Manufacturing backshoring and direct brand creation: evidence from the footwear industry in Italy and Portugal

Luciano Fratocchi (luciano.fratocchi@univaq.it
Department of Industrial and Information Engineering and Economics, University of L'Aquila, Italy

Susana Cristina Lima da Costa e Silva
Católica Porto Business School, Universidade Católica Portuguesa, Porto, Portugal

Abstract

Manufacturing offshoring decisions have been implemented for a long time in the footwear industry. However, more recently some companies are revising their initial decision by implementing the backshoring alternative. This paper is focused on backshoring decisions implemented by contract manufacturers that decided to develop their own brand.
Two case studies of shoes manufacturers are analyzed and compared according to the 5W and 1H (What, Who, Why, Where, When and How) perspectives. Findings show that both the earlier implemented strategies (contract manufacturing and offshoring) allowed the investigated companies to develop competences useful for promoting their own brand and increase their performances.

Keywords: Reshoring, Offshoring, Footwear

Introduction
After decades of implementing manufacturing offshoring strategies, in the last few years companies have been critically evaluating their earlier location decisions and have often modified them. In so doing, they also consider the case of moving back production activities to the home country, i.e. to implement manufacturing reshoring strategies. These strategies have increasingly attracted the attention of scholars, especially those in the supply chain management (SCM) and international business (IB) research fields (for an up-to-date literature review, see, Barbieri et al.,2018).

This phenomenon – known to most as reshoring – has been defined as "the relocation of value creation tasks from offshore to geographically closer locations […]" (Foerstl, et al., 2016: 495). From a geographical point of view, this concept can be further broken down into backshoring (Foerstl et al., 2016) or back-reshoring (Fratocchi et al., 2014) – i.e. the relocation back to the firm home country – and nearshoring (Foerstl et al., 2016) or near-reshoring (Fratocchi et al., 2014) – i.e. the relocation to a location closer to (but not within) the firm's home country. In the remainder of this paper we will focus attention only on the backshoring decisions. They were conceptualized as one of the alternatives available to the company after offshoring (Joubioux and Vanpoucke, 2016; Murat, 2013).

The extant literature clearly shows the repatriation of manufacturing activities is widespread among companies, independently of their (home/host) country, industry and size (see, among others, Fratocchi et al., 2015, 2016; Kinkel, 2014; Tate, 2014). Consequently, Bals et. al. (2016) suggest that future research in this field should adopt a contingency perspective taking into account the firm's characteristics, such as industry, strategy and size. Based on such advice, in this paper attention is focused on production repatriation decisions implemented by companies that have decided to shift from an outsourcing provider strategy to a direct brand creation one (Verdu et al., 2012). This strategy has often been implemented as a reaction to the clients' decision to shift their out-sourced demand to suppliers located in China and other Asian low cost countries. In similar situations, several providers closed their business activities while other tried to react enriching their value chain by adding design activities and developing their own brands (Verdu et al., 2012).

The direct brand creation strategy has been implemented in different industries, such as textile, electronics and footwear (Wilson, 2013; Meneses et al., 2016). However, while in the former two industries evidence generally refers to Chinese outsourcing providers, in the footwear sector it is regarding companies headquartered in Western countries. Therefore, in the remainder of this paper we will focus the attention on the footwear industry. This industry has been characterized by the adoption of two strategies: out-sourcing and offshoring. These two strategic decisions are strictly interconnected since in the production internationalization processes the "why issue" (offshoring motivations) has to be coherent with the "how" one (governance mode) (Camuffo et al., 2006). Being a mature industry, the decision to transfer footwear production abroad is most of the time implemented with the aim of reducing costs ("why"). Therefore, independent sub-contractors ("how") are the best suitable alternative for such an industry (Gereffi, 1999), at least in the first instance. Later on, the internationalization process may evolve toward "co-ordinated subcontracting" (when the company has a small organizational unit abroad, in order to coordinate local sub-contractors) and "supply system relocation" (i.e. a foreign direct investment) (Camuffo et al., 2006).

Referring to the Portuguese context, Meneses et al. (2016) found that seven out of 12 out-sourcing providers implemented such a strategy, even if only one decided to devote all its production capacity exclusively to its own brand. At the same time, Verdu et al. (2012) found that Spanish shoes manufacturers serving the "supermarket footwear target" initially tried to maintain competitive relocating production activities offshore (often in China and South-East Asia). After a while, some of them found such a strategy was no longer sustainable and decided to develop their own brand and internalize design activities in order to enter the "high street fashion target". The same strategic pattern was followed by some Portuguese companies (Silva, et al., 2011).

However, the new strategy (development of the own mark) is often no more coherent with the earlier decision to offshore production. As a consequence the backshoring option may be a feasible alternative. In this paper, attention is focused on contract companies that decided to repatriate their manufacturing activities after deciding to improve the share of total sales realized with their own brand. In order to investigate such a topic, a case study methodology was implemented comparing evidence belonging to two companie. The two chosen companies are respectively located in Italy and Portugal, the two most important countries in Europe in terms of production volumes, especially for the high- and medium-end targets.

The paper is structured as follows: the next section summarizes the extant literature on manufacturing backshoring in the footwear industry while the methodological issues are discussed in the second section. Since space constrain, the within-case analysis is not autonomously developed and the third section is entirely focused on the cross-case analyses. The final section contains concluding remarks.

Literature Review

To the best of the authors' knowledge, the first research regarding the backshoring strategies adopted by shoes manufacturers was proposed by Martínez-Mora and Merino (2014) who investigated 14 out of 15 Spanish major companies located in the Alicante industrial district, the largest in the country. Ten of the investigated companies decided to (partially or totally) offshore production to China and other Asian countries between 1990 and 2006. However, in the last five years, all of them have decided to backshore their manufacturing activities. Investigated companies produce different product lines (e.g. dress shoes vs. sport ones) and serve separate market targets (mid-range vs. mid-high and high ones). As a consequence, motivations for manufacturing repatriation were highly differentiated (e.g. delivery times, order size, quality). However, not one of the investigated companies decided to repatriate production as a correction of prior misjudgement. On the contrary, all of them have been induced to relocate by changes in the environment, such as the reduced gap in manufacturing costs between China and Spain and the lower orders by retailers since the global financial crisis. This is consistent with Casson's (2013) expectations that backshoring is due to changes in the external environment. At the same time, this finding is in contrast to Gray et al. (2013) and Kinkel (2014) who state relocation strategies are generally implemented after recognising an earlier managerial mistake.

Other useful insights on the backshoring strategies implemented by shoes manufacturers were recently proposed by Di Mauro et al. (2018) who analysed two mountain shoes manufacturers situated in the Montebelluna district in the North-East of the country. Adopting the theoretical framework proposed by Fratocchi et al. (2016), Di Mauro et al. (2018) compared drivers behind the offshoring and backshoring strategies. They found that while in the initial relocation (i.e. offshoring) the predominant motivation is cost-reduction, the following repatriation is mainly based on a strategic shift aimed at increasing the customer's perceived value. Moreover, authors found that, irrespective of the governance mode (out-sourcing vs. in-sourcing) adopted for the initial relocation, backshoring strategies of higher-end segments are implemented according to a 'captive' approach. At the same time, Di Mauro et al. (2018) have found that a positive "made in effect" and belonging to an industrial district push offshoring companies to backshore instead of nearshore. Finally, authors confirm Martínez-Mora and Merino's (2014) findings that backshoring was not the correction of a prior managerial mistake. However, they suggest that, at least in the case of the two mountain shoes producers, the offshoring decision was implemented on the basis of a "bandwagon" (Abrahamson and Rosenkopf 1993) or "mimetic behaviour" (Silva, Meneses and Radomska, 2018), i.e. they followed the strategies earlier pursued by larger companies belonging to the same industrial district.

Baraldi et al. (2018) developed some further insights on backshoring in the footwear industry analysing a single case study of an Italian mountain shoes producer belonging to the Montebelluna district. First, they pointed out that – like offshoring – backshoring may be implemented according to a "selective" approach, i.e. locating only certain "fine-sliced" activities at different points in time. In this respect, Baraldi et al. (2017, p. 9) specify that "selective reshoring concerns not whole manufacturing operations, or a certain set of activities, but rather specific individual activities or even only their single manifestation for a particular product". This finding is completely opposite to the widely diffused conceptualization of backshoring as a "binary phenomenon". Similarly to Martínez-Mora and Merino (2014) and Di Mauro et al. (2018), Baraldi et al. (2018) found that the backshoring firm's decision followed a change in the firm strategy (i.e. development of its own brand also for the medium-end segment). Moreover, they demonstrated that such a strategic shift was triggered by the business interaction with a company client which pressed to secure even lower prices. Facing the alternative to further offshore its production activity and remain mainly an out-sourcing provider, the company's entrepreneur decided to invest in its own brand and backshore production to the Montebelluna district. In this respect, Baraldi et al. (2018) suggest that the backshoring phenomenon should be investigated, also considering the company's transnational network, both in the home and host country.

Case Study Methodology

The main aim of this paper is to investigate the manufacturing backshoring decisions implemented by companies which – at the time of the offshoring decision – mainly operated as out-source providers. More specifically, the authors want to verify if the decision to increase the share of total sales realized with the own brand (and even to stop the contract manufacturing business) may influence the decision to backshore manufacturing activities that were earlier offshored. In order to investigate this research question, it was decided to focus on a specific industry: footwear.

Having adopted a case study methodology focused on a single industry, it is not possible to generalize findings, but rather to explore (Eisenhardt, 1989) and propose a perspective to enrich knowledge regarding the backshoring phenomenon. More specifically, the authors have adopted the inductive case study methodology since this approach is "particularly oriented towards exploration, discovery, and inductive logic" (Patton, 2002) and is recognized as appropriate to develop data-grounded, testable theories (Eisenhardt, 1989; Voss et al, 2002).

Consistent with the focus on the footwear industry, a homogeneous sampling approach – i.e. "concentrating on picking homogeneous cases" (Patton, 2002) – was adopted. Although such a sampling strategy inhibits the possibility to generalize conclusions, it ensures that variation is not caused by extraneous/confounding variables (e.g. Saunders et al., 2003), adding robustness to the findings. More specifically, the authors selected two shoes manufacturers located in Italy and Portugal, the two countries with the largest production of medium-, medium/high- and high-end products in Europe. The choice of small- and medium-sized enterprises (SMEs) is instrumental to the investigation of the strategic change from out-sourcing provider to own brand developer. Table 1 summarizes the main features of the sampled companies.

Data were collected by conducting on-site structured interviews with the two entrepreneurs using the checklist developed earlier. The checklist was sent to each respondent prior to the interview. Each interview lasted at least two hours and was undertaken by at least two members of the research team. All interviews were recorded and fully transcribed. The collected information was supplemented with internal documents (e.g. project plans, reports, market performance, balance sheets) provided by the companies and with external secondary sources (e.g. press reports on the offshoring or backshoring initiatives). As suggested by Eisenhardt (1989), triangulation of multiple sources of evidence provided a stronger substantiation of results. Preliminary versions of the case study reports were developed and sent to the respondents, in order to verify information accuracy. As a result of the feedback received, the final versions of the case study reports were developed.

As far as within-case and cross-case analysis, coding and data analysis were conducted manually by the authors to ensure inter-coder reliability (Duriau et al., 2007). For each case the following two sections were developed: a) firm's strategic evolution, b) manufacturing location's evolution. The cross-case analysis identified commonalities and differences among the four cases. In order to enhance construct validity, the internal validity, external validity and reliability strategies suggested by Yin (2003) and Eisenhardt (1989) were adopted.

Table 1 Sampled companies' features

Firms' characteristics	Fitwell	Sozé
Home country	Italy	Portugal
Product line	Mountain shoes	Dress shoes
Belonging to an industrial district	Yes (Montebelluna)	Yes (Felgueiras)
Total sales (2015)	€ 1,853,351.00	€ 9,667,556.00
Establishment year	1976	1979
Offshoring year	1998	2004
Backshoring year	2009	2010

Cross-case analysis

The cross-case comparison has been organized around the comparison of both the offshoring and backshoring strategies of the two sampled companies, in order to verify any commonalities or differences. More specifically, the comparison was implemented according to a "5W and 1H" approach, which refers to the following questions "Who", "What", "Why", "Where", "When" and "How" (Table 2). This approach was already adopted to review extant literature on offshoring (Mugurusi and de Boer, 2013) and backshoring (Barbieri et al., 2018), but also (with some limitations) to conduct cross-case analysis related to offshoring and backshoring strategies (Di Mauro et al., 2018).

Table 2 The 5W & 1 H approach for the cross-case analysis

Who	Analysed companies (Sozé vs Fitwell)
What	The "degree of offshoring and reshoring" (how many product lines? How many production activities?)
Why	Offshoring and backshoring drivers
Where	Host countries
When	Offs-shoring duration
How	Governance mode adopted during the offshoring and the backshoring phases

The What issue

When considering the "What" question applied to the offshoring strategies, a certain difference emerges between the two companies. While Fitwell relocates to Romania all the production phases of only two out of its three product lines (low- and medium-end), Sozé transfers to Morocco only the production of uppers but for all the product lines. In other words, both companies implement a "slicing reshore" (Baraldi et al., 2018); however, while the Portuguese company relocated according to a "horizontal" approach – i.e. only one production process phase common to different product lines – the Italian company adopted a "vertical" criterion – selecting specific products lines. The different approach – “vertical” vs. “horizontal” – seems to be explained, at least partially, by the different size of the two companies – which in turn means differences in production volumes. In effect, Fitwell is a small firm which decided to implement an outsourcing offshoring strategy; therefore it needed to propose to its providers a “minimum batch”. In contrast, Sozé – having larger volumes and adopting an insourcing offshoring alternative – had enough production volumes, even with only one production phase. In this respect, it is interesting to note that when Mr. Grotto decided to slicing backshore the assembling and finishing phases, he was obliged to change his out-sourcing provider.

With respect to the “What” question applied to the backshoring phase, while Sozé completely closed the Moroccan plant, Fitwell decided to maintain offshore the out-sourced production of uppers. It seems possible to explain the different government choices adopted by the investigated companies on the basis of the opposite evaluations their entrepreneurs gave to their offshoring experience. In the Sozé case, the initial relocation decision was taken and implemented in 2004 by the founder, Artur Sampaio, while the backshoring strategy was developed and executed by his son, Vasco, who had already launched (2002) the company’s own brand. Therefore, the backshoring decision was mainly the consequence of a strategic shift resulting from the “family succession” In evaluating the offshoring experience, Mr Vasco clearly stated “I can consider that as a disappointment experience […] We were six years on total in Morocco and it was a pity that we didn’t realize before that the decision to close should be taken. We waited too long to decide to fully concentrate our operations again in Portugal”. In other words, he considers the offshoring decision to be an entrepreneurial mistake and the backshoring one the consequent (even delayed) correction (Gray et al., 2013; Kinkel, 2014). In contrast, Mr. Grotto – the Fitwell founder, who personally decided and implemented both the offshoring and the backshoring decisions – evaluated the Romanian experience as a “needed evil” for the (at that time) company’s survival. Consequently, he decided to continue to maintain, offshored, “a slice” of its manufacturing process (the upper production) also after 2009. To sum up, the Fitwell case is more consistent with the idea of backshoring decisions as the consequence of changes in the external environment (Fratocchi et al., 2014, 2015, 2016; Martínez-Mora and Merino, 2014).

The Why issue

Consistently with earlier studies on the footwear industry (Camuffo et al., 2006; Di Mauro et al., 2018; Martínez-Mora and Merino, 2014; Verdu et al., 2012), the main offshoring motivation (“Why”) for both companies was the search for lower costs (especially labour ones). The second main driver was the competitors’ pressure for lower prices, since both companies were out-sourcing providers. It is worth noting that when the two companies perceived it was no longer possible to follow the clients’ economic request, they decided to further invest in their own brand, rebalancing the share of total sales deriving from the private labels. More specifically, while Sozé reached a 50%-50% level, Fitwell’s contract sales fall to around 20%. Finally, a third relevant driver for explaining the offshoring decision was the so-called “mimetic behaviour” (Silva et al., 2018 in press), i.e. the imitation of strategies (in this case, the relocation one) already implemented by other companies operating in the same industry and especially in the same industrial district (“bandwagon effect”).

On the contrary, backshoring drivers are quite different between companies On the one side, Sozé closed the Casablanca plant as a consequence of poor effectiveness and productivity of local employees, higher than expected costs (due to the poor quality of local middle managers) and psychic distance. Such elements confirm the idea that the offshoring decision was inadequately evaluated and mainly based on expected lower labour costs. On the other side, Mr Grotto decided to repatriate mainly because of the shift in the business model (from out-sourcing provider to own brand producer). This decision was taken and implemented when he understood that the Lafuma Group pressures for lower price were impossible to meet without a further offshoring strategy, an option he considered impossible to pursue.

The Where issue

As far as the host country is concerned ("Where"), both companies chose low labour cost locations, not very far from their home country. However, even though both Romania and Morocco are closer to, respectively, Italy and Portugal, the cultural distances between the two couple of countries are different. More specifically, the one between Italy and Romania is smaller than the one between Portugal and Morocco. And if it is true that geographic distance matters when companies need to manage offshored manufacturing activities, cultural differences count no less. For instance, the Portuguese company largely underestimated the impact of Ramadan on productivity levels and the different work attitudes of local works. More specifically, the company founder evaluated his knowledge of the French language to be enough for managing activities abroad, not considering the language is only one of the psychic distance elements (Nordström and Vahlne, 1994).

The When issue

While the two companies backshored in the same period (respectively, 2009 for Fitwell and 2010 for Sozé), the initial relocation abroad was implemented at very different times. The Italian company offshored in 1998, which is four years before China entered the WTO and becoming the main competitor for European out-sourcing providers operating in the footwear industry;: on the contrary Sozé decided to move its production activity only in 2004 (two years after China entered the WTO). This may, at least partially, be explained by the different average labour cost in the two countries at the beginning of the 2000s (14.47 $/hour for Italy against 4,49 for Portugal; Source: USA Department of Labour - Bureau of Labour Statistics).

Focusing on the backshoring year, it is interesting to note that both companies relocated their production activities at the beginning of the global crisis era. This finding seems to support the idea that this economic event dramatically impacted on the footwear industry inducing a revision of the adopted business model. In this respect, is worth noting that Mr. Grotto clearly pointed out "after the global crisis, Italian companies that had offshored lost identity. Therefore their strategy has shifted to high-end products in order to acquire visibility in the market". This is consistent with recent findings regarding the Italian companies belonging to industrial districts which reshored their earlier offshored manufacturing activities (Bettiol et al., 2017).

Finally, the difference between the relocation periods and the similarity of backshoring ones implies a different duration of the offshoring experience for the two companies. Fitwell's was 10 years long (against 6 years for Sozé), confirming the idea that backshoring was the result of changes in the external environment, including China entering the WTO and the consequent pressure for lower product cost by private labels. In contrast, the Sozé offshoring duration is more consistent with the managerial mistake correction perspective.

The how issue

The last question chosen to compare the two sampled case studies refers to the "How" question, i.e. the governance mode adopted during the offshoring experience and after the production repatriation. In this respect, while the alternatives adopted in the initial relocation diverge between the two investigated companies, the governance mode implemented after the backshoring was similar. More specifically, the Italian company preferred to offshore, adopting the independent sub-contractor alternative (both in the first and the second period, i.e. also after the partial backshoring implemented in 2009). This decision is mainly explained by the small size of the company and the scarce financial and managerial resources the entrepreneur may have available to devote to the offshored activities. At the same time, Mr. Grotto wanted to remain flexible enough, having the possibility to interrupt commercial relationships at any time, according to the requirements of the market. In contrast, Sozé was already a medium-sized company and owned resources to directly invest abroad. At the same time, the entrepreneur would have a direct control over local production, since any delay or poor quality would affect all product lines.

When considering the backshoring decisions, the two investigated companies share one common element regarding the adopted governance mode ("How" question), since both backshored and insourced earlier off-shored production activities. This is consistent with Di Mauro et al.'s (2018).

Conclusion

This paper's aim was to investigate the backshoring strategies implemented by companies that originally acted as out-sourcing suppliers but then decided to develop their own brand to escape their customers' pressure for lower prices (Haiyan, 2011). Due to the China entering the WTO, some of these companies initially decided to off-shore their production activities – often according a slicing approach – but then backshored their manufacturing activities to support the growth of their own brands.

In both the sampled firms, the company brand was developed before the offshoring decision but (at that time) it accounted for a very small percentage of total sales. Moreover, in the case of Fitwell the own brand was adopted for only one product line (the top level one). Companies had been developing design competences either internally (Sozé) or cooperating with partners placed in the industrial district (Fitwell). Therefore, they were not dependent on their clients for the creative phase, which generally is the most relevant barrier to the development of an own brand (Liu et al., 2008).

Having already developed their own brands, the two companies had the opportunity to critically analyse the offshoring strategy they had earlier implemented. This induced them to arrive at totally different conclusions. As far as Sozé was concerned, the relocation strategy was considered to be a managerial mistake, mainly deriving from an inadequate planning phase, which did not take into account issues like psychic distance, coordination costs, manpower productivity, work attitude. In this respect, is worth noting that the offshoring decision was implemented by the founder while his son had just launched the company brand. This situation resembles that of being "stuck in the middle" described by Porter (1980), when companies are irresolute between the "differentiation" strategy (own brand) and "cost leadership" (contract production) one. In contrast, Fitwell conceptualized the initial offshoring experience as a "necessary evil" which permitted the company to survive and have the time to define an alternative strategy based on its own brand. However, both companies experienced a learning process during the offshoring phase which induced them both to backshore manufacturing activities.

Finally, it is interesting to note that after the backshoring implementation, the percentage of sales belonging to the firms' brands rapidly increased and have become the majority (in the case of Fitwell) or at least equal to revenues coming from private labels. Moreover, for both companies, branded sales are placed mainly in foreign markets (at least 70% of the total). In this respect, Vasco Sampaio stated "overall we can talk about upstream de-internationalization which was compensated by a downstream increase in international operations, considering that we have never been as internationalized as now." In other words, the earlier experiences, as both contract and offshore manufacturers' activated learning processes, made the companies able to create their competitive advantage. At the same time, the shift from contract to own brand producers seems to support the companies' decision to backshore.

Following Bals et al.'s (2016) suggestion to assume a contingency approach, this paper offers a contribution to the debate on backshoring by focusing the attention on a specific type of company that decided to shift from contract manufacturing to direct brand creation. In so doing, it confirms the need to further investigate the topic, taking into account the dichotomous conceptualization of backshoring (Bals et al., 2016) either as a correction to a previous managerial mistake (Gray et al., 2013) or a reaction to changes in the firm's external environment (Fratocchi et al., 2016; Martínez-Mora and Merino, 2014). We acknowledge a number of limitations to this study. First, it is focused on only one industry – footwear. At the same time, both companies belong to EU countries (Italy and Portugal) which share some commonalities in terms of production systems, especially for the investigated industry. Therefore our conclusions may not be generalized and future research should replicate this research in other product and economic contexts.

References

Abrahamson E, Rosenkopf L. 1993. Institutional and competitive bandwagons: Using mathematical modelling as a tool to explore innovation diffusion. Academy of Management Review, **18**(3): 487-517.

Bals L, Kirchoff JF, Foerstl K. 2016. Exploring the reshoring and insourcing decision making process: toward an agenda for future research. Operations Management Research **9**(3-4): 102-116.

Baraldi E, Ciabuschi F, Fratocchi L, Lindahl O. 2018. A Network Perspective on the Reshoring Process: The Relevance of the Home- and the Host-country Contexts. Industrial Marketing Management, doi 10.1016/j.indmarman.2017.08.016.

Barbieri P, Ciabuschi F, Fratocchi L, Vignoli M. 2018. What do we know about manufacturing reshoring? Journal of Global Operations and Strategic Sourcing **11**(1): 00-00.

Bettiol M, Burlina C, Chiarvesio M, Di Maria E. 2017. Industrial district firms do not smile: structuring the value chain between local and global. In Breaking up the Value chain: Opportunities and consequences, Torben Pedersen TM, Devinney M, Tihanyi L, Camuffo A (eds.). Emerald Publishing Limited: 269-291.

Camuffo A, Furlan A, Romano P, Vinelli A. 2006. The process of supply network internationalization. Journal of Purchasing and Supply Management 12(3): 135-147.

Casson M. 2013. Economic analysis of international supply chains: an internalization perspective. Journal of Supply Chain Management 49 (2): 8-13.

Di Mauro C, Fratocchi L, Orzes G, Sartor M. 2018. Offshoring and backshoring: A multiple case study analysis. Journal of Purchasing and Supply Management. doi.org/10.1016/j.pursup.2017.07.003.

Duriau VJ, Reger RK and Pfarrer MD. 2007. A content analysis of the content analysis literature in organization studies: Research themes, data sources, and methodological refinements. Organizational Research Methods **10**(1): 5-34.

Eisenhardt KM. 1989. Building theories from case study research. Academy of Management Review. **14**(4): 532-550.

Foerstl K, Kirchoff JF, Bals L. 2016. Reshoring and insourcing: drivers and future research directions, International Journal of Physical Distribution and Logistics Management **46**(5): 492-515.

Fratocchi L, Ancarani A, Barbieri P, Di Mauro C, Nassimbeni G, Sartor M, Vignoli M, Zanoni A. 2015. Manufacturing back-reshoring as a nonlinear internationalization process, in The future of global organizing, Emerald Group Publishing Limited: 365-403.
Fratocchi L, Ancarani A, Barbieri P, Di Mauro C, Nassimbeni G, Sartor M, Zanoni A. 2016. Motivations of manufacturing reshoring: an interpretative framework. International Journal of Physical Distribution and Logistics Management **46**(2): 98-127.
Fratocchi L, Di Mauro C, Barbieri P, Nassimbeni G, Zanoni A. 2014. When manufacturing moves back: concepts and questions. Journal of Purchasing and Supply Management **20**(1): 54-59.
Gereffi G. 1999. International trade and industrial upgrading in the apparel commodity chain. Journal of International Economics **48**(1): 37-70.
Gray JV, Skowronski K, Esenduran G, Rungtusanatham MJ. 2013. The reshoring phenomenon: what supply chain academics ought to know and should do. Journal of Supply Chain Management **49**(2): 27-33.
Haiyan T. 2011. The route choice of the brand creation of Chinese textile original equipment manufacturers in the post-financial crisis era. In Proceedings of the Management and Service Science (MASS) International Conference on IEEE: 1-4.
Joubioux C, Vanpoucke E. 2016. Towards right-shoring: a framework for off-and re-shoring decision making. Operations Management Research, **9**(3-4): 1-16.
Kinkel S. 2014. Future and impact of backshoring—Some conclusions from 15 years of research on German practices. Journal of Purchasing and Supply Management **20**(1): 63-65.
Liu FH, Liu HY, Lin TL. 2008. The Competence and Constraints of Brand Building for Contract Manufacturers. Journal of Brand Management **15**(6): 412-432.
Martínez-Mora C, Merino F. 2014. Offshoring in the Spanish footwear industry: a return journey? Journal of Purchasing and Supply Management **20**(4): 225-237.
Meneses R, Brito PQ, Gomes PC. 2016. From offshore-provider to brand creator: fsQCA of footwear industry. Journal of Business Research **69**(11): 5540-5546.
Mugurusi G, de Boer L. 2013. What follows after the decision to offshore production?: A systematic review of the literature. Strategic Outsourcing: An International Journal **6**(3): 213-257.
Nordström K, Vahlne JE. 1994. Is the globe shrinking? Psychic distance and the establishment of Swedish sales subsidiaries during the last 100 years, in International trade: regional and global issues, Landeck M (ed.), St. Martin's Press, New York: 41-56.
Patton MQ. 2002. Qualitative Research & Evaluation Methods, Sage Publications, London.
Porter ME. 1980. Competitive strategy: techniques for analyzing industries and competitors, Free Press, New York.
Saunders M, Lewis P, Thornhill A. 2003. Research Methods for Business Students (3rd Ed.), Prentice-Hall, Essex.
Silva SC, Pacheco E, Meneses R, Brito C. 2012. The Importance of Second-Hand Knowledge in the vised Uppsala Model: Can European Textiles Producers Export to China?. Journal of Global Marketing **25**(3): 141-160.
Silva SC, Sousa RS, Oberdieck L. 2011. Kyaia: shoes that fly off the shelves, ECCH - European Case Clearing House, UK.
Silva S, Meneses R, Radomska J. 2018. A holistic perspective on the international market selection phenomenon. Journal for East European Management Studies **22**(4):00-00.
Silva S, Machado JC, Teixeira V, Martins CC, Campos JM, Roxo M, Graça S, Pinto S. 2015. Plano de Marketing Territorial Tâmega e Sousa, Centro de Estudos de Gestão e Economia Aplicada da Universidade Católica Portuguesa para a Comunidade Intermunicipal do Tâmega e Sousa, Penafiel.
Tate WL. 2014. Offshoring and reshoring: US insights and research challenges. Journal of Purchasing and Supply Management **20**(1): 66-68.
Verdu AJ, Gómez-Gras JM, Martínez-Mateo J. 2012. Value creation through production offshore–inshore strategies in a footwear industry cluster: A coevolutionary perspective. International Business Review **21** (3): 342-356.
Voss C, Tsikriktsis N, Frohlich M. 2002. Case research in operations management. International Journal of Operations and Production Management **22** (2): 195-219.
Wilson I. 2013. The OEM–OBM debate: Factors influencing Chinese firms' branding decisions in their internationalisation process. Global Economic Observer **1**(2 Special): 143-151.
Yin RK. 2003. Case study research: Design and methods. Sage Publications, Thousand Oaks.