

Characteristics of transcontinental sourcing and the relevance of this special sourcing form for global sourcing trends

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Abstract

Purpose – This paper aims to concentrate on the research gap concerning individual characteristics of transcontinental sourcing, continental as well as local sourcing. In addition, it focuses on the relevance of transcontinental sourcing in regard to global sourcing trends, especially the reported relative decline in European sourcing and the factors that are leading to this trend. This research expands the field of global sourcing literature by distinguishing between continental [intra-European Union (EU)] and transcontinental sourcing, supporting purchasing departments to improve their locational sourcing decisions according to their commodities. Current literature only differentiates between local and global sourcing, whereas this research provides a more detailed view.

Design/methodology/approach – To receive statements about the characteristics of transcontinental sourcing, the authors conduct qualitative research through two series of semi-structured interviews. As data from the first interviews were collected in 2021 and other events such as the Ukraine–Russia war affected international supply chains, they repeated the interviews with additional purchasing professionals to get their views on trends. Based on this, they developed a transcontinental sourcing model, which describes advantages and correlations of this sourcing type. Finally, ranking card experiments as quantitative research were conducted to examine the importance of decision factors of the transcontinental sourcing model developed in previous interviews.

Findings – By analyzing the characteristics of each sourcing type, the authors identified possible reasons for a shift toward transcontinental sourcing, which are illustrated in the developed propositions. Of particular note is the role of transcontinental suppliers as strategic partners, their ability to handle a large purchasing volume and their favorable price–quality ratio. Furthermore, the dependence on transcontinental suppliers has increased due to their unique selling proposition in certain areas such as electronic components or information technology.

Research limitations/implications – The results of the interviews and experiments offer deep insights into possible reasons for the relevance of transcontinental sourcing and help companies to make better locational sourcing choices. However, the number of interviews and sample size within experiments is limited and is confined to a European perspective. All interview partners were located in the Netherlands or Germany. It is also worth mentioning that transcontinental sourcing is a broad category that includes sourcing from Asia on the one hand and sourcing from the USA on the other. In this varied context, the specific characteristics of this sourcing type may differ.

Practical implications – Based on the transcontinental sourcing model, it could be helpful for companies to identify an appropriate sourcing type by working through an iterative process: 1. The initial supplier pool provides the prospect of selecting an important and innovative supplier. 2. Purchasing managers may benefit



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from a classification of selected suppliers using Tables 2 and 3. Depending on characteristics, there are various sourcing options to choose from local sourcing to continental and transcontinental sourcing. In the end, the appropriate sourcing type is chosen. Hence, companies could orientate themselves by becoming acquainted with the experiences of other firms, so that they can choose the best possible sourcing type and gain a competitive advantage. This process can be undertaken several times for each supplier.

Originality/value – This research examines global sourcing trends, differentiating global sourcing into intra-EU and transcontinental sourcing. The supplier characteristics table provides practical implications for buyers to make more appropriate sourcing decisions, while the presented propositions explain the relevance of transcontinental sourcing. The study identifies previously neglected reasons and causal mechanisms for international supplier selection, such as the exclusive availability of high-volume production locations.

Keywords Supplier or partner selection, New business or process or operations models, Process design, Localization issues, Business improvement, Both

Paper type Research paper

1. Understanding the trend of a possible shift from European sourcing to transcontinental sourcing

Global sourcing represents an important element in sourcing strategies of companies, who benefit from suppliers distributed all over the world. The relevance of global sourcing has been discussed to increase during recent decades, based on advantages such as cost savings, innovations and longstanding partnerships (Koerber and Schiele, 2021; Giunipero *et al.*, 2019; Quintens *et al.*, 2006; Bozarth *et al.*, 1998; Schiele *et al.*, 2011; Smith, 1999; Steinle and Schiele, 2008; Trent and Monczka, 2003a). However, there is currently a discussion about whether global sourcing is remaining at the same level (Auer *et al.*, 2017). A stagnation phase of the export GDP (gross domestic product) ratio following a large increase between 1990 and 2013 has been identified (Vrh, 2017; Koerber and Schiele, 2021; Podkaminer, 2016; Auer *et al.*, 2017). Situations such as the COVID-19 pandemic underline the need for a deeper investigation of locational sourcing trends.

Traditionally, the literature has only differentiated between local, domestic sourcing and global sourcing, described as international purchasing from another country. To investigate and understand global sourcing trends, it might be helpful to differentiate between continental sourcing [e.g. European Union (EU) sourcing and transcontinental sourcing], which refers to sourcing from another continent. In this study, continental sourcing represents intra-EU sourcing as we consider a European perspective. While there is extensive research on global and local sourcing, less attention has been paid to European versus transcontinental sourcing. Trade within the EU has usually been high, but trade statistics (Year 2019) show a decline in intra-EU trade over the last 15 years. For instance, in 2002, the UK was trading 63% of its total volume in the EU, whereas, by 2016, this percentage had declined to 46% (Koerber and Schiele, 2021; Eurostat, 2020). Concerning all products, while in absolute numbers still seeing an increase, in relative terms intra-EU trade decreased by 5.3% compared with transcontinental sourcing from 2003 to 2019 (Koerber and Schiele, 2021). The former preference for goods from within the EU seems to have suffered from a rise in popularity of transcontinental goods over the past 15 years (Eurostat, 2021; Koerber and Schiele, 2021). Therefore, there seems to be a difference between transcontinental and European sourcing, as continental sourcing is decreasing while transcontinental sourcing is increasing. Apparently, our understanding of locational sourcing decisions could profit from a more differentiated view, not just distinguishing between local and international sourcing, but by differentiating global

sourcing further into European (continental) and transcontinental sourcing. To investigate this phenomenon, we concentrate on the following research questions (RQs):

RQ1. Which characteristics are typical for local, EU and transcontinental sourcing?

RQ2. Which factors have led to an increase in transcontinental sourcing and the corresponding relative decrease in intra-EU trade? Are there differences in the importance of these factors?

Therefore, we have adopted a three-step approach. First, we conducted semi-structured interviews with companies who deal with at least two types of sourcing such as sourcing within the EU (continental) and sourcing from another continent (transcontinental). In this context, we focus on the differentiation between local, EU and transcontinental sourcing to gain deeper insights into the characteristics of each type of sourcing. The interviewed companies are mainly located in Germany and The Netherlands. We coded and analyzed the interviews to produce a table that shows the characteristics of each type of sourcing and to develop propositions to explain the importance of transcontinental sourcing. Based on the analysis, we include lessons learned stated by the interviewees and derived an outlook for further research.

Second, we focus on transcontinental sourcing trends and examine factors that motivate firms to choose transcontinental sourcing from a non-European perspective and a European perspective (push and pull factors). In this context, the potential impact of the global pandemic on purchasing decisions is examined. Additional purchasing managers were interviewed about transcontinental sourcing trends.

Third, ranking card experiments as quantitative research are conducted, to examine the importance of the characteristics of transcontinental sourcing. The ranking card experiments refer to the decision factors of the transcontinental sourcing model, based on previous qualitative research.

This research contributes to current literature on global sourcing trends, especially by the differentiation of global sourcing into intra-EU and transcontinental sourcing. Furthermore, it supports purchasers in a practical way to identify the characteristics of their commodities and make better suited locational sourcing decisions. The study focuses on the perspective of strategic sourcing in the context of global sourcing trends. It considers the geographical dimension of supplier selection and offers propositions that explain the importance of transcontinental sourcing, adding a micro perspective to our understanding of the macroeconomic observation that transcontinental sourcing has increased. Previously neglected reasons and causal mechanisms for international supplier choice, such as the exclusive availability of large volume production locations, are identified. Furthermore, while global sourcing has traditionally been considered a strategic choice, our findings indicate that firms are often forced to opt for transcontinental suppliers without actually having a choice (Weigel and Ruecker, 2017; Frear *et al.*, 1992; Zhaohui Zeng, 2000). This constraint could be, for instance, due to technical exclusivity and the availability of capacity. Increasing globalization has led to a rise in specialization, reducing the freedom of supplier choice. Furthermore, global sourcing is often treated as one phenomenon resulting in research, presumably, in universally valid managerial recommendations. We show that science and practice could benefit from a more differentiated view, for example, in the case of a company located in a continental trade zone such as the EU. The results of this study indicate that global sourcing research is far less generalizable than assumed and that a local perspective is needed, as there are local characteristics and differences of each sourcing

form. This requires a special interaction and handling of continental and transcontinental suppliers.

The following section deals with the differentiation of global sourcing into continental and transcontinental sourcing. In addition, we point out advantages of intra-EU sourcing as continental sourcing in general and contrast these with the increasing trend toward transcontinental sourcing, which respectively leads to a decrease in continental sourcing.

2. Literature: global sourcing and its trends

Global sourcing is described as the sourcing of goods from suppliers in an international context (Schiele *et al.*, 2011; Koerber and Schiele, 2021; Bohnenkamp *et al.*, 2020) and with a strategic orientation toward international suppliers (Arnold, 1989). In addition, global sourcing is a means to coordinate materials and processes as well as suppliers across international buying sites (Trent and Monczka, 2005; Hartmann *et al.*, 2008). In this context, several advantages can be achieved using global sourcing, for example, the reduction of costs due to location advantages or the import of new technologies and technological skills (Handfield, 1994; Nassimbeni, 2006). Furthermore, global sourcing creates competitive advantage (Kotabe and Murray, 2018), better quality (Trent and Monczka, 2003b) and cost savings (Alguire *et al.*, 1994; Koerber and Schiele, 2021; Monczka and Morgan, 2000; Tsai *et al.*, 2008; Weigel and Ruecker, 2017). However, global sourcing harbors various risks concerning logistics, culture, regulations and country uncertainty (Cho and Kang, 2001). Moreover, the loss of know-how (Nujen and Halse, 2017) and the complex handling of global supply chains (MacCarthy and Atthirawong, 2003) play a role.

Current research focuses on global sourcing in general and deals with global sourcing trends as well as their development over past decades. For example, Kotabe and Murray (2018) deal with the development of global sourcing and identified three phases. First, the outsourcing of manufacturing activities in the mid-1980s followed by IT outsourcing in the 1990s and business process outsourcing in the early 2000s (Kotabe and Murray, 2018). Peter and Rathgeber (2021) compare local versus global sourcing strategies and trends and argue that global sourcing requires an internationalization strategy for supply chains (Peter and Rathgeber, 2021). Further studies concentrate on the development of international sourcing and pinpoint the current trend of outsourcing business processes (Bongard *et al.*, 2013).

In addition, research investigates sustainability trends in supply chains (Nayak *et al.*, 2019) and focuses on the topic of supplier selection, taking sustainability, resilience and agility into account (Tajally *et al.*, 2025). In this context, Tajally *et al.* (2025) provide a decision-making model for supplier evaluation. The study highlights responsiveness, cost, quality, robustness and reliability as decision factors (Tajally *et al.*, 2025). Further research discusses the supplier selection process for recycling partners in the agricultural food sector to reduce food waste (Zeynali *et al.*, 2025). Zeynali *et al.* (2025) base their heuristic multi-stage machine learning model on factors such as agility, resilience and sustainability. Another methodical approach is shown by Basiri *et al.* (2024) in the context of fraud prediction in financial transactions. The authors describe the need for predictive models supporting decision-making processes. In regard to global sourcing, predictive machine learning models may support in supplier evaluation, risk scoring and demand forecasts (Basiri *et al.*, 2024).

Moreover, research deals with the consequences of the COVID pandemic for global sourcing. Baldwin and Tomiura (2020) developed the hypothesis that COVID-19 may lead to damage in the worldwide trade system, while Rashad and Nedelko (2020) implemented a framework that increases flexibility and solves global sourcing challenges such as supply chain disruptions caused by the pandemic. Additionally, the future use of dual sourcing to

reduce dependency on specific suppliers, especially in cases such as COVID-19, has been discussed (Baldwin and Tomiura, 2020; Koerber and Schiele, 2021).

In addition, there is research on EU sourcing trends. Ambroziak (2018) identified challenges and opportunities such as servitization and digitalization within the EU internal market and explains their impact on EU sourcing. He focuses on the Visegrád countries (Hungary, Poland, the Czech Republic and Slovakia), arguing that they have gained benefits from the EU over the years (Ambroziak, 2018). Gadde and Jonsson (2019) deal with the development of sourcing in the Swedish textile industry. Their study recognizes that companies that require a high responsiveness of the supply chain prefer nearshoring, whereas other firms move to low-cost countries such as Bangladesh for cost reasons (Gadde and Jonsson, 2019). Johansson *et al.* (2017) identified a trend of nearshoring for information systems over recent years and underscore the importance of multi-sourcing in the future (Johansson *et al.*, 2017). Overall, the current literature tends to focus on one specific type of sourcing such as Zhang *et al.* (2025) or Grossman *et al.* (2024), who focused on the effects of tariffs on global sourcing as well as global supply chains and missed to investigate the different characteristics within global sourcing: EU sourcing as a mid-range aspect of international sourcing and transcontinental sourcing as sourcing from other continents. This research focuses on this gap and expands the field of global sourcing literature by distinguishing between continental (intra-EU) and transcontinental sourcing, while current literature only differentiates between local and global sourcing.

2.1 Differentiation between local, continental and transcontinental sourcing

To acquire a deep insight into global sourcing trends, we differentiate between three sourcing types: local, continental and transcontinental sourcing. Local sourcing means sourcing on-site and within the domestic market, while continental sourcing describes sourcing within the same continent (Koerber and Schiele, 2021). Local sourcing is considered as a contrast to global sourcing to facilitate comparison of each sourcing type. In this research, continental sourcing refers to intra-EU sourcing as we consider this sourcing type from a European perspective. It entails the membership to the same trade block, in this case the EU. Other forms of continental sourcing could be within South America (Mercosur) or North America (NAFTA).

In contrast, transcontinental sourcing describes the circumstance where important suppliers are located on other continents (Schiele *et al.*, 2020). Sourcing from Asia or the USA, from a European perspective, represents typical examples of transcontinental sourcing. In this context, differences in time zones, culture and legal framework may occur, whereas continental sourcing profits from the same legal arrangements, the same time zones, limited currency fluctuation and fewer language barriers (Schiele *et al.*, 2020; Koerber and Schiele, 2021).

Furthermore, it is worth mentioning that continental and transcontinental sourcing represent two elements of global sourcing, as shown in Figure 1.

2.2 Advantages of intra-EU sourcing

To investigate current trends in global sourcing, it is worth considering the advantages of intra-EU sourcing. EU sourcing shows a higher responsiveness and greater flexibility of supply chains (Gadde and Jonsson, 2019). Moreover, the same standards and norms simplify collaboration with important suppliers (Egan, 2002). The free trade zone of the EU leads to stronger collaboration, is a customs-free area internally and offers a degree of political integration for member states (Felbermayr *et al.*, 2018). Additionally, countries that are located close to each other exhibit many more similarities in culture, preferences and demand

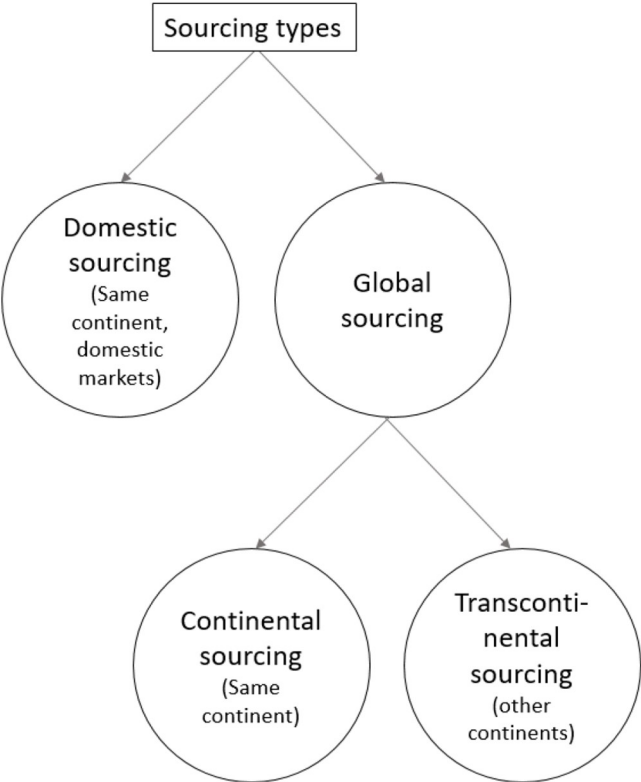


Figure 1. Three different sourcing types

patterns (Kokko and Tingvall, 2012). Sourcing within the EU facilitates logistics, reduces transportation time with fewer customs controls, lowers exchange rate volatility and transaction costs (Hornok, 2011; Serlenga and Shin, 2013). Ambroziak (2018) pointed to the opportunity to be part of a strong network and to benefit from corresponding competitive advantages within the EU (Ambroziak, 2018). Moreover, the EU creates conditions that promote innovation and new technologies, for example, in the public sector (Amann and Essig, 2015; COM, 2005; COM, 2006). Torok and Jambor (2016) argued that sourcing within the EU strengthens the competitiveness of companies, based on a common market. Aslan and ÇINAR (2012) contended that the quality of European suppliers is widely regarded and that there are considerable benefits from maintaining frequent contact with them. Furthermore, cooperation between buyers and suppliers within the EU is enhanced by the common English language, which is often used as a working language (Kuźelewska, 2020). In addition to these advantages, acceptable costs and good quality control are mentioned as important characteristics of intra-EU sourcing. The transparency within the EU is increased by free trade agreements (Marx and Van der Loo, 2021).

Theoretically, European unification should lead to trade unification, but the opposite seemed to have happened. The impact of the European economic and monetary union on intra-EU trade shows a staircase effect, which prevents continued expansion in spite of

advantages such as common norms and standards, and a free trade zone (Cieřlik *et al.*, 2012; Koerber and Schiele, 2021). So far, EU member states have preferred to trade goods within the EU, but this phenomenon has changed over the past 15 years (Eurostat, 2021; Koerber and Schiele, 2021). A small decrease of 5.3% is evidenced from 2003 to 2019 for intra-EU (export) trade, based on all products (Koerber and Schiele, 2021). Furthermore, 25 of 28 European countries have experienced a decrease, whereas three countries show a slight increase in intra-EU trade. For example, Ireland has lost 15% of intra-EU trade over all products, while Germany has experienced a decrease of 6.8% (Koerber and Schiele, 2021; Eurostat, 2021). Further investigation of this development is relevant for our research as global sourcing as a whole has been stagnating since 2012 (Unctad, 2021; Koerber and Schiele, 2021). Additionally, the phenomenon of stagnation in world trade and a plateau in supply chain intensity are discussed (Auer *et al.*, 2017; Altuzarra *et al.*, 2020; Koerber and Schiele, 2021). Based on this stagnation in world trade and a decrease in European trade, it may be concluded that transcontinental sourcing as an extreme form of global sourcing has gained in importance. In our research, we focus on the characteristics of each sourcing type to explain the increased importance of transcontinental sourcing and the corresponding decrease in continental sourcing, especially EU sourcing.

3. Methodology: semi-structured interviews with purchasing experts and ranking card experiments

As a method, we used semi-structured interviews and ranking card experiments. We conducted two series of semi-structured interviews and coded these interviews with Atlas.ti. Compared to other forms of qualitative data collection such as focus groups, world cafés or Delphi studies, expert interviews are particularly suited if the subject of inquiry is very little known (Schiele *et al.*, 2022). On the one hand, semi-structured interviews have a predefined list of questions. On the other hand, the interviewer has the flexibility to explore topics in more detail that have been raised by the interviewees (Adhabi and Anozie, 2017; Stuckey, 2013). The method of semi-structured interviews, frequently used in qualitative research, describes a dialogue between researcher and interviewee, which is based on a flexible interview protocol (DeJonckheere and Vaughn, 2019). Furthermore, it is possible to obtain more precise answers by asking specific additional questions (DeJonckheere and Vaughn, 2019). Hence, it is a flexible and versatile way to collect data (Kallio *et al.*, 2016). As a next step, ranking card experiments are conducted to investigate decision factors of the transcontinental sourcing model.

The overall approach is as follows:

- To identify the different characteristics of local, continental (EU) and transcontinental sourcing, 29 interviews with purchasing experts were performed in 2021. Based on this, the transcontinental sourcing model, which includes important decision factors, has been developed.
- The second set of interviews concentrates on the transcontinental sourcing model and investigates the push and pull factors as well as emerging trends in transcontinental sourcing. The focus is on pull factors that motivate companies to engage in transcontinental sourcing by factors outside of Europe and on push factors that motivate companies to engage in transcontinental sourcing from a European perspective. In this context, the potential impact of the global pandemic on purchasing decisions is examined. Therefore, a further 27 purchasing managers were interviewed on transcontinental sourcing trends in 2022.

- To examine the importance of typical characteristics of the transcontinental sourcing model, ranking card experiments (n = 77) as quantitative research were conducted. The experiments refer to the transcontinental sourcing model and the corresponding decision factors, which are shown in [Figure 2](#).

4. Semi-structured interviews and ranking card experiments – exploring characteristics, future trends and decision factors

4.1 Semi-structured interviews with purchasing experts in 2021

We conducted 29 interviews, which were distributed across the following industry sectors: electronic industry (4), merchandising (1), publishing industry (1), mechanical engineering (7), food industry (2), chemical industry (3), textile industry (2), metal industry (2), manufacturing industry (2), aviation industry, agricultural industry, transportation, e-commerce and toy industry (1 each). Each company covers a minimum of two sourcing types, for example, local and EU sourcing, EU sourcing and transcontinental sourcing or local and transcontinental sourcing. Furthermore, the selected companies are located in Germany or The Netherlands. [Table 1](#) provides an overview of the content of the semi-structured interviews in 2021. The predefined interview protocol started with general differences between local, EU and transcontinental suppliers and focused on information about the supplier and its product. In the next step, purchasing managers provided us with reasons for choosing these suppliers.

As theories influence the three sourcing types and affect the collaboration and relationship between buyers and suppliers, especially in terms of structural, cognitive and relational capital (social capital theory) ([Bohnenkamp et al., 2020](#)), the interview protocol is created on the basis of these theories, next to explicitly asking for the benefits and drawbacks of European sourcing. During the interviews, we concentrated on collaboration with suppliers as well as the relationships and experiences, based on supplier locations. This part reflects the principles of social capital theory (Collaboration, relationship, development of buyer–supplier relationship). Besides, the interactions with suppliers, transparency and information flow were further discussed ([Steinle et al., 2014](#)). Concerning the principal–agent theory, transparency, the exchange of information and hidden intentions and interactions have an impact on the supplier selection process. The interview protocol therefore contains questions based on the social capital and principal–agent theory ([Appendix 1](#)). For example, the following three questions are developed on the basis of principal–agent theory:

- (1) Did you get all the information you needed *when selecting* this supplier? (hidden characteristics)

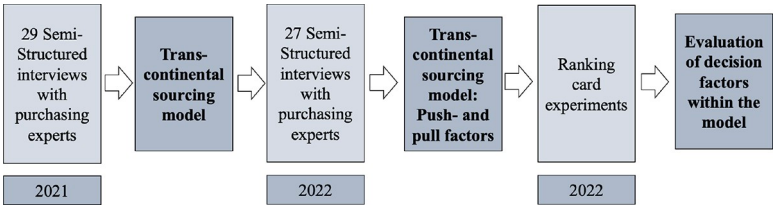


Figure 2. Conducted research with focus on the transcontinental sourcing model

Table 1. Content of semi-structured interviews in 2021

Year	Average length	Number	Content	Linked theories	Countries	Industries	Demographic information
2021	25 min	29	Locational differences of sourcing types: Transparency, relationship, communication, culture; increasing trans-continental sourcing, decreasing European sourcing	Social capital theory, principal-agent theory, attraction theory	Netherlands, Germany	Electronic, merchandizing, publishing, mechanical engineering, food, chemical, textile, metal, manufacturing, aviation, agricultural, transportation, e-commerce	The interview partners were evenly distributed across different age groups, genders and educational backgrounds. The prerequisite was relevant professional experience in purchasing with at least two different types of sourcing

- (2) *During the interaction*, did you have the feeling that the supplier was behaving different than promised? (hidden intentions)
- (3) Could you get all the *information/transparency* to be able to monitor the performance of the supplier? (hidden action)

As a result of our observations from conducted interviews, codes were generated and structured according to recognizable patterns. After coding and analyzing the interviews with the Atlas.ti software, characteristics of each sourcing type were elaborated. Within the coding scheme, codes and subcodes were created, for example intercultural habits, communication, responsiveness and flexibility. Besides, the coding scheme includes legal aspects, politics, innovation and risks. In addition, codes have been grouped and some codes have been merged or split (Figure 3).

We used an inductive approach to create categories from the analyzed codes and derived characteristics and propositions that underlay the interview findings. In addition, these propositions help to explain the reasons for the attractiveness of transcontinental sourcing and those aspects that outweigh the advantages of EU sourcing. The propositions provide the basis for further research.

4.1.1 *Findings: overview of supplier characteristics based on location and advantages of transcontinental sourcing.* Based on the interviews, we analyzed the answers by coding them using the Atlas.ti software. After coding, groups were derived from the structure of the interview protocol. In our research, groups represent interrelated topics as well as the common structure of the research questions. In this context, we concentrated on the experiences of the interviewees depending on their supplier’s location, lessons learned and the circumstances of decreasing intra-EU trade and increasing transcontinental sourcing. To investigate reasons for increasing transcontinental sourcing, it is worth analyzing the characteristics of each sourcing type.

Characteristics include the price–quality ratio, delivery conditions, transportation and flexibility. In addition, communication, culture, contracting, transparency and reliability play a role for each sourcing type. Further groups are relationships, innovative capacity, politics, risk management and purchasing volume. Therefore, different codes are summarized within each group and represent statements made by the interviewees. Tables 2 and 3 include the different characteristics of local, EU and transcontinental sourcing. First, Table 2 starts with the price–quality ratio.

Interviewees highlighted the good quality and high price of local suppliers, while EU sourcing or continental sourcing provides good quality and an acceptable price. Contrary to expectations, transcontinental sourcing offers a good price–quality ratio as well. This underlines the following statement by an interviewee:

I can say, that if the Chinese supplier was not a lot cheaper than the Spanish one, we would not buy there. So, for us, the most important factor is the price with a given quality.

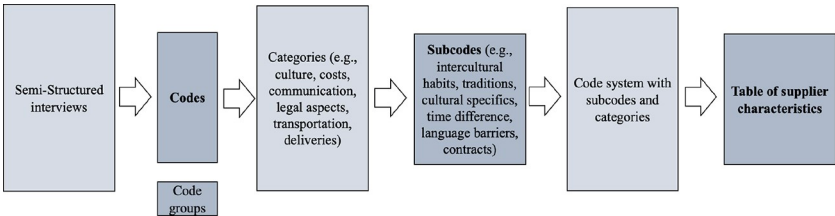


Figure 3. Coding scheme

Table 2. Characteristics of sourcing types, based on the statements of the interviewees

Sourcing type	Price/quality ratio	Delivery conditions	Transportation	Flexibility
Local sourcing	Good quality, high price	Fast arrangements, short delivery times	Transportation easy to manage	Greater flexibility
EU sourcing	Easy process and quality control, good quality, price acceptable	Sometimes discounts and free transportation	Acceptable	Less flexibility
Transcontinental sourcing	“Good price with a given quality”, strong supplier development necessary to avoid quality issues	Higher taxes, import duties	Long transportation times, higher costs	Less flexibility
Local sourcing	Communication Same time zone, no speech barriers, good and easy communication	Culture Same culture, easy to do business there	Contracting Fast contracting	Transparency High transparency
EU sourcing	No speech barriers (English), good communication in case of delivery failures	Differences between countries within the EU, index of Hofstede	Fast contracting	No hidden actions
Transcontinental sourcing	Communication issues, language problems, time difference	Huge cultural differences in the Far East (e.g. China)	USA: strict contracts East: danger of copying products, challenges with contracting	Asia: no binding commitments, careful with information, hidden actions, hidden intentions USA: transparent

Table 3. Further characteristics of each sourcing type, based on the statements of interviewees

Sourcing type	Reliability	Relationship	Innovative capacity
Local sourcing	High reliability	Contact person, trustworthy relationship, “team-member feeling”	Custom-made items, specialized products, engineering components, high innovative capacity
EU sourcing	Good reaction possibilities in case of delivery failures, good reliability on transportation	Direct contact person, good relationship, easy to do business with these suppliers, differences between countries	Differences between countries, mechanical components/plants; innovative capacity depending on country
Transcontinental sourcing	Delivery failures, delay, higher default risk	Development of supplier necessary for a longstanding relationship, strategic partners to build up local network (cluster), differences between Far East and USA, moral hazard may occur	Custom-made items, specialization, USP, mass-produced goods, but also specialized parts for electronic components, depending on country: low to high innovative capacity
Local sourcing	Politics Well-known political situation	Risk management Easy process and quality control, easy supplier monitoring	Purchasing volume Short-term needed spare parts, low-medium
EU sourcing	Transparent political situation	Transparent process control, tracking possible	Variable from low to high
Transcontinental sourcing	Political sanctions, trade war USA- China, promoting local suppliers (cluster), establishing local supplier networks, partly uncertain political conditions	Supplier and risk management are more difficult to implement	High (attractiveness of buying firm depends on purchasing volume)

However, a strong supplier development is necessary to avoid quality issues. Concerning delivery conditions, short delivery times and fast arrangements characterize local sourcing. Suppliers, who are considered as strategic partners, give discounts or free transportation, even within EU sourcing. Higher taxes and import duties represent the principal disadvantages of transcontinental sourcing with regard to delivery conditions. On the one hand, transportation is easy to manage with local suppliers and it is “acceptable” within the EU. On the other hand, sourcing from other continents means long transportation times and correspondingly higher costs:

Disadvantages [of transcontinental sourcing] are the long delivery times.

If that’s a product that’s being supplied from the Far East, it’ll just take several weeks.

On the issue of flexibility, local sourcing delivers considerable flexibility, whereas EU and transcontinental sourcing are generally seen as less flexible. Moreover, the advantages of local and intra-EU sourcing include the same time zone, no or fewer speech barriers with English as the lingua franca and easy communication with suppliers. In contrast, language problems and communication issues may occur with companies that source from other continents, notably Asia. Additionally, time differences play a role in the interaction with remote suppliers. On cultural aspects, transcontinental sourcing is usually associated with huge cultural differences, whereas interviewees identified low cultural differences as a feature of EU sourcing. This underlines the relevance of the social capital theory, which highlights the importance of cognitive, structural and relational capital (Bohenkamp *et al.*, 2020). This is supported by the following statement:

The Netherlands and China are almost incomparable. They are very different worlds with very different cultures and business cultures.

In addition, the same culture facilitates doing business in local sourcing. Another interesting feature are contractual elements. While local and continental procurement are characterized by fast contracting, it seems important to differentiate between the USA and the Far East in transcontinental sourcing. For example, interviewees mentioned challenges that occur with contracts in China – namely, disregarding contractual items or copying products. It is also worth mentioning that local and continental suppliers offer high transparency and are largely free from hidden actions, which are described by the principal–agent theory. In the context of transcontinental sourcing, suppliers in the USA were considered more transparent than in China. Therefore, the companies interviewed mentioned non-binding comments and vague information, which they had received from suppliers located in the Far East:

Yes, that is more difficult [transparency].

But here [China], too, it is always dangerous that something is copied without us knowing it.

Concerning reliability, local suppliers were considered to be highly trustworthy in terms of agreements and delivery promises, which is represented by the principal–agent theory. The situation is similar with EU sourcing. In case of delivery failure, there are appropriate measures in place to deal with the situation. In the context of transcontinental sourcing, the risk of delivery failure and delay is naturally higher:

Delivery reliability always depends on how far the distance is, of course.

Another important aspect is the relationship with important suppliers. In this context, the principal–agent theory plays a major role to avoid information asymmetries. Within local sourcing there is a direct point of contact and a relationship based on trust. This also applies

to EU sourcing with certain differences between countries. Regarding transcontinental sourcing, it is necessary to develop relationships with all essential suppliers and take differences between the Far East and the USA into account to build up local networks and establish longstanding partnerships. According to the principal-agent theory, robust partnerships and mutual trust may reduce the risk of moral hazard in buyer supplier relationships. Therefore, transcontinental suppliers act as strategic partners to build local networks on-site and enter existing clusters. This underlines the following statement:

Depending on where projects are conducted, you need local partners, so that is also a strong reason [for transcontinental sourcing].

Since innovative capacity plays a major role in the competitiveness of a company, we considered this aspect when studying different sourcing types. Specialized products, custom-made items and engineering components characterize local sourcing, as does high innovative capacity. Furthermore, EU sourcing exhibits differences between countries in innovative capacity, and mechanical components are procured in many cases. Interestingly, specialized and custom-made items as well as mass-produced goods are associated with transcontinental sourcing. For example, interviewees referred to specialized parts for electronic components, which are sourced from other continents. In this context, the unique selling point of suppliers was highlighted by the companies interviewed. This is confirmed by the following statements of interviewees:

There are also market leaders in the field of producing robotic arms, one of them was a company from the USA.

If a producer in the Far East is selected and produces promotional items, he naturally has completely different possibilities to produce. In other words, I can often produce goods or articles in the Far East one-to-one in the way that the customer wants.

Innovative capacity varies from country to country and ranges from low to high. Specialized products often show a high level of innovative power, while social capital increases the ability of suppliers to innovate in the respective country.

Considering politics, local and EU sourcing experience transparent political situations, whereas political sanctions, uncertain political conditions and trade wars may occur in transcontinental sourcing. Additionally, some transcontinental countries promote their own local suppliers and clusters and try to establish supplier networks on site. Geographic distance to remote suppliers may also influence risk management. On the one hand, it is more difficult to monitor remote suppliers. On the other hand, easy processes and quality controls are possible with local suppliers, while EU sourcing provides transparent process control and product tracking:

When I talk about risk management, I have to consider regional differences.

Concerning purchasing volumes, transcontinental suppliers can handle large volumes, while local sourcing includes low to medium purchasing volumes with a focus on the short-term supply of needed parts. EU sourcing is associated with both low and high purchasing volumes.

4.1.2 Factors in the shift from European to transcontinental sourcing. It seems that local and EU sourcing show many advantages with regard to characteristics such as reliability, politics, flexibility, transparency and delivery conditions. The advantages of transcontinental sourcing appear to be strong enough to outweigh the disadvantages of this sourcing form. This circumstance concerns the following characteristics in particular: The scope of purchasing volume, the time-consuming development of transcontinental suppliers,

the corresponding time-consuming switch to another supplier and the unique selling points of transcontinental suppliers, which produce specialized products in innovative technology sectors. These circumstances are linked to a strong dependency on transcontinental suppliers. Furthermore, important transcontinental suppliers become strategic partners to build up local networks and penetrate existing clusters on site. Therefore, transcontinental suppliers provide an interface to these innovative clusters abroad. As the interviewees remarked, this situation of strong foreign clusters and innovative suppliers located on other continents is enhanced by the fact that some countries promote local suppliers and clusters (Jankowiak, 2017). In addition, the price–benefit ratio is decisive for transcontinental sourcing.

These characteristics seem to be essential for an increase in transcontinental sourcing at the expense of EU sourcing. Based on the interviews conducted and the characteristics of transcontinental sourcing named by the interviewees, we derived six propositions that could explain the shift to transcontinental sourcing and, at the same time, provide managers with renewed orientation (Figure 4). We hypothesize that if these six factors are present in an industry/company/commodity, we can expect a significant share to move to transcontinental sourcing:

- P1 (*Large volume advantage*): Transcontinental suppliers are chosen when they are able to handle a greater purchasing volume and produce a large number of specific products. Hence, companies prefer/are forced to choose transcontinental sourcing in such industries where large bulk production is needed.
- P2 (*Technological exclusivity*): The unique selling proposition of transcontinental suppliers, for instance, in the area of digitalization and electronic components, forces companies to purchase from other continents such as China or the USA. The dependence on transcontinental suppliers appears to increase, in particular, European dependence on the Far East.
- P3 (*Price–performance ratio*): The quality of transcontinental goods seems to be increasing while the price remains attractive. This generates a competitive advantage for industries, such as reports from the electronics industry and mechanical

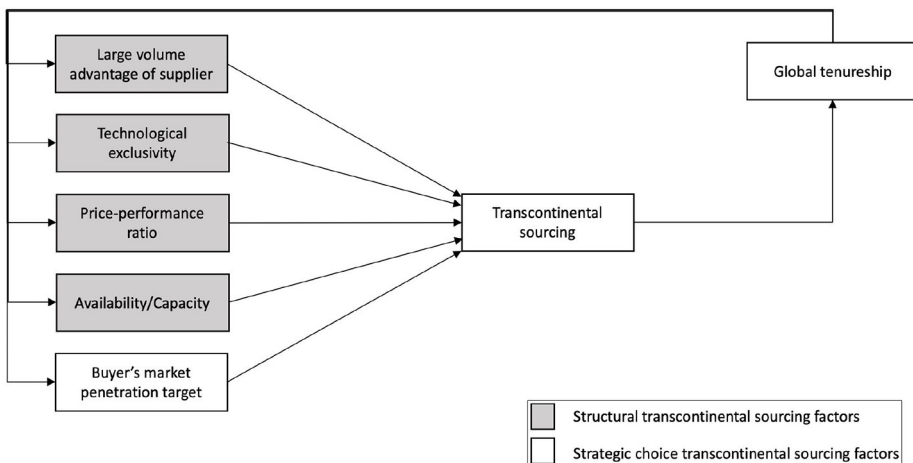


Figure 4. Advantages of transcontinental sourcing leading to increased importance of transcontinental sourcing

engineering suggest. Hence, industries in which the quality increase is faster than the wage increase favor transcontinental sourcing.

- P4 (*Capacity and availability*): Often transcontinental sourcing occurs when only these suppliers seem to have the required capacity. This factor is different than the price–quality ratio, which might be a necessary condition. In case, the buyer might even be willing to pay more for the supplies provided, if they are delivered on time. Furthermore, transcontinental suppliers provide special opportunities regarding access to exclusive materials. For example, firms in the chemical industry reported to secure access to raw materials by choosing transcontinental suppliers, which themselves have access to required ingredients not or only partially accessible by European suppliers. In such cases, firms all over the world are forced to buy from the supplier with exclusive access to requested raw materials.
- P5 (*Buyer's market penetration target*): Countries on other continents intensively promote local sourcing, production and clusters. At the same time, firms might try to become acquainted with a target market by first sourcing from there. Transcontinental suppliers are strategic partners that engage in foreign clusters and prepare market penetration with their own final products or production facilities. This is a strategic motive of European firms choosing transcontinental suppliers, as a preparation to enter that market with their own final products later.
- P6 (*Global tenureship*): It is hard to replace a well-developed supplier with an in the meantime good price–quality ratio, due to the time-consuming and often complex supplier development effort needed to bring transcontinental suppliers to the required quality level. Often, European firms seem to have underestimated the supplier development efforts necessary to push the transcontinental supplier to the required quality level. Once these efforts have been taken, discontinuing sourcing from these suppliers would lead to sunk costs. Hence, these suppliers stay in business and benefit from a strong tenure in supply.

These factors, taken together, provide explanations for the benefits of transcontinental sourcing. Volume advantage, technological exclusivity and price–quality ratio as well as capacity and availability are structural factors forcing buyers to source from particular suppliers (P1–P4). Global tenureship and market-penetration considerations represent more a strategic choice of buyers (P5 and P6).

Global sourcing can lead to cost savings (Alguire *et al.*, 1994; Koerber and Schiele, 2021; Monczka and Morgan, 2000; Tsai *et al.*, 2008; Weigel and Ruecker, 2017), which also applies to transcontinental sourcing. For example, the quality in Asia increases more than costs, creating a competitive advantage (Nassimbeni and Sartor, 2007). Apparently, quality is increasing faster than costs, which therefore influences the price–performance ratio (Pula and Santabárbara, 2011). However, companies stressed the need for strong supplier development to avoid quality issues, which tend to occur at the beginning of the business relationship. To avoid quality problems, close monitoring and relationships of trust must be established between sourcing companies and remote suppliers. Indeed, supplier development can take several months or years and requires significant financial resources (Taherdoost and Brard, 2019).

Hence, this situation makes it difficult to change well-developed transcontinental suppliers. In this context, it is easier to retain remote suppliers than to bring deliveries back to Europe (global tenureship). Global tenureship resembles a fish trap in which the fish enters but cannot find its way out or gets stuck on a barb. Therefore, once purchasing volume has

been placed on a transcontinental basis and an investment in supplier development has taken place, firms become hesitant to move volume back. In line with this “barb theory”, the share of transcontinental sourcing tends to increase.

Concerning transcontinental suppliers, the companies interviewed emphasized the need to handle large purchasing volumes and the scope to produce a large number of specific products (Fang *et al.*, 2010). When a large purchasing volume of specific products is needed, companies prefer transcontinental sourcing to local or intra-EU sourcing (volume production exclusivity). As mentioned previously, remote suppliers can be innovative pioneers in certain areas such as the electronics industry. In some cases, certain materials or products can be sourced exclusively from the Far East (technical exclusivity). To receive a competitive advantage (Kotabe and Murray, 2018), companies are dependent on these innovative suppliers. This may result in an increase in transcontinental sourcing. In addition, transcontinental suppliers offer special opportunities with regard to capacity and access to exclusive materials (capacity/availability). Another important aspect relates to political conditions. Interviewees remarked that countries on other continents promote local suppliers and local clusters, for example, China. In our research, interviewees highlighted the responsiveness of some foreign countries to new technologies. Taiwan is a good example with regard to its electronics industry (technical exclusivity). The promotion of local clusters can also be observed in the EU, but building local clusters appears to be a lengthy process. In this context, transcontinental suppliers act as strategic partners to penetrate foreign innovative clusters (strategic market penetration).

4.2 Semi-structured interviews with purchasing specialists in 2022

To analyze the impact of the COVID-19 pandemic on transcontinental sourcing trends and to include a temporal progression, we interviewed an additional 27 purchasing professionals in 2022. Moreover, we were also interested in the direct impact of the COVID-19 pandemic on decision factors of the transcontinental sourcing model. Based on the previously developed transcontinental sourcing model (Figure 4), we evaluate push and pull factors as well as upcoming trends regarding transcontinental sourcing and integrate possible impacts of the global pandemic on purchasing decisions. Pull factors force companies to engage in transcontinental sourcing through non-European factors, and push factors encourage companies to engage in transcontinental sourcing from a European perspective.

Table 4 contains a summary of the content of the interviews conducted in 2022. The interviewed purchasing managers ($n = 27$) belonged to different industry sectors like automotive, chemical industry, telecommunication, IT and food industry. Additionally, companies from sales, aerospace, manufacturing and building industries were among the participants. The percentage share of the respective industry sector was distributed fairly across the participating companies to achieve an overall picture. Furthermore, the participants of the study have in-depth knowledge of strategic purchasing and suppliers of local, intra-EU or transcontinental sourcing. The companies themselves are located in Europe (The Netherlands or Germany) and involved participants in the 2022 interviews differ significantly from those in the 2021 study. In our research, the open questions took about 20 min. For analyzing the interviews, we applied Atlas.ti and created codes as well as associated subcodes, for example quality, technology, price, deliveries and trends.

4.2.1 Findings: evaluation of push and pull factors – technical exclusivity, lower wages and improvement of quality support transcontinental sourcing. We examine push factors, which push companies toward transcontinental sourcing from a European perspective, and pull factors, which pull companies toward transcontinental sourcing by factors outside of Europe. Analyzing push factors, increasing wages in Europe and the appropriate price–performance ratio on other continents favors transcontinental sourcing. In addition,

Table 4. Content of semi-structured interviews in 2022

Year	Average length	Number	Content	Countries	Industries	Demographic information
2022	20 min	27	Decreasing European sourcing, increasing transcontinental sourcing; push and pull factors/motives for transcontinental sourcing; reasons to source within EU; future locational sourcing expectations	Netherlands, Germany	Manufacturing, engineering, tele-communication, automotive, chemical industry, IT, food, sales, aerospace, building, agricultural, insurance, finance, pharmaceuticals	The interview partners were evenly distributed across different age groups, genders and educational backgrounds. The prerequisite was relevant professional experience in purchasing with at least two different types of sourcing

participants mentioned the availability of materials as a push factor for sourcing outside Europe. This is underlined by the following statements:

Mainly the failure to deliver an attractive price-quality balance [is a push factor for transcontinental sourcing]. This can indeed be because of increasing wages [...].

Mainly a high cost of assembly line workers due to relatively high minimum wages [push factor for transcontinental sourcing]. We do have assembly lines within Europe but a lot more in lower wage countries such as Mexico or Japan. Quality and reliability are very important for us as well since our customers pressure us a lot with strict deadlines and very high quality standards.

In contrast, factors like “more regulations” or “decreasing trade openness” within the EU do not represent push factors for sourcing on other continents.

Concerning pull factors, participants referred to essential technological and quality improvements or lower wages outside of Europe. Next to that, regulations on site could result in sourcing on other continents. These factors are supported by the following statements:

Unfortunately I must say that often the Chinese have better technology.

Yeah, definitely, the technology is not behind. They are as equal as the leading technologies in Europe.

And they [China] deliver good quality. They're just technically further ahead.

The price is increasing, but they are often well priced.

Moreover, possibilities concerning availability, volume and capacity could lead to transcontinental sourcing.

On the other hand, the following reasons for possible backshoring were mentioned by the interviewed companies: Less supply chain disruptions, especially in the context of current crises, more reliability, shorter distances as well as existing quality standards. The similarity of regulations and law, common currency and similar mentality encourage reshoring and backshoring activities:

Doing business in the same culture simplifies the process. Not all buyers in my company have cultural awareness.

I would say quality/price, the distance. How far the supplier is from our production unit. Also the incoterms how they want to deliver to us if they are ready to take the responsibility or we have to take the responsibility. These factors are important [...].

Super relevant [same laws and regulations]. Requires less attention to laws and regulation if you buy within EU because other departments in the company (legal, sales, finance) are also tracking this for my company customer as well.

4.2.2 Identified trend toward transcontinental sourcing. As part of this study, we investigate whether the trend toward global and especially transcontinental sourcing will continue in 2023. Hence, we asked purchasing managers regarding future sourcing trends and received estimations concerning “transcontinental sourcing remains the same or is increasing”, “there is a reshoring trend since COVID-19 and the Russia-Ukraine conflict” and “preference of multi-sourcing strategy” or “could not be evaluated.” [Table 5](#) shows trends and estimations of our interviewees including various statements of the interviewees that support these estimations. Interestingly, in view of the current crises, trends for reshoring are now certainly discernible, despite the ongoing importance of transcontinental sourcing. In addition, we identified a few interviewees who did not want to commit themselves in this respect. Overall, it can be stated that an equal number of respondents see a trend to reshoring

Table 5. Future trends concerning transcontinental sourcing

Remains the same or increasing	Reshoring	Multi-source strategy
Nine participants “In the medium term it plays a big role.” (Automotive) “Well, I don’t think that changes very much. ... I don’t expect that this will suddenly become much more or less.” (Technology) “Yes, but only in reasonable projects, where local suppliers internationally are needed.” (Electronic industry) “... that doesn’t change the trend. It’s just an intermediate step. But the trend is definitely not going back in that direction. It’s just a momentary blur, of course, due to the uncertainty factors. But the general trend is definitely going towards global sourcing. That’s definitely where I think overall the most is going. The trend is global sourcing and right now it’s a dip that needs to be overcome.” (Engineering)	Eleven participants “I expect a decrease in transcontinental sourcing because wages are increasing while communication is not. ... Also, recent conflict in the world do not help transcontinental sourcing.” (IT) “... Life is so much easier for us in Europe than anywhere else.” (Telecommunications) “... We are now seeing the consequences with transcontinental or that the ships are not unloading in Shanghai at all etc. ... And that the supply chains are interrupted because of that. ... once the sea voyage breaks off, then you are at flight costs. Flight costs have increased tenfold...” (Engineering/Automotive) “Yes, I’m convinced that companies are being woken up. And what you’ve seen at least in the last few years is that the price advantage, what we had in the beginning, which was huge that’s also ebbing away a little bit because the standard of living in China is getting higher.” (Engineering/Manufacturer)	Three participants “So from my point of view, In the last Two years there has been a very clear trend in purchasing and sourcing towards stable supply chains, where price increases or additional costs are accepted. Supply chain stability is clearly more important. So multi-source strategy” ... “I would say if the raw materials are available in Europe. Then I would also try to push it here in Europe somewhere. That would be the case and apart from that I have to say that if we had the possibility to procure local products at a reasonable price-performance ratio, as I find in Eastern Europe, I would also like to do that here.” (Engineering) “Well, that does have an impact, because we see now how difficult it is, just after time, to get the stuff out of China on time, all the perils that we still have there. That has already very much led us to say the run is, say the big volume, which we also have most problems with, that we’re going to have that in Europe as well. ... What I said before, yes, a second supply chain...”

as toward the continuation of transcontinental sourcing. This shows that the current additional crisis (Ukraine–Russia conflict) definitely impacts transcontinental and corresponding global sourcing trends and represents an important moderator of the increase in transcontinental sourcing.

4.3 Ranking card experiments with purchasing experts

4.3.1 Evaluation of the decision factors of the transcontinental sourcing model. Based on qualitative research, we obtained decision factors of the transcontinental sourcing model and statements on trends in relation to transcontinental sourcing. As a third step, quantitative research helps us to examine the importance of the typical characteristics and decision factors of the transcontinental sourcing model. Therefore, ranking card experiments ($n = 77$) refer to the transcontinental sourcing model and the corresponding factors (Figure 4). These factors are represented by price–quality ratio, the ability to produce large volumes and exclusive technical solutions. In addition, decision factors for transcontinental suppliers include availability/capacity, the buyer’s market penetration target and the phenomenon of global tenureship.

Ranking card experiments provide purchasing experts with information on all listed characteristics. In our research, we chose ranking experiments as they are less complex in their implementation and simulate the extensive process of supplier selection in a simplified way, represented by several variables (Kjaer, 2005; Merino-Castello, 2003; Verma and Pullman, 1998). Using ranking cards, respondents have to rank several options of supplier cards (Kjaer, 2005; Louviere *et al.*, 2000), consisting of “Ratio between price and quality,” “Current supplier” (Global tenureship), “Supplier located in target market” (Market penetration) and “Ability to produce large volumes.” Moreover, “technical solution offered by supplier” and “unique capacity available” are shown within the ranking cards (Figure 5).

ID: 1	
Supplier 1	
Ratio between price and quality	Poor
Current supplier:	Yes
Supplier located in target market:	Yes
Ability to produce large volumes:	Abundant
Technical solution offered by supplier:	Normal
Unique capacity available:	No

Figure 5. Example of one ranking card

These supplier attributes are based on the results and propositions of the semi-structured interviews in 2021 and 2022.

Figure 5 represents one of the ranking cards including several supplier attributes. The attribute levels such as “poor” or “ideal” for the supplier attribute price–quality ratio represent statements by interviewees within the semi-structured interviews in Sections 4.1 and 4.2. Based on the qualitative research, we selected realistic and clearly distinguishable attributes for the ranking card experiment, with a maximum of four levels for each attribute, to enable participants to gain a clear overview and avoid confusion. All ranking cards with their attribute levels are displayed in [Appendix 2](#).

In our study, there are eight suppliers to rank. The respondents, who are experts in the area of purchasing and deal with local, intra-EU or transcontinental suppliers, have to rank these suppliers from best to worst (1 being the best, 8 being the worst), depending on the characteristics of the attributes. The supplier profiles were generated by orthogonal design to statistically test the supplier attributes without including all possible combinations of supplier decision factors ([IBM Corporation, 2021](#)).

Concerning industry sectors, the interviewed companies belong to the chemical or automotive industry, telecommunication, IT or manufacturing industry. Companies that are available for the experiments are located in Europe or the USA. The duration of the ranking card experiments took about 20 min.

4.3.2 Analysis of experiments: using conjoint analysis. To analyze the collected data from ranking card experiments with selected companies, we used conjoint analysis as an advanced multiple regression analysis. In this context, the data contain the ranking of eight suppliers from best to worst regarding the provided supplier attributes ([Table A2](#) in [Appendix 2](#)). Conjoint analysis is described as an experimental approach for preference evaluation of participants and refers to certain attributes of provided choices. Additionally, it is used for measuring different alternatives, which consist of a combination of attributes ([Popovic et al., 2018](#)), while it is also adequate for ranking responses such as ranking card experiments ([Ruetzler et al., 2014](#)).

We applied conjoint analysis to evaluate ranking card experiments, using SPSS code to examine the data ([IBM Corporation, 2021](#)). Within the code, ORTHOPLAN generates the experiment design and creates the supplier ranking cards. It is used to statistically test attributes without including any possible combination of supplier factors ([IBM Corporation, 2021](#)). The CONJOINT analysis of SPSS is used to analyze the data. The ranking of the supplier cards by each participant is represented by a sequence, which starts with the most preferred supplier and ends with the least preferred supplier ([IBM Corporation, 2021](#)). Therefore, we used the command SEQUENCE. For example, the first respondent provides the following ranking: Supplier 7 (best), supplier 5, supplier 4, supplier 2, supplier 1, supplier 8, supplier 3, supplier 6 (worst). The detailed code is displayed in [Appendix 3](#).

4.3.3 Findings: ranking card experiments confirm equal importance of special decision factors. In our study, ranking card experiments included the six attributes “price–quality ratio,” “global tenureship,” “market penetration,” “volume,” “technical exclusivity,” and “availability/capacity.” The results of the ranking card experiment regarding importance values and utility scores are presented in [Table 6](#). In this context, “price–quality ratio” (20,46) as well as “volume” (18,94) are in the top positions concerning their importance values. Furthermore, “capacity” (16,66) and possibilities for “market penetration” (16,44) were rated highly by the participants.

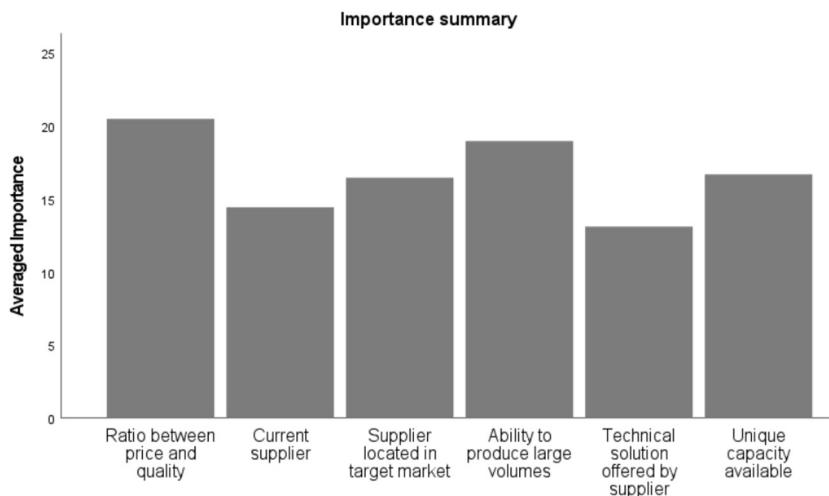
The utility scores indicate a preference of companies for an ideal “price–quality ratio” (2,282), the existence of “capacity” or “availability” (1,028) and a far superior “technical exclusivity” (0,183). Moreover, “global tenureship” plays a role within the supplier selection

Table 6. Ranking card experiments: importance values and utilities scores

Attributes	Averaged importance score
Price-quality ratio	20,459
Global tenureship	14,416
Market penetration	16,435
Volume	18,940
Technical exclusivity	13,091
Abundant capacity/availability	16,660

Attributes		Utility estimate	Standard error
Price-quality ratio	Poor	1,141	1,176
Ideal	2,282	2,352	
Global tenureship	No	0,239	1,176
	Yes	0,479	2,352
Market penetration	No	-0,021	1,176
	Yes	-0,042	2,352
Volume	Minimal	-0,592	1,176
	Abundant	-1,183	2,352
Technical exclusivity	Normal	0,092	1,176
	Far superior	0,183	2,352
Capacity/availability	No	0,514	1,176
	Yes	1,028	2,352
(Constant)		2,440	4,361

process (0,479). On the other side, “market penetration” and “volume” show negative utility values and seem to be less decisive for the preference of a certain supplier. Overall, regarding importance values, “availability/capacity” as well as ideal “price-quality ratio” stand out in the results of the SPSS analysis. Figure 6 demonstrates the averaged importance of the provided attributes. It can be noticed that “price-quality ratio” as well as “large volume”

**Figure 6.** Ranking card experiments: Importance of selected attributes

show the highest scores in the evaluation of suppliers; however, it is worth mentioning that all attributes have equal importance and affect the selection of transcontinental suppliers in a similar way. Using ranking card experiments, the equal importance of the decision factors is clarified and highlighted, which is shown in [Figure 6](#).

5. Discussion: characteristics of transcontinental sourcing and tendencies toward reshoring activities

5.1 Theoretical implications – factors and moderators influencing transcontinental sourcing

In two qualitative studies (Semi-structured interviews in 2021 and 2022), we divided global sourcing into continental (EU sourcing) and transcontinental sourcing to examine the specific characteristics of each sourcing type. Following a two-stage approach in qualitative research, the first study focuses on the development of the transcontinental sourcing model, while the second study examines the potential impact of the pandemic and its timeline on purchasing decisions, as well as the resulting push and pull factors.

To highlight the different characteristics of each sourcing type and to gain deeper insights into global sourcing trends, we included local sourcing for comparative purposes. To investigate the importance of the characteristics and decision factors of the transcontinental sourcing model, ranking card experiments are conducted as quantitative research. The differentiation of transcontinental, local and continental sourcing represents a new approach to the existing strategic sourcing literature and trends in global sourcing.

First, typical characteristics confirm the importance of transcontinental sourcing. The unique selling propositions of innovative suppliers, the possibility of achieving a large purchasing volume and the supplier's role as a strategic partner for subsequent market entry through sales and production are important factors to highlight. Second, the advantages often seem to outweigh the disadvantages of transcontinental sourcing. This phenomenon provides a new perspective for incorporation into the existing literature, which has tended to concentrate on global sourcing as a whole. This approach not only provides insight into characteristics of transcontinental sourcing but also presents the specifics of intra-EU sourcing, which are useful for understanding global sourcing trends. Global sourcing is not a universally generalizable phenomenon but has a locational perspective, being much more specific than previously assumed. In this context, structural and strategic factors play an essential role for purchasing departments choosing transcontinental suppliers.

Conducting further 27 interviews in 2022, we validated important push and pull factors for transcontinental sourcing as a special form of global sourcing. Factors such as superior technology and a good price–quality ratio seem to be essential. For example, technological exclusivity, price advantages, availability of certain materials as well as quality improvements represent push and pull factors for transcontinental sourcing. Referring to trends, current crises like the war between Ukraine and Russia influence and force locational sourcing decisions as moderators. Interestingly, this is now also reflected by many respondents, who indicate a trend toward reshoring or a multi-sourcing strategy in 2022. On the one hand, the importance and trend toward transcontinental sourcing is confirmed; on the other hand, there seem to be tendencies for reshoring now (Year 2022). It is not strongly confirmed here whether these are only temporary tendencies or whether a trend reversal is already taking place. However, crises as moderators within the transcontinental sourcing model occur, counteracting the trend toward transcontinental sourcing, despite the confirmation of its specific and important characteristics ([Figure 7](#)).

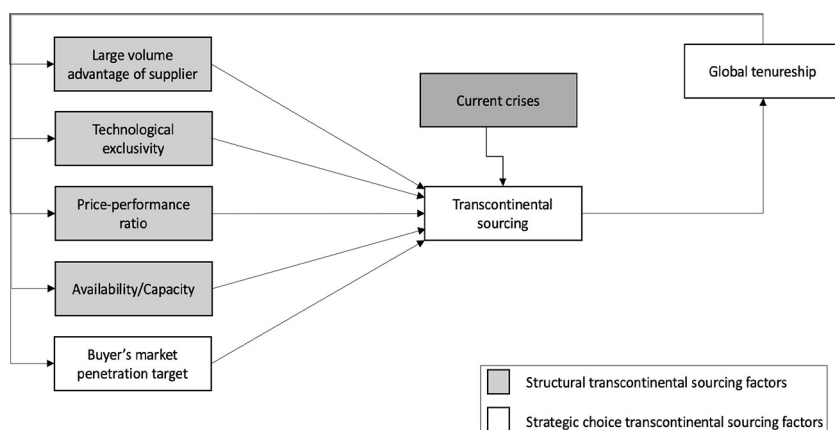


Figure 7. Factors and moderators influencing transcontinental sourcing

5.2 Managerial implications – supplier characteristics and importance of supplier attributes

Based on the transcontinental sourcing model, it could be helpful for companies to identify an appropriate sourcing type by working through an iterative process:

- The initial supplier pool provides the prospect of selecting an important and innovative supplier.
- Purchasing managers may profit from a classification of selected suppliers using the [Tables 2](#) and [3](#). Depending on characteristics, there are various sourcing options to choose from, from local sourcing to continental and transcontinental sourcing.
- In the end, the appropriate sourcing type is chosen.

Hence, companies could orientate themselves by becoming acquainted with the experiences of other firms so that they can choose the best possible sourcing type and gain a competitive advantage. This process can be undertaken several times for each supplier.

It is worth highlighting that the classification of suppliers according to the six propositions above could also lead to strategic conclusions. This new approach assists in selecting the appropriate sourcing strategy and contributes to existing literature on global sourcing.

If a company identifies a large part of its key suppliers falling into the category of structural transcontinental sourcing, for example, providing unique volume advantages, technological exclusivity and raw material access availability, the competitiveness of the buying company might be challenged. According to cluster theory, in such cases, local customers of these suppliers might be privileged, more easily becoming a preferred customer of these suppliers ([Steinle and Schiele, 2008](#)). In this situation, the dependency on remote suppliers might indicate a strategic weakness, potentially challenging the competitiveness of the buying firm. In terms of sourcing strategies, purchasing departments may work on multi-sourcing strategies to minimize the risks of delivery failures and supply chain disruptions. Besides, a strong relationship and close contact between buyers and transcontinental suppliers could strengthen the advantages and reduce the risks of this sourcing form.

Ranking card experiments helped to investigate the importance of the typical characteristics of transcontinental sourcing. These ranking card experiments are linked to the

following factors: Availability/capacity, price–quality ratio and the phenomenon of global tenureship. Moreover, we integrate factors like the buyer’s market penetration target, exclusive technical solutions and the ability to produce large volumes. In terms of utility value, an optimal price/performance ratio, high capacity/availability and technical exclusivity represent important factors. In addition, global tenureship has a significant utility score. In terms of average importance, all factors appear to be equally important, with large volume and price–quality ratio scoring the highest. Overall, this would lead to the conclusion that all factors of the transcontinental sourcing model are of similar importance to purchasing experts and that no factor clearly dominates in terms of importance. However, this conclusion must be considered critically, as this quantitative study has some limitations as well, which are explained in Section 6, in addition to future research such as further possible interviews.

6. Limitations of the studies and future research

The results of the interviews and experiments offer deep insights into possible reasons for the relevance of transcontinental sourcing and help companies to make better locational sourcing choices. However, the number of interviews and sample size within experiments is limited and is confined to a European perspective. All interview partners were located in The Netherlands or Germany. This aspect represents a limitation of our study that could be investigated by future research using samples from multiple continents. This will include different geographical perspectives and various cultural aspects. The particular role of the UK, as the country most affected by a decrease in European sourcing, has yet to be analyzed. Furthermore, we were unable to look at the share of local sourcing, which was not available from trade statistics. It is also worth mentioning that transcontinental sourcing is a broad category that includes sourcing from Asia on the one hand, and sourcing from the USA on the other. In this varied context, the specific characteristics of this sourcing type may differ. The interviews were distributed across several industries, but the main focus was on the engineering industry.

Additionally, we conducted the first interviews during the COVID-19 pandemic, so this circumstance may have had an impact on the statements of the interviewees. At the same time, a war has broken out in Europe to the complete surprise of many actors, whose attitudes to risk may change in consequence. The advantages of this special sourcing form could be confirmed, however, beyond the continued importance of transcontinental sourcing, trends toward reshoring are identified in the second interviews. It is not validated whether a complete trend reversal is taking place, as the study cannot conclusively clarify whether the upcoming tendencies toward reshoring are still an after-effect of the COVID-19 crisis or are caused by the current conflict in Ukraine.

As our study focused specifically on the direct impact of the ongoing pandemic and the emerging conflict between Ukraine and Russia, the time period in which the study was conducted (2021–2022) is a limiting factor. The data of the study remain relevant for this period; however, future research could delve deeper into these findings to determine whether this is a lasting trend. Factors such as the trade war between the USA and China, US tariff policies and tariff regulations affecting global sourcing, particularly transcontinental sourcing, are worth examining and should be supplemented with new interviews.

Other factors such as sustainability could influence the trends toward reshoring and local sourcing as well. Examining different characteristics, the results represent subjective opinions of individual companies and their representatives, based on their own experiences. For instance, one company underscored the positive characteristics of a special sourcing type, while another firm’s experience reflected only negative characteristics. When

considering different decision factors, the results represent the subjective opinions of individuals, based on previous experiences and certain perceptions. Therefore, further interviews and experiments could be conducted to examine the distribution of the importance of the factors in more detail.

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Further reading

EUROSTAT (2026), available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Intra_EU_trade_in_goods_balance,_2002,_2019_and_trend.png

Appendix 1. Interview questions local/EU/transcontinental sourcing (2021)

We are conducting research on the differences between local, EU and transcontinental sourcing. In the last years, sourcing in the EU has lost importance, while sourcing from another continent gained in importance. Apparently, there are differences between suppliers at home, in the EU and on another continent:

- Disregarding a special case, which differences do you see between suppliers located at home/in another EU country/on another continent? (Relationship, delivery, ease of doing business, treatment, legal aspects, contracting, liabilities, handling taxes...)
- Supplier questions. Let's analyze three cases of your suppliers at different locations:
 - Briefly describe the supplier and its product(s)?
 - Why did you choose this supplier?
 - How attractive are you for the supplier?
- Social capital questions:
 - How was your collaboration *structured*? (Structural capital: shared IT systems, joint meetings, regular calls etc.)
 - Within this relationship, did you encounter *problems* (cognitive capital: language/culture/religion)
 - How did the relationship *develop* over time? (relational capital)
- Principal-agent questions:
 - Did you get all the information you needed *when selecting* this supplier? (Hidden characteristics, before starting the relation)
 - *During the interaction*, did you have the feeling that the supplier was behaving different than promised? (Hidden intentions)
 - Could you get all the *information/transparency* to be able to monitor the performance of the supplier? (Hidden action)
- Closing question:
 - Giving this experience, do you have an impression that it has to do with the supplier being local/European/transcontinental, and what *lessons* do you take out of this?
 - Would you have an *explanation* for the phenomenon of relative loss of importance of suppliers in the EU?

Table A1. Ranking cards with their attribute levels

ID: 1	Supplier 1
Ratio between price and quality	Poor
Current supplier	Yes
Supplier located in target market	Yes
Ability to produce large volumes	Abundant
Technical solution offered by supplier	Normal
Unique capacity available	No
ID: 2	Supplier 2
Ratio between price and quality	Poor
Current supplier	No
Supplier located in target market	No
Ability to produce large volumes	Minimal
Technical solution offered by supplier	Normal
Unique capacity available	No
ID: 3	Supplier 3
Ratio between price and quality	Ideal
Current supplier	No
Supplier located in target market	Yes
Ability to produce large volumes	Abundant
Technical solution offered by supplier	Far superior
Unique capacity available	No
ID: 4	Supplier 4
Ratio between price and quality	Poor
Current supplier	Yes
Supplier located in target market	No
Ability to produce large volumes	Abundant
Technical solution offered by supplier	Far superior
Unique capacity available	Yes
ID: 5	Supplier 5
Ratio between price and quality	Poor
Current supplier	No
Supplier located in target market	Yes
Ability to produce large volumes	Minimal
Technical solution offered by supplier	Far superior
Unique capacity available	Yes
ID: 6	Supplier 6
Ratio between price and quality	Ideal
Current supplier	Yes
Supplier located in target market	Yes
Ability to produce large volumes	Minimal
Technical solution offered by supplier	Normal
Unique capacity available	Yes
ID: 7	Supplier 7
Ratio between price and quality	Ideal
Current supplier	No
Supplier located in target market	No
	(continued)

Table A1. Continued

ID: 7	Supplier 7
Ability to produce large volumes	Abundant
Technical solution offered by supplier	Normal
Unique capacity available	Yes
ID: 8	Supplier 8
Ratio between price and quality	Ideal
Current supplier	Yes
Supplier located in target market	No
Ability to produce large volumes	Minimal
Technical solution offered by supplier	Far superior
Unique capacity available	No

Table A2. Ranking card experiment table

Supplier	Ranking (1 = best, 8 = worst)
Supplier 1	
Supplier 2	
Supplier 3	
Supplier 4	
Supplier 5	
Supplier 6	
Supplier 7	
Supplier 8	

Appendix 3

CONJOINT

PLAN=rankingcards.sav

/DATA = experimentresults.sav

/SEQUENCE = PREF_ID1 To PREF_ID8

/SUBJECT = Respondent_ID

/FACTORS = Price_QualityRatio (Linear more) GlobalTenureship (Linear more) MarketPenetration (Linear more) Volume (linear more) TechnicalExclusivity (linear more) Capacity_Availability (linear more)

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