

# LOCALIZE AND TRULY GO GLOBAL

by Raymond Cho

*Office of Information Technology, Trade Development*

Almost every business in the United States has heard the term “globalization” and the advantages of reaching out to world markets. Many are indeed doing so.

However, effectively selling a product overseas requires more than just finding a local distributor or creating a Spanish-language “About Us” link on a Web site. What is less frequently understood is the importance of truly “localizing,” or adapting, content or a product to meet the linguistic, cultural, and other requirements of a target market. This is a process that differs from “internationalization,” which is generalizing a product so that it can handle multiple languages and cultural conventions without the need for redesign. Localization involves tailoring a product to a specific market, in a process that goes beyond mere translation. For instance, notational conventions and other standards must be addressed. It also means understanding and accommodating cultural nuance, such as differences in color association, symbols, and payment preferences. Businesses that incorporate a localization component early on in their global strategy will be positioned far

more competitively than businesses that do not.

Localization of a product involves translation, but it takes that a step further to address cultural or other issues specific to a locale. Measurement units, such as kilometers or miles, are an obvious area requiring adjustment. Other areas are often less apparent. For instance, different regions of the world use different notational conventions for writing time, date, numbers, currency, etc. The date is written in the sequence YY/MM/DD in Japan but is written MM/DD/YY in the United States; a failure to adapt to this convention (e.g., 02/03/04 in Japan and the U.S. mean two completely different things) could lead to confusion and perhaps even cause serious problems. A failure to add or change a currency unit (e.g., ¥100 versus \$100) could have similar repercussions.

Knowledge of a country’s social and cultural idiosyncrasies is also critical. Certain jokes, symbols, or colors that are completely acceptable in the United States may cause offense in a foreign market, or vice versa. For example, when an American company tried to sell its toothpaste in certain Southeast Asian markets by emphasizing that it “whitens your teeth,” it discovered that many local residents chew

betel nuts to blacken their teeth, which they find attractive. Another company marketed its cologne for men with an advertisement featuring a man and his dog. When it was marketed in Islamic North Africa, it was revealed that a dog is considered unclean and a sign of bad luck.

Localization may be particularly important for companies that have a significant on-line presence, engage in business-to-business (B2B) or business-to-consumer (B2C) transactions, or sell software and other information technology (IT) products overseas. By 2005, it is estimated that only a third of all Internet users worldwide will be English speakers. Despite this, over 96 percent of all e-commerce Web sites are currently available only in English. According to Forrester Research, businesses that present their Web sites solely in English are losing up to \$10 million in potential sales per year. In addition, statistics indicate that a customer is twice as likely to stay at a Web site, and four times as likely to purchase goods or services, if the site is in his or her native language.

On-line, as in the “real world,” there are cultural and social issues to consider. For instance, in many places around the world there is still a reluctance to use credit cards for on-line transactions.

Alternative payment mechanisms, specific to that market, must be found and made available. People are also understandably more comfortable dealing with amounts in their local currencies as opposed to U.S. dollars. Aside from on-line transactions, icons, clip art, graphics, and other symbols must also be reviewed for culture-specific acceptability. A clip art image of an American stop sign or a two-fingered "V is for victory" hand may resonate differently with someone in Moscow, Russia than a person in Moscow, Idaho. Even the color scheme of a Web site or product must be examined, since colors have different cultural associations in different countries. Given the nature of the competitive global marketplace, a localized Web site that successfully addresses such language and cultural issues (as opposed to potentially causing offense) will clearly attract and retain more customers than one that does not.

Supporting local languages and content may require redesign and reengineering of a Web site or product beyond simple alterations to date, time, or currency format. For example, letters that can be represented by a single byte (the common unit of computer storage) in a modern Roman alphabet often require two bytes in Chinese, Japanese, Arabic, and other languages that use a non-Western writing system. These alphabets are known as double byte character sets, or DBCSs. Another technical issue is whether a Web site is able to support a bi-directional language, such as Arabic or Hebrew, where the words may be read from left to right, or even up to down. Adapting a Web site (or other product) to these writing systems will frequently require changes to the code or product design.

Globalization and the growing complexities of localization, in both technical and non-technical spheres, have driven the growth of the localization industry. Estimates of the size of

the industry range from \$11 to \$30 billion, with strong returns on investment for localizing companies. The 20 largest IT companies annually leverage total localization expenditures of around \$1.5 billion to generate sales in excess of \$50 billion. There is a diverse array of service providers that can be classified as comprising the localization industry, including translation or language tool vendors, software engineers, and consultants. The Localization Standards Industry Association (LISA; acronym is based on the French spelling) is the major industry trade group that represents these companies. Founded in 1990 and based in Switzerland, LISA provides professional support for the development of enterprise globalization guidelines, best practices, and business standards.

Localization is still too often seen as an afterthought, so each time businesses move into a new market they have to frequently start the process over from scratch. This slows the entire process down, creates duplication of effort, and is a waste of resources. It is critical that companies include localization as part of their globalization strategy from the beginning. Taking a long-term perspective on localization could save businesses money in repeated effort and duplicated workload. A good place to begin examining localization options is by taking advantage of LISA's resources, including a handy primer on localization. This can be obtained on the Web at [www.lisa.org](http://www.lisa.org) or by calling LISA at +41-21-821-3210. ■

#### OTHER RESOURCES:

International Organization for Standardization  
[www.iso.org](http://www.iso.org)

The Unicode Consortium  
[www.unicode.org](http://www.unicode.org)

## BEYOND LOCALIZATION: GLOBAL MARKETING

Globalization and localization should function together as companies develop globally while carefully tailoring products and services to specific markets. However, globalization significantly affects international marketing, and it is important to consider why. Generally, globalization reflects great macroeconomic forces that are transforming world business, such as rapid technological advances, the spread of free market economics, regional integration, and borderless business (exemplified by worldwide outsourcing and global competition).

Marketing has also changed with globalization. International marketing is now called integrated global marketing. Integrated global marketing combines standardization and customization internationally. This is why McDonald's, for example, operates restaurants in Tokyo that look very much like its restaurants in New York, except that in Japan the company has added Japanese salads and sushi to its standard menu of burgers, sandwiches, fries, and shakes.