



2020

# The Ultimate Guide to Measuring Localization ROI

Learn how to provide a great user experience, get in front of customers early, and stay ahead of the competition.

# The global economy demands rapid expansion.

Expectations surrounding reliable technology and quick access to information, goods, and services are higher than ever before. The digital era has created an on-demand economy, one in which conveniences rule, and attention spans are short.

In modern markets, it's crucial to provide a great user experience and get in front of customers early. To stay ahead, your business must expand. Not only to reach its full potential, but to stay ahead of the competition.

## The remarkable rise of Uber

One incredible example of international expansion is Uber. In 2010, Uber picked up its first ride in San Francisco. The company expanded to Paris by 2011. Only two years later, operations set in Australia as well as Central and South America. In a six-month stretch between 2013 and 2014, Uber doubled its revenue from \$1billion to \$2billion. The company now operates in over 65 countries and more than 500 cities.

By 2013, Uber competitor Yellow Cab had filed for bankruptcy.

While Uber may be a glittery Silicon Valley success story, the company's incredible growth has created urgency in go-to-market strategies for many organizations. If you don't get ahead of shifting markets quickly, you risk losing revenue your competitors have realized. Be proactive and predictive, as opposed to reactive and unprophetic.



# Localization *is* profitable. You *can* measure it.

Localizing remains one of the best wells for revenue, waiting to be tapped for most organizations. Recent data supports the value of localizing content. Consider results from these use cases:

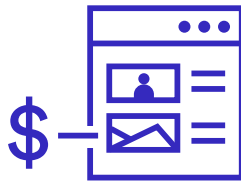


## App usage

Localizing app text resulted in:

- 128% more downloads per country, 26% increase in weekly revenue.
- 767% more app traffic, eight times more downloads per month (3,000 to 23,000 downloads).

("App localization increases app ROI"  
Business Insider, May 2016)



## Advertising

Localizing ads resulted in:

- Increased click-thru-rate by 42% (2.35% to 3.34%).
- Increased conversion rate by 22% (from 7.47% to 9.08%).

("Language Localization Drives Higher Mobile Ad Engagement" Mobile Marketing Watch, Feb., 2014)



## Travel and retail

Without localization:

- 87% of non-English customers won't buy from an English-only website.

("Looking to Increase Global Sales? Think Again about Relying on Your English-Only Website" Common Sense Advisor, April 2014.)

The case for localizing content is clear. However, the concepts of internationalization and global expansion remain hazy to many organizations. They want to expand but don't know how. Unfamiliarity with international market fluctuations, regional consumer trends, and the unpredictable nature of new market growth are all valid concerns. In short, the unknown can be uncomfortable.

Thus, localization is often seen as a cost, not a clear advantage. It's easier to analyze spend when you're unsure of opportunity.

# 3 deliverables remain the key performance indicators (KPI's):

01

## Cost

Cost of translating content, platform and hosting, engineering, design, development, support, and maintenance.

02

## Speed

How quickly teams can translate materials.

03

## Quality

Processes that assure quality of localized content.

## Measuring translation ROI

Success metrics are unique to every industry, company, and product offering. What works for SaaS might not for e-commerce, health, or hospitality. In order to align with your top line business goals, strategic partnership with localization teams is vital, especially during the initial stages of planning.



# Quantify market expansion revenue goals.

Looking for a logical place to start in measuring localization ROI? Set pipeline goals and performance targets for each essential business function. Most organizations can follow a stream with the following considerations in mind:



## Product

Product performance, usage, and adoption goals.



## Marketing

Marketing-specific qualified leads.



## Sales

Sales-specific qualified leads, opportunities, and won or closed deals.



## Engineering

Software performance, reliability, and security.



## Customer Success

Onboarding, training, and product usage.

## Prioritize content

From this, you can create a content funnel to help achieve the aforementioned pipeline goals. When looking at localization objectives, prioritize content that's critical for success. If you're launching an app, ensure the usability of your software in the new language. If the goal is to train or educate your audience, focus on customer success or onboarding materials. If the objective is to persuade, emphasize marketing materials critical to localization success.

Once you've prioritized and mapped out your content respective to business function, you can quantify what you need to launch.

# Quantify localization costs.

Cost of localizing can be broken down into these buckets:



## Tools and tech stack

Estimate costs your stack needs to launch and operate in a new region with a fair degree of accuracy. Also, factor costs associated with website hosting, ongoing design, and software maintenance.



## Human resources

Even if you don't have 'boots on the ground,' you will need human resources to localize successfully. Consider the following resources:

- Legal consultants
- Regional experts
- Engineering support



## Translation costs

These can vary greatly depending on the type of content and language pair. Standard costs range from eight-25 cents per word, or you can negotiate a per-project rate.

## ROI mapping

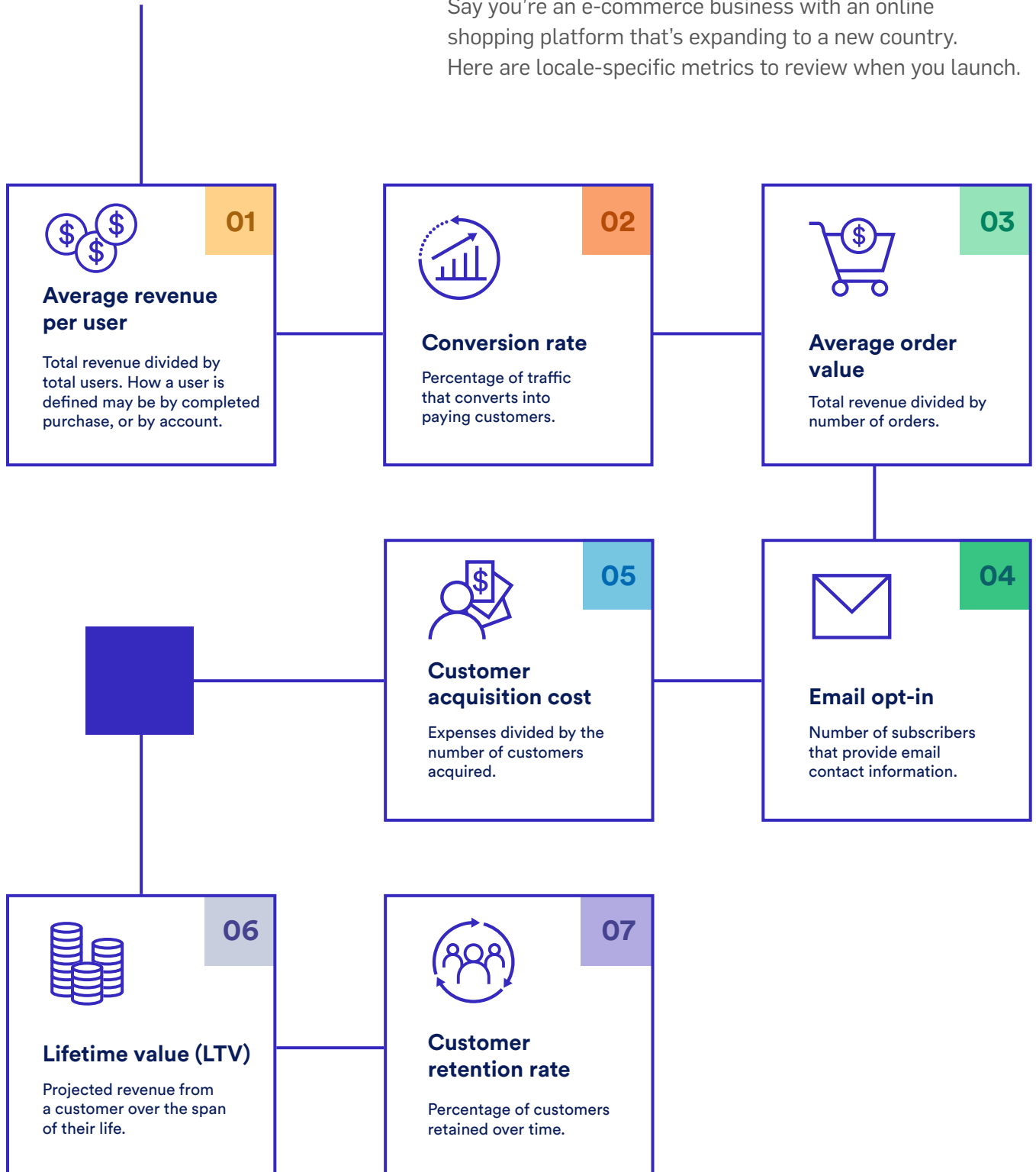
With the number of documents and word count calculated, you can now estimate the cost of translating your materials.

With revenue goals set, content prioritized, localization and translation costs estimated, create a formula to analyze ROI. You can use analytics tools to compare revenue from the same period before localizing. Immediate impact may not be crystal clear; it can be challenging to measure market volatilities in the short-term. However, as time accrues, you'll be able to identify trends and business impact with more clarity.

# 7 metrics for success.

Let's look at a few e-commerce and SaaS industry-specific metrics to track when localizing. It's important to note that these—and all metrics—can fluctuate significantly depending on the economy of the locale.

Say you're an e-commerce business with an online shopping platform that's expanding to a new country. Here are locale-specific metrics to review when you launch.

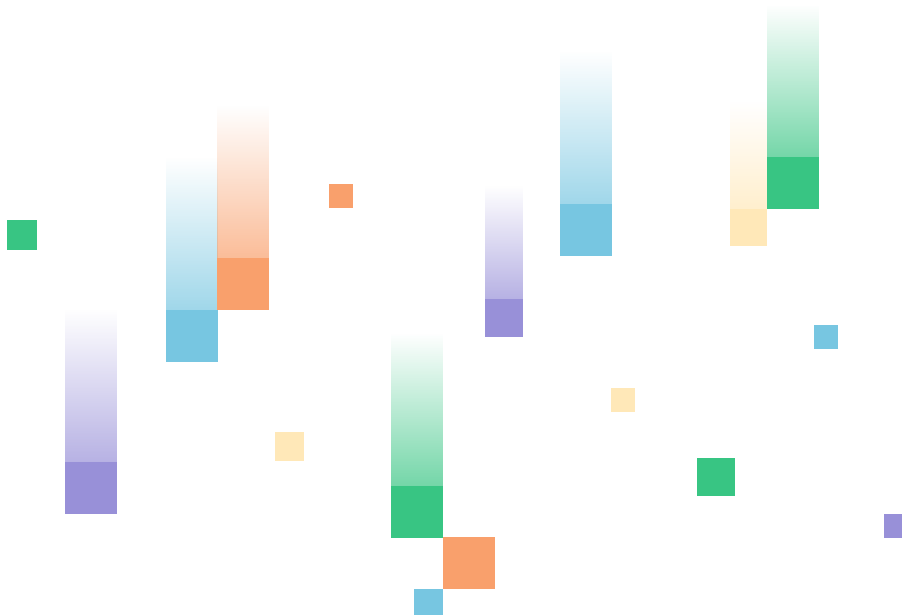


# Coordinate on data.

In terms of alignment and accuracy, it's essential that you're reviewing datasets from the same source as other business functions.

If data mining is complex at your organization, you can always start by simply analyzing user behavior data associated with localized content. Review web analytics such as:

- Site traffic
- Traffic source
- Revenue by channel - This will show you the different sources your visitors are coming from (paid ads, organic search, social media, direct). You can analyze which are most effective in converting, and optimize your localization advertising and marketing strategies accordingly.
- Conversions
- Sessions
- Bounce rate
- Source
- Behavior flow and page path





# Give time back to your teams.

Aside from examining the aforementioned values, another way to measure localization ROI is to estimate the time given back to sales and marketing teams. Many teams end up translating collateral as part of their job function. However, this is an inefficient and ineffective use of time.

You can qualitatively and quantitatively measure productivity. Qualitatively, survey teams on the number of daily hours they're getting back to focus on pipeline and lead nurture. Quantitatively, use your CRM to track sales and marketing metrics before and after localizing. These metrics include:

- Emails sent
- Calls logged
- Opportunities created
- Speed and scalability measurements

Speed-to-market can be critical for many organizations, as is the ability to scale quickly. Neural machine translation (NMT) is significantly more useful in scalability than legacy solutions. By hand, translators average roughly 300 words per hour. Through NMT, translation is three times faster, or approximately 900 words per hour. If you boil it down, a month of manual translation can be reduced to ten days with NMT augmentation.

Track revenue generated over that same period, and you can estimate the value of efficiency gains by translating content faster and going to market quicker.

# Conduct user testing studies.

Customer feedback is incredibly powerful in understanding the value of your offerings.

You can solicit feedback in a variety of ways: add surveys to your site, conduct usability studies in person or through software, and utilize web analytics to understand user behavior. This will give you a qualitative angle on your localization efforts. Some specific ways to facilitate feedback are:

- A/B testing tools
- Heat-mapping and click tracking tools such as CrazyEgg or Hotjar
- User testing surveys, cognitive walkthroughs or tests
- Net promoter score

## Factor in the immeasurable

Naturally, there are some localization objectives that are difficult to measure, such as empathy, connection, inclusion, and brand awareness. While difficult to quantify, they're important. Social media shares, comments, and mentions are one way to measure the effectiveness of a localized brand campaign.

## Champion results

Amplify localization work by sharing metrics on an ongoing basis, as well as identify areas to optimize, and opportunities to expand. This is important, as it gives localization the priority it needs and deserves within the business. A few ways you can share results are:

- Detailed retrospective at a company all-hands meeting.
- Weekly dashboard reports from analytics tools.
- Custom notifications through Slack or other communication tools that provide real-time updates of conversions and established metrics.

# Choose a strategic partner.

From engineering, product, marketing, sales, and support – there are many factors to consider when expanding to a new locale. One of the most critical aspects is to partner with a localization team dedicated to helping you succeed in measurable ways.

When choosing translation software and translators, partner with a company that provides a thorough proof of concept (POC) service during the sales process. You can measure both the quality of translations as well as efficiency gains. Through this process, you can better estimate the time-to-market and cost of localization.

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