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Managing Global Growth

through Localized E-Initiatives

by

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Localization of all content that goes before the customer must be a priority.

Localization of all communication with a potential partner or supplier can smooth the way to huge financial success.

We've heard all the translation horror stories: Coca Cola redone as **Ko-Ka-Ko-La** translates to "bite the wax tadpole" in Chinese, which did not entice the Chinese market to drink the new offering. No va in Spanish literally means "no go," so initiatives to market the Chevy Nova with that name fell way below the sales targets. Or - the sign for Americans at a Parisian hotel that reads, "Please leave your values at the front desk." Although these mistakes are funny to read, the fact is this: Mistakes made during global growth initiatives can have a long-lasting effect on a company's ability to be profitable and successful.

Globalization of any business initiative is simply not a simple task. Yet, companies spend millions each year in efforts to globalize and rightly so. The benefits of globalization can be tremendous, but only if done with localization as a primary goal. Although globalization and localization sound like competing initiatives, in business terms, they are very much complementary. According to dictionary.com, the definitions are:

Globalization: "to extend to other or all parts of the globe; make worldwide"

Localization: "to make local; fix in, or assign or restrict to, a particular place, locality, etc"

So what does this all mean for the average business user? It means to extend a business arrangement outside of one's own primary country, but doing so by understanding and changing to meet the other party's standards, cultures and languages.

WHY GO GLOBAL?

The world is huge! Just by making the decision to cross a country's border, the list of advantages starts to build. These can include:

- **Accessing New Markets**

All good marketing reps know that the higher the list of potential customers, the more actual customers can be gained. These new markets are also a good resource of customer's needs for new product development. The

more markets a company has access to, the more a company can grow and develop.

- **Increase Revenue and Sales**

More customers and a larger product list usually translate to more sales. In 1955, Ray Kroc opened the first McDonald's in Des Plaines, Illinois with the first day's revenue of \$366. In 2007, McDonald's had revenues of almost 23 billion dollars, with only 35% (7.9 billion) of that revenue generated within the United States. They've come a long way from one market in Des Plaines and did so by going overseas.

- **Lower Costs**

Globalization initiatives don't always relate to gaining new customers. Global suppliers can greatly decrease overall costs and increase efficiencies. Looking for raw materials from global sources, even when accounting for increased shipping costs, can radically alter the spreadsheet's bottom line.

E-INITIATIVES

You could always try to build a new brick and mortar company in China, Canada or Spain, but in most cases, the best way to start doing business is by using the web. It's relatively cheap, requires little new underlying infrastructure and has almost unlimited reach.

For some companies, creating new supplier websites when those suppliers are located globally is the first initiative and often done without recognizing the company is going global. These supplier websites help to increase the efficiency in the purchasing process by better managing a standard multi-language communication process.

Another global market is the B2B market. These are companies selling to other companies instead of the end-user consumer. Your company may make widgets for the customers in your city, but engaging a reseller in Italy or Spain might be a better choice than trying to find individual customers. In this case, you essentially limit your market, but you do so by limiting to those with a greater potential per choice.

An overlooked global market can exist within your own country. Per the US government's [2006 census statistics](#), in the United States, more than 34 million people speak Spanish as their main language at home. And those 34 million people don't always speak the same version of Spanish. Some Spanish-speaking US residents come from Mexico, others from Spain and still more from South America. Dialects and cultures are different among the multiple Spanish speaking countries. Creating a Spanish version of an English website is more than just changing each word for another - it means identifying and understanding your market.

CHALLENGES

Nothing comes easy! There are always challenges when attempting to reach a new market and using the web to go global is not different. None of these challenges are insurmountable, but should be well thought through. These can include:

- **Legal Issues**
New countries mean new laws. Engaging a law office or consultant firm familiar with global commerce must be a priority. They can help interpret legal regulations, determine how much federal or provincial taxes are owed and identify legal standards that must be met.
- **Updates to Current Strategies and Tactics**
Companies use strategic initiatives to grow in the long term and tactical initiatives to work on a day to day basis. When moving to a global market, these strategies and tactics will need to change and adapt. Payment processes need to be changed, customer service strategies need to be addressed, and employee goals need to be updated.
- **Managing New Sources of Competition**
Anytime a new market is entered, new competition pops up and if you're the new kid on the block, you have to quickly come up to speed. As the new entrant, you face a stable competition base trying to eradicate your existence before you can take hold, so making plans on how to handle competition or create your niche market is imperative.
- **Financial Markets**
The latest information in terms of the currency exchange market is required for any good exchange of money for a product. A company that has never dealt with foreign markets, exchange rates and time differentials must quickly figure out how to get the information they need and how to use the information they get.
- **Alienation of Potential Customers**
In the mistranslation example above, Coca-Cola and Chevrolet both overcame alienation of customers in a new global market, but sometimes companies don't. Using localization tactics would have greatly helped of these both companies prior to mistakes being made and customers being alienated.

BENEFITS OF LOCALIZED E-INITIATIVES

Some of the challenges that face a company in the midst of global efforts can be mitigated through localization tactics. Localizing means that a company takes time to understand the target market's culture, customs and languages. This means that localized services go way beyond simply translating one word for another. It means to appropriately target your electronic content to the customer's needs, language, culture and currency.

Benefits to making localization efforts a primary goal include making the prospective customers feel you understand them and their needs. All customers who feel important to a company are more likely to spend their money with that company. Changing your language and materials to reach the customer on their level can communicate this importance at the same time as providing service and information that is more useful.

Creating web content that is localized to your market can help increase the search engine relevance of your site appropriately. The last thing you would want is to be displayed in the search results for "pedicures" when you sell "widgets." When your newly targeted customers search for a product or service they need, your results can come up higher in the list when it's appropriate.

It's been said that "no man is an island." In the same vein, no company exists without partnerships. When these partnerships and resources are created closer to the new global market, synergies and efficiencies can be created. Complementary partnerships can lead to bundled products or services. Efficiencies can be created by using local raw material resources or the local logistics infrastructure. But - these don't usually happen without placing a focus on proper translation and interpretive services.

IN CONCLUSION

Globalization can be extremely profitable, but it is a rocky path to walk. Companies that take time to plan and engage in localization activities will be much more successful than others will who don't plan or localize. Because when it comes down to it, localization simply means putting your customer's needs at the forefront of their initiative.

ABOUT THE AUTHOR

Isabel Fernandez is the President of Site Translations (www.site-translations.com), which specializes in assisting companies working on global initiatives. The company's goal is to produce translations which are culturally authentic and appropriately localized. Before entering the translations industry, Ms. Fernandez was a Director of Marketing for over 13 years for several international corporations, and became very familiar with localization issues that companies face when entering new markets.