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A marketing perspective on reshoring: online corporate brand image and communication of reshored Italian companies

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ABSTRACT

Partendo da una analisi critica della letteratura di branding e reshoring, il presente studio contribuisce sia a livello teorico che empirico alla conoscenza esistente, analizzando il fenomeno del reshoring attraverso una prospettiva di marketing. L'analisi testuale e semiotica dei siti web ufficiali di 33 aziende italiane – che hanno rilocalizzato una parte delle loro attività in Europa – ha rivelato che le imprese italiane non fanno leva sul reshoring nella definizione della loro immagine di marca aziendale sul web. Lo studio ha altresì implicazioni pratiche per i manager che operano nelle aree di marketing di queste imprese, suggerendo l'importanza di comunicare i driver del processo di reshoring al proprio pubblico di riferimento, sfruttando il reshoring nella costruzione dell'immagine di marca, andando così a incrementare il vantaggio competitivo. In particolare, si suggerisce l'importanza di comunicare più esplicitamente il fattore "Made in" e le azioni legate alla Responsabilità Sociale di Impresa, definite in letteratura come i driver più rilevanti a guidare la rilocalizzazione delle imprese italiane.

Building on a critical analysis of branding and reshoring literature, the present study theoretically and empirically contributes to extant knowledge, considering reshoring from a marketing perspective. The textual and semiotic analysis of the official corporate websites of 33 Italian companies – that reshored part of their activities to Europe – revealed that Italian companies still do not leverage on reshoring to form e refine the online corporate brand image. The present study has also a practical relevance for managers operating within the marketing business units, suggesting the relevance to communicate reshoring drivers – especially "Made in" effect and CSR policies that are the most relevant motivations of reshoring for Italian companies – to their audiences, leverage on reshoring to build brand image and to gain competitive advantage.

1 - Introduction

Italian companies of the manufacturing industry are currently repatriating part of their production – i.e. Fitwell

Prada, Natuzzi, Falconeri, Safilo. Analyzing the reshoring database provided by the European Reshoring Monitor – ERM – (2018), emerges that during the last four years (2014-2018) the 16,42% of the total amount of reshored companies in European countries were Italians, a percentage that is behind only to UK (17,91%). Such a relevant phenomenon is also confirmed by the increasing trend of reshored companies from 2014 to present days: in fact, in 2016 reshored firms to Europe have been more than double than previous years. Within the Italian industry context, companies that are relocating part of their activities, are premium brands, with an image of providing quality-designed "Italian" products with unique craftsmanship, recognized by their brand name and with a dominant competitive position in the market place.

Despite this increasing trend in reshoring – that could be enhanced to increase firm benefits such as competitive advantage and corporate reputation – few Italian manufacturing companies communicate the repatriating of part of their production, even if communicating "Made in" and "Country of Origin" of a production has been widely recognized has a key driver in consumers buying behaviour (Baker and Al-Sulaiti, 1998; Bertoli and Resciniti, 2013). Furthermore, environmental – e.g. sustainability – and ethical issues – e.g. workers conditions – are among the reasons that drive reshoring (Fratocchi et al., 2016) but – as for the "home country" drivers – few reshored companies communicate Corporate Social Responsibility (CSR) motivations of the reshoring process, even if marketing research on consumers' behaviour demonstrated that firms can influence consumers' perception of corporate image, by acting responsibly and communicating their environmental and working CSR policy (Haddad et al., 2018; Rodríguez-Domínguez et al., 2010).

To the best of author knowledge, few authors (Grappi et al., 2015, 2018) adopted a consumers' perspective of corporate reshoring, exploring the communication of this activity as one of the marketing tools to define the corporate brand image of a firm, and more deeply how a firm communicates reshoring, leveraging on consumers' perceived value motivations.

Building on a critical analysis of branding and reshoring literature, the study aims to theoretically and empirically contribute to extant knowledge, considering reshoring from a marketing perspective and addressing the research question *how Italian companies leverage on reshoring (and reshoring motivations) to form online corporate brand image?* To answer the research question, the official corporate websites of 33 Italian companies – that reshored part of their production to Europe (EU) – have been examined, reviling that Italian companies still do not leverage on reshoring to form e refine the online corporate brand image. Moreover, they indirectly communicate reshoring motivations to their audiences, not explicitly referring to their reshoring activities when citing quality and CSR corporate policies.

So doing, the paper contributes to the marketing and IB literature: i) exploring the implications of reshoring in the marketing activities of Italian companies; ii) fine-graining analysing how Italian companies leverage on reshoring as a marketing tool to improve the positive perception of the online corporate brand image; iii) highlighting potential factors or variables – namely industry, firm size, attribute of products or services – that are likely to influence the choice to rely on reshoring as a value driver.

The paper is structured as follow: next section provides a definition of reshoring from an International Business (IB) perspective and a theoretical background on drivers and motivations; than a review of the literature on corporate brand and corporate brand image is addressed. Section 3 presents the research methodology and selected cases; Section 4 describes

findings and Section 5 discusses the main theoretical and managerial implications and it concludes addressing limits and suggestions for further research.

2 – Theoretical background

2.1 – *Reshoring and reshoring motivations*

Reshoring – also improperly named back-shoring, on-shoring – is defined as the voluntary process of repatriating activities previously offshored to a foreign country (Baraldi *et al.*, 2018; Fratocchi *et al.*, 2014). Such significant relocating strategy has been partially explored in IB literature, focusing on its reasons and determinants, among which the most cited are related to rising costs, poor product quality and scarcity of skilled human resources in the host country (Fratocchi *et al.*, 2016). Drivers of reshoring decisions have been explored through rational international trade and strategic management theoretical frameworks as the transaction cost theory, resource based view (Ellram, 2013; McIvor, 2013), and organizational buying behavior models (Arik, 2013; Musteen, 2016). In particular, transactional factors related to environmental uncertainty (i.e. business context uncertainty, supply chain complexity, task uncertainty) and asset specificity (i.e. physical asset specificity, human asset specificity) have been identified as reshoring drivers (Bals *et al.*, 2016), as well as behavioral and human drivers as bounded rationality and opportunism (ibid).

However, as underlined by Baraldi *et al.* (2018), drivers related to the home country have been less investigated, despite country specific factors – e.g. attractiveness of home and host locations, changes in the cost of labor and production (Rashid and Barnes, 2017) and the "Made in" and country of origin effects (Grappi *et al.*, 2015, 2018) – are increasing recognized as relevant drivers in reshoring strategies (Fratocchi *et al.*, 2016; Rashid and Barnes, 2017). More widely, extant theories (Bals *et al.*, 2016; Ellram *et al.*, 2013; Fratocchi *et al.*, 2013) classify the motivations and drivers of reshoring but present limits and gaps, that making hardly difficult to apply those theories to explain the reshoring behaviors of Italian manufacturing firms, in particular because they i) provide explanation of reshoring behaviors of multinationals; ii) consider macro levels of analysis and nor the micro level of the single firm.

2.2 – *Corporate branding and corporate brand image*

Corporate branding is an intangible asset of a company and refers to a set of practices regarding the formation and management of corporate brands, namely "a sum of values" representing the organisation (Ind, 1997). Corporate brands are "guarantor" of quality and a valuable resource of the firm, providing a sustainable competitive advantage (Balmer and Gray, 2003). In conceptualizing brand and corporate brands, is important to differ the brand components: identity, image and reputation. The former is a shared perception of organizational members regarding who they are as an organization (Brown *et al.*, 2006); the second refers to the set of mental associations organizational members want important audiences hold about the organization (ibid); the latter is the set of mental associations, opinions and judgments based on organization actions and influenced by external sources (e.g. media and competitors) that cannot be directly controlled by the company (Brown *et al.*, 2006; Camara, 2011). For the purpose of the present study, we will focus on the concept of brand image, that is a reflection on a successful communication of the corporate identity. In conceptualizing corporate image, Brown

et al. (2006) define as "intended image" the mental associations an organization wants audiences to hold; while a constructed image is the set of mental associations organizational members believe audience outside the organization hold about the organization (ibid). From here on forward, we will refer to "corporate image" as the intended image of an organization, that is formed through strategic decisions that corporate managers have to make, concerning the corporate positioning in consumers and stakeholders' minds.

2.3 – *Online corporate brand image and communication*

Building a corporate image is central to the success of an organizational enterprise. In fact, how individuals (e.g. founders, employees, costumers, stakeholders) know and believe about an organization determine the way they will perceive the organization and associate values and attributes to it. The formation of a corporate image passes through the identification of a set of believes, attributes and characteristics, the organization wants to be identified with (Camara, 2011; Shee and Abratt, 1989) and the intentional choice to communicate those attributes to particular audience groups. The way a company will communicate its image to its employees might differ from that of external groups as consumers or investors, creditors and suppliers. For the purpose of the study, we will refer to corporate brand image communication as the set of actions an organization undertakes to influence the perception of an external public.

In this perspective, the on line context provides an excellent communication channel not only for advertising, marketing, selling and direct distribution, but also a viable tool to manage and improve consumers' and stakeholders' perception of a brand, achieving a positive representation of the corporate brand image online (Faridah Syed Alwi and Vinhas Da Silva, 2008). Within the online context, consumer's brand knowledge is formed through a hierarchical structure, according to which consumers firstly recognize the functional values of a brand, than they progress to the higher level of emotional values, finally recognizing the promise of uniqueness of that brand (Chernatony and Christodoulides, 2004). The online context allows also companies to build trustworthy relationships and loyalty with their audiences (Da Silva and Syed Alwi, 2008), to co-creating a corporate brand image and to increase the promised experience by the companies to consumers (Syed Alwi and Da Silva, 2008). Furthermore, online tools serve as media to communicate corporate brand identity and create the nexus between the company's identity and image (Gray and Balmer, 1998). Therefore, online corporate communication – what a company says it is – has a direct effect on corporate image – how a company is perceived.

2.4 – *Reshoring motivations in light of the formation of corporate brand image*

According to the interpretive framework proposed by Fratocchi *et al.* (2016), reshoring motivations might be characterized by the goal of the reshoring process, meaning costumer perceived value and cost-efficiency. Customer perceived value motivations categorize drivers and explain reshoring as an activity a firm performs in order to achieve (or protect) critical attributes that influence and drive consumers' preference. Those attributes mainly involve perceived quality and are related to the ability of the firm to maintain product or service quality trough innovation, creating value and maintaining the competitive advantage. Cost-efficiency motivations rely on the achievement of a reduction in logistics costs, increasing the efficiency of the production. In the formation of a corporate brand image, value-driven motivations might

increase the perceived value and benefits of a company in consumer's minds, thus contributing to enhancing positive associations with the corporate brand. Grappi *et al.* (2018) analysed drivers of reshoring from a demand-side perspective, developing the Consumer Reshoring Sentiment (CRS) scale, based on six themes emerged from interviews with consumers: "superior quality of the reshored production" and "Made in" effect are the two main themes, followed by "competence availability", "government support", "greater ability to fulfil needs" and "ethical issues in host countries". Through the CRS scale, authors empirically tested the willingness of consumers to reward the reshored company and the long-term positive beliefs consumers – in the home country market – associate with this strategic decision (Grappi *et al.*, 2015). According to the study, consumers develop positive associations with reshoring by buying products and advocating the company by word-of-mouth.

Off the many value-driven reshoring motivations, two are exploited and enhanced as marketing tools in corporate online communication and recognized in extant literature as drivers of positive beliefs associate with the corporate brand image. The first is the "Made in" effect, that in a reshoring perspective refers to the emotional nature of experiencing or being exposed to a reshored product (Grappi *et al.*, 2018). The concept of Country of Origin is generally associated with the "Made in Country Name" and has an impact on brand image, especially in manufacturing industries with a long-standing reputation as Italy (Bertoli and Resciniti, 2013). The second is represented by CSR related issues and involved ethical consumer beliefs about reshoring, seen as a decision that stops unfair exploitation of foreign workers, environmental pollution and infringement of human rights in foreign emerging countries (Grappi *et al.*, 2018). CSR communication is used by many firms to enhance their corporate image (Parguel *et al.*, 2011) and it has been empirically demonstrated that communicating more effectively CSR activities maximizes business benefits and allows to build corporate brand image (Du *et al.*, 2010).

3 – Methodology

3.1 – *Data and sample*

The study examines a sample of 33 Italian firms that, starting from January 2014 announced the reshoring of part of their business functions to Europe (EU). The reshoring database of the ERM (European Reshoring Monitor, 2018) has been selected to collect secondary data on Italian companies, that relocated part of their previously offshored value chain activities back to EU. The database is monthly updated collecting information on individual cases of reshoring, based on information retrieved from media, specialized press, academic and practitioners' literature. The set of companies has been generated inquiring the ERM database, selecting "Italy" as company country and the interval 01/01/2014-31/10/2018 as reshoring announcement date; six duplicates have been also removed. Given the wide variety of sources from which the ERM retrieved information and the frequency of the monitoring activity, the final dataset, constituted by 33 cases, is assumed to be representative of all the reshoring activities of Italian companies.

Company name	Country of origin	Group home country	Industry	B2B/B2C	Size*	Reshoring Announcement date	Reshored to	Reshored business function	Previously off-shored to
Angelini Beauty	Italy	Italy	Wholesale of perfume and cosmetics	B2B	SME	30/05/2018	Italy	Marketing	Spain
Artsana Group	Italy	Italy	Other manufacturing (Games and toys)	B2C and B2B	Large	22/07/2014	Italy	Production	China and India
Azimut-Benetti Group	Italy	Italy	Manufacture of other transport equipment (Building of ships and boat)	B2B	Large	30/03/2015	Italy	Production	Turkey
Benetton	Italy	Italy	Manufacture of wearing apparel	B2C	Large	11/10/2016	Italy	Production	(Unknown)
Bicycle FIVE - Fabbrica Italiana Veicoli Elettrici	Italy	Italy	Manufacture of other transport equipment (Bicycles and invalid carriages)	B2B	SME	07/03/2017	Italy	Production	China
Bomboogie (Space 2000)	Italy	Italy	Manufacture of wearing apparel	B2B and B2C	SME	12/01/2015	Italy	Production	China and Bangladesh
Ciak Roncato	Italy	Italy	Manufacture of wearing apparel and accessories	B2C	SME	23/07/2015	Italy	Production	China
Comital	Italy	Italy	Manufacture of basic metals	B2B	SME	13/06/2014	Italy	Production	Sweden
Custom SpA	Italy	Italy	Printing and reproduction of recorded media	B2B	Large	08/01/2017	Romania	Production	China
Diadora	Italy	Italy	Manufacture of leather and related products (footwear)	B2C	Large	14/06/2017	Italy	Production	China
Esaote	Italy	Italy	Manufacture of computer, electronic and optical products (irradiation, electromedical and electrotherapeutic equipment)	B2B	Large	20/01/2015	Italy	Production	Netherlands
Falconeri	Italy	Italy	Manufacture of wearing apparel	B2C	Large	23/05/2015	Italy	Production	Romania
Fastweb S.p.A.	Italy	Italy	Telecommunications	B2B and B2C	Large	08/05/2018	Italy	Customer services	Romania
Giorgio Armani	Italy	Italy	Manufacture of wearing apparel	B2C	Large	26/02/2016	Italy	Financial	Switzerland
Gta Moda	Italy	Italy	Manufacture of wearing apparel	B2C	Large	10/12/2014	Italy	Production	Romania
Iccab	Italy	Italy	Manufacture of wearing apparel	B2C	Large	03/11/2015	Italy	Production	China
Lino Manfrotto + Co., S.p.A.	Italy	United Kingdom	Manufacture of computer, electronic and optical products	B2B and B2C	SME	20/10/2017	Italy	Production	China
Jacuzzi Europe SPA	Italy	United States	Manufacture of other non-metallic mineral products (Porcelain and ceramic products)	B2B and B2C	SME	01/03/2017	Italy	Production	United States
Calzaturificio Maritan SpA	Italy	Italy	Manufacture of leather and related products (footwear)	B2B and B2C	SME	09/12/2016	Italy	Production	Romania

Company name	Country of origin	Group home country	Industry	B2B/B2C	Size*	Reshoring Announcement date	Reshored to	Reshored business function	Previously off-shored to
Martini and Rossi	Italy	United States	Manufacture of beverages (Distilling, rectifying and blending of spirits)	B2B and B2C	Large	11/02/2016	Italy	Production	Spain
Natuzzi	Italy	Italy	Manufacture of furniture	B2C	Large	30/08/2016	Italy	Production	Romania and China
Nicos International	Italy	Italy	Manufacture of furniture	B2B and B2C	Large	08/04/2016	Italy	Production	Bulgaria
Noonic	Italy	Italy	Computer programming, consultancy and related activities	B2B	SME	15/11/2016	Italy	Information Technology	India
OVS	Italy	Italy	Manufacture of wearing apparel	B2C	Large	25/10/2015	Italy	Production	(Unknown)
Piquadro	Italy	Italy	Manufacture of leather and related products (Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur)	B2C	Large	15/04/2014	Italy	Production	China
Prada	Italy	Italy	Manufacture of wearing apparel	B2C	Large	03/04/2014	Italy	Production	China
Reno de Medici SPA	Italy	Italy	Manufacture of paper and paper products	B2B	Large	31/10/2017	Italy	Production	Germany
Rossi	Italy	Switzerland	Manufacture of machinery and equipment	B2B	Large	14/05/2014	Italy	Production	China
Steelco Spa	Italy	Germany	Manufacture of electrical equipment (electric domestic appliance)	B2B	Large	14/02/2018	Italy	Production	Austria
Safilo	Italy	Italy	Manufacture of wearing apparel and accessories	B2B	Large	25/07/2015	Italy	Production	China
Turolla	Italy	Denmark	Manufacture of machinery and equipment	B2B	Large	08/12/2014	Italy	Production	Slovakia
Unicredit	Italy	Italy	Financial service activities, except insurance and pension funding	B2B and B2C	Large	21/01/2016	Italy	Administration	Austria
Vittoria Assicurazioni	Italy	Italy	Insurance, reinsurance and pension funding, except compulsory social security	B2B and B2C	Large	02/08/2016	Italy	Administration	Netherlands

Table 1 – Descriptive information about the sample (Data Source: ERM database and Orbis Bureau Van Dijk). *Companies with less than 250 employees have been considered SMEs according to EU definition "Medium-sized enterprise: fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million".

The current list is composed by a heterogeneous sample, varying from small to large firms, based in different regions and operating in different industries. Table 1 provides an overview of the sample and particularly information on: company name, country of origin, group home country, industry, B2B or B2C type of business, size, reshored business function, offshored and reshored countries and reshoring announcement date. Six cases are actually owned by a foreign – not Italian – group and all the cases reshored (the 40% of the sample from China) – or are currently reshoring – part of their business function to Italy, except for one case that reshored is production from outside Europe to Romania. 26 out of 33 cases are classified within the manufacturing industry, and among the 26, ten are operating in the fashion industry (i.e. wearing apparel). With reference to the reshored business function, more than the 84% of the sample reshored functions of production, while the remaining 16% marketing, administration and IT functions.

3.2 – *Data sources and analysis*

Data of this study were collected from each official website of the sampled companies. Websites have been selected as primary source of data to examine corporate brand image, because they have been increasing recognized in marketing literature (Faridah Syed Alwi and Vinhas Da Silva, 2008; Nandan, 2005) as a relevant mean for businesses to communicate their image to the public. For example, Tran *et al.* (2015) argue that website architecture and design have great relevance in expressing a corporate image and guiding stakeholders to understand it. Following the research design adopted by Micelotta and Raynard (2011), official corporate websites have been examined to collect comprehensive data – textual and visual, e.g. images, symbols and graphics – on how reshored activities and motivations are communicated and contribute to the formation of the corporate brand image. Secondary data retrieved from the ERM dataset, were gathered in the interests of data triangulation (Yin, 2014) and integrated with information from secondary sources as press releases and key financials from the Orbis Bureau Van Dijck database.

In the first stage of the analysis, the information collected from the ERM dataset were organized, listing reshoring motivations and their frequency. The 31 distinct categories of motivations (e.g. "Made in effect", "Logistic costs", "Inadequate protection of intellectual property") – driving reshoring firms' behaviour – resulted from the content analysis of articles, historical archives, newspapers and business magazines carried out by Fratocchi *et al.* (2016) in the interval 2011-2014 (the ERM currently still adopts this categorization in updating the dataset).

In the second stage of the analysis, in line with previous qualitative studies, that coded visual and textual data to investigate corporate brand identity strategies (Conz and Magnani, 2019; Micelotta and Raynard, 2011), data were manually analysed exploring each corporate website. The textual analysis relied on the study of semiotics (Barthes, 1988), thus focusing on the two features of a *sign*: the signifier (i.e. a word or the visual image of the brand) and the signified (i.e. the meaning or idea attached to the image). In particular, based on the two main categories emerged from the literature as value-driven reshoring motivations mainly exploited in corporate communication to build corporate image, textual data were coded, looking for words or sentences that were referring to CSR and "Made in" elements.

Finally, in the third stage of the analysis, textual data collected from websites were compared and aggregated with the empirical data retrieved from the ERM database, to

highlight significant correspondences between the reshoring motivations reported in the ERM database and the information reported in the website of each company.

4 – Findings

The analysis of the data provided in the ERM dataset about Italian companies, revealed the motivations of reshoring decision of the sample. Table 2 lists reshoring motivations from the most represented to the less; than the frequency of the motivation over the total motivations and the frequency of the motivation within the sample. Motivations have been also categorized according to the two main objectives of reshoring (Fratocchi *et al.*, 2018): 1) "customer perceived value motivations" refer to the need of the firm to increase, protect, implement the quality of the production as a strategic need, based on new perceived benefits from the quality of production (Grappi *et al.*, 2015, 2018); 2) "Cost-efficiency" motivations refer to the strategic need to reduce or minimize the overall cost of a business activity, improving the performance and the efficiency of this activity.

Overall, the "made in" effect emerged as the most important motivation, representing the 15,25% of the total motivations provided and chosen by more than the 50% of the sample. This effect is definitely the most relevant for Italian companies, even if this result is only partially consistent with Fratocchi *et al.* (2015) that analyzed secondary data regarding reshoring activities of European and US companies in the interval 2011-2014. In fact, from their analysis the "Made in" effect is the fourth most important reshoring driver. In a similar way, the second most important motivation emerged from the present analysis, namely "Implementation of strategies based on product/process innovation", that represents the 8,47% of total answers and has been selected by approximately the 30% of the whole sample, in the analysis of Fratocchi *et al.* (2005) is cited only by few firms. Furthermore, consistently with the results of the "Made in" effect, "The poor quality of off-shored production" and "Know-how in the home country" are two additional motivations (selected by approximately one third of the sample) that refer to the willingness of Italian companies to increase the costumer perceived value of their productions and to prefer quality-driven over "Cost efficiency" motivations as "Labor costs' gap reduction" and "Logistic cost", that emerged as reshoring drivers respectively only for the 9% and the 12% of the total population. This result is in contrast with Fratocchi *et al.* (2005), in which cost-driven motivations are the most significant and prevail over quality-driven. Within the Italian sample, "Firm's global reorganization" and the "Automation of production process" are the most represented cost-driven reshoring factors, and this is again in contrast with the previous study (ibid), because these motivations did not emerge. Overall, within the Italian sample, among the 118 total answers, companies provided 71 value-driven and 47 cost-driven motivations.

Findings from the website analysis are reported in Table 3. On the one hand, only one company over 33 directly cites reshoring activities in its online corporate website, in particular the information was retrieved from the CSR report of the OVS group. None of the remaining companies neither cite or explicitly refer to any reshoring activities; conversely, decisions on reshoring are published by paid media as newspapers, as extracts from companies press releases. On the other hand, corporate websites indirectly refer only to two reshoring drivers, namely "Made in" and "CSR image". 16 out of 33 companies emphasize the "made in" added value in the quality of their production, stressing concepts as passion, craftsmanship, quality, age-old traditions, highlighting the relationship between the country of origin and the unique characteristics of their production.

Motivations	Reshoring objective	Number of total answers	Frequency of the motivation over total motivations	Frequency of the motivation in the total sample
"Made in" effect	V	18	15,25%	54,55%
Implementation of strategies based on product/process innovation	V	10	8,47%	30,30%
Firm's global reorganization	V	9	7,63%	27,27%
Poor quality of off-shored production	V	9	7,63%	27,27%
Know-how in the home country	V	9	7,63%	27,27%
Automation of production process	C	7	5,93%	21,21%
Untapped production capacity at home	C	6	5,08%	18,18%
Delivery time	V	5	4,24%	15,15%
Need for greater organizational flexibility	C	4	3,39%	12,12%
Economic crisis	C	4	3,39%	12,12%
Logistics cost	C	4	3,39%	12,12%
Proximity to customers	V	4	3,39%	12,12%
Change in total costs of sourcing	C	3	2,54%	9,09%
Loyalty to the home country	C	3	2,54%	9,09%
Labour cost	C	3	2,54%	9,09%
Corporate social responsibility image	V	2	1,69%	6,06%
Retailer/customer pressure	V	2	1,69%	6,06%
Increased home country manufacturing productivity	C	2	1,69%	6,06%
Off-shored activities control complexity	C	2	1,69%	6,06%
Labour cost gap reduction	C	2	1,69%	6,06%
Increased production costs	C	1	0,85%	3,03%
Strengthening the brand image	V	1	0,85%	3,03%
Changes in taxation	C	1	0,85%	3,03%
Exchange rate risk	C	1	0,85%	3,03%
Subsidies or relocation	C	1	0,85%	3,03%
Unions pressure at the home country	C	1	0,85%	3,03%
Customs issues	V	1	0,85%	3,03%
Inadequate protection of intellectual property	V	1	0,85%	3,03%
Lack of ex-ante production planning	C	1	0,85%	3,03%
Proximity to suppliers	C	1	0,85%	3,03%
Total		118	100,00%	
Total cost-efficiency motivations (C)	47		39,83%	
Total customer perceived value motivations (V)	71		60,17%	

Table 2 – Number of motivations, frequency of the motivation over total motivations and frequency of the motivation in the total sample (Data source: ERM database). C=cost efficiency motivation, V=customer perceived value motivation.

Company name	"Made in" motivation (ERM database)	%"Made in" over total answers	Reshoring (website)	"Made in" /website)	"CSR" (website)
Angelini Beauty	0	0,00%	0	0	0
Artsana (India)	1	7,14%	0	0	1
Azimut-Benetti Group	1	50,00%	0	1	0
Benetton	1	33,33%	0	0	1
Bicycle Five	1	20,00%	0	1	1
Bomboogie(2)	1	50,00%	0	0	1
Ciak Roncato	1	33,33%	0	1	0
Comital Lamalu	0	0,00%	0	0	0
Custom	0	0,00%	0	0	1
Diadora	1	33,33%	0	1	1
Esaote	0	0,00%	0	0	0
Falconeri	1	50,00%	0	1	0
Fastweb	0	0,00%	0	0	1
Giorgio Armani	0	0,00%	0	1	1
Gta Moda	1	33,33%	0	0	0
Iccab	1	12,50%	0	1	0
Jacuzzi Europe	0	0,00%	0	1	0
Manfrotto	1	50,00%	0	0	1
Maritan	1	50,00%	0	1	0
Martini and Rossi	0	0,00%	0	1	0
Natuzzi (C)	1	25,00%	0	1	1
Nicos International	1	12,50%	0	1	1
Noonic	1	25,00%	0	0	0
OVS	0	0,00%	1	0	1
Piquadro	1	11,11%	0	1	0
Prada	1	20,00%	0	1	1
RDM - Reno de Medici	0	0,00%	0	1	1
Rossi	0	0,00%	0	0	0
Safilo	1	16,67%	0	0	0
Steelco (Austria)	0	0,00%	0	0	1
Turolla	0	0,00%	0	1	1
Unicredit	0	0,00%	0	0	1
Vittoria Assicurazioni	0	0,00%	0	0	0
Total	18		1	16	17

Table 3 – Findings. "Made in" effect as a reshoring motivation ("1"= yes; "0"=no); percentage of the motivation "Made in" over total motivations expressed by the company; information about reshoring activities within the corporate website ("1"= yes; "0"=no); references to "Made in" within the corporate website ("1"= yes; "0"=no); references to CSR policies within the corporate website ("1"= yes; "0"=no).

Visual representations and images of the products focus on the production process, often accompanied by an interview to an Italian worker that describes a phase of the production, or long descriptions that emphasize features or qualities. This result is consistent with the answers provided by Italian companies within the ERM survey, highlighting the strategic objective of quality in consumers' perception.

"CSR image" elements can be found in 17 company websites out of 33: the major of visual and textual contents related to CSR stresses the commitment of the company to social and environmental issues, as well as the quality of workers conditions and the sustainability of the production process. This evidence is, conversely, in contrast with the motivations provided in the ERM survey: in fact, only two companies – Diadora and Fastweb – expressed "CSR image" as a driver of the reshoring activity.

5 – Discussion

The study contributes to extant limited literature on reshoring, providing evidences on reshoring motivations of Italian companies and advancing empirically scientific knowledge by analyzing online corporate websites, extending previous research on reshoring from a demand-side perspective. Furthermore, the study brings into the discussion about reshoring the possibility for companies to exploit relocating activities to the home country in their online corporate communication, as a valid marketing tool to form corporate brand image and stimulate positive associations. Next sections discuss the main empirical and theoretical contributions of the study, as well as the managerial implications and limitations. Suggestions for further research are also addressed.

5.1 – *"Made in" effect: consumers matter*

From the analysis of the ERM database, emerges that the "Made in" effect is the most important driver of reshoring for Italian companies, confirming country of origin factors as particularly relevant in those industries (e.g. fashion, footwear) in which perceived quality plays a central role in consumer choices. From the distribution of results according to selected variables as firm size, industry and type of business (Table 4), we can assert that the "Made in" effect – considered by half of the whole sample as a driver for reshoring and by four companies as one on the two main motivations – is the most represented driver among companies operating in the manufacturing industry. This evidence confirms that Italian companies started a reshoring process during the last four years with the main objective of increasing the quality of production. Furthermore, more than half of the sample has a Business to Costumer (B2C) distribution channel.

Overall, value-driven motivations prevail over cost-driven motivations, shedding light on the importance of perceived quality and confirming the relevance of a consumer's perspective in analyzing the reshoring process of Italian companies (Grappi *et al.*, 2018). This result is partially in contrast with extant literature (Bals *et al.*, 2016; Fratocchi *et al.*, 2014), that still identifies cost-driven motivations as the prevailing ones: clearly, a business-to-business company might have different objectives from a B2C business – in fact results show that for the B2B segment, the majority of companies do not relocate part of their business units for exploiting the "Made in" effect.

In light of these evidences, reshoring studies might start to consider also quality-driven motivations as relevant drivers for reshoring. Furthermore, this result confirms the need to take into due account – when exploring reshoring – multiple elements of companies that are very different in nature. Considering the role of consumers and stakeholders – coupled with other firm-side motivations – might better explain the differences in firms reshoring behaviors and give answer to the heterogeneity of reshoring motivations and drivers provided by companies.

	"Made in" effect (1)	"Made in" effect (0)	"Made in" (1)	"Made in" (0)	CSR (1)	CSR (0)
B2B	4	8	4	8	5	7
B2C	9	2	8	3	6	5
B2B and B2C	5	5	4	6	6	4
SME	6	3	4	5	3	6
Large	12	12	12	12	14	10
Manufacture of wearing. apparel and leather related products.	11	2	8	5	6	7
Other manufacture	6	9	8	7	9	6
IT, Telecomunication. Financial and related services.	1	4	0	5	2	3

Table 4 – Sample distribution according to firm characteristics (i.e. distribution channel; firm size, business sector). "Made in" effect (1): the company selected this reshoring motivation; "Made in" effect (0): the company did not select this reshoring motivation; Made in (1) and CSR (1): within the corporate website are reported information related to "Made in" and "CSR" policies; "Made in" (0) and CSR (0): within the corporate website are not reported information related to "Made in" and "CSR" policies.

5.2 – *Reshoring as a marketing tool*

The textual analysis of online corporate websites reveled that none of reshored Italian companies communicate reshoring activities. This consideration rises the attention on the need to shed light on the potentialities of reshoring as a marketing tool to leverage on when forming online corporate brand image. The result is partially surprising: reshoring activities are quite recent and "in progress" for many organizations, even if, as above-mentioned, the main reasons that are driving reshoring decisions of Italian companies are demand-based. The interesting paradox is that 16 companies out of 17, refer to "Made in" when describing products or presenting their mission and value proposition. For this set of companies, "Made in Italy" is a core association in the creation of the image of the brand, as well as the focus on CSR policies, that are communicate by more than half of the sample, confirming the positive impact of CSR communication on corporate brand image (Du *et al.*, 2010; Parguel *et al.*, 2011).

It has been also empirically demonstrated that consumers associate positive beliefs to reshoring (Grappi *et al.*, 2015; 2018), especially consumers perceive a superior quality on the reshored production and recognize the commitment of the company to solve worker conditions ethical issues in host countries. These beliefs allow companies to strengthen the emotional ties with their consumers, being recognize as a trustworthy and loyal company.

The evidence that Italian companies do not leverage on the emotional component that can be obtained from communicating reshoring actions, emphasizes the need to address further research on reshoring from a marketing perspective. In particular, further studies might explore the positive impact of reshoring in defining the online and offline brand image of a company, considering both B2B and B2C type of businesses.

5.3 – *Managerial implications*

The present study has practical relevance for managers operating within the marketing business units of reshored Italian companies. Findings reveled that neither none of the cases explicitly communicate reshoring activities or leverage on reshoring motivations in their online communication, nor choose relocation as a specific element to portrait their brand image to external consumers and stakeholders. This evidence might stimulate marketing managers to communicate reshoring motivations – especially "Made in" effect and CSR policies – to their audiences, to delineate a brand image that is consistent with the brand identity. In fact, the great majority of Italian companies leverage on "Made in" and CSR as marketing tool to increase the perceived quality of their products: exploiting reshoring as "repatriating production to the home-country to preserve and increase quality, while respecting environmental and workers' conditions" might enhance positive associations with the brand, forming a brand image that maximizes value created for the company. Communicating motivations of reshoring as "ethical issue" will provide consumer-based competitive advantage strongly centered on ethical issues, as well as communicating "Made in" as a strategic driver of reshoring, will strengthen the competitive advantage based on country of origin effects.

Therefore, managers need to be aware of the possibility to capitalize on reshoring, rethinking positioning strategies and building the corporate brand image also on these elements, targeting consumers with a strong reshoring sentiment (Grappi *et al.*, 2018), meaning consumers that prefer companies that reshored part of their production to preserve quality.

5.4 – *Limitations and further research*

The present study presents some limitations: firstly, it analyzed a particular subset of reshored companies – i.e. Italians – that limits the generalizability of findings to a specific geographic context. Further studies might extend the analysis to all European companies that reshored or are reshoring to the home country. Collecting data from a wider set of companies, will allow to statistically test if there are some positive relations among "communicating reshoring" – dependent variable – and independent variables as firm country, size, type of business, industry. As such, companies located in certain countries or operating in the manufacturing industry might be more likely to communicate their reshoring activities to external stakeholders. Second, the study takes into consideration only online corporate brand image communication: further studies might consider to analyze corporate brand image communication in other digital owned media – as social networks – as well as traditional paid media as advertising. Finally, the

study considers how reshoring motivations contribute to form corporate brand image: further studies might explore corporate brand reputation, testing – through an experimental design – how consumers are influenced by external communication and form their own idea of reshored companies – i.e. if they develop positive or negative association toward reshoring, being expose for example to higher prices of reshored products.

Despite these limitations, the study is the first attempt to analyze reshoring of Italian companies from a marketing perspective and it represents an initial step to enriching the understanding of the ways in which Italian companies leverage on reshoring to build brand image and to gain competitive advantage.

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