believe that have contributed to achieving favorable outcomes in negotiations with monopoly suppliers. How participants perceive the influence of their negotiations on various aspects of the overall performance of the business they work for, its profitability and operational effectiveness. By analyzing the results of the answers, we will be able to have a comprehensive picture of the strategies that can improve the results of negotiations with monopoly suppliers

- 5.1 *In your experience, which of the following factors have been the most effective in helping you achieve favorable outcomes when negotiating with monopoly suppliers?*
- 5.1.1 *Strength of your BATNA (alternative options)*
- 5.1.2 *Superior market intelligence and understanding of the supplier's business*

- 5.1.3 *Ability to create value and align interests with the supplier*
- 5.1.4 *Depth of your strategic relationship with the supplier*
- 5.1.5 *Willingness to leverage regulatory or public pressure*
- 5.1.6 *Skill in disaggregating and unbundling the supplier's offerings*
- 5.2.1 *Do you believe that maintaining a long-term, strategic relationship has contributed to your organization's negotiation outcomes with monopoly suppliers?*
- 5.2.2 *Do you believe that your organization's commitment to investing in negotiation capabilities has contributed to better negotiation outcomes with monopoly suppliers?*
- 5.2.3 *Do you believe that the supplier's willingness to collaborate and explore mutually beneficial solutions has contributed to your organization's negotiation outcomes with monopoly suppliers?*
- 5.2.4 *To what extent have you been able to implement collaborative problem-solving approaches with monopoly suppliers?*
- 5.3 *To what extent do you agree that your negotiations with monopoly suppliers have impacted the following areas of your organization's business performance?*
 - 5.3.1 *Overall profitability*
 - 5.3.2 *Cost of goods sold or services*
 - 5.3.3 *Operational efficiency and productivity*
 - 5.3.4 *Ability to innovate and introduce new products/services*
 - 5.3.5 *Competitiveness in the market*
 - 5.3.6 *Customer satisfaction and retention*
- 5.4 *How much do you agree with the following statements regarding your likelihood to adopt emerging approaches in your future negotiations with monopoly suppliers?*
 - 5.4.1 *Using artificial intelligence or machine learning tools to analyze negotiation patterns and predict outcomes*
 - 5.4.2 *Implementing blockchain technology for increased transparency in supply chain transactions*
 - 5.4.3 *Exploring collaborative innovation partnerships to reduce dependency on monopoly suppliers*
 - 5.4.4 *Utilizing virtual reality or augmented reality tools for remote negotiation sessions*
- 5.5 *Which of the following best describes the overall outcomes of your negotiations with monopoly suppliers over the past 3 years?*
 - 5.5.1 *We have consistently achieved favorable pricing and contract terms*

- 5.5.2 *We have achieved some favorable outcomes, but also faced significant challenges*
- 5.5.3 *The outcomes have been mixed, with no clear pattern of success or failure*
- 5.5.4 *We have mostly faced unfavorable outcomes in these negotiations*
- 5.6 *To what extent do you agree or disagree with the following statements regarding your organization's long-term strategic planning for dealing with monopoly suppliers?*
- 5.6.1 *We are actively exploring ways to reduce our reliance on monopoly suppliers in the future.*
- 5.6.2 *Our negotiations with monopoly suppliers are shaping our long-term business strategies*
- 5.6.3 *We are investing in capabilities (e.g., R&D, vertical integration) to potentially replace monopoly suppliers.*
- 5.6.4 *Dealing with monopoly suppliers is a key consideration in our mergers and acquisitions planning.*
- 5.6.5 *We are advocating for regulatory changes to address the challenges posed by monopoly suppliers.*
- 5.6.6 *Our negotiations with monopoly suppliers have led us to reevaluate our overall business model.*

In the concluding section, participants were given the opportunity to provide any feedback, comments, or questions they might have.

The survey primarily employed a Likert scale for data collection, allowing participants to express their levels of agreement with various statements related to negotiations with monopoly suppliers. This method utilized a 5-point symmetric scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), with a neutral option of 3 in the middle. The choice of a Likert scale is effective in capturing the nuances of respondents' attitudes and perceptions, as it allows for a range of responses rather than a simple binary choice. The application of this tool provides a structured framework for analyzing participants' opinions and enhances the reliability of the findings (Joshi et al., 2015).

The questions in this survey were carefully crafted to align with the two primary objectives of this research identifying the main difficulties negotiators face when dealing with monopolistic suppliers, and to determine the most effective negotiation strategies in such contexts. The survey was disseminated to individuals actively involved in supply chain

operations or those who have experience negotiating with monopoly suppliers, ensuring that the insights gathered are relevant and grounded in practical experience. To provide clarity on the survey's design and organization, we apply the following table detailing the structure and content of the survey (Groves et al., 2011). This thoughtful alignment of questions with the research goals enhances the validity of the findings and ensures comprehensive data collection relevant to the negotiation landscape.

Sponsor	No Sponsor
Collector	Hellenic Open University
Purpose / Objective	1) Identify the main difficulties negotiators face when dealing with monopolistic suppliers. 2) Determine the most effective negotiation strategies for engaging with monopolistic suppliers
Data Started	December 2024
Target Group	Professionals in Supply Chain Operations
Sampling Frame	People working in Supply Chain Operations, Management, Production and Manufacturing, Academics and Specialists that are dealing with monopoly suppliers
Sample Size	At least 50 participants
Use of Interviewer	No Interviewer was used
Mode of Administration	Web-page, multi-choice questions
Computer Assistance	Yes
Reporting Unit	Randomly Selected Adults
Time Duration of Survey	10 min
Time Dimensions	Non-repeatable

Frequency	Conduct once
Web Link	https://docs.google.com/forms/d/e/1FAIpQLScgF2D8m-21Uz7Nu8aUhatrJABpMsYS8cm-w01kXXMQ3jGW7A/viewform?usp=sf_link
Used Skale (Likert)	Likert Scale, 1 - Strongly Disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, 5 - Strongly Agree

Table 2, Framework of the survey

3.3 Data Analysis

This research' primary objectives are to analyze key difficulties and concerns faced by participants during negotiations with monopoly suppliers, as well as to identify effective strategies, approaches, or tactics that could lead to favorable outcomes. Understanding these challenges is essential for developing practical solutions that could help negotiators to navigate the complexities associated with monopolistic supplier dynamics.

The data collected from the survey consists of quantitative measures, which enable a comprehensive analysis of participants' responses regarding their experiences and strategies in negotiations. While, the last question in the survey invites qualitative feedback.

The population sample needs to include at least 50 participants to ensure statistical validity. I will use frequency analysis to interpret the collected data with which it is countable how often each response occurs within the dataset, providing a clear depiction of trends and patterns. This method is simple, allowing for quick insights into participant opinions. The weakness of this method is that there will be potential skewed results if some participants are not genuinely involved in supply chain activities or lack experience in negotiating with monopoly suppliers, as they may provide less relevant input in the context of the study.

In order to address these weaknesses ensuring the credibility of the responses, I will employ Cronbach's alpha calculation. Cronbach's alpha is a statistical measure used to assess the internal consistency of a set of scale or test items, with values ranging from 0 to 1. A higher alpha value indicates greater reliability, with a common threshold for acceptable reliability set at 0.70 or above (Taber, 2018).

Cronbach's Alpha	Internal Consistency
$0,9 \leq \alpha$	Excellent
$0,8 \leq \alpha < 0,9$	Good
$0,7 \leq \alpha < 0,8$	Acceptable
$0,6 \leq \alpha < 0,7$	Questionable
$0,5 \leq \alpha < 0,6$	Poor
$\alpha < 0,5$	Unacceptable

Table 3, Cronbach's Alpha Range

Analyzing the credibility of a survey, I chose to use Cronbach's alpha due to its established efficacy in evaluating the reliability of survey instruments, particularly in the context of this research, where consistency among participant responses is crucial for accurately reflecting their experiences and strategies in negotiations with monopoly suppliers (Amirrudin et al., 2020).

4. Results

This chapter aims to present the survey results to offer a clear and thorough understanding of the findings. Responses from the 105 participants will be shown through graphical illustrations, enabling an easy-to-understand visual examination of the collected data. This section will concentrate exclusively on displaying the data, while a deeper analysis will be covered in the next chapter, providing more profound insights into the implications of the findings.

4.1 Demographic Information

The demographic section consisted of questions concerning participants' gender, age bracket, and educational background. Furthermore, we inquired about the department in which they are employed, their job seniority, and the total number of years they have worked within the supply chain ecosystem.

Male	44
Female	61

I prefer not to say	0
---------------------	---

Table 4, Gender Information of the participants

25-34	21
35-44	57
45-54	24
55 and over	3

Table 5, Age group Information of the participants

High school or less	19
Bachelor's degree	39
MSc degree	44
PhD degree	3

Table 6, Education Level Information of the participants

Procurement	31
Production / Manufacturing	10
Operations	17
Sales	18
R&D	4
Logistics	5
Recycling	2
Other	18

Table 7, Department where participants work

Entry-level	7
Mid-level	37
Senior-Level	37
Management	16
Executive/Director	8

Table 8, Level Seniority of the participants

Less than 5	25
5-10	31

11-20	32
21-30	15
More than 30	2

Table 9, Years of experience in Supply Chain Operations

4.2 Dealing with Monopoly Suppliers

In the dealing with monopoly suppliers section, participants were asked to evaluate a series of statements by selecting their responses from a Likert scale 5 statements (1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly Agree). This scale allowed them to express their level of agreement concerning their preparation strategies prior to engaging in negotiations with monopoly suppliers. Respondents indicated their opinions by marking the corresponding option with a dot (•) for each question. It is important to note that this same scoring system was consistently applied throughout the remainder of the survey to maintain coherence in response collection.

#	Question	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
2.1	Is a significant portion of your supplier base comprised of monopolies or dominant market players?	3	18	33	38	13
2.2	When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to analyze the supplier's cost structure, profit margins, and constraints?	2	13	25	42	23
2.3	When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to identify and evaluate potential alternative sources or solutions?	2	11	27	33	32
2.4	When preparing for negotiations with a monopoly supplier, do you dedicate sufficient time to develop	0	10	26	47	22

	creative options that could create value for both parties?					
2.5	Do you regularly form cross-functional teams (e.g., procurement, legal, finance, operations) for negotiation planning?	3	14	30	42	16
2.6	Do you consistently conduct internal stakeholder analysis to align negotiation objectives across departments?	3	20	30	42	10
2.7	Do you frequently involve C-level executives in strategy development for high-stakes negotiations?	4	22	35	30	14
2.8	Do you often use internal knowledge management systems to capture and share insights from past negotiations?	2	11	28	43	21
2.9	Do you habitually conduct post-negotiation debriefs to analyze outcomes and identify areas for improvement?	0	14	38	41	12
2.10	Have you encountered challenges or barriers to implementing collaborative problem-solving approaches when negotiating with monopoly suppliers?	2	15	35	40	13

Table 10, Statements related on Dealing with Monopoly Suppliers

4.3 Negotiation Strategies

In this section, participants were asked to respond to a series of questions concerning various strategies that may play a crucial role in negotiations with monopoly suppliers across several factors. These questions aimed to gather insights on the approaches and tactics that participants deem significant when navigating the complexities of negotiating with suppliers that hold substantial market power.

#	Strategies	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
3.1.1	Developing alternative sources/solutions (BATNA)	1	7	25	36	36
3.1.2	Leveraging information asymmetry	1	14	47	33	10
3.1.3	Focusing on value creation	1	7	24	49	24
3.1.4	Building strategic relationships	4	1	26	30	44
3.1.5	Leveraging regulatory or public pressure	4	12	44	34	11
3.1.6	Disaggregating bundled services	1	18	42	32	12
3.1.7	Collaborative problem-solving	2	4	21	45	33

Table 11, Importance of strategies when negotiating with Monopoly Suppliers

Here, participants are requested to share their level of agreement in effective strategies in managing risks and building resilience.

#	Strategies	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
3.2.1	Developing internal capabilities to potentially insource the product/service in the future	2	12	34	38	19
3.2.2	Collaborating with other industry players to increase collective bargaining power	3	10	39	34	19
3.2.3	Investing in research and development to create substitute products/services	3	10	23	39	30
3.2.4	Implementing advanced supply chain mapping and risk assessment tools	1	12	24	42	26
3.2.5	Diversifying geographically to reduce dependency on specific monopoly suppliers	1	10	33	41	20

Table 12, Effective Strategies in managing risks and building resilience when dealing with monopoly suppliers

Additionally, it is requested from the participants to share their level of agreement in strategies that they use during negotiating with Monopoly Suppliers.

#	Strategies	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
3.3.1	Conducting thorough market research on the supplier's costs, capabilities, and constraints	1	13	26	41	24
3.3.2	Engaging in joint brainstorming sessions to explore creative solutions	0	17	40	39	9
3.3.3	Making upfront investments or volume commitments in exchange for better pricing/terms	1	11	35	48	10
3.3.4	Highlighting the potential regulatory or reputational risks of the supplier's practices	1	10	44	36	14
3.3.5	Attempting to unbundle or disaggregate the supplier's bundled services	4	11	52	29	9
3.3.6	Emphasizing the long-term, strategic nature of the relationship	3	5	26	41	30

Table 13, Use of strategies from the participants when negotiating with monopoly suppliers

Next, we collected the answers related to the tactics that are used by participants in negotiations with monopoly suppliers.

#	Tactics	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
3.4.1	Emphasizing the long-term value of the relationship to the supplier	2	6	20	36	41
3.4.2	Leveraging your company's brand or market position	0	5	24	53	23
3.4.3	Threatening to seek alternative solutions or suppliers	8	21	30	34	12

3.4.4	Using data and analytics to support your negotiation position	1	7	30	52	15
3.4.5	Offering incentives for improved terms or performance	1	4	27	40	33
3.4.6	Appealing to the supplier's corporate social responsibility goals	3	7	43	36	16
3.4.7	Involving higher management levels in the negotiation process	1	11	29	36	28

Table 14, Effective tactics in negotiations

In addition, participants are asked what is their level of agreement regarding the importance of strategies in managing long-term relationships with monopoly suppliers.

#	Strategies	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
3.5.1	Establishing joint innovation projects or research initiatives	3	7	37	42	16
3.5.2	Implementing regular performance reviews and feedback sessions	0	8	30	48	19
3.5.3	Developing mutual growth plans and shared business objectives	1	8	35	37	24
3.5.4	Creating formal knowledge-sharing platforms or processes	3	12	35	41	14
3.5.5	Investing in relationship-building activities beyond formal business interactions	2	11	37	37	18
3.5.6	Establishing clear escalation procedures for conflict resolution	1	11	35	43	15

Table 15, Importance of strategies in managing long-term relationships with monopoly suppliers

4.4 Main difficulties in negotiations with monopoly suppliers

In this section we explore participants' perceptions of the primary challenges they encounter during negotiations with monopoly suppliers, a key issue highlighted in the literature review.

#	Challenges	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
4.1.1	Power Imbalance	3	11	29	46	16
4.1.2	Lack of Trust	6	19	37	34	9
4.1.3	Limited Alternatives	2	11	28	32	32
4.1.4	Cultural Differences	11	20	46	21	7
4.1.5	Resource Constraints	2	19	31	39	14
4.1.6	Inflexibility of Suppliers	2	13	29	43	18
4.1.7	Internal Resistance	2	24	40	32	7
4.1.8	Short-term Focus	5	21	43	28	8
4.1.9	Communication Barriers	8	19	40	30	8
4.1.10	Market Conditions	0	17	33	38	17

Table 16, Challenges when negotiating with monopoly suppliers

Here, participants are asked about the behaviors they exhibit when negotiating with dominant suppliers.

#	Behaviors	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
4.2.1	Refusing to provide cost transparency or justification for pricing	6	14	34	38	13
4.2.2	Bundling products/services in a way that limits your options	2	16	41	40	6
4.2.3	Threatening to withhold supply or impose other punitive measures	9	18	37	30	11

Table 17, Dominant Supplier behaviors during negotiations

Below are the participants' considerations regarding the challenges in negotiations with monopoly suppliers. This highlights various perspectives and issues faced by negotiators, offering valuable insights into the complexities of engaging with dominant suppliers in the market.

#	Considerations	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
4.3.1	Do you consider that it is difficult to develop collaborative, mutually beneficial relationships?	6	23	37	34	5
4.3.2	Do you consider that the risk of supplier opportunism is higher than with competitive suppliers?	4	12	39	37	13
4.3.3	Do you find it easy to obtain accurate information about the supplier's costs and profit margins?	3	25	41	23	13
4.3.4	Do you find it easy to identify and evaluate potential alternative sources or solutions?	4	22	41	30	8
4.3.5	Do you find it challenging to align interests and create value for both parties?	0	13	40	42	10
4.3.6	Do you believe there is a lack of regulatory oversight or enforcement concerning monopoly suppliers?	0	17	44	35	9
4.3.7	Do you consider that the monopoly suppliers have control over critical resources or intellectual property?	2	14	35	44	10
4.3.8	Do you believe that there is difficulty in building trust and collaboration with monopoly suppliers?	2	18	39	35	11
4.3.9	Do you believe that a lack of internal support or resources (e.g., limited negotiation expertise)	4	12	32	42	15

	affects effective negotiations with monopoly suppliers?					
4.3.10	Do you believe that resistance to sharing information or considering alternatives affects the effectiveness of negotiations with monopoly suppliers?	1	9	44	45	6
4.3.11	Do you believe that supplier's ability to withstand prolonged negotiations affects the effectiveness of negotiations?	2	11	46	33	13
4.3.12	Do you believe that cultural differences impact your negotiations with monopoly suppliers?	5	20	39	35	6
4.3.13	Do you often encounter differences in communication styles (e.g., direct vs. indirect) when negotiating with monopoly suppliers from different countries or regions?	4	19	36	38	8
4.3.14	Do you often encounter contrasting views on the importance of relationships versus contracts when negotiating with monopoly suppliers from different countries or regions?	6	6	47	39	7

Table 18, Considerations regarding main difficulties in negotiations with Monopoly Suppliers

4.5 Outcomes

In this section, participants are invited to share their perspectives on the strategies, approaches, and tactics they employ that lead to favorable or unfavorable outcomes during negotiations with monopoly suppliers. This input aims to provide a deeper understanding of the effectiveness of various negotiation methods and the perceived impact of these practices on the overall negotiation results.

#	Factors to achieve favorable outcomes	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.1.1	Strength of your BATNA (alternative options)	3	6	30	40	26

5.1.2	Superior market intelligence and understanding of the supplier's business	1	6	29	46	23
5.1.3	Ability to create value and align interests with the supplier	0	10	27	45	23
5.1.4	Depth of your strategic relationship with the supplier	1	8	29	40	27
5.1.5	Willingness to leverage regulatory or public pressure	4	13	46	32	10
5.1.6	Skill in disaggregating and unbundling the supplier's offerings	1	8	46	36	14

Table 19, Effective factors to achieve favorable outcomes when negotiating with monopoly suppliers

Here, we inquired about their views on the practices implemented within their organizations that contribute to achieving favorable negotiation outcomes.

#	Practices	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.2.1	Do you believe that maintaining a long-term, strategic relationship has contributed to your organization's negotiation outcomes with monopoly suppliers?	1	6	26	40	32
5.2.2	Do you believe that your organization's commitment to investing in negotiation capabilities has contributed to better negotiation outcomes with monopoly suppliers?	0	10	29	49	17
5.2.3	Do you believe that the supplier's willingness to collaborate and explore mutually beneficial solutions has contributed to your organization's negotiation outcomes with monopoly suppliers?	0	8	46	36	15
5.2.4	To what extent have you been able to implement collaborative problem-solving approaches with monopoly suppliers?	3	5	50	42	5

Table 20, Practices implemented within organizations that contribute to achieving favorable negotiation outcomes

Next, participants are requested to answer what is the impact of their negotiations with monopoly supplier within their organization performance.

#	Impact of negotiations	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.3.1	Overall profitability	3	7	27	52	16
5.3.2	Cost of goods sold or services	3	13	22	41	26
5.3.3	Operational efficiency and productivity	2	11	35	35	22
5.3.4	Ability to innovate and introduce new products/services	2	17	34	34	18
5.3.5	Competitiveness in the market	3	7	30	42	23
5.3.6	Customer satisfaction and retention	1	9	32	38	25

Table 21, Impact of Negotiations with Monopoly Suppliers on Organizational Business Performance

Below, we collect answers regarding participants' likelihood to adopt emerging approaches in their future negotiations with monopoly suppliers.

#	Approaches	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.4.1	Using artificial intelligence or machine learning tools to analyze negotiation patterns and predict outcomes	2	12	42	30	19
5.4.2	Implementing blockchain technology for increased transparency in supply chain transactions	0	11	48	33	13
5.4.3	Exploring collaborative innovation partnerships to reduce dependency on monopoly suppliers	0	10	37	33	25
5.4.4	Utilizing virtual reality or augmented reality tools for remote negotiation sessions	6	15	39	32	13

Table 22, Emerging Approaches for Future Negotiations with Monopoly Suppliers

Additionally, they are asked about overall outcomes of their negotiations with monopoly suppliers over the past 3 years.

#	Overall participants' outcomes	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.5.1	We have consistently achieved favorable pricing and contract terms	3	16	35	45	6
5.5.2	We have achieved some favorable outcomes, but also faced significant challenges	0	17	34	40	14
5.5.3	The outcomes have been mixed, with no clear pattern of success or failure	3	25	33	37	7
5.5.4	We have mostly faced unfavorable outcomes in these negotiations	10	29	30	27	9

Table 23, Participants' overall outcomes

A set of statements regarding participants' organization's long-term strategic planning for dealing with monopoly suppliers are examined as well.

#	Strategic Planning	Likert Scale				
		1 (SD)	2 (D)	3 (N)	4 (A)	5 (SA)
5.6.1	We are actively exploring ways to reduce our reliance on monopoly suppliers in the future.	4	10	35	33	23
5.6.2	Our negotiations with monopoly suppliers are shaping our long-term business strategies	0	13	48	32	12
5.6.3	We are investing in capabilities (e.g., R&D, vertical integration) to potentially replace monopoly suppliers.	1	14	35	33	22
5.6.4	Dealing with monopoly suppliers is a key consideration in our mergers and acquisitions planning.	0	18	42	36	9

5.6.5	We are advocating for regulatory changes to address the challenges posed by monopoly suppliers.	5	18	44	30	8
5.6.6	Our negotiations with monopoly suppliers have led us to reevaluate our overall business model.	6	20	34	39	6

Table 24, Participants' organization's long-term strategic planning for dealing with monopoly suppliers

4.6 Additional feedback on negotiations with monopoly suppliers

Unfortunately, out of the 105 participants, only 2 provided feedback, and there were no additional comments regarding the subject of this survey.

#	Comment / Feedback
1	This has been a truly rewarding experience.
2	It is a pleasure that I have contributed in this study

Table 25, Comments / Feedback

5. Discussion

5.1 Demographic Information

The demographic results show that among the 105 participants, there is a significant gender disparity, with 61 identifying as female and 44 as male, while no participants opted to indicate a preference for not disclosing their gender. This distribution points to a higher representation of female participants in the survey, which may reflect the demographics specific to the industry sectors represented. The prevalence of female respondents could also imply that women are increasingly influential in negotiations within the supply chain sector.

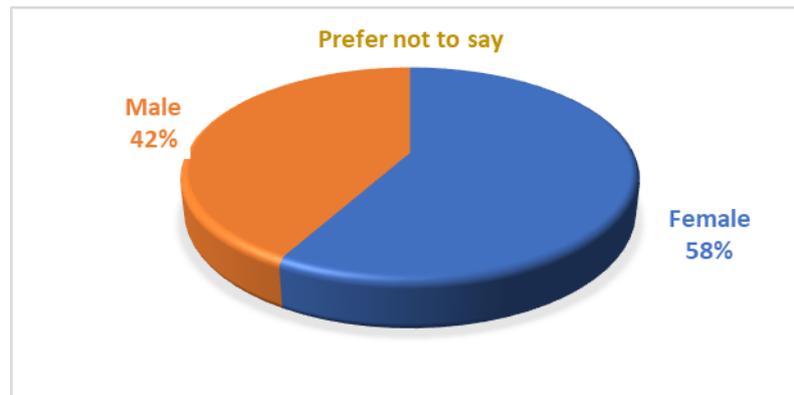


Figure 1, Gender Information of the participants that completed the survey

The age distribution of participants reveals that the majority, accounting for 54.3%, fall within the 35-44 age range, with 57 respondents. The 45-54 age group follows with 24 participants, representing 22.9%. Additionally, 21 participants, are in the 25-34 age group, while only 3 participants, are aged 55 and over. This distribution indicates that the survey predominantly captures the perspectives of mid-career professionals, who likely possess considerable experience in negotiations with monopoly suppliers. The concentration of respondents in the 35-44 age bracket suggests that individuals at this stage of their careers are actively engaged in supply chain activities and negotiations, contributing valuable insights reflective of their experiences in the field.

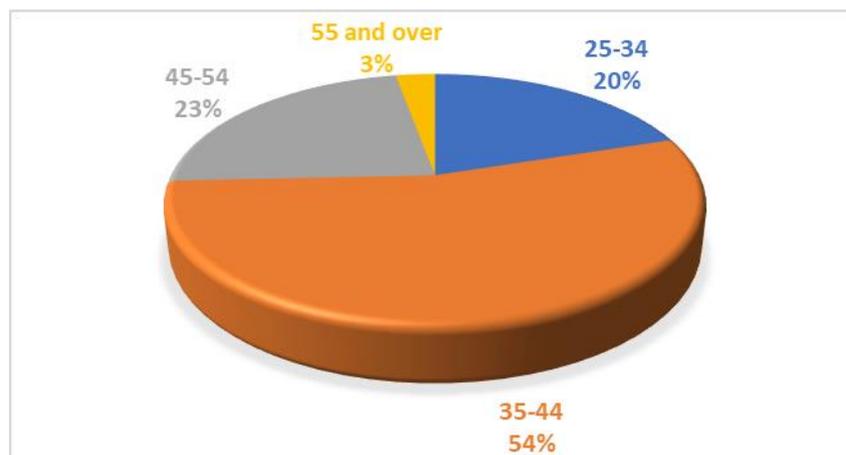


Figure 2, Age group of the participants completed the survey

The educational background of participants indicates that 42% hold an MSc degree, making it the most common qualification. This is followed by 37% with a Bachelor's degree. Additionally, 18% of participants have completed high school or less, while 3% possess a

PhD degree. This distribution suggests a well-educated group, with the majority holding advanced degrees, likely contributing to a deeper understanding of the complexities involved in negotiations with monopoly suppliers.

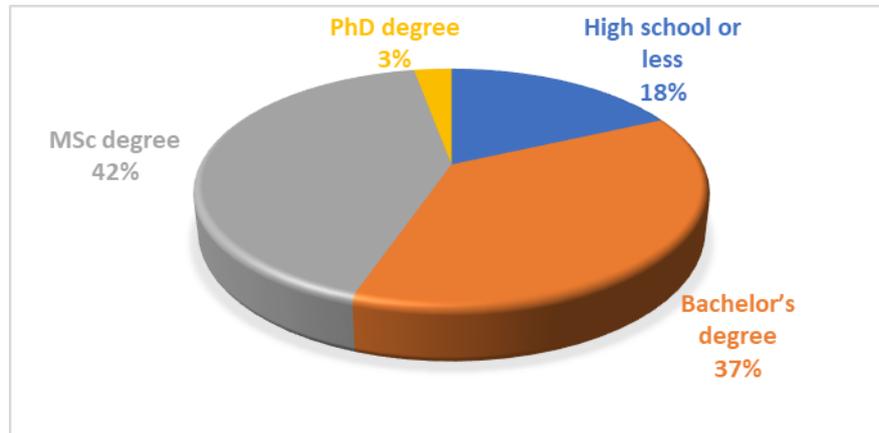


Figure 3, Education level of the participants completed the survey

The survey results show that 77% of participants are engaged in core supply chain activities, such as procurement, production/manufacturing, operations, sales, and logistics. Additionally, 4% are involved in R&D, while 2% work in recycling. The remaining 17% of respondents represent a diverse range of departments, including IT, Finance, Education, Quality Assurance, Marketing, and Risk Management.

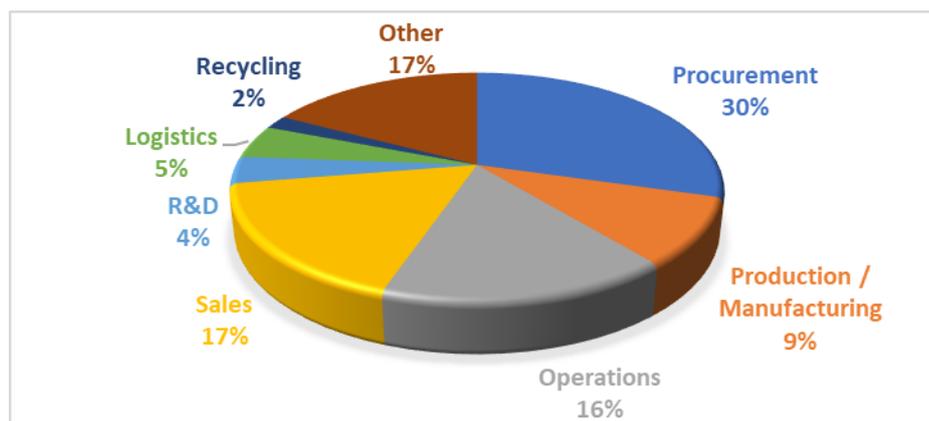


Figure 4, Participants' professional Department

After inquiring about their seniority levels, the survey results indicated that the majority of participants hold mid or senior-level positions. 7% are in the early stages of their careers, while 15% are identified as managers, and 8% occupy executive roles. This distribution

highlights that a substantial portion of the respondents possess significant professional experience. This wealth of experience is likely to enhance the overall quality of the responses and perspectives collected in the survey.

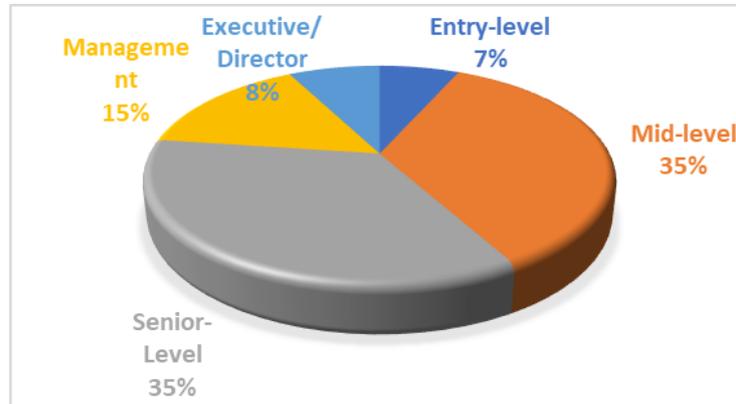


Figure 5, Seniority Level of the participants that completed the survey

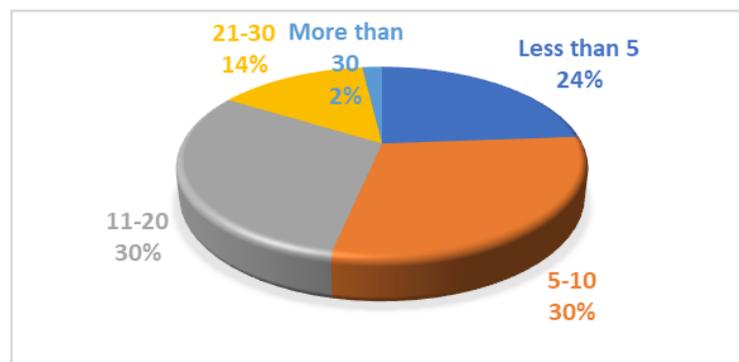


Figure 6, Years of experience of the participants in Supply Chain Activities

The survey features a diverse group of participants, including professionals with varying levels of experience, ages, and seniority. Notably, 82% have a graduate degree, with nearly half holding at least an MSc.

5.2 Dealing with Monopoly Suppliers

The second section of the questionnaire included questions related to various statements regarding their experiences and practices when dealing with monopoly suppliers. The subsequent questions focus on preparation for negotiations, including the analysis of suppliers' cost structures and the exploration of alternative solutions. It is notable that a significant portion of respondents agree or strongly agree on the importance of dedicating time to these preparatory activities, highlighting a proactive approach in their negotiation strategies.



Figure 7, Responses related to dealing with Monopoly Suppliers

Over half of the participants indicated that they have monopoly suppliers within their supplier base, ensuring that we have a group with relevant experience in this context. Most respondents acknowledged the importance of thorough preparation when dealing with dominant suppliers, highlighting the challenges associated with negotiating in such situations.

Notably, nearly 70% expressed agreement or strong agreement regarding the need to explore options that create mutual value, which is essential for maintaining beneficial relationships. While there is a sense of neutrality surrounding the involvement of C-level executives, participants predominantly agreed on the value of engaging cross-departmental teams in their preparation efforts. Furthermore, many participants emphasized the importance of sharing insights from past negotiations to enhance their organizational strategies for future discussions.

5.3 Negotiation Strategies

The responses collected in the third section includes participants' perceptions regarding various strategies for negotiating with monopoly suppliers.

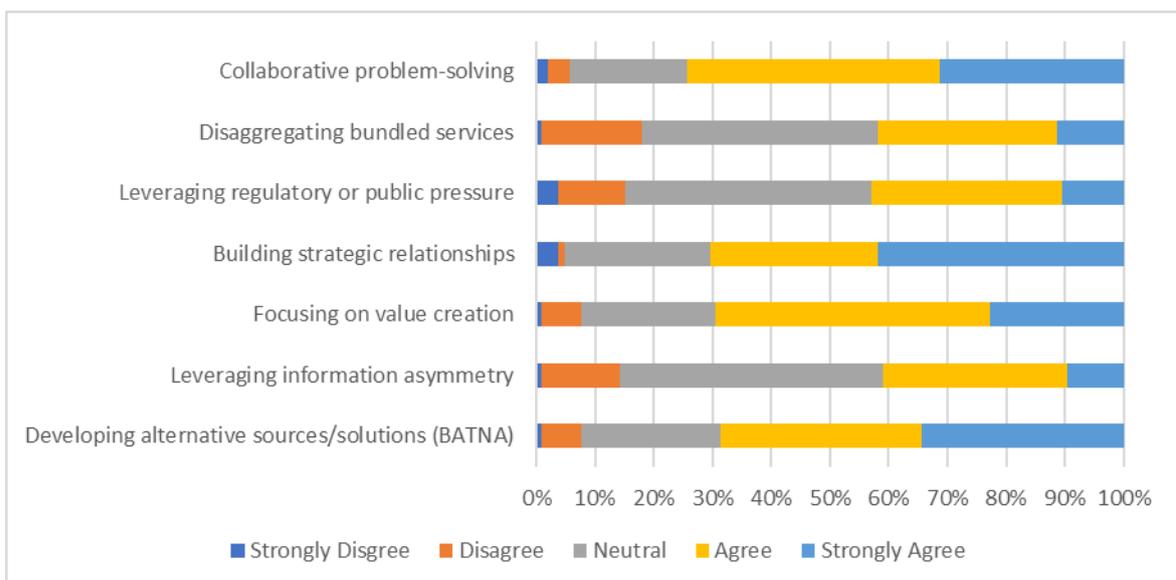


Figure 8, Responses related to the importance of strategies when negotiating with Monopoly Suppliers

When assessing the significance of leveraging information asymmetry, a notable 45% remained neutral, indicating a mixed view on its application. The need to leverage regulatory or public pressure received the lowest levels of agreement along with disaggregating bundled services, with significant neutrality about 40% noted here as well.

Notably, 74% of participants agreed or strongly agreed on the importance of adopting a collaborative strategy in problem-solving underscoring the value of a cooperative approach in negotiations. This aligns with findings from the literature review, which suggests that collaboration is a beneficial approach advocated by several authors in the context of negotiating with monopoly suppliers.

Additionally, a significant majority of respondents expressed agreement or strong agreement regarding the need to develop alternative sources (BATNA) which is also recommended in the literature as a means to achieve favorable outcomes. This emphasis on preparation reflects a proactive mindset among negotiators. Furthermore, as highlighted in the previous section, participants continue to focus on value creation, with around 70% agreeing or strongly agreeing on the importance of building strategic relationships. This indicates a comprehensive understanding of the necessity to foster long-term partnerships, which can enhance negotiation effectiveness.

Here, we will discuss participants' perspectives on various strategies aimed at enhancing resilience and managing risks when negotiating with monopoly suppliers.

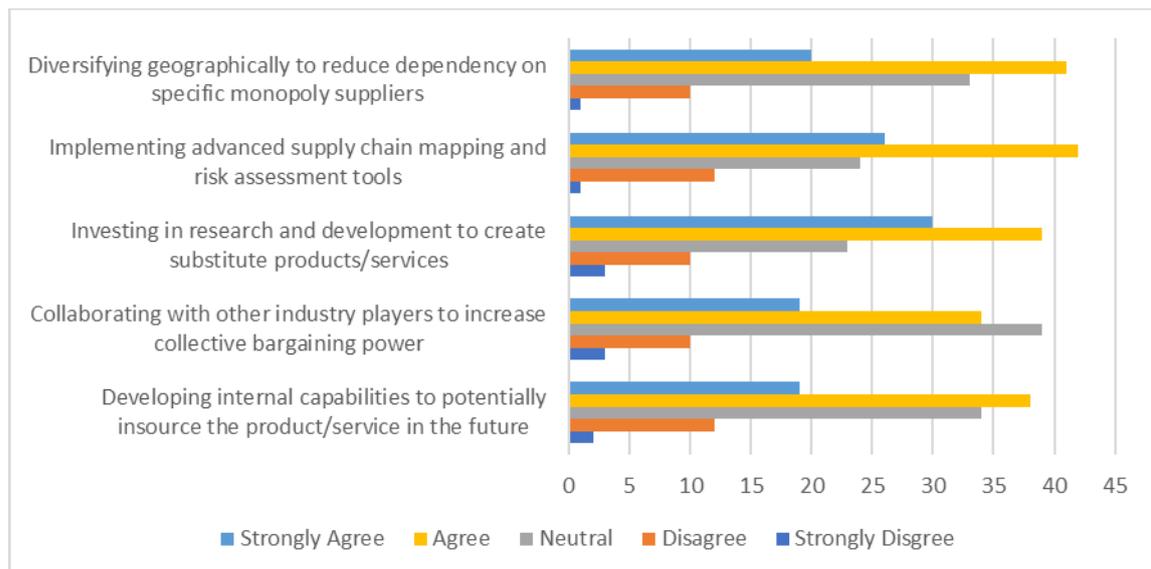


Figure 9, Response related to Effective Strategies in managing risks and building resilience when dealing with monopoly suppliers

A substantial 54% of respondents agreed or strongly agreed that developing internal capabilities to potentially insource products or services is valuable, reflecting an awareness of the importance of self-sufficiency in negotiations. Similarly, investing in research and development to create substitute products received 66% of respondents agreed or strongly agreed suggested the inhouse production preferable.

It is noticeable that 37% expressed neutrality on the need to collaborate with other industry players to strengthen collective bargaining power, which indicates that while some see the value, others may not fully recognize its importance.

The strategy of implementing advanced supply chain mapping and risk assessment tools garnered a considerable 40% agreement, suggesting that participants acknowledge the relevance of data-driven approaches to enhance negotiation outcomes.

Lastly, the idea of diversifying geographically to reduce dependency on specific monopoly suppliers received support from 56% of respondents, indicating a strong consensus on the need to mitigate risks through strategic diversification.

The responses illustrated in the below table provide insights into participants' approaches to conducting negotiations with monopoly suppliers. A notable 60% of participants agreed or strongly agreed on the importance of conducting thorough market research on the supplier's costs, capabilities, and constraints, reflecting a strong recognition of the value of comprehensive understanding before entering negotiations. Additionally, almost 70% of respondents emphasized the significance of maintaining a long-term, strategic relationship with suppliers, indicating a shared belief in the benefits of fostering collaborative partnerships.

Regarding the attempt to unbundle or disaggregate the supplier's bundled services, the responses revealed a 50% neutrality rate, which closely aligns with the 40% neutrality observed in the earlier question related to the importance of strategies when negotiating with monopoly suppliers. This significant percentage of neutral responses suggests that participants are perhaps uncertain about the effectiveness of this strategy or its practical application in their specific contexts. The mirroring of neutrality rates may indicate a general hesitancy among negotiators to fully commit to this strategy, reflecting a need for further exploration or clarity on how unbundling can be effectively utilized in negotiations with monopoly suppliers.

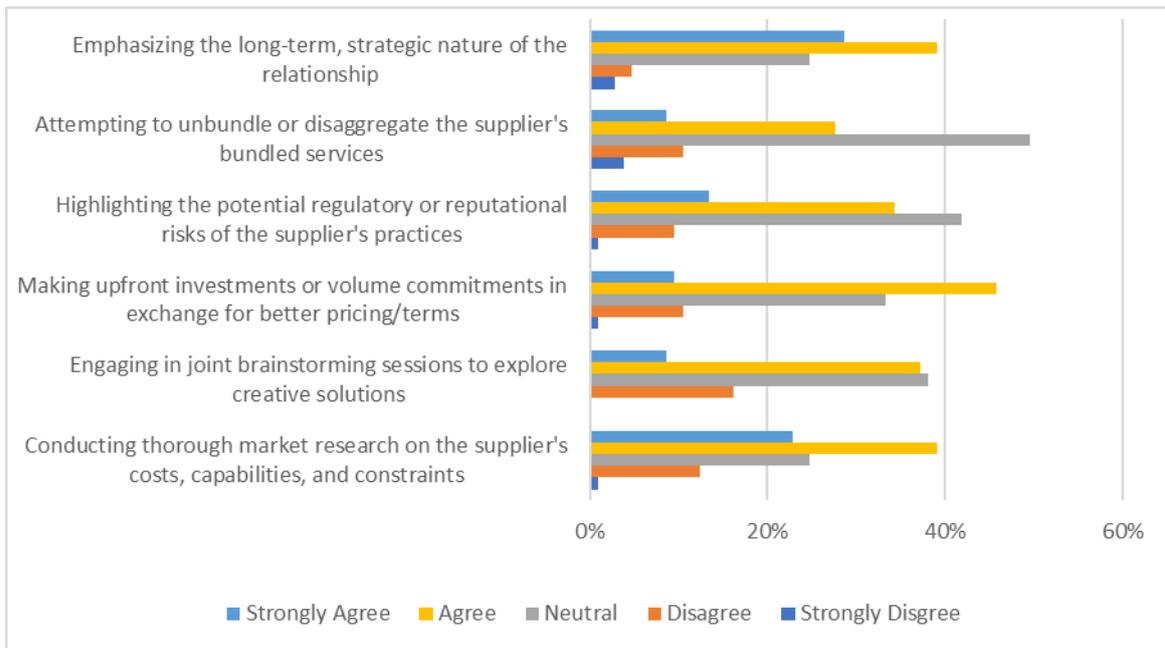


Figure 10, Responses related to the Use of strategies from the participants when negotiating with monopoly suppliers

The neutral rate and also the same agreement rate regarding collaborative brainstorming sessions suggests that participants may recognize the potential value of this approach but remain uncertain about its practical effectiveness in negotiations with monopoly suppliers. Lastly, while there was less consensus on the effectiveness of leveraging regulatory or public pressure, 34% of respondents still regarded it as a viable tactic and the 46% agreement rate for making upfront investments or volume commitments indicates a moderate recognition among participants of this strategy's potential to secure better pricing and terms in negotiations with monopoly suppliers.

In analyzing the responses regarding the tactics employed by participants in negotiations with monopoly suppliers, it's evident that emphasizing the long-term value of the relationship, along with leveraging their company's brand or market position, received strong support, with 73% of participants agreeing or strongly agreeing with these approaches. This indicates a collective understanding of the importance of maintaining strategic relationships and the role of brand strength in negotiations.

Additionally, 64% of respondents recognized the effectiveness of using data and analytics to bolster their negotiating position, highlighting an appreciation for informed decision-making. Offering incentives for improved terms or performance garnered agreement from

approximately 70% of participants, further reinforcing the idea that creating win-win scenarios can enhance negotiation outcomes.

It's also notable that 20% of respondents disagreed with the tactic of threatening to seek alternative solutions or suppliers, suggesting that this confrontational approach may not resonate with a significant portion of negotiators, who may prefer more collaborative methods to achieve favorable results.

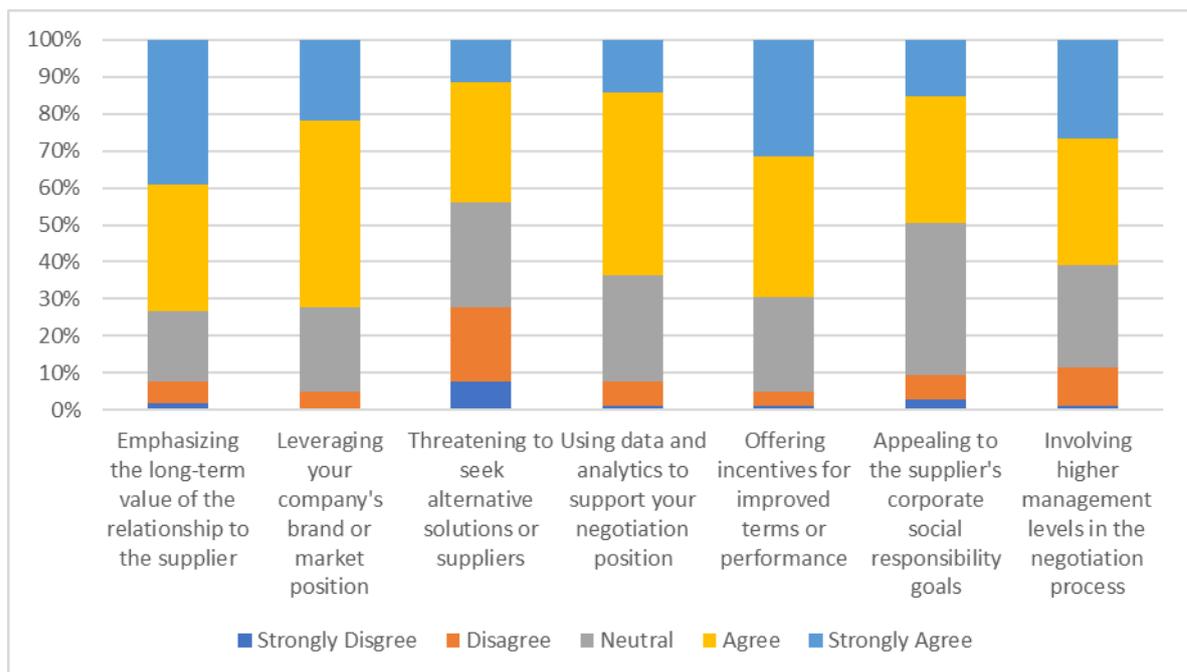


Figure 11, Responses related to effective tactics used by participants in negotiations

In the last question for this section, participants were asked to express their level of agreement regarding the importance of strategies for managing long-term relationships with monopoly suppliers. The responses reveal a notable neutrality rate of 30-35% across all strategies, indicating some uncertainty about their effectiveness or relevance.

Among the strategies assessed, implementing regular performance reviews and feedback sessions emerged as the most favored approach, with 64% of respondents agreeing or strongly agreeing on its importance. This suggests that participants recognize the value of continuous evaluation and communication in maintaining strong relationships.

Conversely, the other strategies mentioned garnered agreement or strong agreement from approximately 52-58% of participants, indicating a moderate endorsement of these practices.

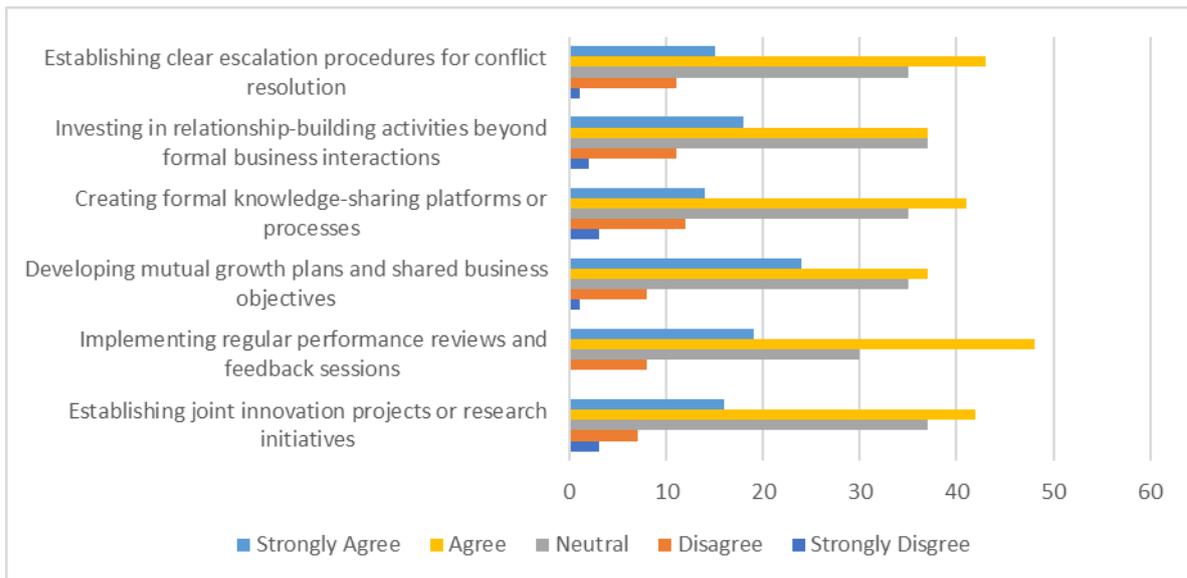


Figure 12, Participants' responses related to the importance of strategies in managing long-term relationships with monopoly suppliers

5.4 Main difficulties in negotiations with monopoly suppliers

In this section, we examine participants' perceptions of the primary challenges encountered during negotiations with monopoly suppliers, a critical issue highlighted in the literature review with the first question prompting participants to indicate their level of agreement regarding various challenges they may face.

The responses revealed that the most significant challenges identified were limited alternatives, power imbalance, and supplier inflexibility, each receiving nearly 61% agreement. This indicates a clear acknowledgment of the significant obstacles posed by these factors in the negotiation process.

Additionally, nearly 40% of participants expressed neutrality regarding challenges such as short-term focus, internal resistance, and communication barriers, suggesting ambivalence about the significance of these issues.

Notably, cultural differences present a significant challenge in negotiations with monopoly suppliers, garnered 44% neutrality, along with 30% who disagreed or strongly disagreed that this is a challenge. This suggests that many participants may not view cultural factors as critical obstacles in their negotiation experiences. This disparity might reflect the participants' diverse backgrounds or the nature of the industries they operate in, where cultural influences may vary in impact. Alternatively, it could indicate that respondents feel

adequately equipped to navigate cultural nuances, potentially leveraging their expertise to transcend these differences during negotiations.

Similarly, lack of trust showed a 24% disagreement rate, indicating that a portion of participants does not perceive this as a substantial challenge, which may be reflective of their experiences.

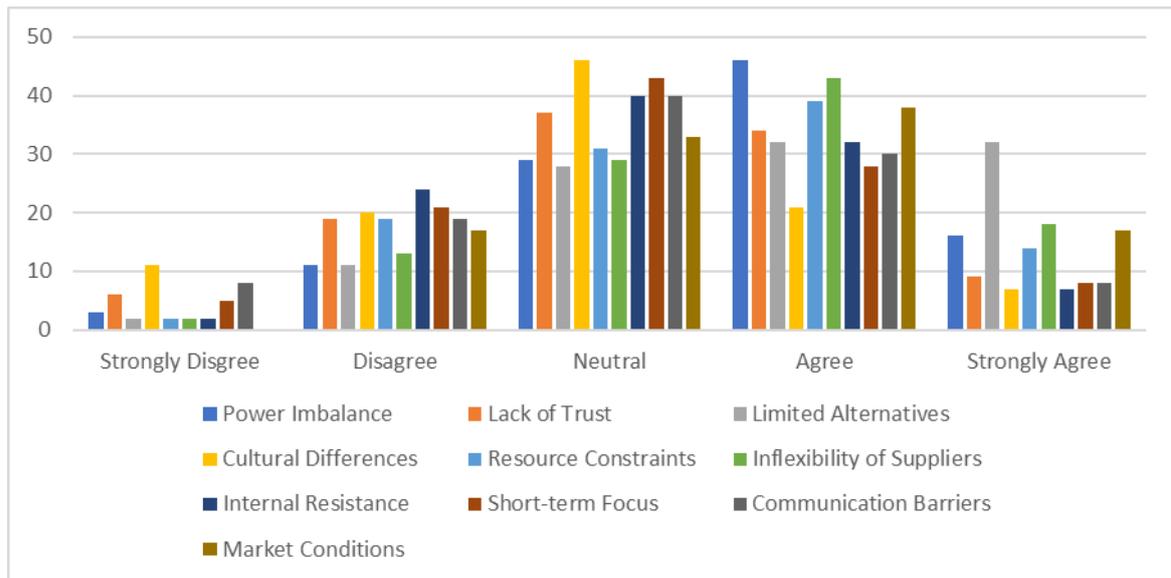


Figure 13, Responses related to challenges when negotiating with monopoly suppliers

In the next question, the participants shared insights into the behaviors they encounter when negotiating with dominant suppliers. Almost half of the respondents agreed or strongly agreed that suppliers often refuse to provide cost transparency or justification for their pricing, highlighting a prevalent challenge that complicates negotiations. Additionally, around 41% of participants noted behaviors such as bundling products or services in a way that limits their options, as well as threatening to withhold supply or impose punitive measures.

The observed neutrality in responses - 54% regarding bundling and 50% in the previous question about negotiation strategies - suggests that a significant proportion of participants may be uncertain about the frequency or impact of these behaviors. This could indicate that, while they recognize these tactics exist, they might not experience them consistently in their own negotiations. The high level of neutrality across both sections reflects a complex negotiation landscape where behaviors can vary widely, suggesting that negotiators may need to adopt flexible strategies based on specific contexts and supplier relationships.

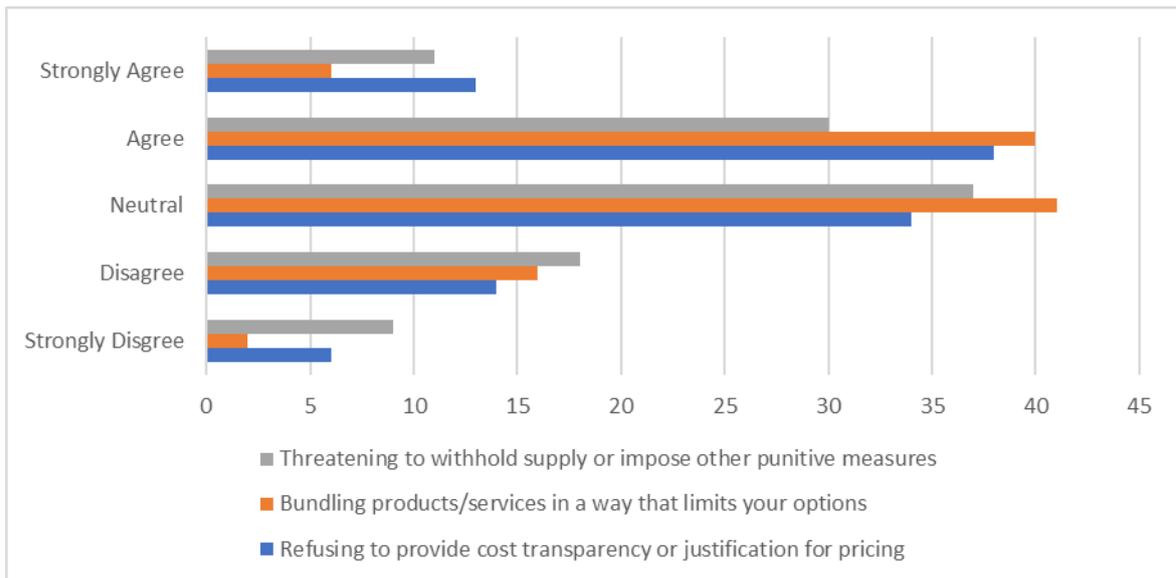


Figure 14, Responses related to Dominant Supplier behaviors during negotiations

Participants were also asked to consider various aspects of the challenges they encounter when negotiating with monopoly suppliers. The responses showed a significant trend in neutrality, with percentage between 30% to 45%, suggesting some uncertainty. When asked about differing perspectives on the importance in relationships versus contracts, 45% of the participants remained neutral, 44% agreed or strongly agreed.

Similar trends were observed regarding the influence of a supplier's capacity to withstand prolonged negotiations with neutrality and agreement both at 44%. This indicates that while some participants acknowledge challenges in negotiation efficiency, others may not be faced these issues directly. Additionally, concerns about monopoly suppliers controlling critical resources and the negative impact of information-sharing resistance were also acknowledged by many participants.

The persistent neutrality regarding cultural issues reflects the complexity of negotiating across different regions and communication styles, echoing earlier sentiments expressed in the survey. About 40% of participants agreed or strongly agreed with the challenges of identifying alternative sources and the presence of insufficient regulatory oversight concerning monopoly suppliers. Interestingly, despite the complexities involved, 28% disagreed or strongly disagreed with the notion that developing collaborative, mutually beneficial relationships is difficult and indicated ease in obtaining accurate supplier cost information.

Overall, these insights illustrate the varied experiences and perceptions among participants, highlighting the multifaceted nature of negotiations with monopoly suppliers and the need for tailored strategies to address the specific challenges identified.

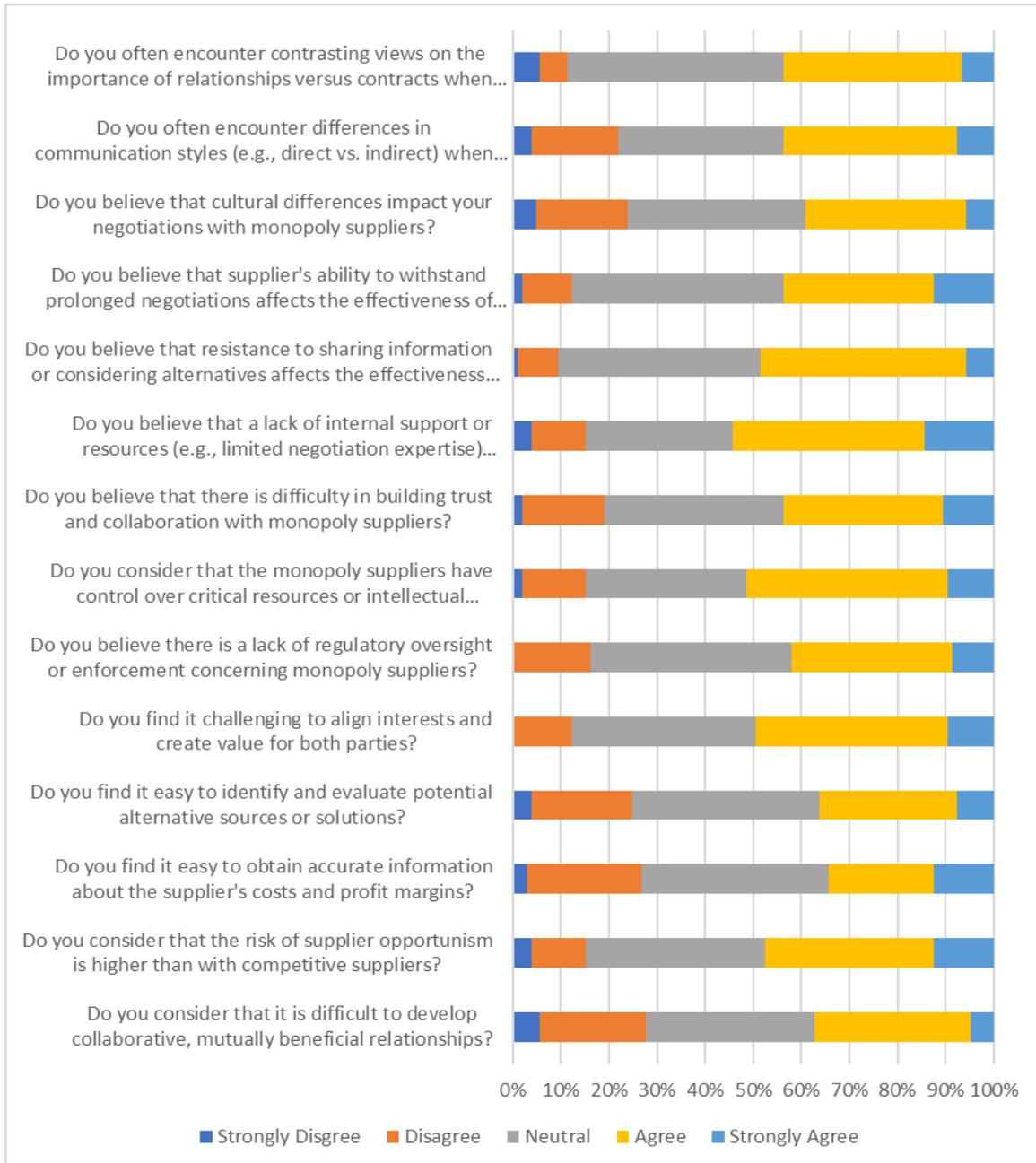


Figure 15, Responses related to participants' considerations regarding main difficulties in negotiations with Monopoly Suppliers

5.5 Outcomes

In the final section, participants shared their views on strategies and tactics that impact the outcomes of negotiations with monopoly suppliers.

In the first question a significant majority, over 63% agreed or strongly agreed that strengthening their BATNA, possessing superior market intelligence and a deep understanding of the supplier's business, the ability to create value and align interests, and maintaining a strong strategic relationship are crucial for achieving favorable outcomes. This consensus indicates a clear recognition of these factors as essential elements in successful negotiation strategies.

Conversely, around 44% of participants expressed neutrality regarding the use of regulatory or public pressure and the skill of disaggregating and unbundling supplier offerings. This neutrality may suggest that these tactics may be seen as less universally applicable or more challenging to execute effectively. Participants may perceive these strategies as dependent on specific contexts or supplier relationships, thus contributing to the varied responses.

The insights gathered highlight the emphasis on robust preparation, information, and relationship management in navigating the complexities of negotiations with monopoly suppliers, while also reflecting some hesitancy about more aggressive or complex strategies.

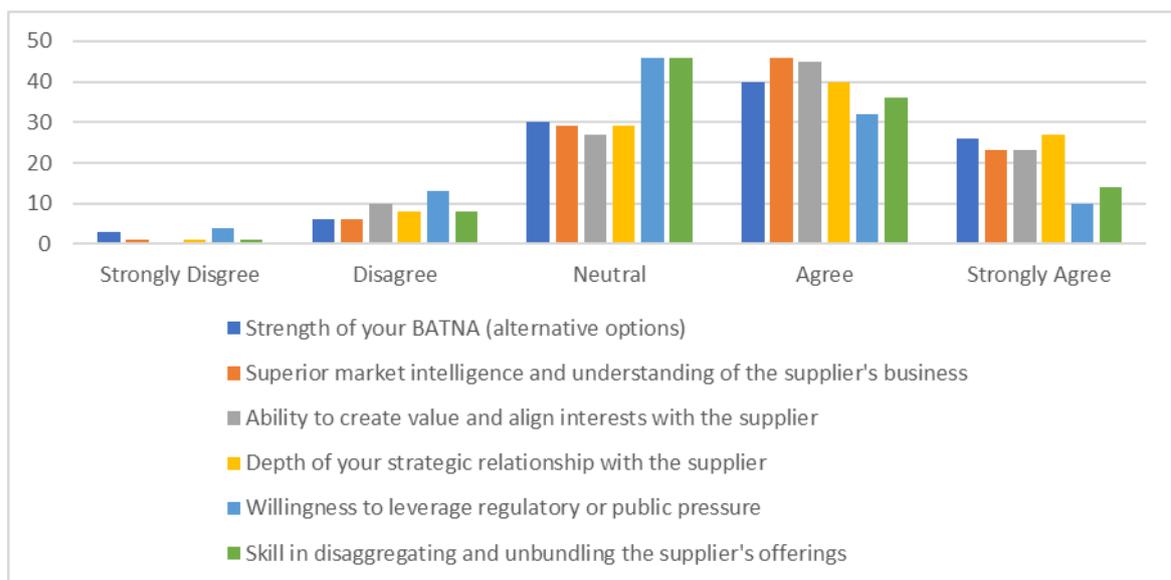


Figure 16, Participants' responses related to effective factors to achieve favorable outcomes when negotiating with monopoly suppliers

In the second question, participants shared their perspectives on organizational practices that facilitate favorable negotiation outcomes with monopoly suppliers. Notably, 70% of participants agreed that building long-term strategic relationships plays a crucial role in successful negotiations, reflecting previous findings. This highlights a strong belief in the importance of maintaining strong supplier relationships as a key strategy.

Participants also noted that their organization's focus on improving negotiation skills is vital for achieving better outcomes, showing an appreciation for investing in expertise. Responses were mixed regarding the supplier's willingness to collaborate on mutually beneficial solutions and use collaborative problem-solving approaches. This suggests that while some see value in cooperation, experiences differ, indicating that successful collaboration depends on specific situations or supplier relationships.

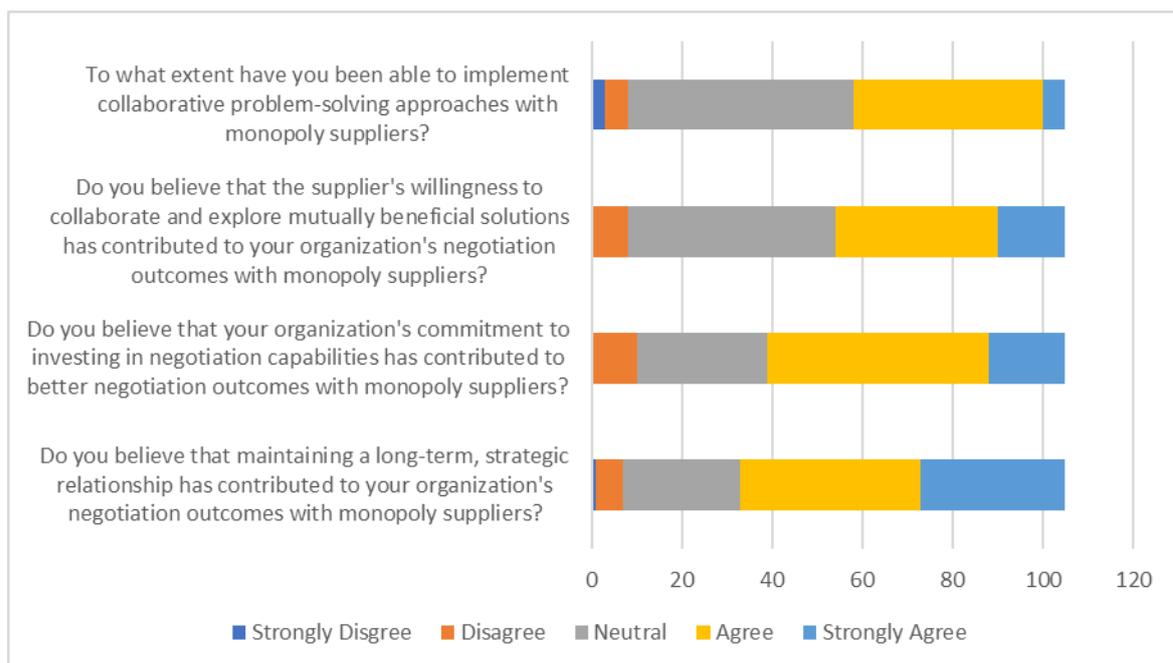


Figure 17, Responses in practices implemented within organizations that contribute to achieving favorable negotiation outcomes

Participants were asked to evaluate the impact of their negotiations with monopoly suppliers on organizational performance. Approximately 65% agreed that their negotiations contribute positively to overall profitability and the cost of goods sold or services, highlighting a broad recognition of the financial benefits derived from effective negotiation strategies. Over half of the participants agreed that their negotiation efforts positively influence operational efficiency, market competitiveness, and customer satisfaction and

retention, underlining the comprehensive benefits of strategic interactions with suppliers across various performance dimensions.

20% of respondents disagreed that negotiations influence their organization's ability to innovate new products and services, indicating a view that while negotiations improve operations and stability, they don't necessarily drive innovation. This highlights a potential opportunity to explore integrating innovative strategies into negotiation processes to enhance supplier relationships for significant advancements.

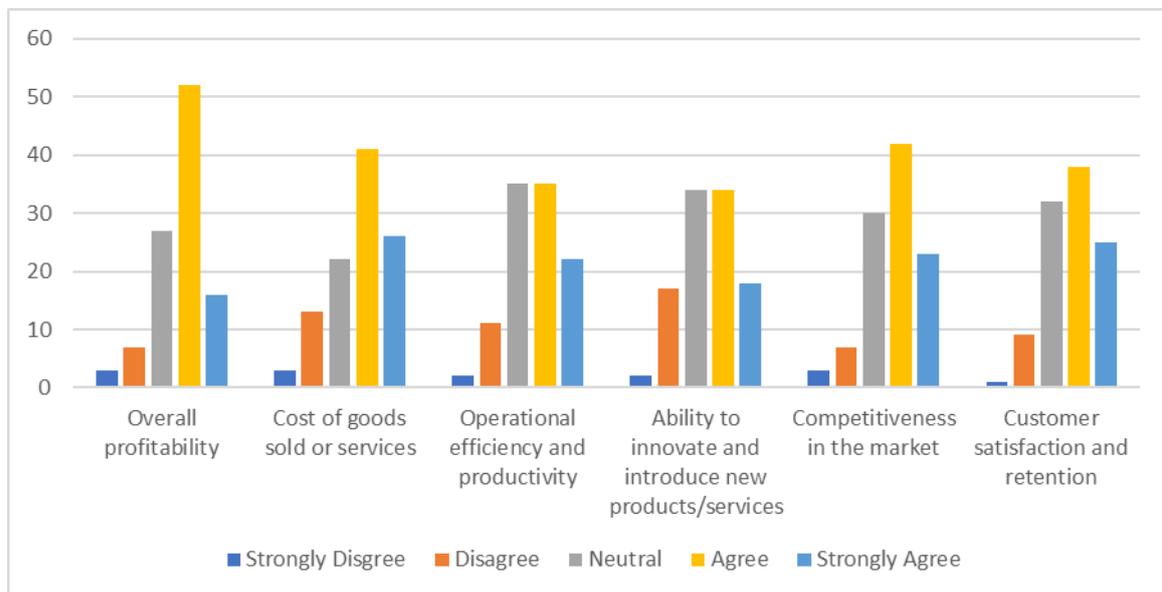


Figure 18, Responses related to the impact of negotiations with Monopoly Suppliers on Organizational Business Performance

We gathered participants' responses regarding their likelihood of adopting emerging approaches in future negotiations with monopoly suppliers. The questions addressed four innovative strategies: using artificial intelligence or machine learning tools to analyze negotiation patterns, implementing blockchain technology for enhanced transparency, exploring collaborative innovation partnerships, and utilizing virtual or augmented reality tools for remote sessions. The responses demonstrated a balance between neutrality, ranging from 35% to 45%, and agreement, which varied between 43% and 55%.

This pattern of responses suggests that while there is a general openness to integrating these emerging technologies and approaches, there remains a degree of uncertainty or ambivalence among participants regarding their practical implementation. The neutral responses may reflect hesitancy to adopt new strategies without more concrete evidence of

their effectiveness or a lack of familiarity with these tools. On the other hand, the agreement percentages indicate a recognition of their potential benefits, signaling the participants' awareness of the need to innovate in their negotiation practices.

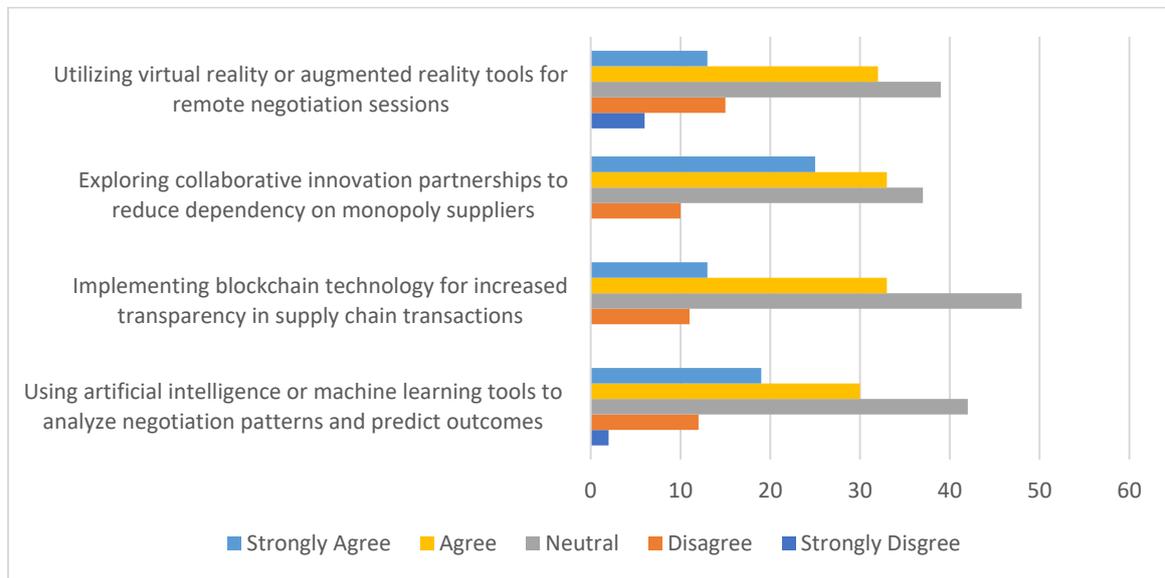


Figure 19, Responses related to Emerging Approaches for Future Negotiations with Monopoly Suppliers

Participants were also asked to reflect on the overall outcomes of their negotiations with monopoly suppliers over the past three years. Notably, half of the respondents indicated that they either consistently achieved favorable pricing and contract terms or experienced some favorable outcomes while also encountering significant challenges. This suggests a generally positive sentiment regarding their negotiation experiences, albeit with an acknowledgment of the complexities involved.

Additionally, 40% of participants agreed that their outcomes have been mixed, indicating a lack of a clear pattern regarding success or failure in negotiations. This response highlights the unpredictable nature of negotiating with monopoly suppliers, where separate experiences can vary widely. Furthermore, 38% disagreed with the assertion that they predominantly faced unfavorable outcomes, reinforcing the notion that a substantial portion of participants has managed to navigate negotiations successfully.

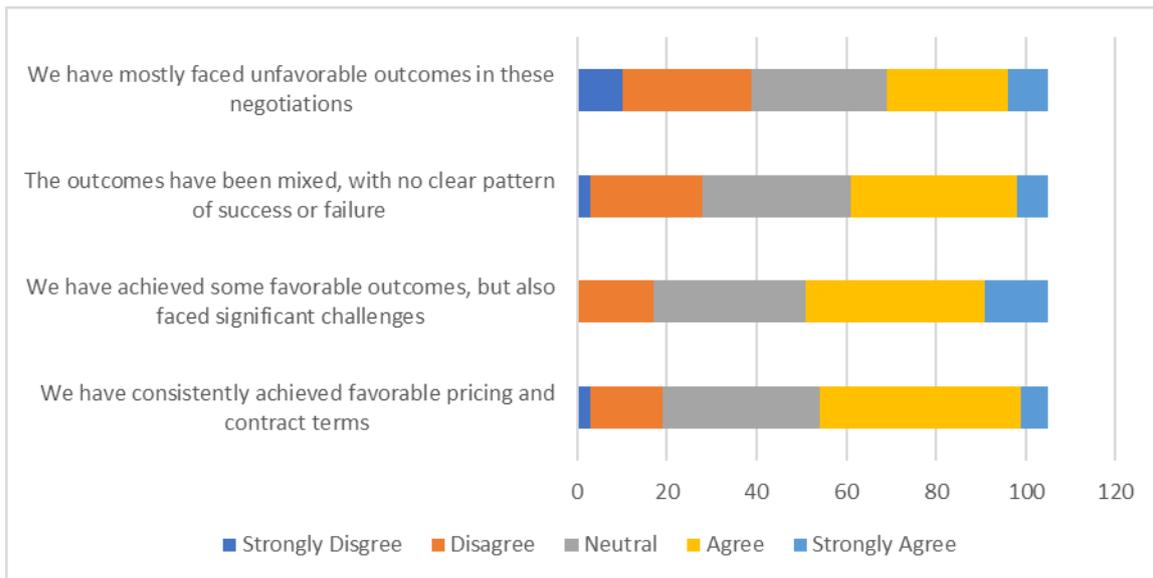


Figure 20, Participants' responses related to their overall outcomes

In the last section it is examined the participants' views on their organization's long-term strategic planning for monopoly suppliers. 53% of respondents agreed that they are actively exploring options to reduce reliance on these suppliers in the future and are investing in capabilities such as research and development and vertical integration as potential alternatives. This reflects a proactive approach aimed at enhancing resilience against monopolistic dynamics.

There appears to be a balance between neutrality and agreement on several key statements, including the influence of negotiations with monopoly suppliers on long-term business strategies and the consideration of these suppliers in mergers and acquisitions planning. Many participants also acknowledge the importance of advocating for regulatory changes to address challenges posed by monopoly suppliers, along with a reevaluation of their overall business model as a result of their negotiation experiences. However, it is noteworthy that over 20% of respondents disagreed with the assertion that they are advocating for regulatory changes and that negotiations have led to a reevaluation of their business models. This suggests that while some organizations are actively adapting to the challenges posed by monopoly suppliers, others may not view regulatory advocacy as priority actions.

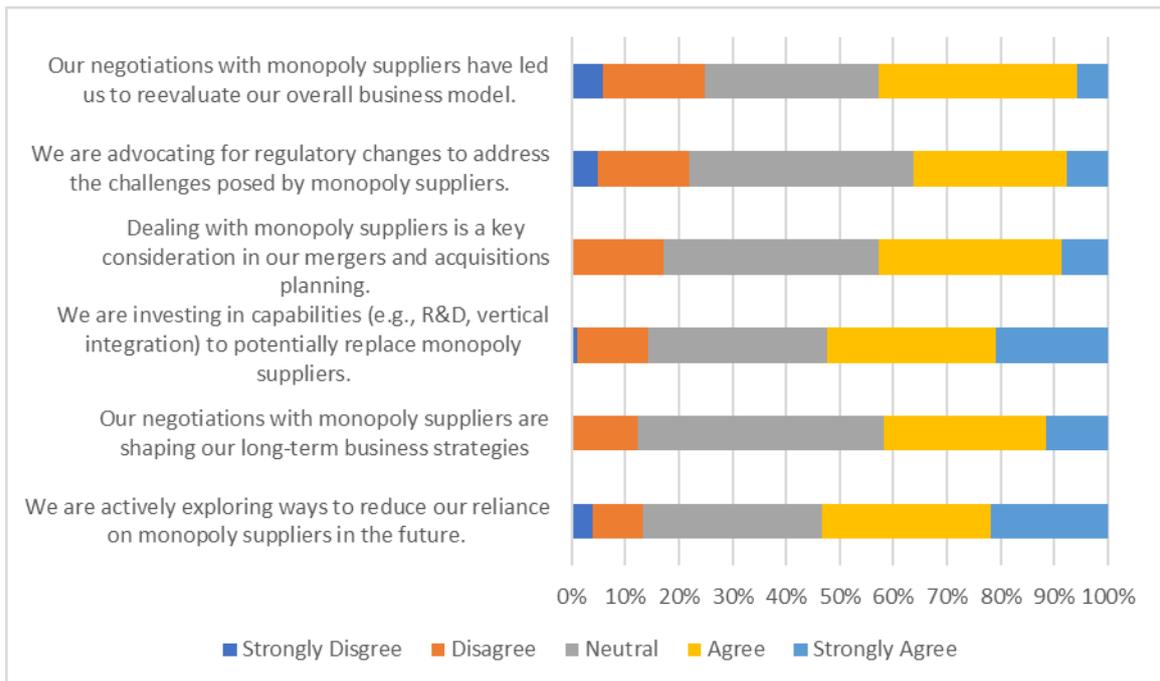


Figure 21, Responses related to Participants' organization's long-term strategic planning for dealing with monopoly suppliers

5.6 Cronbach's Alpha Analysis

To assess the credibility of the survey, I will conduct a Cronbach's alpha analysis on the collected data. This analysis can be performed using any data analysis software, and in this instance, I utilized Excel (Microsoft Office) by selecting the "ANOVA: Two-Factor Without Replication" option. The input data for this analysis will consist of all the responses provided by the participants.

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F-crit
Rows	2241,107483	104	21,54911041	30,96654569	0	1,240141986
Columns	616,742857	97	6,358173785	9,136835593	2,5508E-121	1,248920443
Error	7020,073469	10088	0,695883572			
Total	9877,92381	10289				

Table 26, ANOVA two factor without replication analysis for the survey

By applying the formula below, we can calculate the Cronbach's alpha.

$$a = 1 - \frac{MS\ Error}{MS\ rows} = 1 - \frac{0,695883572}{21,54911041} = 0,967707086$$

According to the Table 3 and since the calculated Cronbach's alpha is equal to 0,967 then the survey's internal consistency is "Excellent".

6. Conclusion

6.1 Summary of this work

In this thesis, drawing from survey results and a comprehensive literature review, we recognize the complexities inherent in dealing with monopoly suppliers. The multifaceted nature of these negotiations underscores their critical role in ensuring supply chain efficiency and enhancing an organization's overall profitability. With a myriad of strategies

available, determining the most effective approaches becomes essential for buyers navigating these challenging dynamics.

Participants' responses reveal a nuanced understanding of the primary concerns and challenges associated with negotiating with dominant suppliers. A significant worry pertains to the limited alternatives available, coupled with power imbalances and supplier inflexibility. These issues highlight the difficulty in leveraging favorable terms when suppliers hold substantial market control. There were mixed views on the influence of the cultural differences and communication barriers, indicating that this issue depends on the context.

Participants highlight the importance of having a strong BATNA, gaining strong market intelligence, and building strategic relationships, to navigate challenges. In-house production was favored for increasing control over resources. There was also strong support on creating value through collaboration with suppliers, reflecting a commitment to mutually beneficial partnerships and a preference for collaborative problem-solving which aligns with academic recommendation.

On the other hand, strategies involving regulatory pressure or unbundling supplier offerings received more neutral responses, indicating uncertainty about their relevance. Additionally, neutrality towards blockchain or AI tools suggests indecision about their use, likely due to unfamiliarity.

Overall, the insights indicate that organizations could benefit from investing in skill development and leveraging emerging technologies like AI and blockchain to enhance agility. A focus on long-term strategic planning to reduce reliance on monopolistic suppliers shows foresight among participants, aiming to foster resilience and flexibility.

In summary, the responses present a comprehensive approach to navigate negotiations with monopoly suppliers. By combining strong preparation, collaborative tactics, and innovative strategies, improve organizational performance, and maintain a competitive edge in the supply chain. This research not only sheds light on current practices but also provides a roadmap for future negotiation strategies in complex supplier environments.

6.2 Future work

Future research can build upon the insights gained from this study by exploring the long-term effects of the strategies identified for negotiating with monopoly suppliers. While this research has highlighted effective approaches and challenges faced by participants, a longitudinal study could provide deeper insights into how these strategies evolve over time and their impact on organizational performance. Investigating the outcomes of various negotiation tactics in different industry sectors could also help practitioners understand best practices that are adaptable across contexts.

Additionally, I believe that further studies could delve into the role of technology, specifically artificial intelligence and blockchain, in enhancing negotiation processes with monopoly suppliers. As participants exhibited neutrality towards these tools, future work could focus on case studies that illustrate successful implementations of these technologies in negotiation frameworks. Exploring the barriers to adoption and perceptions surrounding these tools could provide valuable data for developing targeted training programs and resources to bridge the gap between technology and negotiation practice.

I would also propose in order to enhance the robustness of future findings, it is essential to target a specific group with a larger statistically significant sample. The next step could include interviewing professionals who are actively dealing with monopoly suppliers. This qualitative approach would provide a deeper understanding of the real-world challenges and strategies employed in negotiations, allowing for a more nuanced analysis of the negotiation landscape and contributing to a more comprehensive body of knowledge in the field.

References

- Adair, W., Brett, J., Lempereur, A., Okumura, T., Shikhirev, P., Tinsley, C., & Lytle, A. (2004). Culture and Negotiation Strategy. *Negotiation Journal*, 20(1), 87–111.
<https://doi.org/10.1111/j.1571-9979.2004.00008.x>
- Admati, A. R., & Pfleiderer, P. (1986). A monopolistic market for information. *Journal of Economic Theory*, 39(2), 400–438. [https://doi.org/10.1016/0022-0531\(86\)90052-9](https://doi.org/10.1016/0022-0531(86)90052-9)
- Agnihotri, A., & Bhattacharya, S. (2021). *Growth Strategic Options of Kraft Heinz*. SAGE Publications: SAGE Business Cases Originals.
- Alavoine, C., & Estieu, C. (2015). You can't always Get what you Want: Strategic Issues in Negotiation Part 2. *Procedia - Social and Behavioral Sciences*, 207, 335–343.
<https://doi.org/10.1016/j.sbspro.2015.10.103>
- Amirrudin, M., Nasution, K., & Supahar, S. (2020). Effect of Variability on Cronbach Alpha Reliability in Research Practice. *Jurnal Matematika, Statistika Dan Komputasi*, 17(2), 223–230. <https://doi.org/10.20956/jmsk.v17i2.11655>
- Arroyo, J. D. (2019). *Ford and the New Auto Industry*. <https://doi.org/10.31235/osf.io/q3m7g>
- Atkin, T. S., & Rinehart, L. M. (2006). The effect of negotiation practices on the relationship between suppliers and customers. *Negotiation Journal*, 22(1), 47–65.
- Baber, W. W., & Fletcher-Chen, C. C.-Y. (2020). *Practical Business Negotiation* (2nd ed.). Routledge. <https://doi.org/10.4324/9780367822422>
- Bakogiannis, T., Mytilinis, I., Doka, K., & Goumas, G. (2020). Leveraging Blockchain Technology to Break the Cloud Computing Market Monopoly. *Computers*, 9(1), 9.
<https://doi.org/10.3390/computers9010009>

- Belkin, L. Y., Kurtzberg, T. R., & Naquin, C. E. (2013). Signaling dominance in online negotiations: The role of affective tone. *Negotiation and Conflict Management Research*, 6(4), 285–304.
- Benfrattelo, L., & Verde, A. (2024). *Competition Dynamics and Market Power: Analysis of the Duopoly Between Airbus and Boeing in the Civil Aircraft Manufacturing Industry*.
- Benton, W. C., & Maloni, M. (2005). The influence of power driven buyer/seller relationships on supply chain satisfaction. *Journal of Operations Management*, 23(1), 1–22.
<https://doi.org/10.1016/j.jom.2004.09.002>
- Billings-Yun, M. (2010). *Beyond dealmaking: Five steps to negotiating profitable relationships*. John Wiley & Sons.
- Bjørgum, Ø., Aaboen, L., & Fredriksson, A. (2021). Low power, high ambitions: New ventures developing their first supply chains. *Journal of Purchasing and Supply Management*, 27(1), 100670. <https://doi.org/10.1016/j.pursup.2020.100670>
- Braido, L. H. B., & Shalders, F. L. (2015). Monopoly rents in contestable markets. *Economics Letters*, 130, 89–92. <https://doi.org/10.1016/j.econlet.2015.03.008>
- Brett, J., & Thompson, L. (2016). Negotiation. *Organizational Behavior and Human Decision Processes*, 136, 68–79. <https://doi.org/10.1016/j.obhdp.2016.06.003>
- Browaeyns, M.-J., & Price, R. (2008). *UNDERSTANDING CROSS-CULTURAL MANAGEMENT*.
- Busch, L.-A., & Muthoo, A. (2003). *POWER AND INEFFICIENT INSTITUTIONS*.
- Calabresi, S. G., & Price, L. (2012). Monopolies and the Constitution: A History of Crony Capitalism. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2130043>
- Calvaresi, D., Dubovitskaya, A., Retaggi, D., F. Dragoni, A., & Schumacher, M. (2018). Trusted Registration, Negotiation, and Service Evaluation in Multi-Agent Systems

- throughout the Blockchain Technology. *2018 IEEE/WIC/ACM International Conference on Web Intelligence (WI)*, 56–63. <https://doi.org/10.1109/WI.2018.0-107>
- Caniëls, M. C. J., & Gelderman, C. J. (2005). Purchasing strategies in the Kraljic matrix—A power and dependence perspective. *Journal of Purchasing and Supply Management*, *11*(2–3), 141–155. <https://doi.org/10.1016/j.pursup.2005.10.004>
- Carr, A. S., & Smeltzer, L. R. (1997). An empirically based operational definition of strategic purchasing. *European Journal of Purchasing & Supply Management*, *3*(4), 199–207.
- Catalini, C., & Gans, J. S. (2020). Some simple economics of the blockchain. *Communications of the ACM*, *63*(7), 80–90. <https://doi.org/10.1145/3359552>
- Chen, Y., Hao, X., Ren, W., & Ren, Y. (2019). Traceable and Authenticated Key Negotiations via Blockchain for Vehicular Communications. *Mobile Information Systems, 2019*, 1–10. <https://doi.org/10.1155/2019/5627497>
- Clark, R. S., & Plano Clark, V. L. (2022). The use of mixed methods to advance positive psychology: A methodological review. *International Journal of Wellbeing*, *12*(3), 35–55. <https://doi.org/10.5502/ijw.v12i3.2017>
- Dinkevych, E., Wilken, R., Aykac, T., Jacob, F., & Prime, N. (2017). Can outnumbered negotiators succeed? The case of intercultural business negotiations. *International Business Review*, *26*(3), 592–603.
- Eben, M. (2018). Fining Google: A missed opportunity for legal certainty? *European Competition Journal*, *14*(1), 129–151. <https://doi.org/10.1080/17441056.2018.1460973>
- Florijn, T. C. P., Yolum, P., & Baarslag, T. (2024). *A Negotiator's Backup Plan: Optimal Concessions with a Reservation Value* (arXiv:2404.19361). arXiv. <http://arxiv.org/abs/2404.19361>
- Gabuthy, Y., & Muthoo, A. (2018). *Bargaining and Hold-up: The Role of Arbitration*.

- Gandhi, A., & Gandhi, V. (2021). *Dealing With a Monopolistic Vendor*. NeilsonJournals Publishing. <https://doi.org/10.4135/9781529610970>
- Gelderman, C. J., & Van Weele, A. J. (2002). Strategic Direction through Purchasing Portfolio Management: A Case Study. *Journal of Supply Chain Management*, 38(1), 30–37. <https://doi.org/10.1111/j.1745-493X.2002.tb00127.x>
- Gronde, T. V. D., Uyl-de Groot, C. A., & Pieters, T. (2017). Addressing the challenge of high-priced prescription drugs in the era of precision medicine: A systematic review of drug life cycles, therapeutic drug markets and regulatory frameworks. *PLOS ONE*, 12(8), e0182613. <https://doi.org/10.1371/journal.pone.0182613>
- Groves, R. M., Fowler Jr, F. J., Couper, M. P., Lepkowski, J. M., Singer, E., & Tourangeau, R. (2011). *Survey methodology*. John Wiley & Sons.
- Gundlach, G. T., & Murphy, P. E. (1993). Ethical and legal foundations of relational marketing exchanges. *Journal of Marketing*, 57(4), 35–46.
- Gurtu, A., & Johny, J. (2021). Supply Chain Risk Management: Literature Review. *Risks*, 9(1), 16. <https://doi.org/10.3390/risks9010016>
- Habib, F., Bastl, M., & Pilbeam, C. (2015). Strategic responses to power dominance in buyer-supplier relationships: A weaker actor's perspective. *International Journal of Physical Distribution & Logistics Management*, 45(1/2), 182–203.
- Hofstede, G. J., Jonker, C. M., & Verwaart, T. (2012). Cultural Differentiation of Negotiating Agents. *Group Decision and Negotiation*, 21(1), 79–98. <https://doi.org/10.1007/s10726-010-9190-x>
- Inderst, R., & Wey, C. (2003). *Buyer power and supplier incentives*.
- Inemek, A., & Matthyssens, P. (2013). The impact of buyer–supplier relationships on supplier innovativeness: An empirical study in cross-border supply networks. *Industrial Marketing Management*, 42(4), 580–594. <https://doi.org/10.1016/j.indmarman.2012.10.011>

- Johnson, R., & Christensen, L. (2017). Validity of research results in quantitative, qualitative and mixed research. *Educational Research Quantitative, Qualitative, and Mixed Approaches*. California: United States of America: SAGE, 306–310.
- Joshi, A., Kale, S., Chandel, S., & Pal, D. (2015). Likert Scale: Explored and Explained. *British Journal of Applied Science & Technology*, 7(4), 396–403.
<https://doi.org/10.9734/BJAST/2015/14975>
- Kaufmann, L., Schreiner, M., & Reimann, F. (2023). Narratives in supplier negotiations—The interplay of narrative design elements, structural power, and outcomes. *Journal of Supply Chain Management*, 59(1), 66–94. <https://doi.org/10.1111/jscm.12280>
- Kim, P. H., Pinkley, R. L., & Fragale, A. R. (2005). Power Dynamics In Negotiation. *Academy of Management Review*, 30(4), 799–822. <https://doi.org/10.5465/amr.2005.18378879>
- Knudsen, D. (2003). Aligning corporate strategy, procurement strategy and e-procurement tools. *International Journal of Physical Distribution & Logistics Management*, 33(8), 720–734. <https://doi.org/10.1108/09600030310502894>
- Kovac, E., Vinogradov, V., & Zigic, K. (2007). Persistence of Monopoly, Innovation, and R&D Spillovers: Static Versus Dynamic Analysis. *SSRN Electronic Journal*.
<https://doi.org/10.2139/ssrn.1115310>
- Krause, D. R., Terpend, R., & Petersen, K. J. (2006). Bargaining stances and outcomes in buyer–seller negotiations: Experimental results. *Journal of Supply Chain Management*, 42(3), 4–15.
- Majeed Parry, G., Revolidis, I., Ellul, J., & Pace, G. J. (2024). Bottling Up Trust: A Review of Blockchain Adoption in Wine Supply Chain Traceability. *IEEE Access*, 12, 178320–178344. <https://doi.org/10.1109/ACCESS.2024.3505428>

- Mediavilla, M., Mendibil, K., & Rivera, O. (2019). How to negotiate with dominant suppliers? A game-theory perspective from the industry. *Dirección y Organización*, 67, 37–45.
<https://doi.org/10.37610/dyo.v0i67.542>
- Mirzazadeh, F. (2022). *A descriptive analysis of sport nationalism, digital media, and fandom to launch the Canadian Premier League*.
- Moosmayer, D. C., Chong, A. Y.-L., Liu, M. J., & Schuppar, B. (2013). A neural network approach to predicting price negotiation outcomes in business-to-business contexts. *Expert Systems with Applications*, 40(8), 3028–3035. <https://doi.org/10.1016/j.eswa.2012.12.018>
- Muthoo, A. (1999). *Bargaining Theory with Applications*. Cambridge University Press; Cambridge Core. <https://doi.org/10.1017/CBO9780511607950>
- Nyaga, G. N., Lynch, D. F., Marshall, D., & Ambrose, E. (2013). Power Asymmetry, Adaptation and Collaboration in Dyadic Relationships Involving a Powerful Partner. *Journal of Supply Chain Management*, 49(3), 42–65. <https://doi.org/10.1111/jscm.12011>
- Parker, G., Petropoulos, G., & Van Alstyne, M. (2021). Platform mergers and antitrust. *Industrial and Corporate Change*, 30(5), 1307–1336. <https://doi.org/10.1093/icc/dtab048>
- Peleckis, K. (2016). INTERNATIONAL BUSINESS NEGOTIATION STRATEGIES BASED ON BARGAINING POWER ASSESSMENT: THE CASE OF ATTRACTING INVESTMENTS. *Journal of Business Economics and Management*, 17(6), 882–900.
<https://doi.org/10.3846/16111699.2016.1233511>
- Peleckis, K., Peleckienė, V., & Peleckis, K. (2017, May 11). International Business Negotiations: Search of the Balance and the Equilibrium of Negotiating Powers, under Distorting Market Conditions of Competition (Monopsony, Oligopsony and Monopoly Cases). *Proceedings of 5th International Scientific Conference Contemporary Issues in Business, Management and Education '2017*. Contemporary Issues in Business,

Management and Education, Vilnius Gediminas Technical University.

<https://doi.org/10.3846/cbme.2017.041>

- Porter, M. E. (1998). *Competitive strategy: Techniques for analyzing industries and competitors: with a new introduction*. Free Press.
- Raiffa, H. (1982). *The art and science of negotiation*. Harvard University Press.
- Raiffa, H. (2007). *Negotiation analysis: The science and art of collaborative decision making*. Harvard University Press.
- Savelyev, A. (2017). Contract law 2.0: ‘Smart’ contracts as the beginning of the end of classic contract law. *Information & Communications Technology Law*, 26(2), 116–134.
- <https://doi.org/10.1080/13600834.2017.1301036>
- Sjoerdstra, B. (2016). *Dealing with Vendor Lock-in*.
- Smeltzer, L. R., Manship, J. A., & Rossetti, C. L. (2003). An analysis of the integration of strategic sourcing and negotiation planning. *Journal of Supply Chain Management*, 39(3), 16–25.
- Spulber, D. F. (2021). *Antitrust Policy Toward Patent Licensing: Why Negotiation Matters*. 22.
- Steinle, C., & Schiele, H. (2008). Limits to global sourcing?: Strategic consequences of dependency on international suppliers: Cluster theory, resource-based view and case studies. *Journal of Purchasing and Supply Management*, 14(1), 3–14.
- Taber, K. S. (2018). The Use of Cronbach’s Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, 48(6), 1273–1296.
- <https://doi.org/10.1007/s11165-016-9602-2>
- Thomas, S. P., Thomas, R. W., Manrodt, K. B., & Rutner, S. M. (2013). An Experimental Test of Negotiation Strategy Effects on Knowledge Sharing Intentions in Buyer–Supplier Relationships. *Journal of Supply Chain Management*, 49(2), 96–113.
- <https://doi.org/10.1111/jscm.12004>

- Vafin, A. (2017). *Negotiation with Dominant Supplier: Power Determination, Partnership, and Joint Buying*.
- Varian, H. R. (2014). *Intermediate microeconomics with calculus* (1. ed., internat. student ed). Norton.
- Veselinović, M., Mihajlovic, V., Smigic-Miladinovic, J., & Radović, A. (2024). *THE IMPORTANCE OF PARTNERSHIP IN THE SUPPLY CHAIN FOR THE IMPROVEMENTS IN COMPETITIVE ADVANTAGES-THE CASE OF COCA-COLA & MCDONALD'S COOPERATION*. 467.
- Weiss, A.-P. C. (2017). Negotiation: How to Be Effective. *The Journal of Hand Surgery*, 42(1), 53–56. <https://doi.org/10.1016/j.jhsa.2016.10.009>

Appendix A: Questionnaire

The questionnaire of the survey can be found [here](#)

Author's Statement:

I hereby expressly declare that, according to the article 8 of Law 1559/1986, this dissertation is solely the product of my personal work, does not infringe any intellectual property, personality and personal data rights of third parties, does not contain works/contributions from third parties for which the permission of the authors/beneficiaries is required, is not the product of partial or total plagiarism, and that the sources used are limited to the literature references alone and meet the rules of scientific citations.