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Reshoring: a cross-country study

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To my brother, for his precious friendship, to my mother, for the love with which she raises me, to my father, for never making me miss anything.
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Abstract

The present Thesis has been carried out as the final requirement of my Master degree in Marketing – Analytics and Metric in Luiss Guido Carli, Rome.

The dissertation is an empirical study the purpose of which is to understand the influence on the country of return on the consumer’s sentiment toward the phenomenon of reshoring. Starting from the definition of offshoring and reshoring and the explanation of the main reshoring components, this work then focuses specifically on the Consumer Reshoring Sentiment model and on its effects together with Animosity on the consumer’s judgment of the company reshoring.

The study has the following structure.
The first chapter is devoted to the introduction of the phenomenon of reshoring in the wider frame of the international business landscape. It will be presented in its declinations, as a valid solution for the managerial mistakes in the evaluation of the effective costs of offshoring and as a possible reaction to the change of the general conditions in the foreign country. In particular, I provide a paragraph on the possible prospective on the phenomenon (what, who, why, where, when and how) to introduce the used previous researchers’ approach.

The second chapter aims to give a specific collocation to the phenomenon; in fact, after the confront of the two macro phenomena of offshoring and reshoring, two moderators of the second one are presented in my analysis, animosity and customer ethnocentrism. Clarifying the difference between them, a breakdown on animosity provides a solid basement for the pillars of my work and for the next developments of the study.

The third chapter is the body of my empirical study. Two samples, collected in Italy and Northern Ireland, are analysed and confronted in order to get consistent insights about how the consumer’s sentiment toward reshoring can be influenced by the country of return. Particular relevance is attribute to the influence of Consumer Reshoring Sentiment and Animosity on the variables of WOM, Intention and Advocacy to discover the way in which animosity moderates the effects of consumer’s sentiment toward reshoring on relevant outcomes for the reshoring company.
Chapter 1

1. Introduction

One of the aspects that mostly concerns and influences the internal decisions of a firm are without doubt the costs, of different nature and entity. Running its business, the firm pays great attention and caution to this characteristic and it is true that different methods and stratagems are used to reduce the sources of costs. A huge, massive and attractive possibility raised with the popping up into the global market of the emerging countries, of their market model based on low salary and on a weaker regulamentation about workers’ safeguard. This trend has been immediately followed by a general effort among the developed countries toward the liberalization of the economy in order to allow the free circulation of people, capital and goods around the world. The results of these actions are the strengthening of international agreement and the increasing in the commercial trade with a consequent lowering of the protectionist barriers and the enhancing of the trust in the international market for generating value for the firms. Since the last decades of the twentieth century, many companies had moved their production processes from their origin country to other countries (offshoring) where the cost of labour, development, engineering, and managerial costs were significantly lower. At the end of the twentieth century, many firms were moving at least some of their operations to East, Southeast, and South Asia (Tate et al, 2014) in order to achieve lower costs, acquire distinctive know-how and get closer to their targeted market. Mostly, the firms offshored the production or, in other words, the low value and labour intensive activities to the countries where the general wage for the manpower and all the other productive inputs are remarkably lower in price, instead, keeping the services (activities generally considered with an high added value) where the facilities and the structures such as universities and research centers are more present.

The purpose of the second half of this chapter is to understand the different sourcing concepts in order to be able to differentiate them keeping steady in mind that the final aim of the firms, at least at the beginning, is to reduce costs and to seek a continuous renovation in their competitiveness over the market. The first phase of the firm’s internationalization process consists in moving, partially or totally, the production and/or services in another country to obtain an economic advantage. The possibilities among which a firm can choose are:

- near-shoring – the chosen area is close to the country within which the company is running its business (Ellram, 2013);
- offshoring – the chosen area is further away from the country within which the company is running its business.

Leaving for one moment the possible shades of the phenomena and their influence on the different names of the offshoring and referring directly to the general concept, offshoring is defined as the relocation by companies of either production plants or services from an origin-developed country to a less industrialized or developing country. Companies relocate their activities because they look for lower costs of operations in the new location, with a focus on the labour costs. Therefore, some decades ago it seemed to make no sense
not to offshore as the labour costs in some developing countries were extremely lower (Hutzel and Lippert, 2014). Doing so, firms are able to relocate the value chain of activities outside the company’s original location of its headquarters (Bals, Jensen, Moeller-Larsen, & Pedersen, 2013) and to cover both make or buy alternatives (Jahns, Hartmann & Bals, 2006).

Offshoring is not a definitive choice, in fact, after that, firms can decide whether moving forward with their internationalization strategies or coming back to the previous national approach or choosing a mix of them. According to the first scenario, as observed by Benito et al. (2009; 2011), the firm has to take in account the general social, economic and political situation of the nation in which its activities will be set and, after moving the activities, the firms shall decide whether to confirm its own choice or to opt for:

- offshoring of second level - relocate the production and/or the services in a nation even further than the first one;
- near shoring – move the already delocalized production to a foreign nation within the same region of the initial country (Ohmae, 1985) (Fratocchi et al., 2014a);
- reshoring – transfer back the production to the home country.

Reshoring is the option that defines the second scenario and according to Fratocchi et al. (2014a, p.56), it is a (freely translated) “firm’s strategic action, planned or not, oriented to the domestic re-location (partial or total) of foreign activities (direct or through supplier) to face the local, regional or global demand”. Also known as inshoring, backshoring or even back-reshoring, reshoring is a location decision to bring manufacturing back home from a current location into the country of origin (Europe and USA) (Gray et al, 2013). Always more often, reshoring is starting to be considered a valid option, mostly as a reaction to a situation in which offshoring strategies tended not to deliver the promised strategic advantage (lower costs, 24/7 availability, and access to large, well-trained work forces) and of relatively inflexible to volatile environmental conditions (Accenture, 2011, p. 5). These combined conditions resulted in reshoring operations from foreign locations back to a domestic location (Fratocchi et al., 2013, p. 5). A particular form of reshoring is backshoring which concerns the relocation of business processes, production, and services alike, which previously had been moved to an offshore or nearshore location, back to the country of origin (Fratocchi, Mauro, Barbieri, Nassimbeni, & Zanoni, 2014; Kinkel and Maloca, 2009; Arlbjørn and Mikkelsen, 2014). In other words, backshoring is one specific form of reshoring, which itself is the reversal of offshoring. The backshoring term only concerns the physical location, not the ownership of the process, which otherwise would be insourcing vs. outsourcing (Förstl, Kirchhoff & Bals, 2015). Consequently, backshoring is possible in different ownership modes. Outsourced backshoring describes the relocation of business processes from an offshore supplier to an onshore supplier, while in-house backshoring describes the relocation of processes from a subsidiary in a foreign country to a company location in the home country (Förstl et al., 2015).
1.2 Evidences of Reshoring

Recently, the United Nations have recognised the relevance of reshoring highlighting the most effective economic and political strategies to enhance this phenomenon (UNCTAD, 2013) and some Eastern policy maker interpreted this set of strategies as a possibility to partially face the loss of jobs due to the global economic crisis. Substantial is the USA’s effort in this direction (Guenther, 2012; Livesey, 2012) whereas recent is the UE interest (http://www.europarl.europa.eu/EPRS/140791REV1-Reshoring-of-EU-manufacturing-FINAL.pdf).

The following data provide a clear and update picture of the phenomenon in the world even if it has to be taken in account that public attention has just been shifted on reshoring and so this phenomenon needs to be investigated more in depth to get a final and consistent model. Of great significance and value is to specify that, after a short introduction on the approach of the different governments to this phenomenon, the following section will provide information about the types of business, the size and the main drivers for reshoring. It has been observed that the phenomenon assumes different connotations in different parts of the world. In fact, the approach of the different governments can shift from a strong sense of approval and general consensus toward the firms who decide to bring back their production to the motherland, a clear example is the Usa, to a nearly lack of interest, a good example is the Italian case. Having a closer look to the Usa situation, it is immediately clear that the reshoring has been added in the government guidelines since the Obama’s second campaign (2012). Reshoring was added as of the main points into the Obama’s Administration Blueprint (The White House, 2012) and bold actions have been taken also to achieve this result, as the energetic independency and the recovery of the economy. These efforts, and many other factors as the gradual loss of competitiveness of Chinese low salary market (Chinese wages have been growing fast and the trend seems to be intended to continue) (BCG, 2011), has delivered good results and nowadays is possible to affirm that reshoring phenomenon is spreading among Usa firms. Differently from the Usa situation, the Italian one present an almost absence of interest for this topic on an political and academic level (even with some valuable exception). More specifically, the Italian reshoring does not seems to own the typical patriotic characteristics of the Usa’s one and it looks to be driven by the personal initiative of the entrepreneurs who value the costs/benefits between a foreign production or a production within Italy. Consequently, the reshoring in Italy has no precise guidelines and it appears to be fostered by the private entrepreneurs’ effort of focusing and investing on manufacturing, in order to exploit the Italian favourable environment in matter of high quality level production. In fact, one of the most influenced sector is the high quality productions linked to the brand Made in Italy, textile, clothing, mechanic and transport. Slightly different are the evidences about the business that are interested by the reshoring phenomenon, that come from the dataset of Fraunhofer Institute for Systems and Innovation Research (Fraunhofer ISI), Germany, which have asked to the German companies about their offshoring and reshoring. These data refer to the period mid-2010 to mid-2012 and covers a sample of 1,594 companies. The mostly affected industries are the one of the electrical equipment industry (7%), which also had one of the strongest offshored sector, some 4% of companies in both the rubber and plastics and the
chemicals industries brought production back from abroad (around half the proportion involved in offshoring), while 3% of motor vehicle manufacturers did so (less than a quarter of those that offshored production). The figures for companies in the electronics and the machinery and equipment industries bringing production back to Germany were even smaller relative to those involved in offshoring (2% as against 17% and 12%, respectively), while no textile manufacturer reported doing so, as against 17% that relocated production abroad. In general, therefore, reshoring in this period was on a relatively small scale relative to offshoring in most of the medium- to high-tech sectors, except perhaps for the electrical equipment industry (ERM annual report; 2016). More in line with the Italian situation are the findings of Kearney (2016) about the USA market.

According to the public estimations, at the end of 2016, in the United States of America, almost 300 cases of reshoring were successful and the Kearney’ Reshoring Index (2014) recognised the most three interested industries: electronics (15%), transport (15%), clothing (12%). Also from Europe, important studies and evidences about reshoring come to clarify the nature of this phenomenon on an international scale. The combined study of five Italian Universities (Catania, L’Aquila, Udine, Bologna, Modena-Reggio Emilia), allows to collect a huge dataset which provides interesting insights; it is based on secondary data regarding single reshoring decisions in cases of multi-reshoring firms. The breakdown of the dataset over 423 firms and 501 cases shows that the 13, 7% of the total (58 firms) reshored from 2 to 6 times. The two areas taken into consideration are EU and US and they are almost equally represented; moreover, the three countries with the highest number of cases are the US, Italy, and Germany which are among the developed countries with the strongest specialisation in manufacturing. As for the host country whence reshoring strategies took place, around 73% of total operations involving China (58.8%) and other Asian countries (14.1%), whereas Eastern Europe accounts for around 10%. In particular, 73% of initiatives by US companies involve activities located in Asia (including China), around 20% of decisions by EU companies concerns instead activities located in Europe. The Uni-CLUB MoRe reshoring data further confirm the importance of logistics in terms of increased delivery time in offshore locations (70 cases), especially when the offshoring strategy is not market-seeking.

This results are in line with a recent study on the relocation of the US firms from China (Zhai et al., 2016) in which it has been observed as over a sample of 139 firms the reasons at the base of the choice of reshoring are mostly a consequence of an «efficiency-seeking» delocalization (Dunning, 1998). Among the home country–related elements, many companies reported the so-called “made in” effect (82 cases). As far as the host country related elements are concerned, the main reshoring motivation is the poor quality of offshored production (73 cases). Among the remaining motivations (firm-specific and marketing-related) the most frequently indicated are the firm’s global reorganization (35 cases) and the improvement of customers’ services (44 cases). Looking back to the previously quoted study on USA market, it appears how the motivations that move companies to implement a reshoring strategy are (AT Kearney, 2014):

- consumer demand is becoming increasingly volatile and companies need to be able to adapt quickly to a change in the market;
- proximity of the productions to the outlets;
- value of the brand;
- production costs are not a relevant variable in the location choice if consumers are willing to pay a premium price for products made in America.

All these factors are confirmed by Kinkel (2012), Ellram et al. (2013) and Tate et al. (2014) in their accurate study on Denmark and the comparison of Denmark with Nordic countries. In fact, the evidences from these works are that, for Danish firms, the main drivers for taking these actions are lower quality, longer lead-times, increased use of automation in Denmark and increased focus on core activities. Specifically, large and medium-sized companies that experience challenges with lead-time seem to choose insourcing. The same is true for medium-sized companies that see opportunities for automation. A plausible explanation for this could be that larger companies have already been through automation processes and that small companies find it difficult to cope with automation because of limited resources. Additionally, larger companies recognise the importance of having production close to R&D. Barriers to insourcing are listed as lack of resource allocation (manpower and economy), premature insourcing process, lack of a proper foundation for the decision to insource, lack of internal competencies among production staff, and lack of information and communication on the process. More specifically, while small companies shy away from insourcing due to lack of resource allocation, large companies avoid insourcing because of past experience with hasty insourcing processes and issues related to information and communication (Arlbjorn e Mikkelsen, 2014). Always regarding the manufacturing business, Martinez-Mora e Merino’s contribute (2014) provides a clarifying work on Spain and, in particular, on the shoe industry. The research, made on a the most active district of Spain (Alicante), discovered that ten out of the fourteen firms, taken into considerations, reshored their activities. In addition, this work shows a trend from the Asian countries with a particular interest for China. The data show, in the middle level of the segment, the good will to keep the production in Europe that is quite interesting if it is considered the high manual aspect of the sector. The firms point to the following motivation:

- low product-effectivity of the foreign supplier in the production of small stock;
- need of more accurate qualitative check on the supply chain.

European firms tend to reshore their business functions more than US firms, the former being responsible for 77% and the latter for 22% of the reshoring initiatives. As regards the host country (i.e., the geographical areas from where companies tend to escape), reshoring plans are more frequent from India (40.71%), Asia (except India and China, 12.39%), Eastern Europe (11.50%) and Western Europe (10.62%).

The evidence seems to suggest that the business context of Asian countries is not as attractive as it was in the past, probably due to the increase of wages, to the floating exchange rates, and to the downturn of the several Asian economies, as has been observed recently for China. On average, the 13% of German manufacturing firms have production facilities abroad even if much more interesting is the observation about the size of them all. While just 3% of small companies (with fewer than 50 people employed) were engaged
in activities offshore in 2010–2012 and only 16% of medium-sized ones (with 50–249 people employed), 40% of companies employing between 250 and 999 people and 83% of those employing 1,000 or more people did so. It is plausible to claim that for large firms an offshoring strategy is necessary.

At the end, it is interesting to have a look at the reality of some USA firms which have already brought the manufacturing back to the United States. In 2010, Caterpillar claimed a $120 million new factory in Texas and the possibility to employ 500 people. This reshoring action was mostly taken because of the favorable appraisal of an increment in demand from North America and Europe and to avoid high logistic costs.

Following this way, the firm offshored its production from Japan and still has a plant in China to produce for the Asiatic market. Even Ford Motor Company, between 2011 and 2013 reshored its manufacturing activities from China, Japan, and Mexico, Turkey and Spain. Furthermore, Walt Disney Company is implementing, from 2013, a project of near reshoring to carry the production related to merchandising to Haiti from countries such as Bangladesh, Ecuador, Venezuela and Pakistan.

1.3 Summing-up of the phenomenon

At this point, it is necessary to cluster some common aspects of Reshoring in order to give a more comprehensive dissertation of the qualities of this phenomenon. This chapter borrows the technique used by Barbieri et al. (2017) to critically analyse the reshoring phenomenon. The 5W (what-who-when-where-why) and the question how are going to be utilized to allow a transversal analysis of all the reshoring components. Scholars such as Mugurusi and de Boer (2013) and Hätönen and Eriksson (2009) widely used this methodological approach to examine the existent literature and achieve important and meaningful results in the study of phenomena like offshoring and outsourcing. Moreover, considering the study of Reshoring, this approach has been suggested by Gray et al. (2013) and applied by Wiesemannetal (2017). The final purpose for the deployment of this techniques is the achieving of a comprehensive idea of this phenomenon and a total impression on what is the knowledge got until this moment. Before leading to the explanation of these categories, a clarification is needed; some of these categories has still not been studied accurately and, even if some theories have already been developed, they lack of the support of empirical data. For this reason, the when-where-how will be shortly explained in this paragraph.

What: “what [reshoring] is a what it is not” is the question which pops up in the dissertation of Gray et al. (2013) to draw the shape of this new phenomenon and to be able to acquire a sufficient knowledge on the main characteristics of Reshoring. This question is the most developed, the one studies paid more attention to, and the one who has to be investigated to gain insights about the difference with phenomena previously addressed in the IB field (e.g. foreign disinvestment and de-internationalization) (Paolo B. et al., 2017).

Who: this section will address the attention of the reader to three meaningful aspects of the firms implementing reshoring strategies that are size, industry, earlier experience with reshoring strategies and export intensity.
Taking into account these aspects may be a determinant choice to investigate the firm's propensity to reshoring actions.

**Why:** this section is related to the reasons, which induce to bring back their production, a part of it, or even services back to their country.

**How:** this section is bounded with the managerial aspects of reshoring that are the decision-making and implementation phases of reshoring strategies.

**Where:** this section provides insight on the geographical aspect at several levels.

**When:** this section refers to the duration of the offshore experience.

1.3.1 What

In literature are present a variety of definitions of “what” Reshoring is and there are even cases of authors who use the same word to focus on different concepts. For this reason, it can be meaningful listing the most controversial aspects:

- **Country in which earlier offshored manufacturing activities are reshored:** the shift of the production activities to both home country and “near home country” has previously been indicated as reshoring (Bals et al., 2016; Ellram et al., 2013). On the contrary, some other authors suggested a difference between the following two action; back-(re)shoring (Bals et al., 2016; Fratocchi et al., 2014a, 2014b) – which is when the production transfer is directed toward the home country – and near-(re)shoring (Fratocchi et al., 2014a, 2015) – if it is oriented toward countries close to the home country;

- **Types of relocated activities:** the greatest part of studies made on this phenomenon has the observation and quantification of production activities as core, some of them slightly refer to Porter’s value chain activities (Bals et al., 2016; Tate and Bals, 2017; Zhai et al., 2016) and “firms’ foreign activities” (Stentoft et al., 2016a, 2016b). Furthermore, Benito et al. (2009) suggest to focus on specific value chain activities;

- **Governance structure adopted in the manufacturing offshoring and reshoring phases:** some authors believe that opting for a Reshoring decision is coherent and contextual to an insourcing (Ellram, 2013). Arlbjørn and Mikkelsen (2014) provide an interpretation of the governance’s decision as conceptually independent of locational decisions, but they can be shuffled with the reshoring decision. A third idea comes from Bals et al. (2016) and state as reshoring and insourcing are “interconnected” decisions.

Funnelling from a macro dimension to a micro one, scholar suggested many other categorizations of this phenomenon taking in account various part of it to have a more complete representation. For instance, Gray et al. (2013) characterized four classes of different Reshoring typologies, working on geographical decision:

- **home vs host country**
and governance mode:

- **insourcing vs outsourcing**

  As often happen, this classification has been broadened (Bals et al. 2016) and Foerstl et al. (2016) to include;

- **cooperation alternative (e.g. joint ventures, strategic partnership and long-term contracts)**

and so achieving six dimension model.

Worthy of being noticed is the work of Joubioux and Vanpoucke (2016) whose the greatest credit is the appraisal of the Reshoring phenomenon in accordance with the strategic goal that the firm’s decision wants to achieve:

- “Home re-shoring”;
- “Tactical reshoring”;
- “Development reshoring”.

These three decisions find place in various occasions; the first one, it occurs when there is a failure of a previous offshoring decision, the second one is mostly about a decision of short term based on the availability of resources and knowledge, the third one is implemented in the perspective of upgrading the already existing firm’s products.

Not considering the following sentence as a fixed rule but more a general rule, the “home reshoring” alternative is more coherent with a “mistake correction approach”, while the “tactical” and “development” ones are consistent with a “strategic approach”; however, tactical reshoring is generally quite opportunistic and more likely to be re-evaluated in the short-term (Barbieri et al., 2017). Eventually, it is right and proper specify an essential and peculiar aspect of Reshoring that has been argued and that help to understand why Fratocchi et al. (2015, 2014a) differentiated the reshoring concept from foreign divestment (Belderbos, 2003; Benito, 1997) and de-internationalization (Benito and Welch, 1997). More specifically, it has been discussed the correlation about the reshoring strategies and the closure of the foreign structures and/or the interruption of any earlier relationship with third parties (such us suppliers or customers). Adopting this point of view, it may seem fair to define the Reshoring just as one of the possibilities available after the offshoring (Joubioux and Vanpoucke, 2016; Murat, 2013). Time by time, the management, considering push factors (discouraging remaining in the host country, such as loss of flexibility) and pull factors (fostering reshoring, such as stronger IP protection) will carefully choose whether use reshoring, near-shoring or further offshoring (Barbieri et al., 2017).

### 1.3.2 Who

The answer to this question can be found out analysing the trends that are shown by different kind of firms. More in deep, from Barbieri et al.’s work (2017) four characteristics appear distinctive: the size of the firm, the type of industries in which it runs its business, the level of the intensity of the export and the possible previous experiences the firm could have had with reshoring strategies.
With regard to size, several studies have been run and various results came up to the hands of the researchers even if they present results opposing to each other. For instance, Kinkel and Maloca (2009) stated that manufacturing reshoring hardly occurs among small and medium enterprises (SMEs) but Fel and Griette (2017) found there is no significant difference among French reshoring firms regarding their size. Fratocchi et al. (2016), after collecting a database with information from multiple countries, showed that reshoring is only slightly more diffused among large firms; with regard to industry, reshoring is a practice that can be applied virtually to an endless number of business. Unfortunately, the scarcity of quantitative research prevents any conclusive outcome about any sector in particular;

when it comes to export propensity, the only evidence is proposed by Kinkel (2012) who underlined how this element was significantly and positively related to the possibility of production activities being reshored. 

talking about learning issues, it also seems to explain the positive impact of earlier experiences in implementing manufacturing reshoring strategies on the probability of further similar decisions (Kinkel, 2012).

1.3.3 Why

Answering to the “why” of Reshoring would be possible gaining a deep understanding about the reason at the base of such firm’s strategies. As pointed out by Benito (2015), acquiring knowledge on this aspect of the internalization process of the firms is a key issue, mostly regarding the manufacturing location decision.

A large quantity of motivations have been found out through the different studies and notable efforts have been made to classify them and to create a neater scenario among them. Without any sort of reduction of the importance of this studies, here the viewpoint of Dunning (1998) is accepted when he recognizes that the motivations defining a specific “raison d’être” change over time.

Proceeding systematically, three are the main works that, in this place, will be analysed and a general conclusion will be drawn to get out of the massive number of possibilities and theories about this characteristic of Reshoring.

Ordered by chronological order, not for importance, the first study comes from Grandinetti and Tabacco (2015). It specifically linked the idea of Reshoring with the one of “more than just a geographical shift of operations. It is also a reconfiguration of systems” (Mugurusi and de Boer, 2014, p. 275). Adopting this perspective, if it is a common idea that manufacturing offshoring decisions are often taken to achieve an advance of cost level (Schmeisser, 2013), reshoring strategies look following a strategic logic such as “made in effect” (Diamantopoulos et al.,2011), co-location of R&D, engineering and production activities and responsiveness to customer demand (Barbieri et al., 2017). 

On his side, Fratocchi et al. (2016) identified a theory with a two-class frame: (1) the company’s strategic goal (i.e. increasing customer perceived value vs improving cost-efficiency);
(2) “level of analysis” (internal to the company vs relating to the external environment).

At the same time, Srai and Ané (2016) organized the motivations for reshoring into 46 classes. This study allows them to understand that institutional factors (such as local incentives) may provide a consistent support to firms’ decisions to relocate manufacturing activities to the home country, but only if combined with strategic and operation elements.

Taking for good the manufacturing point of view, a fruitful three-point frame is shown in the work of Barbieri et al., (2017):

1. The first division is done between the idea of Reshoring as a “managerial mistake” and as a strategic decision.
2. This last category is beyond split according to internal and external environment.
3. Considering the great amount of motivations they have been divided into two arrays according to motivation’s homogeneity

This model permitted to identify interesting drivers of the following dimensions: managerial mistakes, external environment, and internal environment.

Firstly, it has been observed that managerial mistakes are in a great part influenced by “miscalculation of actual and/or adoption of new cost accounting methods”. This finding is interesting in the measure in which offshoring decisions were often based on efficiency claims (Schmeisser, 2013).

Secondly, the drivers which belong to the category of external environment are relevantly connected to “costs” and the three most present categories are “poor level quality of offshored manufactured products” (belonging to the “customer related issues”), “production and delivery time impact” (“SCM” category) and “reduction of labour cost gap between the host and home country” (costs category). As pointed out by the authors, these findings seems to confirm the idea that manufacturing reshoring is not just based on the efficiency issue.

Thirdly, the findings mating with the ones of the external one would seem to suggest that the Reshoring has a proactive (i.e. based on internal elements) or reactive (as an adaptation to external forces) inner nature. In the end, it is worth to say that the motivations of reshoring have been largely discovered even if the lack of a sufficient quantity of data on a large scale can not allow to define any final conclusion. It must be paid attention that manufacturing offshoring and reshoring decisions are strictly interconnected (Joubioux and Vanpoucke, 2016) and that Reshoring is one of the possible consequences of offshoring and not the direct next step (Murat, 2013).

1.3.4 How

The decision-making process of reshoring is, for sure, something which deserve the absolute attention of the firms. These processes and strategies have attracted the growing interest among scholars, as the work Barbieri at al. (2017) shows (eight papers between 2015 and 2017 out of a total of ten). A quite recent study, Hartman et al. (2017) refer to Reshoring decision as a more near term reaction than a well-planned and considered step of an organized strategy. This factor may be considered quite alarming and as the confirmation
that the decision-making process of reshoring is at risk of emphasizing too much the urgency of the choice, with detrimental impacts on procedural rationality. The implicit meaning of what has been written before is that the complexity and the financial aspects of it, they should not be forgotten.

1.3.5 Where and When

Few studies have been done on these two factors, which are related to the geographical position (e.g. home and host country) and to the time-related aspect of reshoring. About the spatial characteristic, Zhai et al. (2016) noticed US companies’ reshoring strategies have not been heavily investigated, and that repatriation is generally concerning product lines to be sold in the national market.

Regarding the second factor, two are the main study:

1) the duration of offshore manufacturing experience prior to reshoring (Ancarani et al., 2015);
2) the occurrence of reshoring after the global financial crisis in 2008-09 (Kinkel, 2012; Kinkel, 2014a, 2014b).

Ancarani et al. (2015) observed that the duration of offshoring strategies seemed to be influenced by several of the elements listed in the previous paragraph. “For instance, SMEs tend to return earlier than large firms; electronics and automotive companies return earlier than those in other investigated industries. With regard to the reshoring mode and governance structures, companies implementing outsourcing offshoring strategies generally return earlier than those implementing captive offshoring strategies. Regarding the relationship between motivations and duration, quality concerns are generally associated with shorter offshore duration” (Barbieri et al., 2017).

The studies on the “where” factor should be particularly emphasized because the analysis of the geographical trends is important to comprehend the potential attractiveness of a country in confront of another or the magnitude of the influence a country can exercise to condition the relocation choices.

1.4 Conclusion

At last, the phenomenon of reshoring is coming out from the semidarkness that in some way covered it from the gaze of researchers and politicians until few years ago. The ever more great liveliness of the scientific works that are stemming from the interest toward this argument is strongly contributing to the literature even if there is still many aspects that require a deeper explanation. In the previous paragraphs, the base of what can be defined a global scale phenomenon has been created and from now on its volume will probably increase. The previous studies and the wide range of options and situations in which management can apply the reshoring just strengthen the faith in this phenomenon. The reshoring is one of the possible consequences of the more known offshoring and presents a number of applications that are alike just to the myriad of problems that a firm can meet during the offshoring of its production and/or services to a foreign country. In fact, it is true that during the realization of an offshoring strategy or after that, common are
management’s evaluation errors about the appraisal of the real costs of the activities and of the analysis of the convenience on the level of poor level quality of offshored manufactured products, production and delivery time impact, reduction of labour cost gap between the host and home country. As told before, reshoring is just one of the possibilities and it is particularly useful mostly for the firms that are “efficiency-seeking”. This is true because, bringing the production back within the national border from a foreign country; advantages on the coordination level of the activities, a better supervision on all the passages of the activities, a more dynamic logistic and shorter delivery time are obtained quickly. All this means, in an environment in which the consumer demand is increasing its volatility and companies have to be able to adapt quickly and in which people are willing to pay a premium price for the label “made in”, gaining in competitiveness. Furthermore, it is important to keep in mind that reshoring is not just a way to fix up a problem but it is a concrete possibility to enhance the performance of the firm. Remembering the classification provided by the Joubioux and Vanpoucke (2016) among home re-shoring, tactical reshoring and development reshoring it is immediately clear how reshoring should be consider within the range of management’s tools for the strategic planning.

Picking for one moment the general concept of the model, it is clear that this phenomenon can occur when there is a failure of a previous offshoring decision or can be seen as a possibility of short term based on the availability of resources and knowledge or it can aim to the perspective of upgrading the already existing firm’s products.

In the next chapters, the reshoring topic will be treated again with the supply of new data and more details but, before that, some clarifications are due. As first, considering the difficulties of a complete discussion of all of the reshoring components (5W), in particular the “where” dimension will be the subject under analysis. As previously hinted, the where aspect is related to the geographical key and usually is valued through the home and host country levels. At the best of my knowledge, in the previous studies, a greater visibility has been done to Germany, (Kinkel, 2012; Kinkel, 2014a, 2014b; Kinkel and Maloca, 2009) and to the US reality (Grappi et al., 2017). The findings of these studies showed how the manufacturing reshoring is a relevant phenomenon and how the reshoring decisions implemented until now, have been mainly from China and the other Asian countries for US firms and, for European firms, from Eastern Europe (Ancarani et al., 2015; Fratocchi et al., 2015, 2016, 2014a, 2014b). As it is clear, the economic advantages the firms got on a first moment is not enough on the long period to sustain their permanence abroad and this is the prove that more attention has to be paid to the return trend to figure out the motivations of the reshoring decisions.

Eventually, summarizing the data previously provided it looks like two flows actually exists: the first one, is about the offshoring decisions toward foreign countries (Asia and in particular China) and it is growing at a lower rate than before and a second one, about the reshoring operations that is moving its first steps, guided or at random, with a noteworthy increment of volume and importance for the different national economies. It is difficult to foretell if this phenomenon will continue its growth or if it will keep steady but for sure it deserves to be carefully studied.
As second, in my work, I will use a no common way to treat with the where aspect. In fact, this aspect will be declined following the demand-perspective and it means that it will be analysed from the consumer’s point of view. Nowadays, it is available a huge literature from the supply-perspective and important factors such as the main drivers or the main strategies have been studied. The same cannot be said for the demand-perspective side and, considering my belief in the importance of the consumer’s insights that the management can get and should keep in consideration, I strongly believe that an accurate study in that direction can provide important developments. In other words, the where characteristic will be analysed keeping into account not as a geographical factor but as a general sentiment felt by the consumers about the reshoring operation and how the positive or negative opinion of the host country can influence this sentiment.
Chapter 2

2.1 Introduction
In the international business environment a general and recognized interest is attributed to both offshoring and reshoring phenomenon and, for this reason, it is not a surprise to find a huge literature about these two themes; to this day, the phenomenon that has been mainly focused on, even because previously developed, is the offshoring. In spite of the great attention toward these phenomena, both of them have been studied from only one perspective, the supply one. This perspective implies the study of the drives, the aspects and the motivations that push the firm toward the realization of an offshoring/reshoring strategy. Without any doubt, this focus allowed the researchers to understand which are the main aspects and characteristics of the firms which decide to offshore or reshore like dimension and business or also the reasons for such a kind of decision like the cut of the costs or a better supply chain. Moreover, of interest are also the drivers which have been taken into consideration for the appraisal of the profits of these operations. On the other hand, this unique direction in the studies did not allow to understand which is the consumer point of view and, as a consequence, to catch his feelings about the firm’s offshoring or reshoring. In other words, literature lacks of a massive part on the demand-perspective side about offshoring and reshoring. This order of factors, the consumer’s emotions, even if they do not figure in the firm’s balance sheet, have a huge weight on the general frame because of their influence on such dimensions like the willingness to buy and the willingness to own and so the consumer’s final purchase. The last one is of particular interest for the firms and for a better understanding about how it does work, in this paper a demand-perspective approach will be developed.

2.2 The sentiment of the consumer: offshoring and reshoring
Among the few literature studies about the reality of offshoring through a demand-perspective, noteworthy are Durvasula and Lysonski (2009) and Thelen et al. (2010) that, on a general level, analyse the consumer’s sentiment toward this phenomenon. Unfortunately, these studies did not reveal the specific components of the phenomenon but it is out of discussion that they contributed to gain a better knowledge of the phenomenon. The continued study of consumer sentiment toward offshored services has the potential to influence future academic studies, to open new streams of research, and to provide practitioners with increased knowledge for managing their businesses (Thelen et al. 2010).

2.2.1 The consumer’s sentiment toward offshoring
Following the chronologic order and not the relevance of the evidences gained, on a macro level, from Durvasula and Lysonski’s (2009) work, it is possible to observe how offshoring appears to resonate well with those consumers who consider themselves culturally open-minded and with the ones who feel a weaker
consumer ethnocentrism sentiment and not perceive economic threat from foreign competition. On the opposite side, it has been observed that high levels of ethnocentrism and greater economic threat increase the possibility of being hostile to offshoring. However, it is interesting how the new generations, being more aware of the components that push the globalization, show a better understanding of the phenomenon and are willing to be more flexible. More than the individual fears and threats, what happened to a third parties can also influence the consumer’s sentiment of offshoring; for instance, when close relatives or associates have lost their jobs due to offshoring. According to Durvasula and Lyonski (2009) ethnocentrism, economic animosity, patriotism, and perceived economic threat are forces that can influence the opposition to reshoring; the increasing of one of them could bring to the rejection of a foreign product. However, it also exists findings which express the general positive beliefs about the quality of service provided by offshore businesses; these products are considered to be technically advanced, a good value for the money, and reliable. Something that appears possible but which deserves a more precise breakdown in the mitigation effect of these aspects on the general negative sensations felt by the consumer. Moving to a micro level Thelen et al. (2011) identified six dimensions which are considered by consumers as “hot spots” when they are being provided from abroad: data security, free-trade resentment, customer/foreign-worker disconnect, communication, and foreign worker enmity. These aspects are perceived as having a direct effect on the quality of the service provided from a foreign country; consequently, these components should be continuously be overlooked to understand which is the real impact on the perceived service quality and satisfaction. At last, a different aspect raises from this work; that consumer sentiment toward offshored services is not an extension of product-based consumer ethnocentrism. Consumer (product) ethnocentrism assesses the patriotism or loyalty of those who purchase an imported good whilst consumer sentiment toward offshored services does not concern itself with the user or purchaser of the service but focuses on a firm’s decision to hire a service provider abroad and on the efficacy of the service provider itself (Thelen et al. 2011).

2.2.2 Consumer’s sentiment toward reshoring

On the side of the reshoring, credits have to be addressed to Grappi, Romani and Bagozzi (2015, 2018) for providing interesting studies on this phenomenon to the existing researches in international business (Priem, Li, & Carr, 2012; Siqueira, Priem, & Parente, 2015). In particular, their work (2015) tests singular psychological processes that happen in the consumer’s mind and push him to react to the news of a company reshoring strategies. Specifically, this group conducted three tests to understand how reshoring decisions impact on consumer willingness to buy and willingness to pay. Moving through these tests, the mediating role of positive and negative moral emotions (i.e., gratitude and righteous anger) felt by consumers have been studied, the consumers’ inference of company motives for reshoring have been analysed and a model in the context of an actual reshoring case has been provided to extend its range of application and to address external validity. The findings consistently show:
a positive effect of reshoring on consumer willingness to buy and consumer willingness to pay and the psychological mechanisms (moral emotions) governing them;

a focus on the specific circumstances (perceived company intrinsic vs. extrinsic motives for reshoring) and (b) the type of consumers (high vs. low in ethnocentrism) for which these effects work.

Differently from offshoring, on the consumer-side, the raise of awareness of the bundle of reasons for firm’s reshoring makes it stemming a positive attitude toward the consumer’s willingness to buy and willingness to pay for the firm’s product. Starting from the works of Robertson et al. (2010) and Thelen et al. (2011), Grappi et al. (2013) demonstrated that moral emotions of righteous anger and gratitude are important to connect perception of violation of moral standards associated with offshoring strategies to specific negative consumer actions, as well as fulfilment of moral standards on positive actions. Thus, they propose to consider the reshoring as related with this framework; in fact, although reshoring is mostly concerned about bringing back works in the home country, there are also a large range of moral values that have to be considered such as: the need to stop the exploitation of labour in underdeveloped countries or to cease taking advantage of lax environmental regulations abroad. The choice of reshoring cloud meet all these conditions and could lead to a positive moral consideration; as Grappi et al., (2013) rightly pointed out, the change in the company’s strategy can be considered in fact an admirable moral decision and will be associated with an increase in gratitude and a decrease in anger by consumers toward the company. As second point, the study underlines the importance and the correctness of the motives behind the firm’s reshoring decision suggesting a moderating effect on the relation between consumer perception of such a decision and consumer affective reactions. From precedent researches, it has been observed that consumers cluster the firm’s motives into two types: firm-serving or extrinsic motives, which emphasize the potential benefits to the firm itself, and public-serving or intrinsic motives, which focus on the potential benefits to people outside the company (Barone et al.2000; Du et al. 2007; Forehand and Grier 2003). According to Becker-Olsen et al. (2006) the consumer negatively perceive the first type because it characterize a self-serving perspective while he positively considers the latter because it denotes elements of altruism and enhanced social concern. The conclusion is that if the consumer believes that the main driver for the company decision is an extrinsic motivation, they are likely to react with a negative emotion whereas the contrary is true with an intrinsic motivation. Therefore, in Grappi et al. (2015) study, stronger intrinsic and weaker extrinsic attributions about the company’s motives for reshoring are associated with a higher levels of gratitude and lower levels of righteous anger. Another factor, previously taken into consideration by Weiner (2006), has to be considered; actually, it is possible that some circumstances and personal aspects of people produce a different emotional experience following the assessing of a fact. For instance, the loss of job of a parent or even a friend caused by offshored activities could influence negatively the consumer’s mind-set. Further progress in the comprehension of the main drivers of reshoring has been presented in a recent paper by Grappi et al. (2018); this group of research supplies, to the extent literature, a valid and manageable measuring instrument of consumer reshoring sentiment (CRS) and demonstrates that
this sentiment can predict the consumer’s reaction to reshoring. CRS is the label for the tool used to approach the phenomenon of reshoring from a demand-side perspective and it is useful in order to give new insights to companies about how to relate with the home-country consumers; CRS collects generalized, positive beliefs that home-country consumers associate with reshoring Grappi et al. (2018). After developing this set of beliefs, the research pushes to examine the effects of these positive believes on favouring positive responses to the home-country market (e.g. increasing the consumer’s willingness to buy toward reshored products). The research follows the model provided by Spiggle (1994) that consists in a framework composed of different stages for qualitative data analysis and interpretation. Six are the aspects mostly discussed by the respondents during the qualitative study and they are superior quality of the reshored production, “made-in” effect, competency availability, government support, greater ability to fulfil needs, and ethical issues in host countries. The evidences about consumer beliefs towards reshoring, emerged during the study, can be summarized in the six dimensions of the CRS and are reported below:

- superior quality of reshored production – during the discussion, respondents addressed great attention to the higher perceived quality of products after reshoring in respect of the one obtained from the products made abroad (this result is probably the result of greater transparency in the relocated processes of production) and about the safety issues on quality of reshoring operations. It has been observed that respondents usually associated these aspects with positive feelings and intentions to act favourably towards the firm;
- “Made-in” effect – the importance of this effect in the consumer’s evaluation of product has been reported many times as also the relation between this element and the companies’ location decision. The reshoring strategies were seen as a way to preserve Italian excellence quality production and had the effect to generate positive feelings connected to the sense of pride in being an Italian;
- competency availability – participants often discussed about the competencies, skills and know-how of home-country workers and showed the belief of superior abilities of Italian workers compared to those of foreign workers. Generally, the consumer appreciates the firm’s reshoring strategy because they saw in this an acknowledgement of the superior skills of Italian workers and consequently they believe that this can have positive effects on the production;
- Government support – it emerged that the government should support and encourage firm’s reshoring. Moreover, the respondents also reported to be ready to support economic incentives, such as tax reductions or subsidies, to encourage companies to reshore;
- greater ability to fulfil needs – respondents showed the common idea that products made abroad, especially in not fully developed countries, are not able to completely satisfy their needs compared to those made in the home countries. This aspect lead to the consequence that most participants believed that reshored products are superior to offshored ones in satisfying their needs.
ethical issues in host countries – reshoring strategies have been treated also from a different point of view; some interviewees discussed them like an ethical company decision and others added that they can bring to a greater attention to moral and ethical values in general. In fact, reshoring activities helps to not take advantage of the (unethical) benefits offered by offshoring in emerging countries; for example, it would help to give in with the exploitation of foreign workers, environmental pollution, and human rights violation in foreign emerging countries.

Before moving to the conclusion of the study it is noteworthy to note that some beliefs such as the quality of the product, are strongly kept in the consumer’s mind and, at the same time, they overlap with the firm’s reason for reshoring; with the words of Grappi et al. (2018) “consumers and companies tend to appraise the reshoring phenomenon on similar dimensions but in a completely different perspective: the advantages for the company in a firm-side perspective versus the direct or indirect advantages for consumers in a demand-side perspective”. These six dimensions influence the CRS in different ways, for example, a higher perceived quality of the reshored production and a stronger the consumer relation with the “made-in” features provokes a higher and more positive consumer’s attitude toward the reshoring firm.

Other effects are displayed by the other dimensions; for instance, more a consumer think to a reshoring operation such as an ethical behaviour and more positive will be the attitude toward the firm. Furthermore, evidences seem to highlight the perceived importance of reshoring against the job losses in the home country; according to that, the commitment of the government in sustaining the reshoring decisions (government support) in definitely important and so it is the effort of the consumers. In fact, consumers can support the firms through buying products of reshoring companies and asking to the government and institutions to act accordingly, by sustaining the same companies with laws and policies. In this case, a positive influence of the perceived set of skills in fulfilling the needs of the reshored products in affecting consumer intention to buy. The research also provides a useful market segmentation based on the CRS concept including also the concept of customer ethnocentrism (it will be explained in the next paragraph) because of the similarity of the two concepts and because of its role in explaining consumer responses to reshoring (Grappi et al., 2015). The clusters are:

- ethnocentric reshoring advocates - This is the largest sample and it is made of consumers who score high on both CRS and ethnocentrism. These consumers show strong and positive sentiments towards reshoring decisions, supported by strong ethnocentric orientations;
- reshoring advocates - Consumers in this segment are characterized by low levels of consumer ethnocentrism and strong reshoring sentiments. These consumers share positive sentiments towards the reshoring decisions, independently from their (low) ethnocentric orientation;
- ethnocentric reshoring neutrals - These consumers are characterized by quite high levels of consumer ethnocentrism and weak reshoring sentiments. Consumers in this segment uses ethnocentric lenses to evaluate the firm’s reshoring decisions;
reshoring neutrals - Consumers in this segment display low level of consumer ethnocentrism and relatively weak reshoring sentiments. This is the smallest group and it is made of people.

2.3 Consumer Ethnocentrism

According to the vision provided by Shimp and Sharma (1987), consumer ethnocentrism overlaps with the idea of an individual’s tendency to view domestically manufactured products as superior and the belief that it is unacceptable to buy foreign-made products due to the detrimental consequences of such behaviour on the domestic economy and employment. Shimp and Sharma (1987) theorized a scale (Consumer Ethnocentric Tendencies scale or CETSCALE) to measure this phenomenon, framing it with values from highly ethnocentric to non-ethnocentric. Durvasula and Lysonski (2009) showed that consumers high in ethnocentrism felt that offshoring as morally reprehensible; such consumers thus oppose offshoring on moral grounds. Given the close conceptual link between offshoring and reshoring, ethnocentrism is expected to play a significant role also in explaining the mechanism of consumer reactions to reshoring, affecting the extent that consumers feel moral emotions toward reshoring. On the same line, consumer with higher level of ethnocentrism will show a high consent to the reshoring decision and a combination of high levels of gratitude and low levels of righteous anger. As a conclusion, Grappi et al. (2015) work analysed the interaction effects of the two moderators (consumer perceived company motives for reshoring and consumer ethnocentrism) discovering that these two dimensions could affect the relationship between consumer perception of reshoring and felt emotions as represented by the two mediators (i.e., righteous anger and gratitude). The two emotions, in turn, affect consumer responses to reshoring (i.e., willingness to buy/ pay for the company products). The evidences from the study shows that consumer reactions to reshoring are mediated by gratitude and righteous anger, verifying that moral emotions drive consumer responses toward company reshoring strategies. These affective reactions were shown to influence positive consumer actions toward the company.

2.4 Outcome of the influence of Consumer Ethnocentrism and Consumer company motives

As from the evidences of Grappi et al. (2015) the effect of consumer perceptions of reshoring strategies on their moral emotional reactions are moderated by the combined effects of consumer perceived company motives for reshoring and the level of consumer ethnocentrism. Moreover, it has been demonstrated that the sentiment of righteous anger born when the perception of reshoring is affected by both perceptions of firm motives and consumer ethnocentrism. Differently, the sentiment of gratitude is produced when perceived firm motives, but not consumer ethnocentrism, interacted with perceptions of reshoring. Further, some relations have been developed; a consumer who feels an high ethnocentric sensation presents a righteous level as low as more positive is the evaluation of the company reshoring motives and besides, to a more positive appraisal of the company reshoring motives, regardless of the level of ethnocentrism, corresponds an higher level of
gratitude. At the end, the mediating role of gratitude is influenced by the consumer perceived company motives for reshoring and not by ethnocentrism.

2.5 An innovative declination of the consumer’s sentiment toward reshoring

I am on a safe place saying that the researchers have theoretically framed the consumer’s sentiment about reshoring. This frame, of general character, is supported by empiric studies and strong evidences and so can act as the perfect springboard for further studies. In particular, the direction toward which my study will move consists in declining the general concept of consumer’s sentiment of reshoring in a particular way. Adopting the demand-perspective, I will address the most of my effort to the dimension of where; in other words, great attention will be paid to the positive or negative perception that the consumer has about the nation from which the firm’s production is brought back. It would lead to the appraisal of the variation of the intensity of the consumer’s sentiment toward reshoring to the variation of the emotions felt toward the nation. To achieve the best development of this task, it is essential to get knowledge about the factors that measure the consumer’s negative sentiment toward a country; for this reason, the concept of animosity will be broadly explained.

2.6 Animosity

Almost after a decade, new studies have been conducted with the precise purpose to better understand the situation above mentioned and Klein et al. (1998) work was the first to establish the concept of animosity. Klein et al. (1998) were the first researches to relate tensions between nations and consumers’ buying behaviour, i.e. to the willingness of consumers to buy products made in and imported from companies based in or associated with a country engaging in disapproved actions or behaviour. Referring to that, Klein et al. (1998) elaborated the concept of consumer animosity, which is theoretically defined as “remnants of antipathy related to previous or ongoing military, political or economic events”. Animosity deals with intense anger of people toward a foreign country or, according to Harmeling et al. (2014), it refers to consumers’ strong feelings of dislike or even hatred toward a country due to its political, military, or economic behaviour. Consumer animosity has been found to have a direct, negative effect on consumers’ purchase behaviour (Nijssen and Douglas, 2004). These feeling could stem from territory disputes (e.g. India and Pakistan both demanding the Kashmir region; Israel and Palestine combating for the Gaza region), economic arguments (e.g. the European Union’s recent introduction of import limits for China-made clothing), diplomatic disagreements (e.g. France’s and Germany’s disagreement with the USA on the issue of the US intervention in Iraq), or religious conflicts (e.g. as recently experienced in the case of Arab countries’ outraged against Denmark following the publication of Mohammed caricatures in a Danish newspaper) leading to cool relations between countries or even armed conflicts (as, for example, repeatedly in the Gaza strip or the Kashmir region) (Riefler and Diamantopoulos, 2006). Generally, two are the reason that are often addressed to be the source of animosity:
war-based and economic-based animosity. This distinction is well accepted by the great part of the authors, with exception of Jung et al. (2002) and Ang et al. (2004). The main importance has been given to the economic-based causes and there are two prevalent explanations for that: economic issues may be very frequent reasons for tensions between countries or the researchers are mostly concentrating their effort on this field because of the interest in examining effects of economic disputes on buying behaviour. Economic-related animosity is considered to stem generally from trading practices perceived as unfair to the home country, the unreliability of the trading partner and/or the economic power of the foreign country. In contrast, reasons for war-related animosities are viewed to be more country-specific in nature (Riefler and Diamantopoulos, 2007). The majority refers to crimes and cruelty committed during historic occupations (Japan’s occupation of China or Korea) or during a war (e.g. Japan’s bombing of Pearl Harbour). Ettenson and Klein (2005) have studied an interesting case that can be used to make a point on this matter. They studied the reality of Australian consumers toward France during two different points in time: during France’s nuclear testing in the South Pacific (leading to severe diplomatic tensions between the two countries), and then one year later (when the testing had already been stopped and relations had partially recovered). The findings show how the level of animosity detected over the second period was lower, and so decreased, in confront of the level measured during the first period. This could be considered a clue to support the Jung et al. (2002) and Ang et al.’s (2004) conceptual refinement of the construct.

2.6.1 Components of animosity

Animosity is often linked to remnants of antipathy (Klein et al., 1998) or even intense anger (Harmeling et al., 2014). A review of consumer animosity scales suggests that cognitive belief statements and emotional responses are typically combined into a single animosity construct and primarily focus on anger (Cui, Wajda, & Hu, 2012; Klein, 2002; Maher, Clark, & Maher, 2010. Harmeling et al. (2014) focused their work in trying to understand better which are the pillars and what are the dynamics of this phenomenon, trying to explain the cognitive and emotional mechanisms of consumer animosity. Their model helps to separate the animosity beliefs from the emotional response and suggests agonistic and retreat emotions mediate the relationship between animosity beliefs and the outcome variables. They started from the well-affirmed cognitive-affective theories which suggest that individuals develop beliefs about an event that are incongruent with their expectations and these beliefs guide the emotional response, which consequently prompt coping processes, or efforts to alleviate distress caused by the event (Gelbrich, 2010; Lazarus & Folkman, 1984; Roseman, 1996). The result is that different negative emotions motivate unique coping processes (Roseman, 1996; Wright, 1995). These negative feelings rise from the discordance between the first appraisal of the customer and the reality; in the animosity context, the cognitive appraisal refers to the consumer’s beliefs about the extent of damage and/or potential future threat attributable to the offending country (Harmeling et al., 2014). When it happens that the appraisal is wrong and so the personal expectations are contradicted, the event is considered as a misdeed or threat, which generates negative emotions (Lazarus, 1991). In this dissertation, the weight of each emotions is considered equal but other researches have shown that different negative emotions may
motivate unique cognitive and behavioural responses (Lazarus, 1991; Roseman, 1984). For this reason, from now on, in line with Cannon’s (1939) “fight or flight” distinction, negative emotions has been distinguished into two distinct types, agonistic (anger) and retreat (fear) emotions.

The first type is approach-oriented whereas the second one is avoidance-oriented. Nesse (1990) described the nature of both affirming that the agonistic emotions fuel the coping process that involves an fighting back action. These retaliatory behaviours are meant to punish or harm the source of anger and serve to signal to the offender as well as observers that the behaviour is unacceptable (Nesse, 1990). On the contrary, with retreat emotions, the coping process aims to survive through the safeguard and from the avoidance of current and future harm. It drives drive alertness and heighten cognitive attention, which is used to systematically analyze all information associated with the focal event.

Harmeling et al. (2014) provide a frame considering three potential coping processes.

- NWOM – this frame predict a specific customer’s behaviour to actively spread negative information about a given country in order to discourage other people from buying products from that country (Bougie et al., 2003);
- product avoidance – this frame considers a customer’s rejection of products from the offending nation. Differently from NWOM, it is a passive process and it consists in the adjustment of the individual’s behaviour without influencing the others;
- product quality adjustment – this frame is the only cognitive one and it reflects the adjustment of the initial assessment of the quality of products from the offending country

The results of the agonistic emotions is a sort of punishment for the offending entity; in this way, in the attempt to harm the offender, they are likely to alter their personal consumption by not buying products from that country and they are also likely to try to persuade other consumers not to buy products from the offending nation (Bougie et al., 2003).

On the other hand, retreat emotions are based in an uncertain, uncontrollable, and potentially threatening environment (Raghunathan, Pham, & Corfman, 2006). The most immediate coping processes are avoidance or escape, which focus on reducing risk and uncertainty (Lazarus, 1991) and to direct resources toward avoiding the negative stimuli and, therefore, will be limited to an adjustment in personal behaviour (i.e., product avoidance) rather than an outward retaliatory response, such as NWOM. These kind of customers are driven by an effort in gaining control and in taking a distance from the offending nation that is easier than influence other through NWOM. What happened in the mind of one of this consumer is the clash between the previously favourable product quality judgments and product avoidance behaviours with a consequent raise of the tension. Consumers will attempt to achieve to reduce this tension and justify product avoidance by devaluing product quality judgments (Shoham et al., 2006). For this reason, it may be correct that these kind of coping processes are related with the quality judgment of the products.
In addition, Jung et al. (2002) and Ang et al. (2004) develop a model based on four types of animosities, distinguishing between:

- stable: based on a general historical perspective;
- situational: based on a situation-specific perspective and of a temporary nature.

The other two dimensions are:

- national: generated on a macro level, it stems from actions which generated harm to the nation;
- personal: generated from the person’s personal experiences.

During the years, great attention has been paid to the national-level animosities; to tell the truth, at the best of my knowledge, the only studies to consider animosity on a personal level come from Jung et al. (2002) and Ang et al. (2004). These studies address their attention to the negative experiences in another country or with people of another country are very likely to influence individuals’ attitudes and feelings towards that country. A noteworthy point concerns the variation of animosity types in reference to the stable-situational dimension. Jung et al. (2002) and Ang et al. (2004) noticed that a great part of war-related events examined were linked to the category of stable animosities because they are based on historic events from World War II (Klein et al., 1998; Nijssen and Douglas, 2004) back to the US civil war in the nineteenth century (Shimp et al., 2004).

On the other hand, only recently, situational animosity was considered in present or recent warlike incidents’ influence on purchase decisions. For instance, Shoham et al. (2006) investigated the impact of the Second Intifada on Jewish Israelis’ buying behaviour, which can be described as a contemporary exacerbation of a deeply rooted conflict. Furthermore, academics like Hinck (2004) and Nijssen and Douglas (2004) found out that most examined instances of economic-based animosities are classifiable as situational.

### 2.6.2 Models of animosity

This section is dedicated to the breakdown of Klein et al.’s (1998) (Illustration 1) first model of animosity, to its revisiting (Klein, 2002) (Illustration 2) and to the model of Nes et al. (2012).

The first study, tried to understand the theory of animosity toward another nation as an important and meaningful predictor of foreign product purchase, even when this enmity is unrelated to beliefs about the quality of products produced in that country. To get the international dimension, the study has been carried out in People's Republic of China, so being one of the first studies to not have been done in the United Stated. In particular, the idea about Japan and Japanese products was tested considering that Chinese consumers are likely to harbour both war-based and economic-based animosity toward Japan. The reason for that is the long history of battle and military clashes between the two nations and in particular, the horrific slaughter of 300,000 civilians committed by the Japanese in December 1937, and January 1938 in Nanjing. Another aspect
is considered as possible source of animosity; several foreign investors, including the Japanese, are "buying and burying" Chinese brands to champion their own products (Liu 1996). Thus, the hypothesis made were:

- **H1**: Animosity and consumer ethnocentrism (as measured by the CETSCALE) will emerge as separate and distinct constructs in the model;
- **H2**: The construct of animosity will be indicated by two first order constructs: war animosity and economic animosity;
- **H3**: Animosity will have a direct, negative impact on willingness to buy if product judgments and consumer ethnocentrism are held constant;
- **H4**: Animosity will influence willingness to buy independently of product judgments; that is, animosity will have no effect on product judgment.

**Illustration 1. Klein’s model (1998)**

The evidences, which come from the study, support each hypothesis and are useful to consolidate the concept of animosity on several levels. As first, and most important result, animosity and customer ethnocentrism show to be two different constructs and to generate different output in the model. As second, Chinese consumers’ animosity is negatively related to the willingness to buy Japanese goods and this output was independent from the judgments of Japanese goods. This result does make think that it is not quality perception that lead to avoid the purchase of a good from the target country but it is the country itself. Apparently, consumers are able to acknowledge the quality of goods from a target country while expressing hostility toward and a marketplace aversion to products from that country (Klein et al., 1998).

Four years later, Klein (2002) (Illustration 2) has provided a revised version of the previous model. A professional market research firm collected the data through nationwide panel of 500,000 households. This
new version considered two new constructs that measure preferences for buying Japanese products over South Korean products and preferences for buying Japanese products over U.S. products. This methodology has been used for a precise motivation; such as Japan it represents an high developed Asian country and it has not antecedents of animosity with United States.


HYPOTHESES ANIMOSITY MODEL

Klein 2002

- H1: Consumer ethnocentrism will be (inversely) related to preferences for a Japanese over a U.S. product, but will not be related to the choice between a Japanese and South Korean product;
- H2: Animosity will be (inversely) related to preferences for a Japanese product over a South Korean product, but will not be related to the choice between a Japanese and a U.S. product.

Based on previous findings that animosity is not associated with product denigration, while consumer ethnocentrism is (Klein et al., 1998; Netemeyer et al., 1991; Shimp and Sharma, 1987), the following is hypothesized:

- H3: Animosity will be not be related to Japanese product judgments, while consumer ethnocentrism will be (inversely) related to Japanese product judgments.

The results of this study allow affirming that animosity and consumer ethnocentrism may present various implications for international marketers, in regard of the origin of products goods. When the choice falls to be between a domestic and a foreign good, a highly ethnocentric customer will probably choose the first one.
If the choice is between two foreign goods, one of which comes from a country that is the target of hostility, then animosity will predict the choice. Further, new evidences support the idea that animosity and customer ethnocentrism have different consequences for both product judgments and choices between products. The strength of the two phenomena has been measured discovering that in the United States, consumer ethnocentrism was the dominant factor in choosing between a domestic good and a Japanese good whereas, in other markets, where animosity is stronger and consumer ethnocentrism is less prominent, animosity might dominate in a choice between a domestic and a foreign product (Klein, 2002). Eventually, further attention should be paid to the age of the targeted segment of market; in fact, it appears how some segments can harbour more animosity than other can. Older consumers tended to be more likely to show animosity toward Japan, and men held more economic animosity than women while younger consumers are more emotionally distant from these historical events and so less engaged with them.

Noteworthy is the Nes et al.’s study (2012) on animosity and its effort in showing two additional animosity’s components to the most recognized couple of war and economic animosity. It was a qualitative study with a characteristic way of interview; in fact, they started without any prearranged idea of animosity or of the reasons why the respondents may feel it. The results seem to show a four-dimensional construct made of:

- war animosity – it refers to previous military events (it is still worth Klein’s (1998) definition);
- economic animosity – it refers to previous economic events (it is still worth Klein’s (1998) definition);
- political animosity – it refers to the internal politics of the animosity target and the most frequently indicated reason are authoritarian government, government regulations and policies, censorship imposed on the people, lack of freedom, oppression, human rights violation, undemocratic, woman’s rights, male dominated. The researchers explained how their findings indicate that political animosity is an expression of animosity due to unacceptable use of power within the animosity target as perceived in the sample country. This evidence is relevant considering that feeling based on normative perspective and moral evaluations of use of political power within a foreign country may be animosity background, even when such policies have no direct effect on the sample country;
- people animosity – it refers to a strong dislike of the mentality and of the perceived hostility of the people from the animosity target. It has been observed that several respondents expressed animosity feelings toward foreign country due to negative impressions of immigrants from the animosity country who live in the sample country.

The evidences from Nes et al.’s study support all the four types of animosity and so, it seems supported the hypothesis that animosity influenced buying intentions through the negative emotional affect resulting from the purchase or use of the products. It has also been found out a strong evidence to indicate that both product beliefs and psychosocial affect have a strong influence on buying intentions for the overall sample as
well as for the two countries independently. The conclusion of this study is the confirmation of the two Klein’s types of animosity and the proposal of other two types, political and people animosity.

2.7 Confront between Animosity & Customer Ethnocentrism

For marketers, the distinction between consumer ethnocentrism and country-specific animosity is relevant and so it is also relevant being able to distinguish when they influence the customer’s choice. Klein et al. (1998) studied this relation and measured the two phenomena taking into account the decision context finding that:

- consumer ethnocentrism should be particularly influent when the consumer has to choose between a foreign and a domestic product but it turns to be irrelevant when the choice is done between two foreign products;
- animosity is not relevant in the first case if the foreign good does not come from a hated country. Anyway, it could be relevant when choosing between goods from foreign countries, if the consumer feel animosity towards one of these countries.

The constructs of animosity and consumer ethnocentrism could present huge different implications for international marketers, regarding on the origin of products available in a given category. So, if the consumer has to choose between a domestic and a foreign good, if he is highly ethnocentric, he will probably opt for the domestic good. The same choice will do a consumer who fills animosity toward the foreign nation.

Considering the case of two foreign products, the ethnocentric consumer will be indifferent to the choice because of being forced a good that comes from abroad while, an animosity consumer will not be disappointed if both the countries are considered as “friend”. Again, if the choice is between two foreign goods, one of which comes from a country that is the target of hostility, then animosity will predict the choice.

A customer who feels animosity even avoiding a foreign good from the country considered enemy he will not leave his feelings to influence his quality judgement, whereas, a customer who feels customer ethnocentrism will tend to denigrate the quality of foreign goods. A further distinction between the constructs is that animosity is comprised of consumer feelings toward a specific country, whereas consumer ethnocentrism concerns attitudes toward buying goods from all foreign countries (Klein,2002).

2.8 Expectations of the study

Before introducing my study it is due to do some premises.

My work studies the wide phenomenon of reshoring from an unusual perspective and takes as subject the relation between the consumer’s sentiment and the animosity. Furthermore, reshoring will be specifically analysed from the aspect of “where” for emphasising the consumer’s sentiment and to see how they change in relation to the positive or negative idea of the country from which the activities are reshored. My expectation is that the positive effects of the consumer’s sentiment toward reshoring phenomenon on relevant outcome variables for the company (e.g. intention to buy, positive word of mouth, advocacy behaviors) will be moderated.
by consumer’s animosity toward the country from where the production/services are brought back. It is expected that higher level of animosity felt by a consumer will reinforce the positive effects of consumer reshoring sentiment on relevant outcome variables. In fact, the consumer who will perceive negatively a foreign country will be more grateful for the reshoring of activities from that country than the consumer who will show lower level of animosity.
3.1 The study

My study aim to be assimilated in a recently born stream of literature that is already catching the attentions of an ever larger audience of academics. By now, the phenomenon of offshoring has been exhaustively studied and, in relation with that, the reshoring one presents a slender body of research. This phenomenon, cared by politicians like Obama (2012) and researches from all over the world, show an inborn fit with the international business strategy and, for its usefulness, many aspects from the firm-perspective side have been investigated. Several studies adopted this perspective (e.g., Kinkel & Maloca, 2009; Kinkel, 2012; Canham & Hamilton, 2013; Ellram, Tate, & Petersen, 2013; Gray et al., 2013; MartínezMora & Merino, 2014; Wu & Zhang, 2014) and it has to be recognized how important is their contribute in the discovery of the drivers for a company’s reshoring decision. Although this consistent body of literature, on the demand-side perspective, less attention has been paid to the consumer’s thoughts of reshoring and to his reactions to that. Valuable are the contributes of Priem, Li, & Carr (2012) and Siqueira, Priem, & Parente (2015) in explaining that the country’s demand characteristics can play a central role for understanding the company reshoring decisions. Also Grappi et al.’s (2015,2018) works are noteworthy to give the right dimension to the moderator of consumer’s sentiment toward reshoring and in providing a new model (Consumer Reshoring Sentiment) for the evaluation of consumer’s positive beliefs. The way I framed my study will approach the study of reshoring from the demand-side perspective adding a method that, at the best of my knowledge, has rarely used until now. In fact, developing a parallel study to the Durvasula and Lysonksi’s one (2009), I will survey on how reshoring can be moderated by animosity in the consumer’s mind. Two are the pillars that support my work; the first one, in the new conception of the where factor in the reshoring analysis whereas, the second one consists in the explanation of how this characteristic can act as a moderator on the consumer’s sentiment about reshoring. The first pillar is built around the following idea: the where aspect of reshoring has not to be treated as a mere geographical characteristic but has to be addressed as much more. In this study, the where aspect gain the contents of the consumer’s sentiment toward reshoring considering the positive or negative emotions experienced toward the foreign country. More precisely, considering the animosity as a “remnants of antipathy related to previous or ongoing military, or economic events“(Klein, 1998), the magnifying lens is focused on the level of influence that this moderator has on the consumer’s feeling toward reshoring. In this study will not go deeply on the source of animosity, so Klein’s (1998) and Nes’ (2012) models will not be taking into account, in order to inspect how and with which magnitude, this moderator influence the final consumer’s idea about the relevant dimensions for the company. My positiveness is also justified by the fact that Klein (2002) has already started to demonstrate that animosity and consumer ethnocentrism may present various implications for international marketers, in regard of the origin of products goods in its general form antecedes willingness to buy and product ownership (Klein et al. 1998; Klein 2002; Witkowski 2000; Shin 2001).
Generally, it is possible to say that investigating the demand-side perspective it is possible to understand what the consumer generally think about the reshoring and which are his main attitudes and sentiments toward the actions of the firms that bring back their activities. Inspecting the demand-side instead of the supply-chain, it is possible to highlight the country’s demand characteristics that can play a role in explaining company reshoring decisions. Thus, the challenge of this step is to draw an overall concept of reshoring from the consumer perspective in order to catch what are the main drivers of thinking from the demand-side of the market and to get a complete idea on the main concerns on that side. Moreover, this step will help the second part of the research providing the right results to understand which are the consumer’s characteristics (animosity, customer ethnocentrism, righteous anger etc.) who will moderate or amplify the consumer's reactions and purchase.

My expectation is that the positive effects of the consumer’s sentiment toward reshoring phenomenon on relevant outcome variables for the company (e.g. intention to buy, positive word of mouth, advocacy behaviours) will be moderated by consumer’s animosity toward the country from where the production/services are brought back. It is expected that higher level of animosity felt by a consumer will reinforce the positive effects of consumer reshoring sentiment on relevant outcome variables. In fact, the consumer who will perceive negatively a foreign country will be more grateful for the reshoring of activities from that country than the consumer who will show lower level of animosity. The study is based on the quantitative analysis of two samples that have been collected in Italy and in Northern Ireland. Both samples respect the structured previously validated by Spiggle (1994) and try to catch the consumer’s reaction toward reshoring in respect of the following foreign nations; for the Italian sample (China and Norway) and for the Northern Irish sample (Turkey and Norway). The quantitative breakdown will show a comparative nature. In the first stage, the variance between the consumer’s sentiment toward reshoring activities will be examined; in particular, the focus will be put on the consumer’s reaction to the firm’s reshoring operations considering them coming from a positively perceived country or a negatively perceived country. In this way, it will be possible conducting an analysis on the impact of the country of return on the consumer’s thoughts of reshoring. In the second stage, a comparison between two nation level, the Italian one and the Northern Irish one, will be developed in order to get a general idea of the phenomenon on a macro level. I expect that the consumer’s sentiment toward reshoring activities will vary to the change of the level of animosity perceived by will be positively influenced by the presence of the consumer’s animosity toward the country from where the production/services are brought back. It is expected that to and higher the level of animosity felt by a consumer a greater sense of approval for reshoring will be showed. In fact, the consumer who will perceive negatively a foreign country will be more grateful for the reshoring of activities from that country than the consumer who will show lower level of animosity.

To make clear the purpose of my empiric research, I can affirm that I want to study how the sentiments of the consumer in the motherland can be influenced by the where aspect, namely, by the country from where the production and/or the activities are bringing back. This purpose raises from the necessity to acquire new knowledge about the particularities of the reshoring; in fact, current literature on reshoring has mainly focused
on the definition of the phenomenon (Ellram, 2013; Fratocchi et al., 2014; Gray et al., 2013) and its geographical boundaries, including, for example, the identification of the host countries most involved (Dachs & Kinkel, 2013) leaving a blank space on important but more particular aspects. What it is expected is to validate the expectations that have been briefly mentioned in the paragraph before; the consumer’s feeling to the news of the firm’s reshoring, untied from the kind of business or the number of employees, will change according to the sentiment that the consumers feel in respect of the nation from which the activities are brought back. In this way, how the consumer’s emotional behaviour affects his judgment on the reshoring decision; it is expected to notice a general sense of gratitude for reshoring in confront of negatively perceived nations. A stronger approval should come from the kind of people who show a strong costumer ethnocentric profile; in fact, higher is the negative feeling toward the foreign country and more positive will be the reaction to the reshoring news. At the end of the research and thanks to further researches and empirical evidences, I expect, to be able to provide some guidelines for the management to improve the comprehension of reshoring and of its components.

3.2 The methodology of the study

In the next paragraphs, I will show my research which is divided into two distinct phases; in the first one, I dispensed a pre-test study to random respondents while, in the second one, the real study was brought forward.

During the pre-test phase, I went down to the street for asking people to fill out an anonymous questionnaire indicating a country that they perceive negatively and one they perceive positively, besides, I also asked them to address the motivations at the base of their thoughts. After this selection, the respondent had the opportunity to allocate freely 100 points (for the negative factors and another 100 for the positive factors) among the various motivations previously indicated. In doing so, it was possible to weight the various factors that were going to justify the positive or negative sentiment and to make comparison between the same countries. At the end of the questionnaire, they were required respondent’s data such as age, sex, education level and origin. At this point, it is due to say that in my survey, unlike from the great part of the study present in literature, with the exception of the Riefler and Diamantopolus (2007) study on Austria, the foreign country, target of the consumer’s animosity is not given. In fact, as Nes et al. (2012) correctly highlighted, researchers assume to know which country is disliked in consumers ‘minds. According to me, this way of working can change respondents' answers by temporarily altering their priorities on an emotional level and, for this reason, I decided to not suggest any possible pre-arranged answer. Scholars as Nes et al. (2012) have validated that if people are specifically asked about the existence of negative feelings towards a certain country referring to history, respondents may well agree that they harbor such feelings; agreement, however, might stem from the historical reminder rather than people's current relevant considerations. Klein (2002), in his study, also noted that the feelings of American consumers on the Japanese as only 4 per cent of all statements made addressed events in World War II. However, when asked specifically about the war, 33 per cent of
respondents expressed anger towards Japan because of World War II. As an alternative to this modus operandi, my study proposes to directly ask consumers about the countries they actually perceive animosity towards. In this way, avoiding assumptions on the animosity target, it would be possible to get the real sentiments of respondents and a pattern of animosity among them without any contaminations from any other source.

All the data I collected during my living in Northern Ireland, have been gathered through an English questionnaire. The information gathering method was random and a total of 41 respondents were obtained, all from Belfast, Northern Ireland. Respondents ranged from 16 to over 60 years of age with a perfect split of 50 per cent of female and male respondents. With an almost 20 per cent, the respondents show a middle or professional instruction while, the 75 per cent shows achievement in the high school, university or PhD and Master. In particular, the questionnaire asked to point spontaneously to the country that the consumer likes / dislikes and to list freely the reasons why they feel that kind of sentiment. From this study, it popped up how the countries that, in the Northern Irish consumers’ minds, are negatively perceived are, as first, Turkey, followed by Saudi Arabia, USA, Russia and North Korea. On the other hand, the countries, which resulted as perceived positively to the Northern Irish people, are Norway, USA, France and Italy. In that case, even if the USA had got a higher score, it has been decided to take in account Norway because of the possibility of further studies. At the end of this stage, after choosing Turkey and Norway as the representative countries for the next step, it was possible to affirm that the both countries have been chosen freely and without any external conditioning on the respondent.

During the second phase, a more detailed questionnaire (80 questions) was delivered in order to understand the connection between the re-entry country and the sentiment felt by consumers towards the reshoring of the industry. Using the results of the previous step, in fact, a complete set of questions was presented to investigate the feelings of consumers at the news of the reshoring from both a positively considered and a negatively considered country. This aspect allows to make an important appraisal on the difference, from a consumer’s point of view, between a reshoring operations done from an “enemy country” and one from “friend country”. The questionnaire completed by the respondents, mostly, were made of a psychometric scale (Likert scale) with seven point. It was asked to indicate the consumer's agreement (on a 1 = "strongly disagree" to 7 = "strongly agree" scale) with statements regarding four general constructs: (1) product quality, (2) willingness to buy the products, (3) consumer ethnocentrism, and (4) animosity towards the foreign nation. To each respondent was given only one questionnaire and there were two possible traces; one related to Turkey and one related to Norway. Keeping the questions unchanged and modifying only the subject of the questionnaire, from a country perceived negatively to one perceived positively, it is hoped to highlight the determining character that the country of return has on the assessment of the reshoring. In both studies was conducted Factor Analysis (FA) and the Anova test in order to observe the possible unexpressed correlation between the observed variables and the factors of the CRS model (Grappi et al, 2018) and to analyse the influence of the dimensions of CRS and Animosity on the dependent variable of WOM, Intention and
Advocacy. The study will present results about the Italian and Northern Irish sample and a complete analysis will be provided in order to get a clear idea on which are the mechanism that influence the reshoring phenomenon.

3.2.1 Study 1: Italy

A total of 267 individuals participated in the survey and none of them was disqualified for any reason. The sample was made of almost an alike quota of men and woman. The cluster of age were so divided: 21% were between 18 and 29 years of age, 53% were between 30 and 49 years of age, 24% were between 50 and 69 years of age and 2% for respondents older than 70 years. I got results accounting for the 43% from undergraduate or higher educated respondents, an 49% from a graduated and an 8% showed the competencies up to a Master level/PhD.

The analysis showed to be reliable and reproducible during time (Cronbach’s Alpha regarding the Intention items 0,914; regarding the WOM items 0,960; regarding the Advocacy items 0,921; in all cases alpha > 0,70). As anticipated, the Factor analysis was carried on in order to discover the potential and latent connections of the considered variables with the six dimensions individuated in the Grappi et al.’s (2018) study. Before moving to that kind of analysis, it is interesting noticing that the first six Eigenvalues, associated with each linear factor, explain almost the 85% of the variance (Chart 1).

**Chart 1. Explanation of the total variance and communalities of the model**

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sum of Squared Loadings</th>
<th>Total Variance Explained</th>
</tr>
</thead>
<tbody>
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<td>Extraction</td>
<td>Total % of Variance</td>
<td>Cumulative %</td>
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Extraction Method: Principal Component Analysis.

After demonstrating the reliability of the results, my first concern was to understand whether the Consumer Reshoring Sentiment model (Grappi et al., 2018) could be validated for my study. In order to get the correct answer, a PCA extraction method has been used getting the results reported below (Chart 2); the
matrix shows that the previously theorized and demonstrated scale (CSR) can be applied in my work. The six dimensions (Superior quality of the reshored production, “Made-in” effect, Competency availability, Government support, Greater ability to fulfill needs and Ethical issues in host countries), which are the backbones of the model, display an almost perfect fit with my work with the highest score of 0.982 and the lowest score of 0.742 (still good score).

Chart 2. Factor analysis: Promax with Kaiser normalization

After that, the Anova test have been run in order to get knowledge about the relation of the factors of CRS and Animosity on the dependent variables of WOM, Intent and Advocacy. For doing so, after summing all the scores of the items and having find out the median, the sample has been split into two, getting a division between two category “High/Low”. In this way, four crosses became available for the analysis and they raise from the combinations of Norway and Turkey with the new bands High and Low. Starting from the first dependent variable, WOM results are affected by the CSR with a p-value < 0.05 (.000) and, fixing the p-value to the level of 0.05, marginally influenced by Animosity (p-value = 0.075, it is higher than alpha=0,05 but still in an undefined zone). In addition, a test on the two factor combined has been done revealing that, if they are taken into consideration together, they do not influence the dependent variable of WOM (p-value= 0.374) (Chart 3).
### Chart 3. ANOVA test: dependent variable of WOM, Italy

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>142,476</td>
<td>3</td>
<td>47,492</td>
<td>27.550</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>6100,624</td>
<td>1</td>
<td>6100,624</td>
<td>3530.997</td>
<td>.000</td>
</tr>
<tr>
<td>CSR HL</td>
<td>125,860</td>
<td>1</td>
<td>125,860</td>
<td>73.012</td>
<td>.000</td>
</tr>
<tr>
<td>COUNTRY_ANIMOSITY</td>
<td>5,516</td>
<td>1</td>
<td>5,516</td>
<td>3.200</td>
<td>.075</td>
</tr>
<tr>
<td>CSR HL * COUNTRY_ANIMOSITY</td>
<td>1,370</td>
<td>1</td>
<td>1,370</td>
<td>.795</td>
<td>.374</td>
</tr>
<tr>
<td>Error</td>
<td>441,300</td>
<td>256</td>
<td>1,724</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6748,222</td>
<td>260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>583,776</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. R Squared = .244 (Adjusted R Squared = .235)*

### Chart 4. ANOVA test: dependent variable of Intention, Italy

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>88,056</td>
<td>3</td>
<td>29,352</td>
<td>20.101</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>6753,083</td>
<td>1</td>
<td>6753,083</td>
<td>4624.769</td>
<td>.000</td>
</tr>
<tr>
<td>CSR HL</td>
<td>78,739</td>
<td>1</td>
<td>78,739</td>
<td>53.924</td>
<td>.000</td>
</tr>
<tr>
<td>COUNTRY_ANIMOSITY</td>
<td>3,486</td>
<td>1</td>
<td>3,486</td>
<td>2.387</td>
<td>.124</td>
</tr>
<tr>
<td>CSR HL * COUNTRY_ANIMOSITY</td>
<td>.010</td>
<td>1</td>
<td>.010</td>
<td>.007</td>
<td>.933</td>
</tr>
<tr>
<td>Error</td>
<td>373,809</td>
<td>256</td>
<td>1,460</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7320,000</td>
<td>260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>461,065</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. R Squared = .191 (Adjusted R Squared = .181)*

### Chart 5. ANOVA test: dependent variable of WOM, Italy

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>146,793</td>
<td>3</td>
<td>48,931</td>
<td>35.352</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>5197,688</td>
<td>1</td>
<td>5197,688</td>
<td>3756.297</td>
<td>.000</td>
</tr>
<tr>
<td>CSR HL</td>
<td>141,731</td>
<td>1</td>
<td>141,731</td>
<td>102.427</td>
<td>.000</td>
</tr>
<tr>
<td>COUNTRY_ANIMOSITY</td>
<td>.229</td>
<td>1</td>
<td>.229</td>
<td>.166</td>
<td>.684</td>
</tr>
<tr>
<td>CSR HL * COUNTRY_ANIMOSITY</td>
<td>.558</td>
<td>1</td>
<td>.558</td>
<td>.403</td>
<td>.526</td>
</tr>
<tr>
<td>Error</td>
<td>354,234</td>
<td>256</td>
<td>1,384</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5761,528</td>
<td>260</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>501,027</td>
<td>259</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. R Squared = .203 (Adjusted R Squared = .285)*
The related plot (Plot 1) is useful to get the right idea, on a visual level, of the results obtained through the Anova test and it is based on the data from the chart below (Chart 6).

**Chart 6. Descriptive statistics: WOM, Italy**

<table>
<thead>
<tr>
<th>CSR(LogLevel)</th>
<th>COUNTRY_ANIMOSITY</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRS low</td>
<td>Norway</td>
<td>3.9644</td>
<td>1.60851</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>4.4048</td>
<td>1.34647</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4.1527</td>
<td>1.51249</td>
<td>131</td>
</tr>
<tr>
<td>CRS high</td>
<td>Norway</td>
<td>5.5146</td>
<td>1.21836</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>5.6620</td>
<td>1.07141</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5.5969</td>
<td>1.08547</td>
<td>129</td>
</tr>
<tr>
<td>Total</td>
<td>Norway</td>
<td>4.6338</td>
<td>1.64018</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>5.1120</td>
<td>1.30567</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4.8692</td>
<td>1.50132</td>
<td>260</td>
</tr>
</tbody>
</table>

**Plot 1. Estimated marginal means of WOM, Italy**

As above reported, it is obvious the effect of CSR on the dependent variable of WOM (p-value = 0.000). Thus, the distance between the two straight lines confirms that different levels of CSR on the high and low bands produce different level of positive WOM (the mean of the high band is equal to 5.60 while the mean of the low band is equal to 4.15). In this specific case, the evidences of my study suggest that, if from the starting point, the consumer has a positive idea of the positive beliefs about reshoring the sharing among consumers of a positive WOM will be higher too. Moreover, the Animosity effect on the positive WOM is slightly stronger on the lower band; this evidence is coherent with the p-value = 0.75 that is not that much higher than
the standard level of alpha = 0.05 and still means a marginal influence on the dependent variable. In particular, the steeper curve, due to the difference among the means of Norway_low and China_low, seems to suggest that a firm will receive more positive WOM if it makes coming back its activities from China rather than Norway. Not significant effect of interaction can be appreciated between the two dimension and the dependent variable (p-value= 0.374). Eventually, it is possible to summarize that CSR has a positive effect on WOM, Animosity deserves further analysis and even if one of the two effects grows in intensity, it will not influence the other but just the dependent variable because of the absence of influence between their interaction and the WOM. Similar conclusions can be done for the other two dependent variables: Intention and Advocacy. Both of these variables show to be influenced by the CRS (Intention p-value= 0.000 and Advocacy p-value= 0.000) but, just the Intention variable is marginally influenced by Animosity (Intention p-value= 0.124 and Advocacy p-value= 0.684). Eventually, no effect is exercised on the Intention and Advocacy by the interaction between CSR and Animosity (Intention p-value = 0.933, Advocacy p-value = 0.526). This is validated by the results of the charts (Charts 7,8) below and by what is drawn in the plots (Plot 2,3). Talking about Intention, the steepness of the curves is almost the same and this aspect is confirmed by the data obtained; in other words, it means that the reaction of the consumer is the mostly the same rather he is in the higher or lower band differently from the WOM where the lower band showed a higher sensibility to the country of return.

Chart 7. Descriptive statistics: Intention, Italy

<table>
<thead>
<tr>
<th>Dependent Variable: INTENTION</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRS HL</td>
<td>COUNTRY_ANIMOSITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRS low</td>
<td>Norway</td>
<td>4.4756</td>
<td>1.47774</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>4.6904</td>
<td>1.13756</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4.5700</td>
<td>1.34259</td>
</tr>
<tr>
<td>CRS high</td>
<td>Norway</td>
<td>5.5731</td>
<td>1.20639</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>5.8194</td>
<td>0.91576</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5.7106</td>
<td>1.05687</td>
</tr>
<tr>
<td>Total</td>
<td>Norway</td>
<td>4.9495</td>
<td>1.46748</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>5.3281</td>
<td>1.15847</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5.1359</td>
<td>1.33539</td>
</tr>
</tbody>
</table>
Moving to the last dependent variable of the study, Advocacy, it can be argued how the difference among the means score is the smallest amount at both high and low level and how there is no sign of influence of Animosity on this variable (p-value = 0.684). Only CSR has a statistically relevant effect on this dependent variable and it means that, once again, the consumer’s emotional dimension is the main factor that has to be considered during the evaluation of consumer’s behaviours.

Chart 8. Descriptive statistics: Advocacy, Italy

<table>
<thead>
<tr>
<th>CSR_HL</th>
<th>COUNTRY_ANIMOSITY</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRS low</td>
<td>Norway</td>
<td>3.6869</td>
<td>1.33174</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>3.8423</td>
<td>1.22161</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3.7545</td>
<td>1.28325</td>
<td>131</td>
</tr>
<tr>
<td>CRS high</td>
<td>Norway</td>
<td>5.2719</td>
<td>1.17372</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>5.2364</td>
<td>0.94770</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5.2532</td>
<td>1.04937</td>
<td>129</td>
</tr>
<tr>
<td>Total</td>
<td>Norway</td>
<td>4.3725</td>
<td>1.48670</td>
<td>132</td>
</tr>
<tr>
<td></td>
<td>China</td>
<td>4.6276</td>
<td>1.27745</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>4.4581</td>
<td>1.39085</td>
<td>260</td>
</tr>
</tbody>
</table>
3.2.2 Study 2: Northern Ireland

For the second study, 84 respondents, all from Norther Ireland, were gathered and none of them was disqualified for any reason. A similar quota of men and women composed the sample; more precisely, the 54% were men whereas the 46% were women. The age of the respondents was well distributed: 27% were between 18 and 29 years of age, 41% were between 30 and 49 years of age, 29% were between 50 and 69 years of age with just one observation for the band over 70 years of age. The results I got came, for the 26%, from undergraduate or higher educated respondents, for the 45%, from a graduated respondents and, for the 29%, from respondents with a level of instruction peer or superior to a Master level/PhD.

The results of the analysis showed it is reliable and reproducible during time (Cronbach’s Alpha regarding the Intention items 0.850; regarding the WOM items 0.874; regarding the Advocacy items 0.898; in all cases alpha > 0.70). Differently from the previous study on Italy, having already demonstrated the possibility of applying the CSR model to my study, the attention will be addressed directly to the Anova test.

The evidences demonstrate to be very alike to the previous study (Chart 9); in fact, following the order of the analysis, the dependent variable WOM showed to be affected by CSR (p-value= 0.000) and just marginally by Animosity (p-value= 0.098). Furthermore, the interaction of both phenomena does not influence this variable (p-value= 0.222).
From the plot (Plot 4) and the chart (Chart 10), it is possible to find the confirmation of what previously said above. As for the Italian study, also in the Irish one, regarding the dependent variable of WOM, it is present a bigger gap between the two lower means scores which leads to the conclusion that, in the lower band, and a firm that makes its activities come back from a negatively perceived country has greater possibilities to foster a positive WOM. This overlaps with the difference between the means score and is coherent with the p-value of Animosity (p-value = 0.098).

**Chart 10. Descriptive statistics: WOM, Northern Ireland**

<table>
<thead>
<tr>
<th>CSR_HL</th>
<th>country_animosity</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>-1,00</td>
<td>-1,00</td>
<td>4.0333</td>
<td>0.70004</td>
<td>20</td>
</tr>
<tr>
<td>1,00</td>
<td></td>
<td>4.5507</td>
<td>0.93533</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4.3101</td>
<td>0.86494</td>
<td>43</td>
</tr>
<tr>
<td>1,00</td>
<td>-1,00</td>
<td>5.5407</td>
<td>0.73637</td>
<td>25</td>
</tr>
<tr>
<td>1,00</td>
<td></td>
<td>5.6250</td>
<td>0.82440</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5.5772</td>
<td>0.76385</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>-1,00</td>
<td>4.8741</td>
<td>1.04275</td>
<td>45</td>
</tr>
<tr>
<td>1,00</td>
<td></td>
<td>4.9915</td>
<td>1.03021</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4.9236</td>
<td>1.03237</td>
<td>84</td>
</tr>
</tbody>
</table>
Taking a step further and looking at the Intention, an interesting point is discovered. Having a look at the results of the chart (Chart 11) below, it is immediately clear which are the statistically relevant dimensions. CSR (p-value = 0.000) is the only statistically relevant dimension considering that the other two have performed far distant scores; in fact, Animosity has a p-value = 0.675 and CSR_HL*Animosity has a p-value = 0.372.

Chart 11. ANOVA test: dependent variable of Intention, Northern Ireland
The interesting part of this analysis besides in the presence of an outlier; in fact, this is the only analysis in which, considering the higher band, the value of the mean for the positively perceived country is superior to the one of the negatively perceived country (Plot 5). The difference is very small and it seems to suggest that there is an almost equal Intention both the activities are brought back from Turkey or Norway. This result is an outlier and deserve further studies to be totally understood. Besides, as in the Italian study, the lower band show a raising in the level of positive Intention if the firm reshole from a negatively perceived country.

**Chart 12. Descriptive statistics: Intention, Northern Ireland**

<table>
<thead>
<tr>
<th>Dependent Variable: INTENTION</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSR_HL</strong></td>
<td><strong>country_animosity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-1,00</td>
<td>-1,00</td>
<td>4.0500</td>
<td>0.85344</td>
</tr>
<tr>
<td>1,00</td>
<td>4.2899</td>
<td>0.62826</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>4.1783</td>
<td>0.69191</td>
<td>43</td>
</tr>
<tr>
<td>1,00</td>
<td>-1,00</td>
<td>5.2533</td>
<td>0.77148</td>
</tr>
<tr>
<td>1,00</td>
<td>5.1667</td>
<td>0.67769</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>5.2195</td>
<td>0.72881</td>
<td>41</td>
</tr>
<tr>
<td>Total</td>
<td>-1,00</td>
<td>4.7185</td>
<td>1.00241</td>
</tr>
<tr>
<td>1,00</td>
<td>4.6496</td>
<td>0.93330</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>4.6865</td>
<td>0.96575</td>
<td>84</td>
</tr>
</tbody>
</table>

**Plot 5. Estimated marginal means of Intention, Northern Ireland**

![Estimated Marginal Means of INTENTION Chart](chart.png)
Even the Advocacy provides intriguing evidences; it is the only dependent variable to be influenced by all the three dimensions; CSR and Animosity are statistically relevant (p-values of 0.000 and 0.013) whereas CSR_HL*Animosity is marginally relevant.

Chart 13. ANOVA test: dependent variable of Advocacy, Northern Ireland

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>28,810</td>
<td>3</td>
<td>9,603</td>
<td>16,660</td>
<td>.000</td>
</tr>
<tr>
<td>Intercept</td>
<td>1867.309</td>
<td>1</td>
<td>1867.309</td>
<td>3239.442</td>
<td>.000</td>
</tr>
<tr>
<td>CSR_HL</td>
<td>24,457</td>
<td>1</td>
<td>24,457</td>
<td>42,428</td>
<td>.000</td>
</tr>
<tr>
<td>country_animosity</td>
<td>3,744</td>
<td>1</td>
<td>3,744</td>
<td>6,494</td>
<td>.013</td>
</tr>
<tr>
<td>CSR_HL * country_animosity</td>
<td>1,548</td>
<td>1</td>
<td>1,548</td>
<td>2,605</td>
<td>.105</td>
</tr>
<tr>
<td>Error</td>
<td>46,114</td>
<td>80</td>
<td>.576</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1989.222</td>
<td>84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>74,925</td>
<td>83</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. R Squared = .385 (Adjusted R Squared = .361)

These evidences are verified with the results of chart (Chart 14?) and plot (Plot 6) below which clearly show how the difference of the scores of the means, in the lower band, brings to draw a steep curve. The meaning of this curve is the same of what told before; consumers will be brought to an higher level of positive Advocacy if the activities are brought back from a negatively perceived country. In fact, it is worthy to remember that the Animosity p-value is minor of alpha level = 0.05 and so this dimension is statistically relevant.

Chart 14. Descriptive statistics: Advocacy, Northern Ireland

<table>
<thead>
<tr>
<th>CSR_HL</th>
<th>country_animosity</th>
<th>Mean</th>
<th>Std. Deviation</th>
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3.3 Conclusion
Company reshoring decisions require the consideration of multiple elements, internal and external, quantitative and qualitative (Grappi et al., 2018). A further comprehension on what is happening on an international scale and of the main dynamics of the consumer’s mind is needed in order to take the best decision and to assure the success of the firm during the time. My study, on the same stream of the studies cited above, is one of the first to adopt the demand-side perspective in examining the company reshoring decision process, adding an additional knowledge to the already existent literature. The main point developed in this work aims to get a steady idea about how the country of return can influence the consumer’s sentiments about reshoring. Having that clear in mind, a more general passage has been tested before analysing the outcomes of my analysis; in was needed to value the appropriateness and correctness of the use of the Consumer Reshoring Sentiment model (CSR) (Grappi et al., 2018) in my work. After providing the reliability of the general model and the fit, strength and robustness of this particular model, and of its six relevant, generalized, long-term positive dimensions (“superior quality of the reshored production”, “made-in effect”, “competency availability”, “government support”, “greater ability to fulfill needs”, and “ethical issues in host countries”) in my study, I empirically demonstrate the nature of consumer’s sentiment. My study has been deployed in two nations and both gave consistence and support to my expectations. In relation with the variable of WOM, Intention and Advocacy, the CRS scale revealed itself as a valid and useful tool for influencing the consumer’s sentiments. In both studies, it has been the most influent dimension on the dependent variable showing that in...
order to understand the consumer’s sentiment toward the reshoring phenomenon the most important factor to consider is the consumer’s mind-set. This aspect denotes the need of a change in the way things are approached; in particular, a much greater attention has to be paid to the demand-side of the market on the same way it has been done for the supply one. If this aspect will continue to be denied the strategic management decisions will probably continue to be inaccurate and incomplete. Highlighting that consumers show a greater willingness to buy/pay for reshored products (Grappi et al., 2015), my concerns push the research to test also the different level of WOM, Intention and Advocacy in the case in which the production would be back from a negatively perceived country or from a positively perceived one. In this way, a new interpretation of the concept of “where” has been provided and it is about the consumer’s feelings about the country of provenience. In both Italian and Northern Irish study, this aspect performed as expected demonstrating that the return of activities from a negatively perceived country is related with a higher positive consumer’s reaction. These findings explain particular dynamics about the drivers of the consumer’s dimensions important for the firm whose have been neglected until now. I believe that these results have to be taken into account for further researches in order to create a reliable and precise knowledge on how these dynamics work in order to move toward a practical use in the management strategies. This kind of application would allow elaborating strategies with a higher level of understanding of the consumer’s sentiment and that could lead to a more appropriate management choice in the international context.
4. Bibliography


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**Summing-up**

The firm is a complex environment made of a multitude of parts of various nature and used to achieve different goals. Generally, it is possible to state that the firm is profit-driven within its own business and in order to get the best result it is undeniable that the costs aspect has the priority in the management strategies. In the last decades, we were spectators of the raise of thousands of new opportunities on the international market that many firms exploited to get a competitive advantage; in fact, many companies had moved their production processes from their origin country to other countries (offshoring) where the cost of labour, development, engineering, and managerial costs were significantly lower. Globalization is a term we often use to address to the phenomenon of the openness of the markets, of the lowering of the trade borders with a consequent facilitation of the international trade and of the always tighter economic, political and technological interdependences among states. Globalization is helping a fast growth of the under developed economies and a substantial new range of possibilities for the already developed countries. In this frame, two phenomena are stemmed and I will refer to them as offshoring and reshoring; the first one is defined few lines above while the second one can be described as the firm’s strategic action, planned or not, oriented to the domestic re-location (partial or total) of foreign activities (direct or through supplier) to face the local, regional or global demand (Fratocchi, 2014a). Both phenomena have been the subject of several researches and my work will be added to the ones that studied the phenomenon of reshoring from a consumer-side perspective. Besides, it will be present a particular declination of this perspective on the country of return in order to give a complete attention to the consumer’s sensation dimension. The two moderators of the consumer’s sentiment toward reshoring are the Consumer Reshoring Sentiment (CSR) and the Animosity. The first one is provided by Grappi et al. (2018) and is a model that collects generalized, positive beliefs that home-country consumers associate with reshoring whereas, the second one is defined for the first time by Klein in the 1998 as “remnants of antipathy related to previous or ongoing military, political or economic events”. A Factor Analysis is run on the CSR to demonstrate its robustness and applicability to my study and then, both moderators are tested on two different samples coming from Italy and Northern Ireland through the Analysis of Variance (ANOVA). The evidences from these analyses show a strong correspondence in the results; in both samples, the CSR is statistically relevant on the dependent variables and the Animosity shows a marginal statistical relevance for them. This carries out the conclusions that the consumer’s positive beliefs are the most important factor to judge which may be the consumer’s reactions to the reshoring strategies of the company and that, as expected, the positive or negative consumer’s perception about a foreign country does affect the evaluation of the phenomenon. My research has practical relevance for managers and third parties dealing with firm’s international decisions; the analyses make coming up a useful relation that can be used during the arranging of the firm’s international operations. In fact, having a clearer idea of how the consumer’s mind works and about which are the positive and negative connections in it, the management of the firm should be able to use them to cast the firm under the best spotlight. Gaining this initial advantage, firms should keep steady in mind
the effect of their reshoring decisions on their customers and even on the larger public checking whether these effects are in line with those expected by the reshoring company. Moreover, the firm should be able to get a stronger understanding on the possible market response to its reshoring activities analysing the different scores of the six dimensions of CSR during time. At last, it is due to say that this study has to be seen as one of the first which take this direction of studies but further and deeper analysis are required on the demand-side perspective in order to fully understand the consumer’s reaction to reshoring and to transfer this knowledge to the management of the firms. I believe that relation between theoretical background and practical application is the most interesting and effective way to create a better market environment for both consumers and firms.