

The manufacturing reshoring nature Insight from the footwear industry

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EXTENDED ABSTRACT

After decades of implementing manufacturing off-shoring strategies, in the last few years companies have been critically evaluating their earlier location decisions and often modifying them, relocating activities either in the home country (Relocation at Home Country, RHC) or in a third country (Relocation at a Third Country, RTC), different from the home and the host ones (Barbieri et al, 2019). The so called “relocations of second degree” phenomenon – known also as “reshoring” (Fratocchi et al, 2014; Foerstl et al, 2016) – has been increasingly attracting scholars, especially those belonging to supply chain management (SCM) and international business (IB)’s research fields (for an up-to-date literature review, see, Barbieri et al, 2018, Stentoft et al, 2016).

When defining future research avenues for investigating RHC phenomenon, Bals et al (2016) suggested to differentiate between decisions assumed as a result of a “deliberate strategic shift” (Di Mauro et al, 2018; Baraldi et al, 2018) and the ones taken as a “reaction to failure” (Kinkel and Maloca 2009; Ellram et al. 2013; Kinkel, 2014). However, even if a growing number of Scopus indexed publications have been investigated RHCs (Barbieri et al, 2018, Stentoft et al, 2016), none of them has been addressed the ones deriving by a managerial mistake. However, the analysis of the unsuccessful cases may be quite useful to shed new light on the back-shoring phenomenon and to develop useful managerial implications (Silva & Silva, 2012a).

This paper aims to shed new light on RHCs debate comparing two cases selected have been selected taking into account “contingency factors” (Bals et al, 2016). both of them belong to the footwear industry, a competitive environment where out-sourcing and off-shoring strategies have been implemented for a long time (Camuffo et al, 2006). More specifically, the offshoring and RHC strategies implemented by a Portuguese and an Italian firm have been investigated. In so doing a “5W and 1H” (“What”, “Who”, “Why”, “Where”, “When” and “How”) approach has been adopted for cross case analysis. This methodology has been – at least partially – adopted in several previous researches on the RHC phenomenon (e.g., Barbieri et al, 2018; Di Mauro et al, 2018; Di Stefano et al, 2018; Fratocchi et al, 2018).

Collected data show that reshoring decisions based on the two approaches are differently characterized in terms of “5W&1H” (Who, Why, What, When, Where & How) issues. Based on them, five propositions and two further research avenues have been developed.

The paper is structured as follows: section two contains the literature review regarding the development of own brand by footwear independent sub-contractors and RHC strategies implemented within the chosen industry. In section three, the case study research methodology is summarized while section four devotes for the within and the cross-case analyses of the two case studies. Based on them, five propositions and two further research avenues have been developed. The concluding section contains final remarks and point out the article limitations and practical implications.