FINDING #04

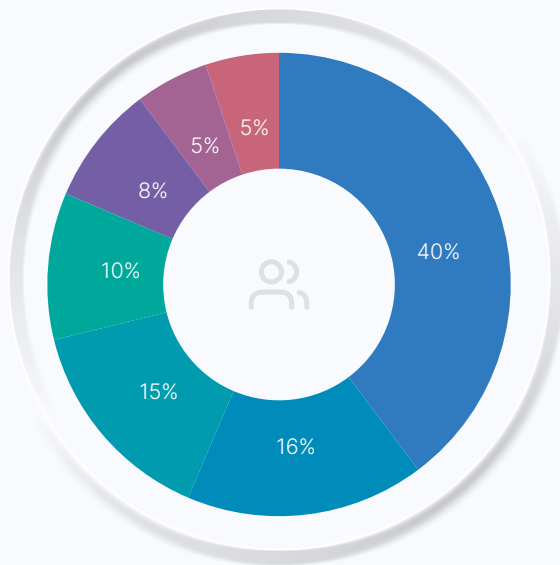# Businesses are localizing in the dark

Respondents & Methodology

This survey of localization professionals ran from 21st March through to 8th April. It was filled out by 157 respondents.

The figures in this survey have been rounded up to the nearest percentage point, and may not always add up to 100%.


Our respondents: Team Identities

- Localization (40%)
- Quality assurance (16%)
- Product & design (15%)
- Engineering (10%)
- Marketing or sales (8%)
- Internationalization (5%)
- Something else (5%)

Our respondents: Industry Breakdown

- Computer software & IT (42%)
- Heavy Industry inc. Manufacturing & Construction (13%)
- Financial Services (9%)
- Health, Including Pharmaceuticals (8%)
- Media, Advertising, publishing (6%)
- Education (5%)
- Hospitality (5%)
- Translation & localization services (3%)
- Gaming & Gambling (3%)
- Retail & FMCG (3%)
- Real estate (3%)
- Other (2%)
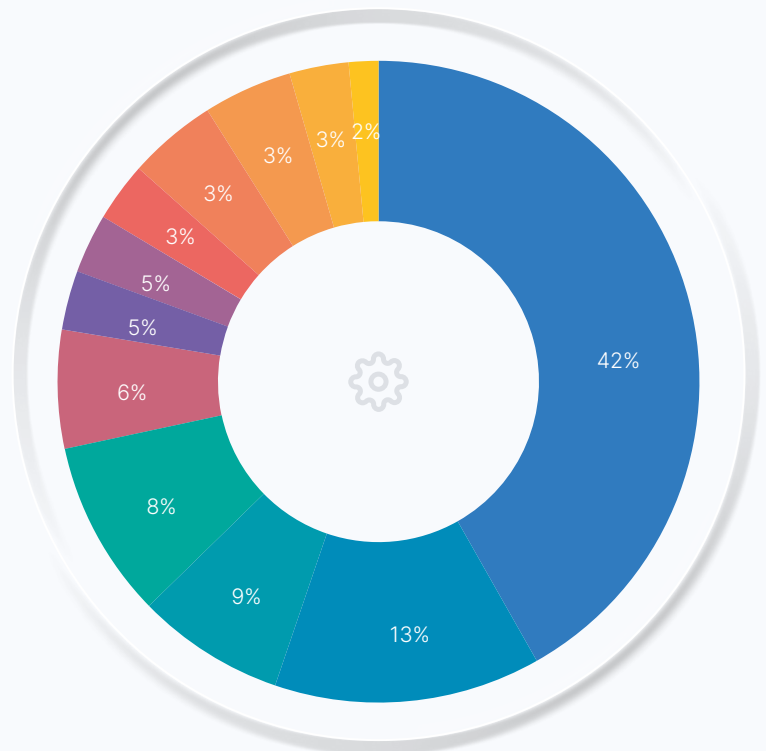
Headline Findings

Activites & Budget

Localization Data

Localization Challenges

Finding #01 🔍

Translation is king, but not by much

UI changes (51%) were almost as common a L10N activity as translations (61%), which was lower than expected.

Finding #04 🔍

Many teams localize in the dark

The largest cohort (40%) of respondents said they did not know what impacted their local NPS and revenue, even when targeted on NPS.

Finding #07 🔍

Cross-functional L10N is tough

69% of respondents identified cross-functional working in their top #3 internal challenges, making it the most popular pain point.

Finding #02 🔍

Budgets are stagnant as expectations rise

57% of respondents increased their focus on L10N last year; but budgets were most likely to remain flat (46%).

Finding #05 🔍

Data is hardest when it's needed quickly

54% agreed "getting timely local feedback" was more important than "isolating drivers of poor performance" as a challenge.

Finding #08 🔍

Speed affects quality across the board

58% of participants agreed that speed affects quality, compared to just 23% who disagreed.

Finding #03 🔍

Measure your impact to grow your budget

Only 14% of teams who didn't measure their impact managed to grow their budgets. Teams measuring app downloads are more likely to see their budget increase.

Finding #06 🔍

Data may be the key to localization maturity

79% of teams who "strongly agree" that they have data for decision making also identify as high- or medium-to-high maturity.

Finding #09 🔍

UX matching context is the hardest problem

69% of respondents identified it in their top #3 internal challenges, making it the most popular challenge.
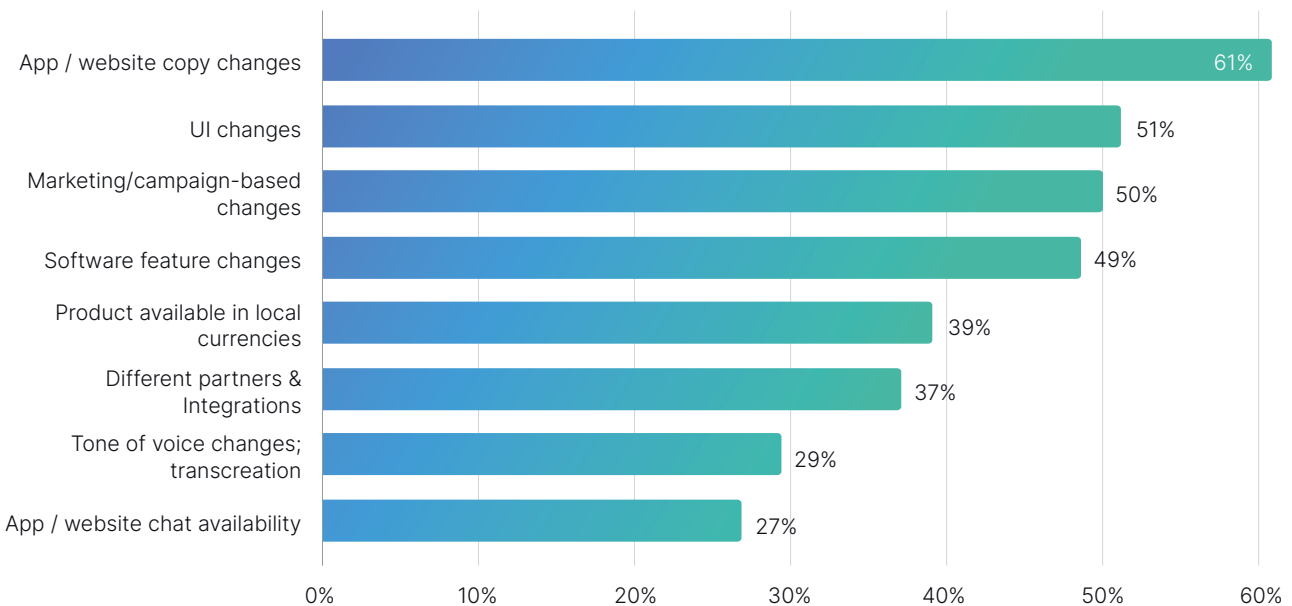
Activites & Budget

Finding #01 🔍

Translation is king, but not by much.

App and website copy translations are the most commonly undertaken form of localization, at 61%. This is low; considering that all respondents undertook some localization. Other activities are nearly as common. Over half (51%) of respondents have localized their UI, suggesting a change to the look, feel, or workflow of a software itself.

The 39% who do not translate their site or app localize less in every category; but were most likely to report regional feature changes as B2B teams.

Typical localization activities
Which localization activities do you undertake in a typical market?

Activity	Percentage
App / website copy changes	61%
UI changes	51%
Marketing/campaign-based changes	50%
Software feature changes	49%
Product available in local currencies	39%
Different partners & Integrations	37%
Tone of voice changes; transcreation	29%
App / website chat availability	27%

Finding #02 🔍

## Budgets are stagnant as expectations rise

In the context of technology industry layoffs and stagnation, localization teams are seeing an increased business focus (57%) year on year, but are not being given increased budget to match.

In fact, 58% of respondents cited stagnating (46%) or shrinking (12%) budgets. Already high maturity teams were most likely to see an increase in budgets: 22% of high maturity teams saw a "significant" budget increase, and a further 29% saw a "moderate" budget increase.

Could more focus be to do with increased use of artificial intelligence? In a recent Global App Testing webinar, the Head of Localization at Stripe commented that he felt that LLMs and the superior quality of modern-day automated translations are giving localization managers the opportunity to "exceed high expectations for the first time".

Focus and budgets in localization teams
Is there more or less focus and budget this year relative to last year?
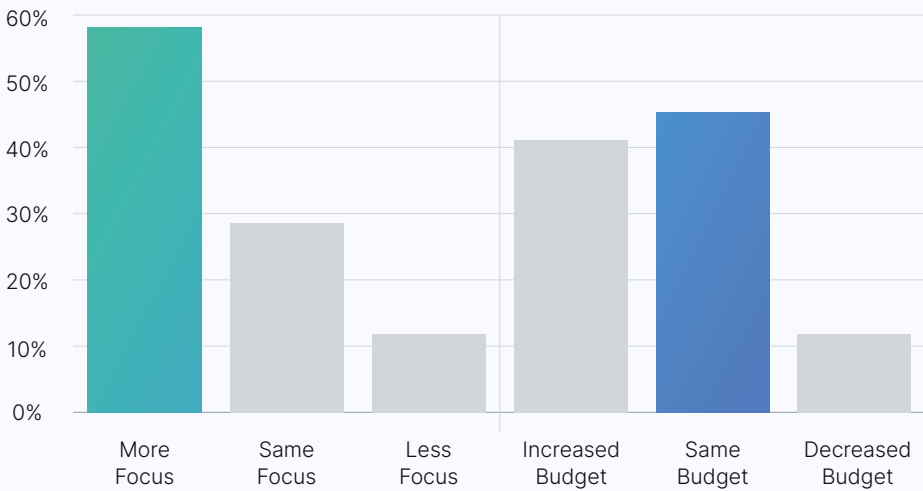
57% Increase Focus

46% Stagnant Budget

Finding #03 🔍

Measure your impact to grow your budget

If you don't want your budget to stagnate, you should measure what impact you're having. Teams which did not measure their impact were nearly twice as likely (85%) to see their budget stagnate or fall than those who measured by app downloads.

Teams generally did measure their impact, and the most popular metrics related to new business.

Budget changes vs metrics used
How teams measuring their impact fare better in budget changes

Highest

Lowest
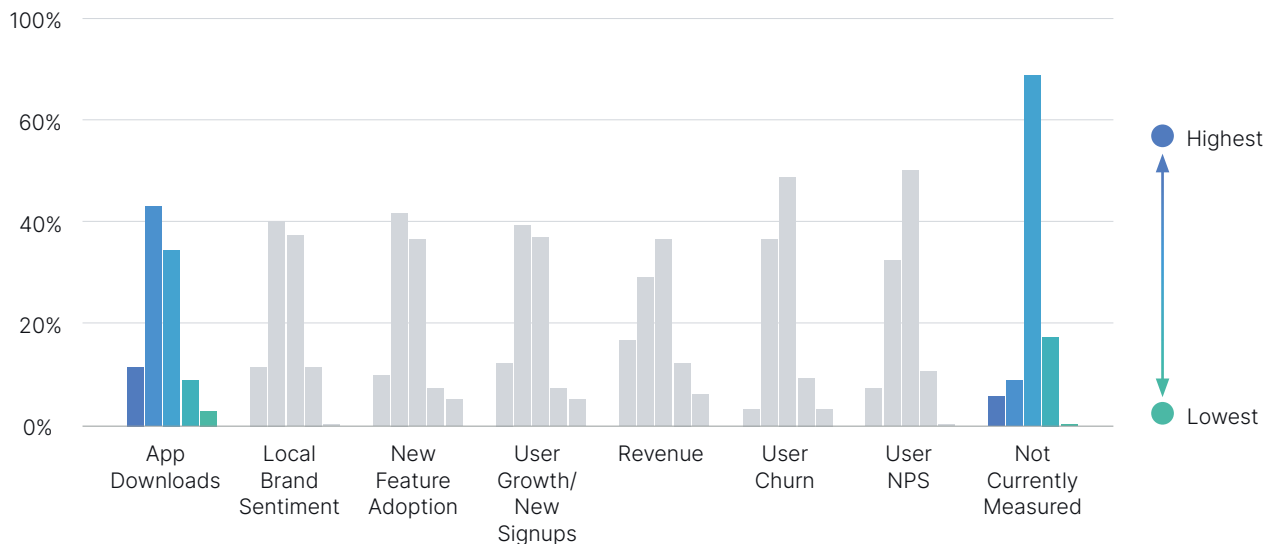
Localization Data

Finding #04 🔍

Many teams localize in the dark

Nearly 40% of surveyed teams say they don't know what affects local NPS or revenue, and just 29% do. This effect continued to hold for teams which said they measured success in terms of revenue, although teams which measured by NPS did know what affected it.

Despite this, most teams generally felt that they had enough data to make decisions. This was the paradox at the heart of the localization data issue.

Teams contradict themselves over data and performance

Teams believe they have enough data to act, even as they admit they don't know what affects key metrics
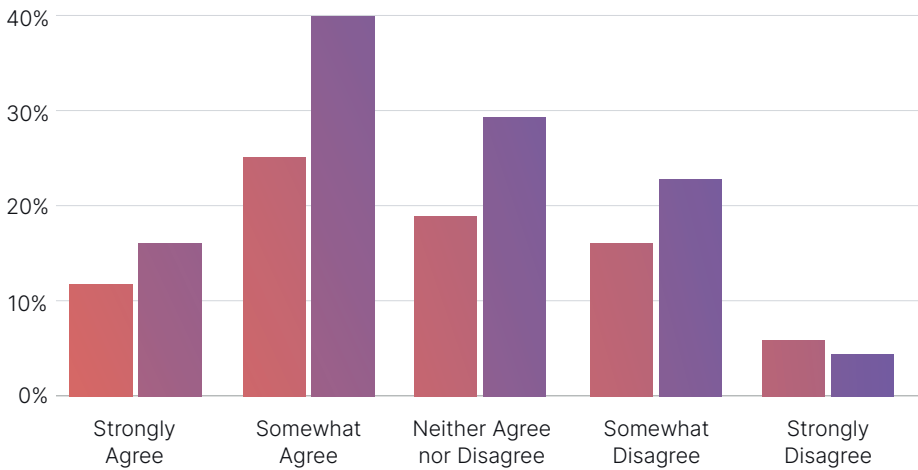
- 🔴 We don't know what impacts NPS & revenue
- 🟣 We have enough data to make decisions

40% Agree

They don't know what impacts local metrics

57% Agree

We have enough data to go with

Teams measured by revenue agreed that they don't know what impacts revenue

We asked participants if they agreed or disagreed with "We don't know what impacts local NPS/revenue"

- 🔴 Strongly Agree
- 🟣 Strongly Disagree

Respondents who measure impact by **Revenue**

Respondents who measure impact by **NPS**

All other respondents who **Measure Impact**

Respondents who **Do Not Measure Impact**

Data is hardest when it's needed quickly

Isolating drivers of poor performance was one of the least-selected external challenges among our respondents, with just 31% identifying it in their top #3 challenges.

Getting timely market feedback was considered a much more prevalent challenge for teams, at 53.8%. Speed of delivery also proves to be difficult, scoring a slightly higher 54.5%.

By "isolating drivers of poor performance", we mean either an issue, error, or bug that can make a piece of software hard to use; or we mean something else in the world of product which might be negatively impacting performance. How well does a product match its local user context, for example.

Localization data & delivery speed vs other challenges
How adding "speed" makes data challenges more keenly felt
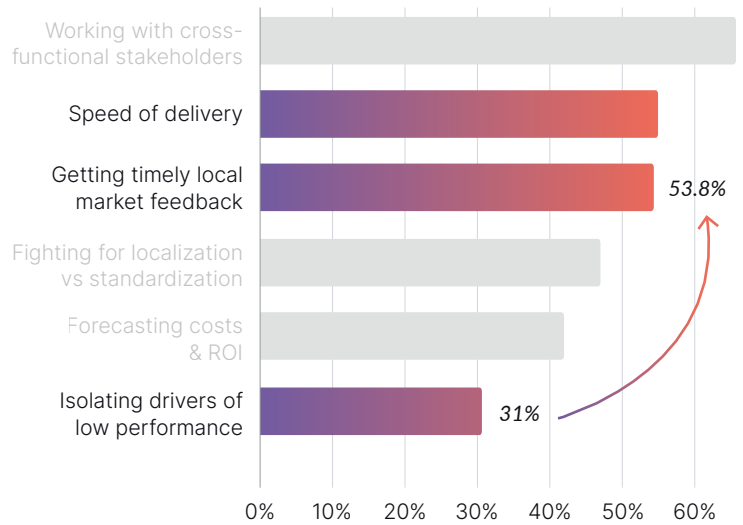
Data may be the key to localization maturity

One significant difference between high- and low-maturity localization teams was that high-maturity teams were much more likely to say they knew enough about local users to make decisions.

Of respondents who agreed that "we have enough clarity on local users to make decisions" well over 60% were high or medium-to-high maturity. A gentler correlation was in place for those saying they understood what affected local markets.

What "mature" meant was left up to respondents. But to us, a mature localization team has either reached an extremely sophisticated pace of delivery, implying continuous and portable localization; or a localization team is strategic and takes an active role in the company's globalization strategy.

Teams who agreed they had enough data were more mature
We asked if teams had enough data on local users to make decisions
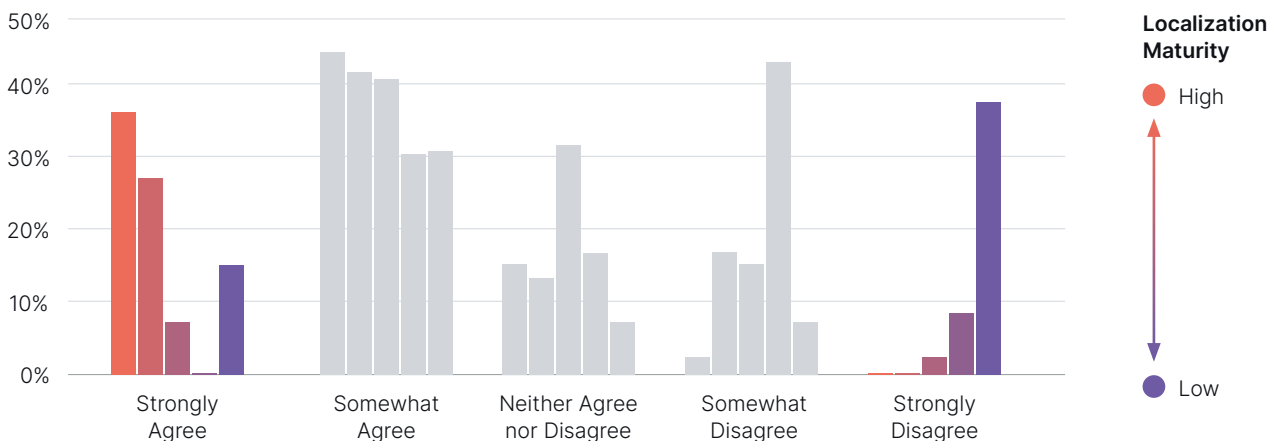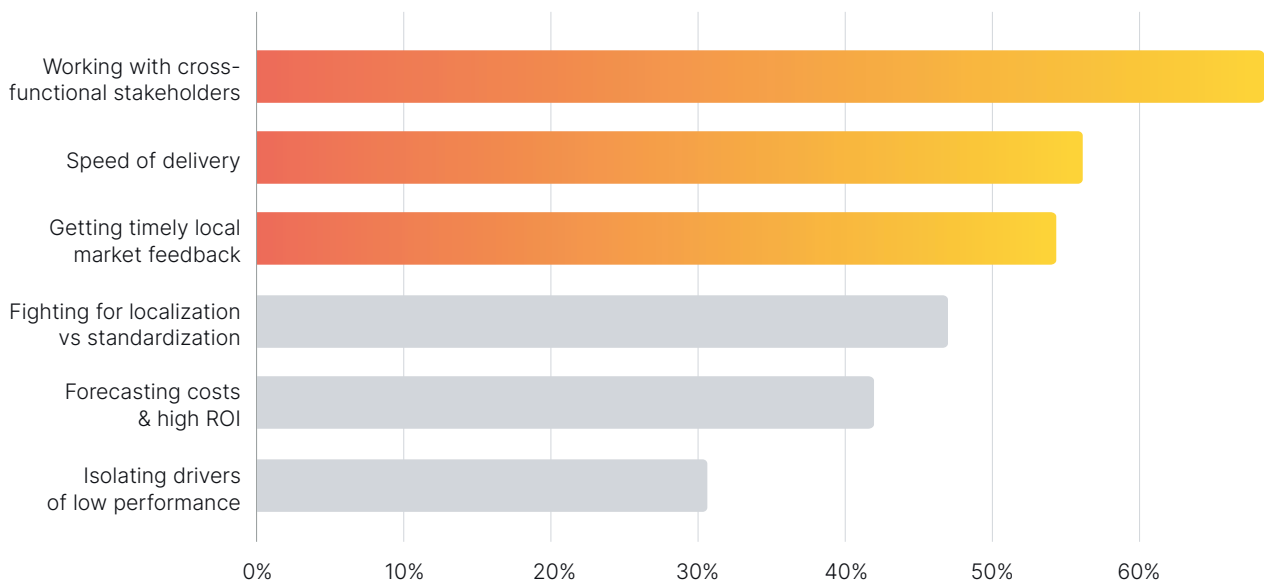
Localization Challenges

Finding #07 🔍

Cross-functional working is tough

Cross-functional work was the biggest internal pain point reported by some way, at 69%.

It was more frequently selected as a pain point for low maturity localization teams (77%) and quality assurance teams (75%). However, it was a pain point that scored highly across respondents and still the #02 choice for high maturity teams (59%)

Top three internal localization challenges for teams
Cross-functional working takes the lead by a long way

Challenge	
Working with cross-functional stakeholders	
Speed of delivery	
Getting timely local market feedback	
Fighting for localization vs standardization	
Forecasting costs & high ROI	
Isolating drivers of low performance	

0% 10% 20% 30% 40% 50% 60%

Localization

1. Cross-functional working
2. Speed of delivery
3. Timely local feedback

Product & Design

1. Cross-functional working
2. Speed of delivery
3. Timely local feedback

Engineering

1. Cross-functional working
2. Timely local feedback
3. Speed of delivery

Quality Assurance

1. Cross-functional working
2. Timely local feedback
3. L10N vs standardization

Marketing & Sales

1. Timely local feedback
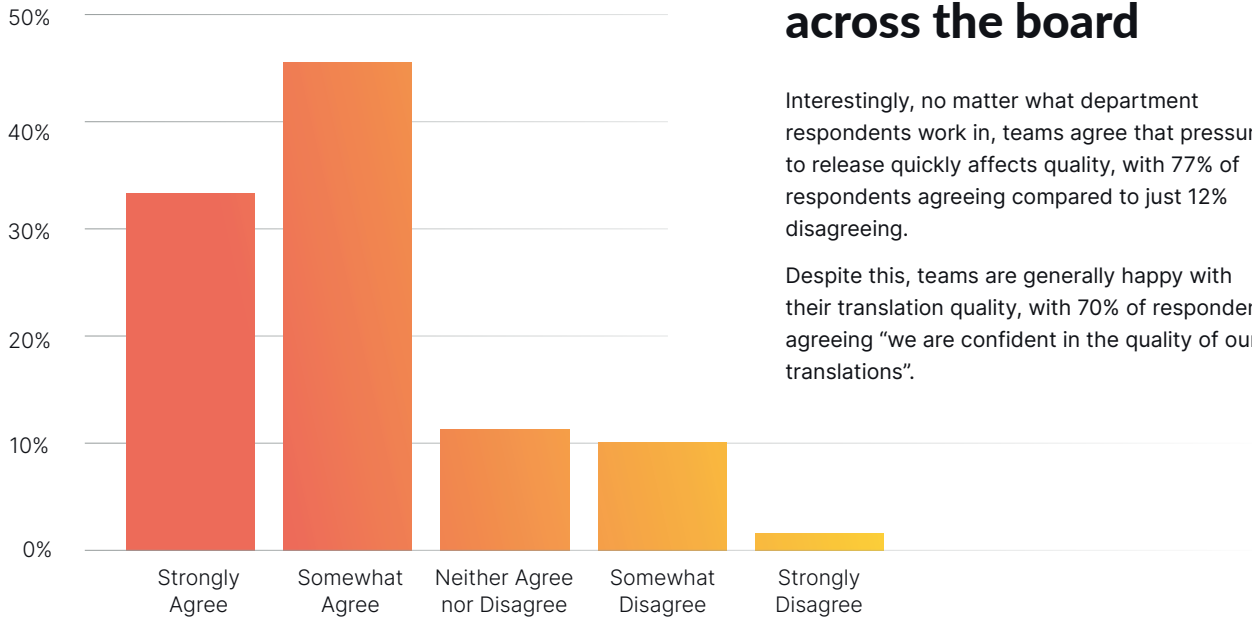2. Forecasting cost / ROI
3. Cross-functional working

Internationalization

1. Speed of delivery
2. Cross-functional working
3. Timely local feedback

Quality suffers due to pressure to release quickly
We asked participants if they agreed or disagreed with this staten

Speed affects quality across the board

Interestingly, no matter what department respondents work in, teams agree that pressure to release quickly affects quality, with 77% of respondents agreeing compared to just 12% disagreeing.

Despite this, teams are generally happy with their translation quality, with 70% of respondents agreeing "we are confident in the quality of our translations".

UX matching context is the hardest problem

69% of respondents selected "user experience matching local context", as an external localization challenge, resulting in this being the #01 ranked challenge for teams in 2023.

The quality of translations (both human and machine) also ranked highly, at positions #02 and #03 respectively, suggesting that quality issues are generally concentrated in the consistency, naturalness, and tone, of translations.

Top three external localisation challenges for teams
UX matching local context is of concern
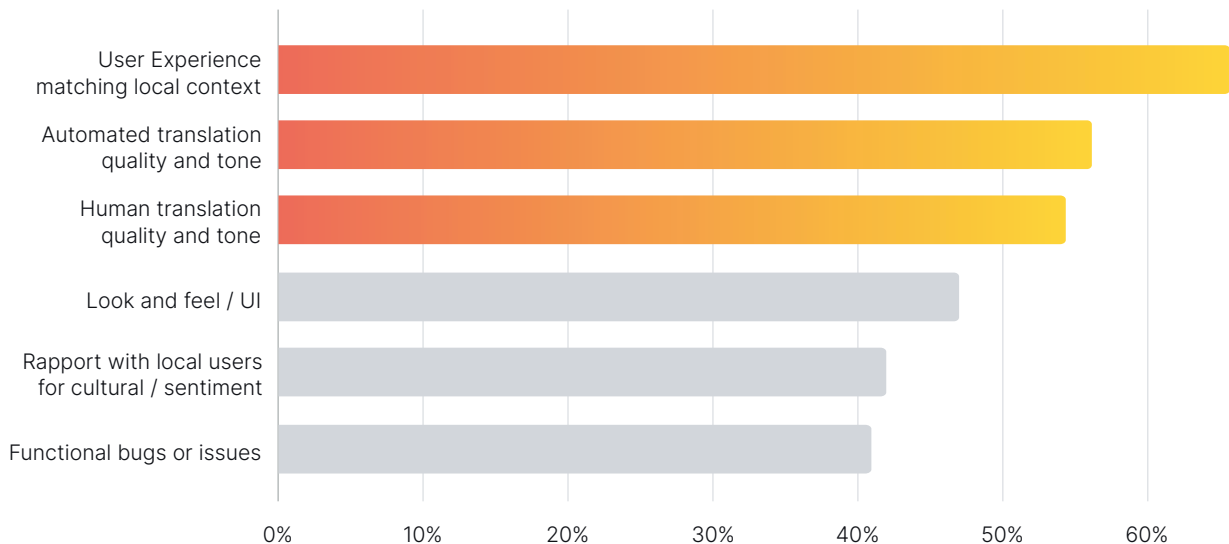
Expert comments on the findings, from our partner, Lokalise

lokalise

Good tooling can help you collaborate better

The significance of effective cross-team collaboration in localization cannot be overstated. The intricacies of localization demand complex cooperation among diverse stakeholders. It is understandable that teams tend to prioritize their own objectives.

Tools can help facilitate seamless involvement of all relevant personnel in the localization workflow. They should effectively reduce barriers which impede collaboration, such as excessive costs or steep learning curves. They should provide an intuitive platform for previewing and reviewing localized content in its intended context.

In addressing these challenges, we can create an environment that promotes smooth cross-functional collaboration, fostering a shared sense of purpose and facilitating the achievement of localization goals.

Speed still affects quality... but for much longer?

A trade-off between speed and quality remains a challenge, as we'd expect: the pursuit of speed has often come at the expense of quality. However, this trade-off is no longer a given. Large Language Models (LLMs) present an opportunity to revolutionize the localization process across all its stages.

LLMs will accelerate translation speed. They can generate translations with efficiency, enabling localization teams to meet demanding timelines without compromising on quality. Furthermore, LLMs can contribute to language quality assessment, providing insight into translated copy which requires fine-tuning. Use of artificial intelligence (AI) into L10N goes beyond translation. Algorithms can be used for glossary adherence, accuracy checks, minimizing errors; to ensure content aligns with the linguistic and cultural nuances of a target audience. By leveraging LLMs and AI-driven tools, organizations can streamline their processes and deliver high-quality localized content at an accelerated pace.

Alex Pereverzevs
Product Lead
www.lokalise.com

Aleksandrs Pereverzevs (Alex) started his journey with Lokalise in 2019 and played a large role in building their customer success team before transitioning to product. The career move aligns perfectly with his love for tech and proficiency in four languages.

Alex is driven by seeing clients get the maximum value from Lokalise and is passionate about what AI can do for the industry.

Expert comments on the findings, from Global App Testing

Why do teams localize in the dark?

With such interesting findings, we started thinking about why some localization teams were radically more effective than others a couple of years ago.

When we asked people about it, I was struck by how common internal perception was in terms of predicting the success of outcome among L10N teams.

It was something we've heard localization managers complain about. It can be easy to become an "in-house translation agency" said one loc leader I spoke to. Another said that he wanted to "advocate for deeper localization... but engineers perceive us as a kind of necessary evil. I want to make the argument that there's an ROI on deeper localization."

It can be so easy to get hung up on delivering localization quickly and efficiently. But to change internal perception, you have to think very carefully about another question.

What's your department for? And if the answer to that is a metric, "global growth" / "revenue" / or something else, the first question you have to ask is how you can head towards that outcome in the most efficient line.

The way that we've started working with our favourite clients is not just focused on QA release cycles. It's focused on growth opportunities in countries around the world. That's an approach to localization QA where a loc manager is tasked with improving growth or revenue or NPS in a specific country, and we connect them with our community of over 90,000 crowd testers. That way, they can get started investigating the real facts about their product experiences around the world and begin to identify localization opportunities which are not just very fast, but very effective.

We're proud to have built a suite of products to help businesses understand what's affecting their local growth. As products become more closely and more naturally matched to more international users, I don't think you can localize in the dark – you have to turn on the lights.

Ronald Cummings-John
CEO
www.globalapptesting.com

Ronald Cummings-John co-founded Global App Testing (GAT) in 2013 with one vision: to revolutionize software testing.

Since then, he has co-authored the definitive book in testing (and Amazon best-seller), '*Leading Quality*', launched Testathons (a highly regarded 'Hackathon' style event for the testers around the world), and has established GAT as a market-leader, helping brands like Meta, Google, Microsoft, TripAdvisor, Canva and others achieve global growth.

Global App Testing

Scan to find out more

Are you a localization leader?

Global App Testing works with localization, QA, product and engineering teams from some of the world's leading brands.

We have developed a *Global Growth Toolkit* that is proven to help our clients continue to grow and scale their products around the world.

The Global Growth Toolbox

We can help you grow in markets all over the world. Here's how.

Fast, Thorough, Localized Tests

Your full suite of functional tests taken to 190 countries with real users on real devices

Local Availability Checks

Identify anything blocking your users from using your product in a target country

Native-Speaker Translation Test

48-hour translation checking by native speakers in 120 languages

Cultural Bulletproofing

Ensure your workflows are free from bad assumptions and sentiment risks

Post-L10N UI Cleanup

Eliminate overlong strings and date format bugs with the final stage of localization QA

Performance Response Assessment

Investigate bugs based on your performance data

Qualitative User Feedback

Ask local users whatever you like, either moderated or raw feedback format

Think-out-Loud User Testing

Observe local users as they think aloud about your product a moderated usability test

Competitor Benchmarking

Understand your local competitor context to improve your product positioning

Trusted by leading global brands

Tripadvisor   Booking.com   Skyscanner   Microsoft   Meta   Google

www.globalapptesting.com