

Factors Influencing the Dark Side of Exporter-Importer Relationship: A Perspective of SMES

Mohd Salekhan bin Othman
Faculty of Economics and Management
Universiti Kebangsaan Malaysia
P110438@siswa.ukm.edu.my

Dr. Md Daud Ismail
Associate Professor
Faculty of Economics and Management
Universiti Kebangsaan Malaysia
mddaud@ukm.edu.my

Dr. Mohamat Sabri Hassan
Professor
Faculty of Economics and Management
Universiti Kebangsaan Malaysia
msabri@ukm.edu.my

Dr. Hafizah Omar Zaki
Faculty of Economics and Management
Universiti Kebangsaan Malaysia
hafizah.omar@ukm.edu.my

Abstract

This study examines the exporter's experience and the challenges of the dark side of the relationship with foreign importers. In addition, this study also investigates the mechanism used in safeguarding the dark side of the exporter-importer relationship. This study is based on qualitative research. Primary data were collected through a series of systematic semi-structured interviews with the sample of Malaysian SMEs exporter in the manufacturing sector. The findings revealed that opportunism, conflict, and uncertainty are the main manifestation of the dark side in exporter-importer relationships. Market environment, host country policy, and government policy are the critical challenges affecting SMEs' relationship with importers. To safeguards the relationship from the negative effect of the dark side, SMEs call for government assistance, utilize governance mechanism, and turn on organizational learning based on prior experience. This study contributes to theoretical development by highlighting the manifestation of the dark side in exporter-importer relationships in the context of SMEs. Internationalizing SMEs need to learn quickly to anticipate and effectively respond to changes in the environments. It is vital for managers to work cooperatively with government agencies to seek information about particular importers and exporting processes in certain countries.

Keywords - Dark Side, Exporter-Importer, International Business Relationships, SMEs, Qualitative, Malaysia

Introduction

Recently scholars have gained interest in the dark side of the exporter and importer (E-I) relationship (Oliveira & Lumineau, 2019) and acknowledged its effects in firm internationalisation research (Oliveira & Johanson, 2021). The term dark side refers to the negative aspects of the inter-organizational relationship (IOR), including anything from negative consequences to ill-intentioned behaviour or unethical (Oliveira & Lumineau, 2019). Previous studies investigated the harmful effects of the dark side (Wang et al., 2020), such as the consequences of IOR failure (Musarra et al., 2021).

Notwithstanding more research on the dark side of international IOR, the literature demonstrates the pressing need to understand the topic. Hitherto, we have limited knowledge pertaining to the underlying dysfunctionality and its implications (Oliveira & Lumineau, 2019) due to the lack of research on the topic (Obadia & Robson, 2021). Aykol and Leonidou (2018) insist on more research to discover new dark side aspects in E-I relationships. Abosag et al. (2016) claim that increased focus on the dark side of IOR enhances the understanding of the complexities of business relationships necessitating careful management.

The current study seeks to answer the following question: How do small and medium enterprises (SMEs) in Malaysia experience the dark side in their relationships with the importer? This paper aims to delve into the topic to examine the manifestation of the dark side and the challenges in the exporter-importer (E-I) relationship. Moreover, this study will explore the SMEs' mechanism in handling the relationship with the importers in cross-border activities.

This study focuses on SMEs in an emerging market since they are most vulnerable to export failure due to the problematic relationship with foreign importers. In addition, these SMEs also experience the disadvantage of resource scarcity, underdeveloped institutional support, lack of innovation, and a small domestic market (pek, 2021). Due to lacking evidence, this context provides novel theoretical development and practical solutions for managers.

Literature Review

Manifestation of the dark side in exporter-importer relationships

Fan et al. (2011) propose that the dark side of IOR manifested when imbalance relationship tensions between partners emerged. The literature reveals the manifestations of the dark side of IOR mainly concentrated on conflict, opportunism, and unethical practices (N. Oliveira & Lumineau, 2019). However, recent studies insist on infidelity (Leonidou et al., 2021) and betrayal (Leonidou et al., 2018) as the critical manifestation of the dark side of the E-I relationship. We discuss briefly the concept of these

manifestations below.

Conflict is a disagreement between partners (Dwyer et al., 1987) and is conceptualised as a multi-dimension consisting of dysfunctional and functional conflict. Conflict causes strong relationships to deteriorate. Opportunism is viewed as a dark force that negatively influences relationships (Wang & Yang, 2013). Achrol and Stern (1988) define uncertainty as the degree to which a partner has enough knowledge to anticipate their decision's implications and confidently make critical decisions. They assert that uncertainty immediately emerges once the dark side appears in a relationship.

According to Leonidou et al. (2019), infidelity is one of the most common, severe, and dark aspects of business relationships. It disrupts the relationship's smooth flow and causes devastating emotions, adverse consequences, and the possibility of the relationship's termination. Betrayal is a recurring, unethical, and harmful phenomenon defined as a perceived violation by a partner of an implicit or explicit relationship-relevant norm. Betrayal is prevalent in international business relationships due to the large geographical and psychological distance, the international business environment's diversity and uncertainty, the intensity of competitive pressures, and the dynamic and unpredictability of the global market (Leonidou et al., 2018).

Notwithstanding the limited study on the dark side of international IOR, research involving in-depth qualitative analysis, specifically in the context of SMEs in a small emerging market, has been almost unexplored. Consequently, the limited knowledge about the exporter-importer relationship affects the theoretical advancement regarding the dark side manifestation.

Challenges in international business relationships

SMEs face many challenges in building productive and sound E-I relationships in cross-border activities. The international climate affects the regulation and market approach implemented by the host country. According to Mtigwe (2005), regulations, export policy, procedural customs, endowments, and incentives are the government

issues that affect SMEs' internationalisation process. Neglecting to learn and understand business conducts and practices may undermine SMEs' potential to expand abroad, and in some cases, the SMEs may not be able to penetrate specific markets.

In addition, Skarmeas et al. (2019) contend that SMEs with strong market capability, i.e., market sensing, reflect their ability to learn about importers, competitors, and the product market environment. Competition can be intense in international business relationships, particularly in emerging markets where many new players may enter. Therefore, increased market intelligence and knowledge will allow SMEs to understand better and anticipate competitive moves.

Mechanism handling relationships with importers

Oliveira and Lumineau (2019) recognise how exposure to dark practices can benefit and enhance the firm's performance. According to Pomegbe et al. (2021), the business ecosystem is a web of open relationships that pose coordination challenges to partners. Along this line, the governance mechanism is pertinent to safeguard and coordinate business relationships (Kahiya & Butler, 2022). Jap and Ganesan (2000) emphasised the governance mechanisms in safeguarding IOR exchange, minimising exposure to opportunism, and protecting transaction-specific investments (TSIs). Two mechanisms, namely contractual and relational governance, influence the structural procedures for managing stakeholders' behaviour to safeguard from opportunists and promote closeness among exporters and importers (Wacker et al., 2016).

Theoretical framework

Two theories used extensively in research on the dark side of IOR were transaction cost economy (TCE) and relational exchange theory (RET). These theories were used mainly to determine the governance mechanism of the dark side of IOR.

TCE is based on the idea that economic actors reduce transaction costs resulting in predictable organisational structures (Williamson, 1979). This theory was applied to

understand the impact of transaction cost determinants (e.g., transaction-specific investments) on the E-I dimensions, with particular emphasis placed on the harmful effects of the 'dark side' (e.g., opportunism and uncertainty) on international IOR atmosphere (Wang et al., 2020). It has also been used to examine the effect of governance mechanisms (Huang & Chiu, 2018) and the influence of specific relational dimensions (e.g., trust and commitment) on improving relational and financial performance (Liu et al., 2018). In addition, this theory was also used to examine the roles of formal contracts on opportunism (Zhou & Xu, 2012).

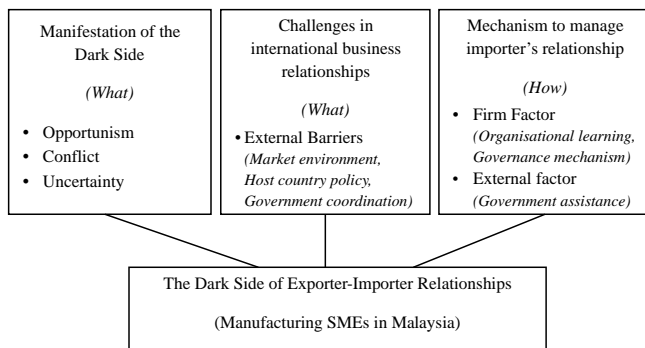
According to relational exchange theory, successful relationship marketing requires relational factors (Morgan & Hunt, 1994). Dyer and Singh (1998) posit that when a relationship is characterised by trust and cooperation, the shared norms and values coordinate economic exchanges without the added costs of negotiating and amending contracts. Therefore, it may substitute for the economic exchange mechanisms. However, long-term relationships have a dark side that reduces the impact of trust (Grayson & Ambler, 1999). The application areas of this theory in the dark side of international IOR research include performance implications of relational exchanges (Obadia & Vida, 2011), the examination of the factors contributing to the development of relational exchange (Miocevic, 2020), and the determinants of relational governance (Matanda & Freeman, 2009).

Predetermine themes

Research evidence suggests that opportunism and conflict is the main manifestation of the dark side in E-I relationship and can endanger their relationship quality (Leonidou et al., 2014). Being SMEs, external factors such as host country policy, market environment (Frank et al., 2017), and government coordination may substantially influence international business relationships. Therefore, according to TCE, the appearance of negative aspects in E-I relationships could be avoided by putting effort into building appropriate safeguard mechanisms and relational learning (Kahiya & Butler, 2022). Moreover, a reliable E-I relationship partner can be identified by asking for

assistance from governmental services. Based on the research question and literature review, the initial list of potential themes or concepts has been generated that will be explored during data analysis. Figure 1 describes the integrated framework showing predetermined themes and the details of each construct for this study.

Figure 1: Themes and construct relevant to the study



Research Methodology

We conducted qualitative research to meet the objectives of this research. This type of research is particularly suitable for understanding why and how things happen and is

appropriate for analyses of networks and business relationships (Ratajczak-Mrozek et al., 2019). Moreover, this method can yield highly relevant findings when investigating complex phenomena such as human relationships, particularly in international business, which often focuses on exploring phenomena with complex and unpredictable behavioural dimensions (Bodlaj & Vida, 2018).

Sampling procedure

A database of Malaysian exporters was used as a sampling frame. The database was derived from the directory of the Federation of Malaysian Manufacturers (FMM). Sample units were selected using four criteria: (1) a manufacturing SME company in Malaysia, (2) operating in foreign markets for at least three years, (3) employing at least ten employees, and (4) the informants were the current CEO or top management. These criteria enabled to avoid of inexperienced respondents in order to obtain a broader insight into the potential factors underlying the dark side phenomenon. Our sample consisted of six Malaysian SME exporters. Table 1 summarises the main sample characteristics.

Table 1: Summary of sample characteristics

Respondent	Respondent's function	Gender	Company's industry	State
A	Managing Director	Female	Snacks Food	Pulau Pinang
B	Chief Executive Officer	Male	Premium Fried Shallot	Melaka
C	Managing Director	Male	Snacks Food	Negeri Sembilan
D	Chief Executive Officer	Female	Beverages	Selangor
E	Chief Executive Officer	Male	Roti Canai, Satay, Fish Cracker	Melaka
F	Managing Director	Female	Ready-to-eat/cookpaste	Terengganu

Data collection

The interviewer studied each firm's website to understand their business and industry sector better. We looked for information such as their business partners, foreign markets, suppliers, products, and customers. The pre-interview helped us achieve insights about the firm and ask specific questions related to specific markets in which they are active. The semi-structured interviews in the Malay language lasted between 40 min to one hour for each SME.

We asked questions relating to the company's background, the main problem and drawbacks in their international business relationship, the challenges dealing with importers/distributors in international business, and their safeguard mechanism to avoid the appearance of the dark side in the relationships. The interviews were recorded with the permission of the respondents and later transcribed. Figure 2 illustrates the research methodology of the study.

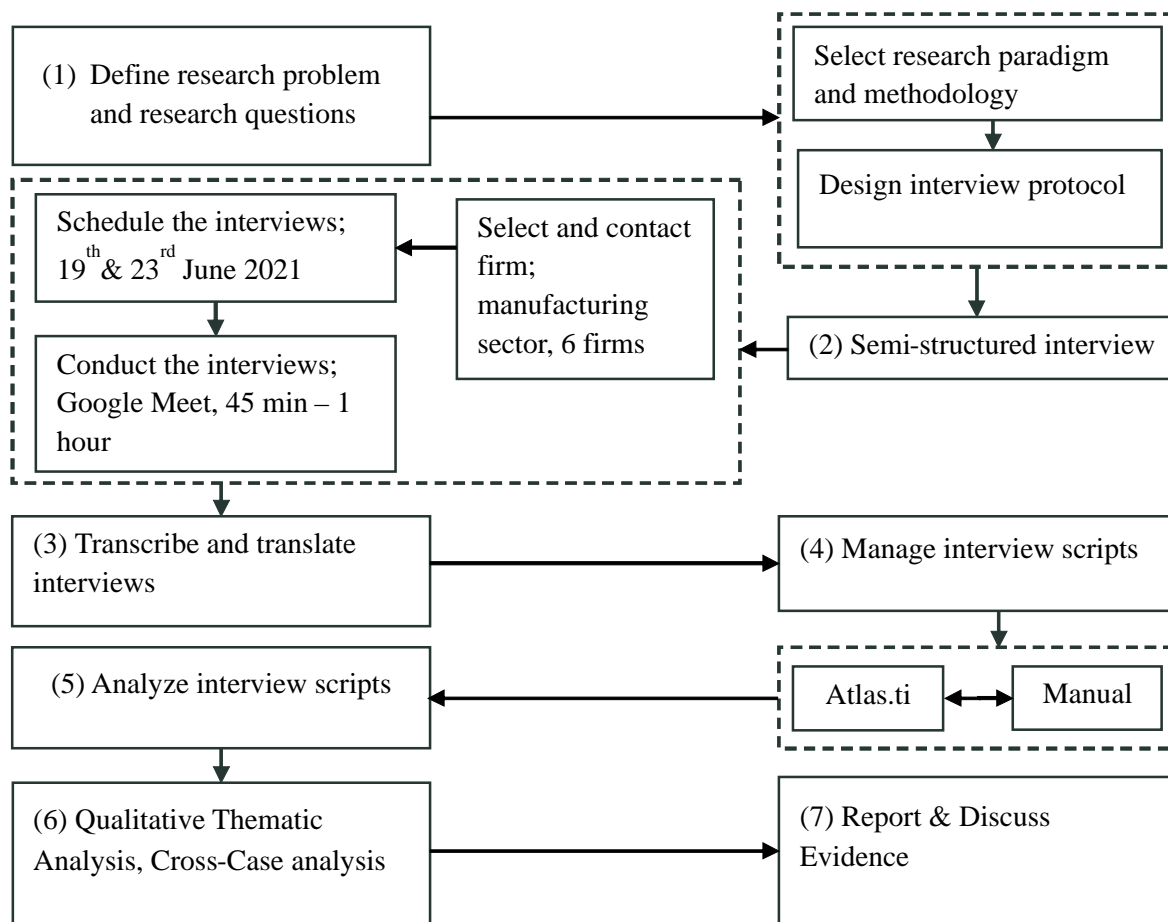


Figure 2: Semi-Structured Interview Research Methodology

Analysis and Results

The study examines the three key issues using cross-case analysis based on the themes and constructs developed in previous literature. It begins with examining the manifestation of the dark side of the E-I relationship (i.e., opportunism, conflict, and uncertainty), the challenges of internationalisation (market environment, host country policy, and government coordination), and the mechanisms to safeguard the SMEs relationship with importers (organisational learning, governance mechanism, and government assistance).

Manifestation of the dark side

The data analysis identified three key themes that explain the manifestation of the dark side's relationship with the

importer from the exporter's perspective.

Opportunism

Opportunism, defined by Gould (2016) as "self-interest seeking with guile," is a type of unethical behaviour between partners. The opportunistic behaviour within exchange relationships undermines firms' willingness to reciprocate the partner's actions ethically and destabilizes governance mechanisms driven by mutual obligations (Wölfel & Grosse-Ruyken, 2020). Several respondents in our study explicitly and implicitly described opportunism as a factor influencing the dark side of their cross-border relationships with the importers: "The difficulty dealing with importers is that once you invest in the equipment to meet demand, you don't know how long the business will

last, especially in China, because the contract with China is only a contract. China may also press us to supply at a lower cost so that they can profit, and then they will forget about our products and choose someone else" (Respondent C). Indeed, these findings are consistent with the literature, which suggests that exporters' investments in specific assets have the potential to heighten dependence and hence increase the importer's power which has a significant positive effect on opportunism (Ahamed et al., 2021). Moreover, SMEs in developing countries are more vulnerable to being exposed to power pressure by their foreign counterparts.

Some respondents also recalled that the importers' payment terms bind some exporters and can lead to opportunistic behaviour. In China, for example, some importers use Cost, Insurance, and Freight (CIF) as the payment term and will only pay when the products arrive. The term might trap the SMEs if the importers asked to return or dispose of the products as they failed to meet the specification: "I knew two or three SMEs that went bankrupt because they wanted to export under CIF terms. It is okay if they are sincere in solving the problem. But sometimes, they create out of the blue; that thing isn't even right" (Respondent C). Similarly, our respondent said that some importers wish to pay the SMEs only after the stocks have been sold: "In Australia, they ask us to sell one container, and after finishing the stock, they will pay us. But we don't want to take the risk. So what is the guarantee that you will pay me? That is not a win-win situation, that win-lose situation" (Respondent E).

Our respondents also believed the third party's involvement would violate the particular relationship with the genuine importers. As a result, they tend to take advantage of strategically manipulated information: "On the dark side, the agent requested a commission; he will mock up the price before giving a quotation to Circle K in Vietnam" (Respondent D). Problems with third-party can become even more pronounced if the information is misrepresented by not fully disclosing it: "When we supplied Giant Brunei, our agent asked us to do the production beforehand. Our mistake is not waiting for them to provide us with the Purchase Order (PO). But when we met with Giant management, they told us that we already

have half of the containers in store, so why should we order? So, whatever you're exporting, don't employ a third party; instead, deal directly with importers" (Respondent E).

These assertions by our respondents seem consistent that breaching a contractual obligation, misrepresenting information, lying, and a subtle deceit mode is a form of opportunistic behaviour that contributes to the dark side of E-I relationships.

Conflict

The findings observed that conflict also influenced the exporter-importer relationship. Conflict derived from disagreements between the exporter and foreign customers about issues such as offering a competitive process and collecting payments. Conflict is more likely to occur in cross-border transactions because of differences in business procedures, customs, and norms (Leonidou et al., 2006). Our respondents emphasized that conflicts arise in the product quality requirements: "Product-related conflict is to be expected. They desire this and various sizes. But if I've changed everything, do you take it or don't take it? We need that assurance from them. I'm worried they won't accept it after I make the necessary changes" (Respondent E).

On the other hand, some respondents mentioned the difficulty in dealing with a third party which might create conflict with their genuine importer: "I experienced a payment issue that occurred due to a middleman in Saudi Arabia." The terms and conditions state that we will only be paid once the products have been cleared. However, when the products came, certain products could not be cleared due to missing papers. So there are charges, but none want to pay them" (Respondent D). This study confirms that conflict can severely harm the quality of a working relationship and even result in partnership dissolution (Leonidou et al., 2014).

Uncertainty

Uncertainty refers to the degree to which an organisation is unable to anticipate or precisely predict the future of its relationships with another, primarily due to difficulties in

having appropriate, relevant, and timely information accessible (Leonidou et al., 2006). Unlike domestic business, international operations are characterized by higher levels of environmental uncertainty. Our respondents perceived that uncertainty could significantly impact exporter-importer relationships, making it challenging to plan and execute business strategies, negotiate contracts, and make long-term investments: "The issue is interpreting the forecast after we committed to them. Do we have to trust everything? We are a small company and have to invest a lot of money. If the importer backs out, we must still pay our bank loan" (Respondent C).

In addition, Mysen et al. (2011) suggest that the unpredictability in market conditions allows negative information asymmetry to develop and may encourage the importer to engage in opportunistic behaviour. Respondent D described his experience with the China and Vietnam importers: "Even though I've exported to several countries, this can't last. These importers can switch companies whenever they want to. They switch because the price is low and there is help with marketing. I've seen that China suddenly stops doing business with us when they find new products. Same as Vietnam, since Thailand is where they find new things to buy." Our findings indicate that the effect of uncertainty can be detrimental to the quality of the exporter-importer working relationship, as it might lead to difficulties in coordinating activities conducted by exchange parties.

Challenges in international business relationships

Similar to the previous analysis, fundamental qualitative analyses are presented and supported with relevant informants' comments. The data analysis identified three key themes that explain challenges in internationalisation from the exporter's perspective.

Market Environment

In this study market environment includes product and promotion. Our analysis of primary data suggests that the main challenge of internationalisation is to satisfy the targeted customer. Exporters must know about market

needs and requirements: "If you want to sell to people in other countries, you should sell the things they want to buy. For the Japanese market, we have to design our product so that it has a sense of taste. We can't stick to our recipes; instead, we must adapt to them and meet their taste, shape, and other needs" (Respondent C).

In another case, our respondents strongly agree that the specific product labelling and packaging to suit the market environment is a critical challenge of internationalisation: "When it comes to labelling and packaging, it is hard for SME to be standardised, which can cost money. Export is a good market, but things can go wrong if we make a mistake" (Respondent B). Exporting to non-English-speaking countries is also a significant concern: "The hardest part of exporting to Japan is translating our product labels" (Respondent B). Another respondent indicated that product packaging is the issue with exporting in Vietnam: "I found out that people want my product, but when they started getting it directly from Thailand, they stopped buying it from my company. The products from Thailand are really good, and the way they are packed is pretty. They are going there because of them" (Respondent D).

Our respondents mention that to enhance product capabilities and competitiveness, SMEs must meet international standards by obtaining international accreditations and meeting international standards: "He wants us to ship to the United Kingdom (UK), but the first question he asks is, do you have a Hazard Analysis and Critical Control Points (HACCP) certificate? Without that certificate, you cannot enter the market" (Respondent E). The respondents claimed these requirements are critical when venturing into foreign markets.

Moreover, disseminating relevant information to consumers through advertising and marketing is also a critical challenge. It is essential in foreign countries as the product brand is new to the public; as Respondent C emphasized, "In general, the structure of the international market makes it hard to do business there. So if you want to get into the market, especially with a new product, you must do marketing."

Host country policy

Participants in our study seem to agree that the host country's policies and procedures are also the main challenges of internationalization: "Entrepreneurs must recognise that the first barrier is certification registration because each country's export market policy is different" (Respondent A).

Due to the differences in policy practices, exporters may have difficulties in coordinating the internationalization process: "Each country has its own set of rules. For example, China has a lot of provinces, and each one has its own rules. So, it's hard to figure out how each province is put together" (Respondent F). The geopolitical problem in the host country also represents a severe challenge to internationalization. For example, one respondent described his experience exporting to Hong Kong, "When the riot started in 2018, I had just started shipping two or three times to Disneyland Hong Kong. Because of these geopolitical issues, we can't get into the market and sign contracts" (Respondent E). Similarly, one of our respondents described the situation in Xinjiang Province, China, particularly: "There, the government is giving the importers trouble. The process went smoothly for the first two containers, but when we sent the third one, the government made it harder for us to do business with them" (Respondent C).

The findings indicate the need for individual SMEs to seek information on the government processes and requirements before venturing into the international market, as a crucial success aspect in E-I relationships is being able to translate partner differences in behaviour, expectations, and needs into strategic action and making the appropriate adjustments to achieve fit with the international partners.

Government coordination

Regulations and procedures in getting assistance and support from the government were perceived as challenges of internationalisation. Our respondent also described that long processing times of the applications caused a setback for negotiations with the importer: "We feel disappointed with one of the agencies. We want to send samples of chicken satay to Hong Kong and need a Health

Certification. We sent the application in April 2021, and they haven't answered it until today" (Respondent E).

The lack of government coordination in supporting and organising the export program was also cited as an obstacle: "Our government invested millions on SMEs' exports, but I don't see any success stories?" The Malaysian government wants to develop SMEs, but we must first plan the platform and logistics. For example, Sari Raya, an Indonesian company, became successful in Japan because the Indonesian government supported them and required them to introduce more Indonesian products to Japan." (Respondent E).

Consequently, regulations, procedures, and government coordination in implementing the export program for SMEs also become one of the challenges towards the internationalisation of SMEs.

Mechanism handling relationships with importers

The data analysis identified three key themes that explain SMEs' mechanism to safeguard E-I relationships from the exporter's perspective.

Organisational learning

Knowledge has been considered valuable when venturing into the international market; thus, organisational learning is a concern. As our respondents suggested, "If culture, I learn it by experience, but if regulation, we have to learn. Therefore, you must have experience and knowledge. For example, in Dubai, I greatly help other entrepreneurs. However, they don't understand and need to mix around and ask people who are good at exporting" (Respondent A). The comment suggests that the exporting relationship is a process of environmental learning. Therefore, strengthening SMEs' managerial skills through rigorous training and relational learning is vital to create a healthy E-I relationship.

In this study, SMEs are venturing into international business gradually. Prior relationship experience manifested in organisational knowledge regarding culture and process: "In business transaction relationships, we must be smart, and it is better to understand the process

[and] the culture where we want to supply - knowing which port or country we want to send our product to?"(Respondent B). Our findings suggest that the SMEs' international experience helps them design proper safeguards when entering new markets. According to Verbeke et al. (2019), having managers with extensive global market expertise can assist businesses in mitigating the risks associated with being foreign, small, and new, preventing opportunism when entering a new market.

Government assistance

Notably, having a genuine partner is crucial to the working E-I relationship. In doing so, most respondents clarified that they requested government assistance to seek information about importers before initiating the relationship: "When we get an offer for exporting, we must seek consultation from MATRADE"(Respondent E).

As an SME company venturing into the international market, our respondents describe having limited resources regarding knowledge, finance, and network access before an international venture. Hence, collaboration with the government helps expand their business: "If you want to create a contract, you need to learn from someone who has established an export market, and FAMA gave us a lot of valuable advice" (Respondent B). "I also had a chance to learn from classes organised by SME Corp, specifically The SME @ University Programme"(Respondent D).

Meanwhile, SMEs also explained that government agencies could assist in financing and marketing. For example, Respondent A explained, "MATRADE will aid us in sharing advertising costs in the specific country."In addition, our respondents emphasised that for SMEs to succeed in international business, the product must be ingrained in the customer's behaviour. The following highlights the issue: "By financing the marketing charge, the government may help identify enterprises that are having trouble joining the worldwide market, as if we can't afford to pay the marketing price, we will not survive in the international market" (Respondent C). This is consistent with the existing literature, which emphasises the need for government assistance in assisting SMEs in overcoming their inexperience and size-related disadvantages to

generate more sales, profitability, and returns on investment. (Idris & Saad, 2019).

Governance mechanism

Our respondents described governance mechanisms as a balance of control in network exchanges. It includes contractual and relational governance in addressing action in the exchange relationships and ensures the commitment of the importer in a working relationship:"Once we have a contract, we can establish project milestones, a budget, and a forecast. When we were creating the formal contract for Singapore and Australia, the importer wanted me to include a contract for supply and duration, and I understand that they want us to develop" (Respondent F).However, some respondents said that they took time to bind the formal contract as they assessed the performance and behaviour of the importer: "We create the formal contract after some time has passed, and after they buy ten containers rather than one or two containers. We want to see the importer's behaviour first" (Respondent A).

Our findings suggest that SMEs enforce some clauses before agreeing with the formal contract to minimise exposure to the dark side. One respondent explained: "If you wish to export, don't use importers as exclusive distributors and keep the contract transparent. For instance, how long do we intend to supply?" (Respondent B).Nevertheless, even the respondents with long-standing experience with their business partners noted that the risk could not be avoided entirely:"When dealing with the overseas market, we must require a Purchasing Order (PO) as well as an upfront payment. So, if you simply have a PO and no money, we will not proceed with the transaction" (Respondent E).

Participants in our study seem to agree that their companies also formed relational governance to build strong relationships with their importers. For example, the respondents said, "When we agree on a business relationship, both parties must be professional and fulfil the obligations. If we can deliver on our promises, the importer will hold us in great respect"(Respondent A).Subsequently, understanding culture and social norms in international business will represent shared expectations about the

attitudes and behaviours of the exchange's parties: "This is a must for us as exporters. We must understand the importer's culture and become friends with them"(Respondent A).

The findings revealed that contractual and relational governance is interrelated and crucial to establishing and coordinating relationship exchange between exporter-importer. Skarmeas et al. (2019b) contend that developing efficient and effective cross-border relationships depends on the governance structure as much as it does on the firm or partner-specific capabilities.

Discussions and Conclusions

In summary, the findings show three main factors influencing the dark side of the E-I relationships: (1) opportunism, (2) conflict, and (3) uncertainty. Thus, this study supports the idea that these factors are the primary manifestation of the dark side of IOR (N. Oliveira & Lumineau, 2019). Examining the dark side of the E-I relationship in the context of SME is insightful. This is because SMEs face several restrictions to international business expansion due to limited knowledge, inadequate foreign market intelligence, and the lack of networks (Safari & Chetty, 2019). They are also easily exposed to importers' manipulation of information and failure to fulfil promises and obligations. Julian (2014) hinted that an importer from a developed economy might engage in opportunistic behaviour by suppressing critical information, distortion of facts, dodging responsibilities, or deviously taking advantage of their partner.

While indicating the problems SMEs face in their relationship with the importer, this study revealed the challenges of foreign market ventures. Our findings suggest that the market environment, host country policy, and government coordination significantly affect SME relationship importers. Tang and Buckley (2020) posit that the host country is vital for international business because it shapes a business ecosystem through competition collaboration and facilitating resource transfer. In addition, Zehir & Balak (2018) indicate that the environment is an important contextual factor with a strong influence on a firm's strategic direction. The dynamic of the market

environment necessitates firms to analyse the customers' product development and buying behaviour. Therefore, finding reliable and committed importers with well-defined market knowledge is essential.

The study reveals the mechanism to safeguard SMEs from the dark side of the relationship with the importers. It highlights the need for knowledge and experience. This finding is consistent with Bhatti et al. (2020), who give evidence of organisational learning and knowledge development process that led to competitive advantage and stronger relationship trust. A trusting relationship helps an exporter to build the ability to identify opportunities, overcome uncertainties and be more competitive in the export market (Ismail & Isa, 2021). Our study also indicates that a formal and relational contract is essential to encourage behaviours limiting opportunism. This aligns with Huang and Chiu(2018) view that the governance mechanism protects the investment and promotes sustainable and cooperative relationships. Although some SMEs take time to bind the formal contract and geopolitical problem with the host country, they still apply contractual control, promoting relationship building with the importers. Pomegbe et al. (2021) proposed relational and contractual governance mechanisms to ensure coordination in business relationships. Therefore, firms can learn how to build appropriate contracts in relationships to mitigate the risk of the dark side.

The findings provide important insights into SME exporter and their foreign partner. Managers must work with government agencies such as MATRADE, Ministry of International Trade and Industry (MITI), FAMA, SME Corporation, and others to seek information about particular importers and exporting processes. Reliable importer provides accurate and timely information that facilitates successful E-I relationships. Internationalising SMEs must learn quickly to anticipate and respond to environmental changes. SMEs should promote learning by developing training programs concerning specific dark side manifestations.

The findings suggest that opportunistic behaviour of foreign partners, conflicts, and uncertain situations in international business detrimentally affect international

business relationships and overall performance. As a result, the emergence of the dark side in the exporter-importer relationships could be avoided by strengthening social bonds with importers, building appropriate safeguard mechanisms, and acquiring organisational learning.

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