

Off to which shore? Explaining the strategic factors behind near- and farshoring

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This paper investigates the differences and commonalities in locational advantages driving near- and farshoring. For this, we study the features of 4766 production sites, using company-level data from Uniworld Online and location-level data from the World Economic Forum and the World Bank. We use multilevel logistic regression to test hypotheses derived from nearshoring cases listed in the European Reshoring Monitor. Our results elucidate an important managerial trade-off for European companies. On average, they either access greater strategic assets nearshore – such as shorter export lead times, higher know-how or technological readiness –, or larger markets farshore, capitalising on greater trade-cost-jumping gains.

Keywords: Global Operations, Offshoring, Nearshoring

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

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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