Localization Matters for Global Procurement

B2B Preferences for Localized Websites and Products

By Donald A. DePalma, Benjamin B. Sargent, and Robert G. Stewart

May 2014
Localization Matters for Global Procurement

Table of Contents
Localization Matters ................................................................................................................. 1
Many Claim English Competence, but Most Prefer Their Own Language .................... 1
Research and Methodology for This Study ............................................................................ 2
Summary of Findings from Our 10-Nation Survey ................................................................. 3
Demographics .......................................................................................................................... 6
400 Business Buyers in 10 Countries Surveyed in Their Own Languages ................. 6
Ten Countries Represent the Developed and Developing World ...................................... 7
Our Respondents Exercise Significant Purchasing Power .................................................. 8
Comprehension ....................................................................................................................... 12
Most Respondents Claim a Good Understanding of English ............................................. 12
Colleagues and IT Staff Can Deal with English ................................................................. 13
Local Languages Dominate the Global Business Landscape ............................................. 15
Motivators .............................................................................................................................. 19
The Internet Plays a Big Role in Purchase Decision-Making ............................................. 19
Companies around the World Buy at English-Language Sites ........................................ 22
Product Availability and Quality Drive Purchases .............................................................. 24
Buyers Leave Sites Due to Positive and Negative Outcomes ............................................. 26
The Final Price Causes Some to Abandon Shopping Carts ................................................ 29
Behaviors ............................................................................................................................... 32
Many Technology Products Began Life Speaking English ................................................. 32
Respondents Frequently Purchase Unlocalized Products ................................................... 32
Preferences ............................................................................................................................ 39
Pre-Sales Localization Increases the Chance of a Sale ......................................................... 39
Buyers Strongly Favor Localized Products ......................................................................... 43
Demand for Localization Continues after the Sale ............................................................. 47
The X Factor – Brand Complicates Language Requirements ............................................. 48
But Language Is More Important than Price ...................................................................... 51
Alternatives ........................................................................................................................... 54
Bad Localization Works, but Barely So, for Many Respondents ......................................... 54
If Nothing Else Is Localized, Translated Product Reviews Help Buyers .......................... 56
Recommendations ............................................................................................................... 59
Why People Act Against Stated Preferences ..................................................................... 59
English Is the Language of Global Business – Or Is It? .................................................... 60
Related Research ................................................................................................................. 61
❖ About Common Sense Advisory ....................................................................................... 62
❖ Future Research .............................................................................................................. 62
❖ Applied Research and Advisory Services ....................................................................... 62

Figures
Figure 1: Demographics of Surveyed Countries plus U.S. for Comparison .................... 6
Figure 2: Scope of Business Buyers’ Purchasing Authority ................................................ 9
Figure 3: Role in Software and High-Tech Purchasing ....................................................... 10
Figure 4: Companies Range from 250 to More than 25,000 Employees ......................... 10
Figure 5: English-Language Proficiency of Respondents ............................................... 12
Figure 6: France and Germany Lead the Pack in English Proficiency ............................ 13
Localization Matters

“English is the language of global business.” That’s what we read in academic journals and news reports, and hear anecdotally in briefings with some buyers and suppliers. But does that mean people no longer require products localized to their needs or translated into their languages? Will an English-language version of every product satisfy people around the world? Or do businesses still conduct work in their own languages?

To determine whether localization matters to corporate buyers, Common Sense Advisory surveyed businesspeople with purchasing authority for a range of software and high-tech products. We polled 400 companies in 10 non-English-speaking countries about their online buying behaviors and their attitude toward localized websites and products.

This report contains seven sections: 1) a description of the survey demographics; 2) a discussion of the state of English usage at participants’ companies; 3) a review of what motivates them to buy at English-language sites; 4) an overview of buying behaviors; 5) an analysis of localization preferences; 6) alternatives to full localization; and 7) recommendations.

**Take note:** This is not just a question of localizing English-language websites and products for non-Anglophone markets. The same concerns that business buyers have about making decisions in a language that they don’t understand or do not feel comfortable with apply equally to any other language that they don’t read. It doesn’t matter which language is used if people can’t read it – they won’t stay for very long on a website and they’re unlikely to buy what they don’t understand. For a consumer-oriented B2C discussion of these topics, see “Can’t Read, Won’t Buy” (Feb14).

**Many Claim English Competence, but Most Prefer Their Own Language**

We found a high level of English reading proficiency among our survey respondents. Survey-takers also assessed their colleagues’ ability to read the language. For the most part, they affirmed that people in their companies were able to use English-language products. We confirmed that the respondents frequently buy such products for their organizations.
Related Research

Common Sense Advisory has been writing about the contribution of translation and localization to the bottom line since 2002. We recommend the following research on related topics:

- "Assessing the World’s Most Prominent Websites" (Dec13) – This report presents the results of data collection from the 2,787 most prominent websites in 2013. Each chapter indicates how corporate translation buyers and LSPs can use these metrics for benchmarking and business case development.

- “The 116 Most Economically Active Languages Online” (Oct13) – This brief lists annual benchmark data on the size and economic opportunity available to marketers and other communicators in 116 online languages. It includes four sets of numbers for each: Total Online Population (TOP), Share of TOP, World Online Wallet (WOW), and Share of WOW.

- “Adding Languages to Websites – It Gets Easier” (Jan14) – This brief shows a correlation between how many languages companies already support on their websites and the number they might add in a given year.

- “Can’t Read, Won’t Buy” (Feb14) – This report describes the results of a 10-nation survey of more than 3,000 consumers who answered questions about their behavior and preferences for website visits and purchases, in English and in their own language, across a wide range of product types.

- “Localization Matters” (Nov08) – This oft-cited research is the predecessor to the current report, based on a similar survey. We surveyed 351 purchasing managers in eight countries to determine the importance of language across discrete points in the business buyer life cycle.
About Common Sense Advisory

Common Sense Advisory, Inc. is an independent research firm committed to objective research and analysis of the business practices, services, and technology for translation, localization, and interpreting. With its research for both Global Leaders and Industry Providers, Common Sense Advisory endeavors to improve the quality and practice of international business, and the efficiency of the online and offline operations that support it. To find out more about our research and how to become a member:

- E-mail us info@commonsenseadvisory.com.
- Call +1.978.275.0500.

Future Research

Common Sense Advisory seeks interviewees from the community of people involved in building business applications for international use. If you would like to be interviewed or have clients who would like to share their experiences, please e-mail us at info@commonsenseadvisory.com. We anonymize participants and hold all information in the strictest confidence.

Applied Research and Advisory Services

This report and other Common Sense Advisory research into the best practices of business globalization serve as the foundation for our Applied Research and Advisory Services including International Customer Experience Assessments, Vendor Selection, Localization Business Process Audits, Globalization Excellence and Optimization Assessments, and Globalization Roadmaps. E-mail us at info@commonsenseadvisory.com for more information.