HOW LOCALIZATION ENABLES THE TOP GROWTH STRATEGIES

A Global Survey of Business Professionals and Executives

June 2022

dimensional research

EXECUTIVE SUMMARY

The research finds that…

Companies' growth strategies for 2022 are led by increasing profits and expanding geographies, by specifically offering digital products to new countries. In fact, 84% of the companies surveyed are planning on expanding their global footprint by adding new markets this year. One critical aspect, that more than 8 out of 10 companies agree on, is that localization is critical to successfully enter a new market. While localization is a shared responsibility the executive team leads the initiative with heavy involvement from development teams.

88% of companies are already localizing or have localization plans over the next 18 months. Out of the 67% already localizing products and solutions today, 97% have challenges ranging from: product issues that make localization difficult, to product and market entry delays, correct and comprehensive localization, along with high personnel and resource utilization. Those that haven't yet started localizing products have concerns in two core areas: cost and time impacts.

Localization challenges and concerns may stem from how localization is achieved. 54% of companies indicate they do all localization internally, which not only includes language translation but also implementing changes in their product, collateral, marketing, and website. The impact of localization is pervasive as development, localization, product, marketing, and executive teams are involved.
The large cross company effort required for localization led to 78% stating that an integrated solution that tracks localization changes and automatically provides and inserts needed translations is considered very valuable.

Global Market Expansion is not just a cliché but is a strategy that a substantial majority of companies are relying on for growth. Localization is needed to effectively enter these new geographies and those that have the right solutions and approaches will be able to enter new markets with new products faster, and with lower resource impacts, which in turn leads to increased profits, checking off the top two growth strategies for 2022.

KEY FINDINGS

Company Growth Strategies Tied to New Geographies and Localization

- Expanding to new geographies trails only increasing profits as the top growth strategy for 2022
- 84% plan to expand digital product offerings to new geographies
- 87% agree localization is key for successfully entering new geographies
- 85% of companies' growth strategies will require localization
- 88% of companies localize products today, or plan to over the next 18 months

Localization Has Significant Resource and Time Implications Leading to New Solution Needs
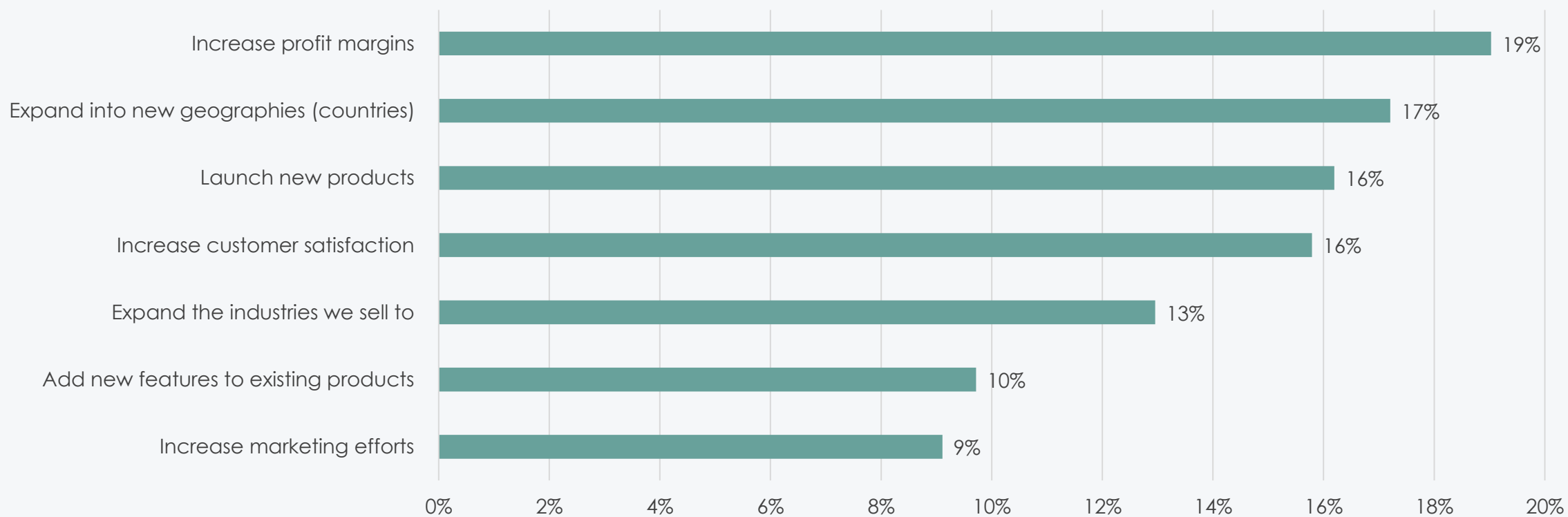
- 97% of companies report localization challenges including product issues, delays, higher costs, and errors
- Companies considering localization are most worried about cost and time impacts
- More than half of companies pursue localization with all actions assigned to internal resources
- 78% said a dedicated, integrated, and automated localization solution would be extremely valuable

DETAILED FINDINGS

dimensional research

EXPANDING TO NEW GEOGRAPHIES TRAILS ONLY INCREASING PROFITS AS THE TOP GROWTH STRATEGY FOR 2022

From your answers to the previous question about your company's 2022 growth strategies, what is the most important growth strategy for your company in 2022?

| Strategy	Percentage
Increase profit margins	19%
Expand into new geographies (countries)	17%
Launch new products	16%
Increase customer satisfaction	16%
Expand the industries we sell to	13%
Add new features to existing products	10%
Increase marketing efforts	9%

84% PLAN TO EXPAND DIGITAL PRODUCT OFFERINGS TO NEW GEOGRAPHIES

Do your company's plans for 2022 include offering digital products to new geographies (countries)?
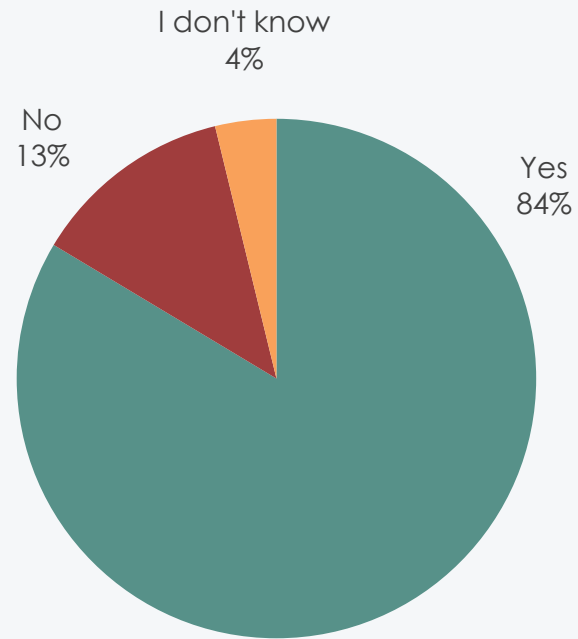
87% AGREE LOCALIZATION IS KEY FOR SUCCESSFULLY ENTERING NEW GEOGRAPHIES

In your experience, is localization typically required to successfully enter new markets within new geographies?

No
13%

Yes
87%
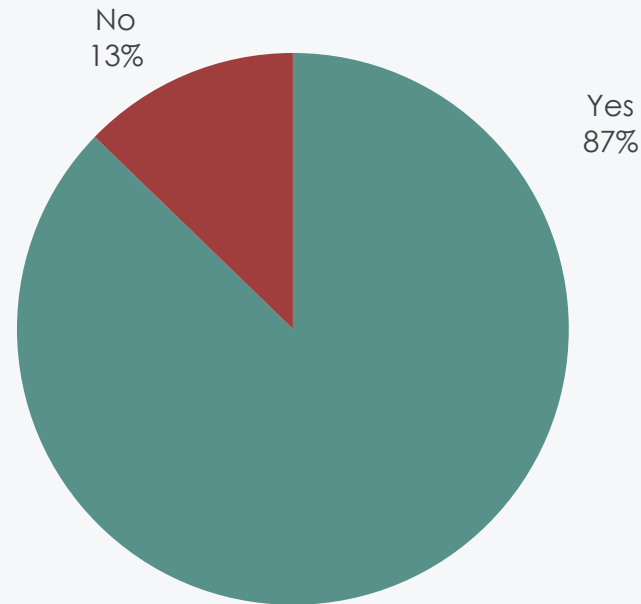
# LOCALIZATION STRATEGY LED BY EXECUTIVES BUT REQUIRES STRONG DEVELOPMENT TEAM SUPPORT

At your company, which teams typically make the decisions about how localization is accomplished (process, what product aspects are localized, etc.)?
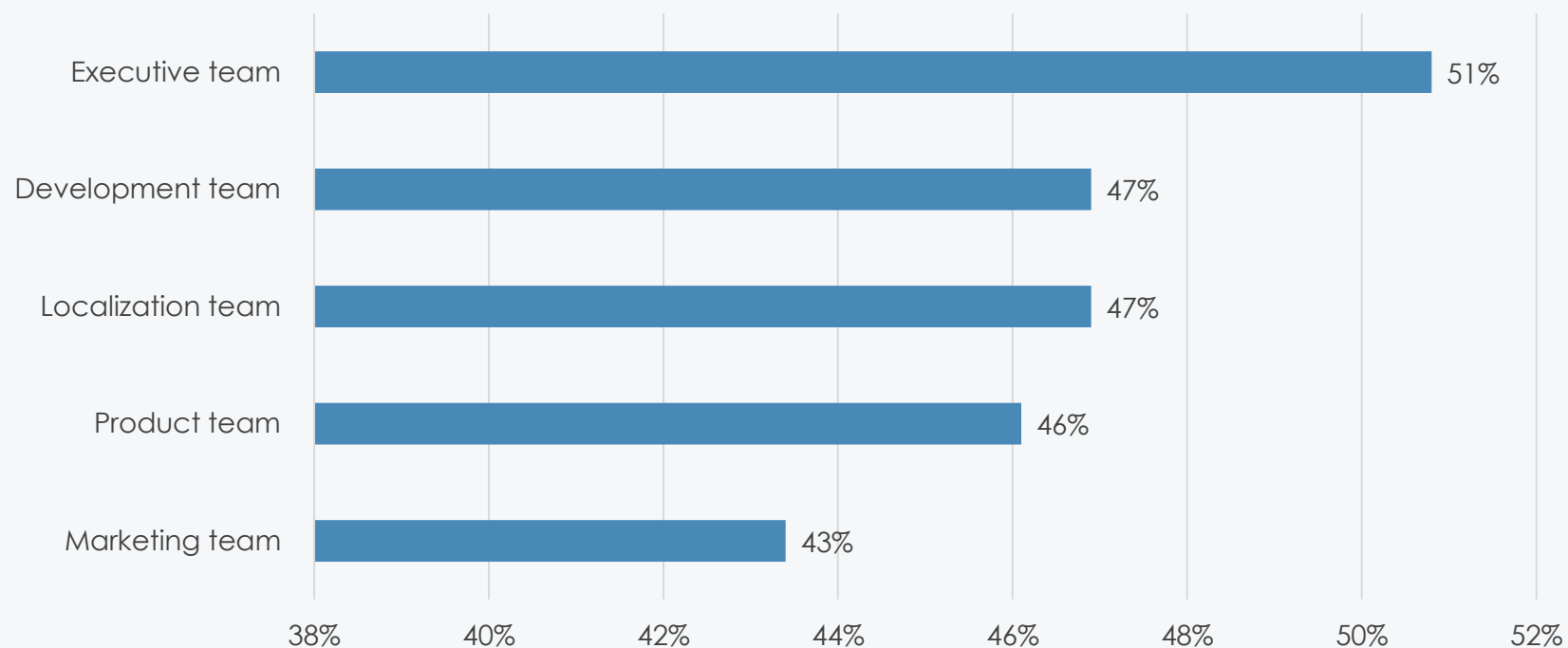
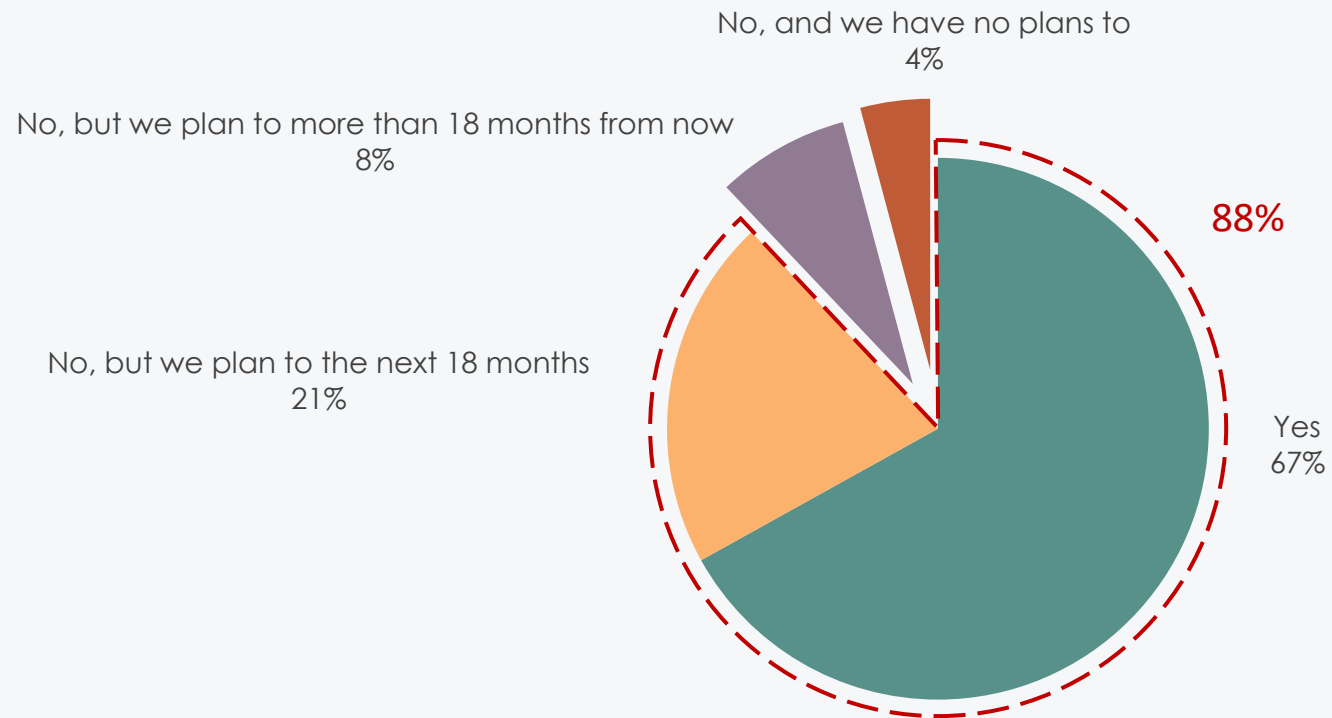# 85% OF COMPANIES' GROWTH STRATEGIES WILL REQUIRE LOCALIZATION

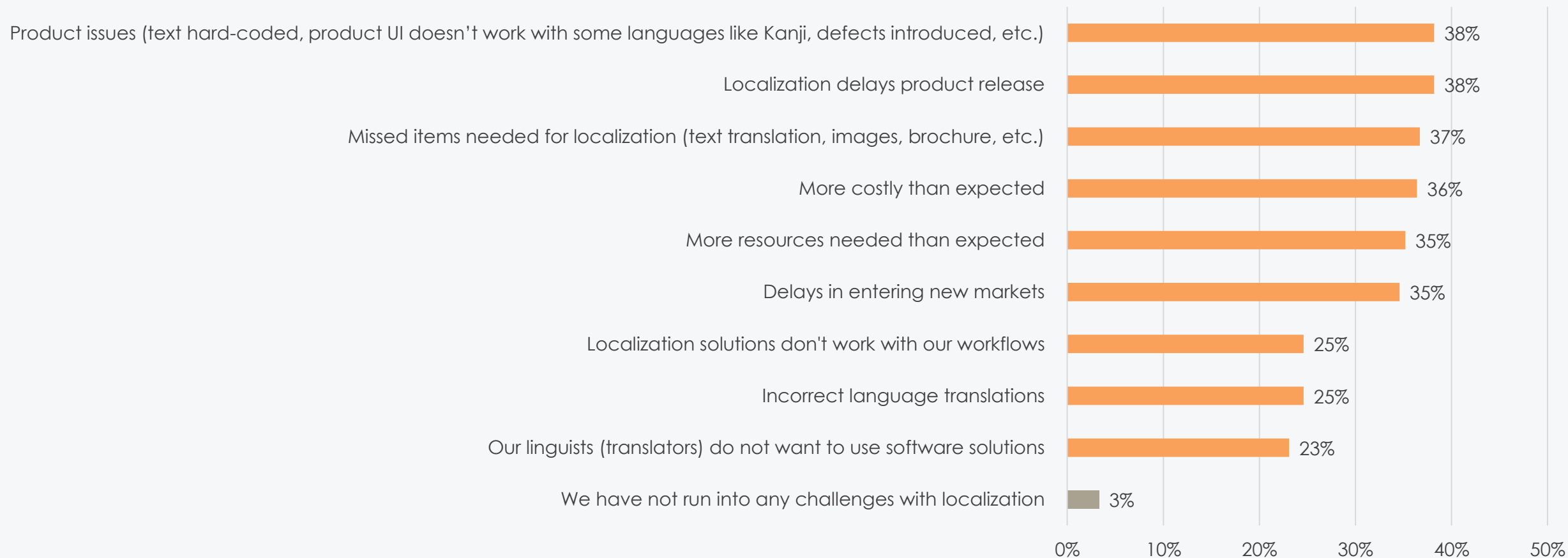**Do any of your company's growth strategies require localization?**
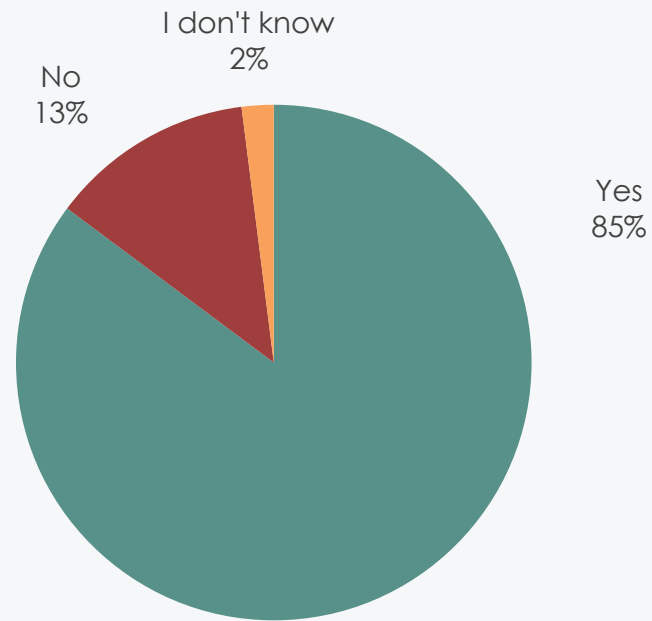
88% OF COMPANIES LOCALIZE PRODUCTS TODAY, OR PLAN TO OVER THE NEXT 18 MONTHS

Does your company localize any of its products today?

No, and we have no plans to
4%

No, but we plan to more than 18 months from now
8%

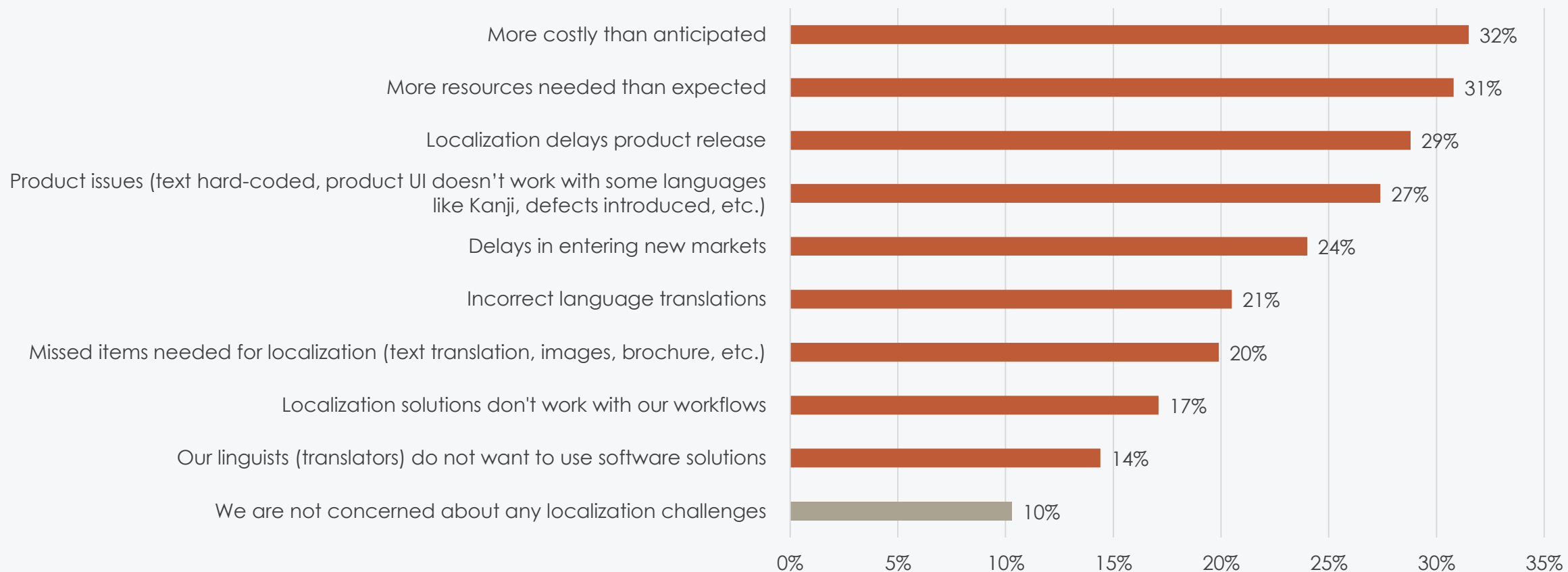No, but we plan to the next 18 months
21%

Yes
67%

88%

97% OF COMPANIES REPORT LOCALIZATION CHALLENGES INCLUDING PRODUCT ISSUES, DELAYS, HIGHER COSTS, AND ERRORS

Which of the following challenges has your company experienced with localization?

Challenge	Percentage
Product issues (text hard-coded, product UI doesn't work with some languages like Kanji, defects introduced, etc.)	38%
Localization delays product release	38%
Missed items needed for localization (text translation, images, brochure, etc.)	37%
More costly than expected	36%
More resources needed than expected	35%
Delays in entering new markets	35%
Localization solutions don't work with our workflows	25%
Incorrect language translations	25%
Our linguists (translators) do not want to use software solutions	23%
We have not run into any challenges with localization	3%

COMPANIES CONSIDERING LOCALIZATION ARE MOST WORRIED ABOUT COST AND TIME IMPACTS

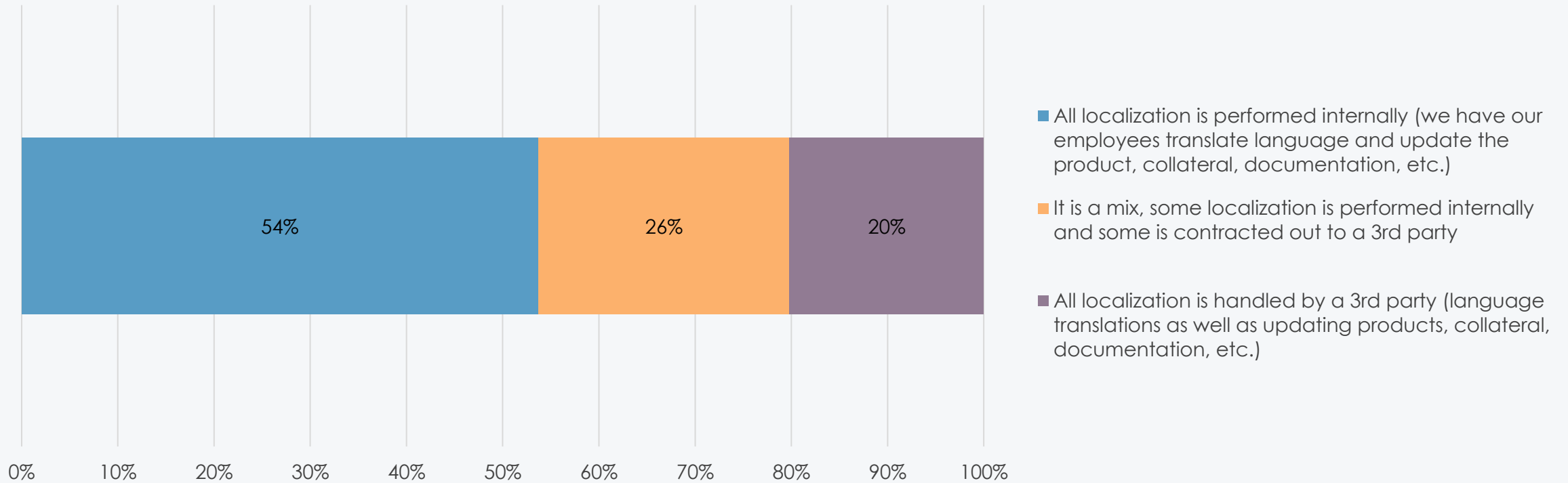**Which of the following localization challenges is your company concerned about?**

Challenge	Percentage
More costly than anticipated	32%
More resources needed than expected	31%
Localization delays product release	29%
Product issues (text hard-coded, product UI doesn't work with some languages like Kanji, defects introduced, etc.)	27%
Delays in entering new markets	24%
Incorrect language translations	21%
Missed items needed for localization (text translation, images, brochure, etc.)	20%
Localization solutions don't work with our workflows	17%
Our linguists (translators) do not want to use software solutions	14%
We are not concerned about any localization challenges	10%

*n = 146, companies not localizing currently but plan to*

12

MORE THAN HALF OF COMPANIES PURSUE LOCALIZATION WITH ALL ACTIONS ASSIGNED TO INTERNAL RESOURCES

In general, how is localization accomplished at your company today?

- ■ All localization is performed internally (we have our employees translate language and update the product, collateral, documentation, etc.)
- ■ It is a mix, some localization is performed internally and some is contracted out to a 3rd party
- ■ All localization is handled by a 3rd party (language translations as well as updating products, collateral, documentation, etc.)
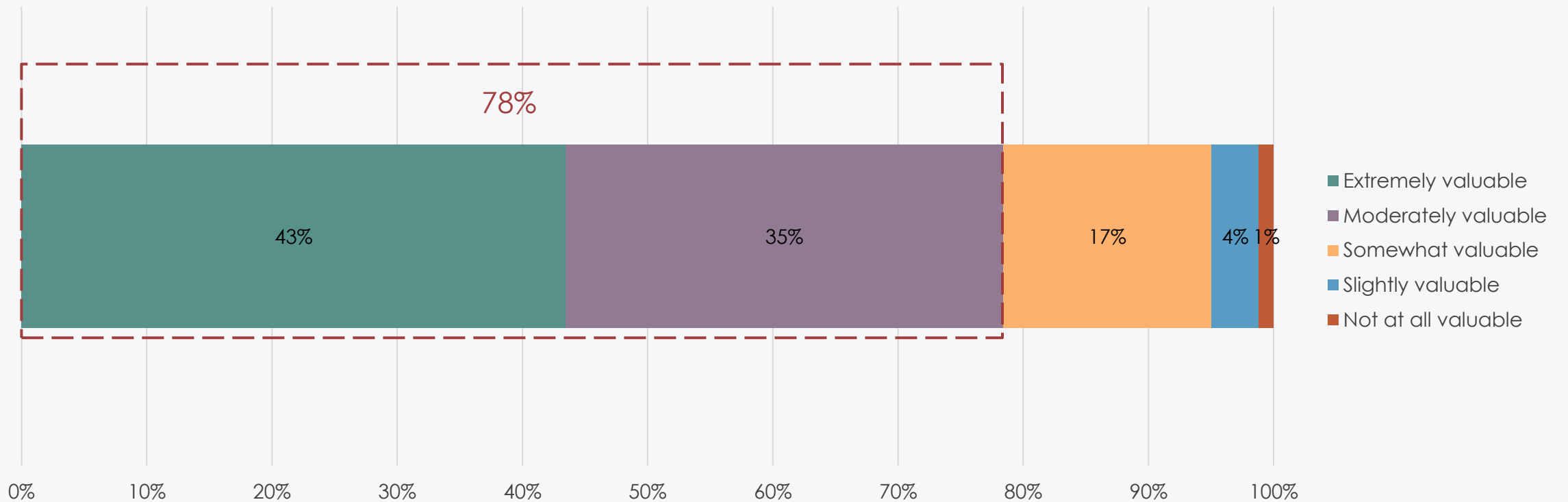
DEVELOPMENT TEAM IS KEY FOR LOCALIZATION SOLUTION SELECTION

At your company, which teams would be involved in the selection of localization solutions?

Executive team — 53%
Development team — 50%
Localization team — 48%
Product team — 43%
Marketing team — 42%
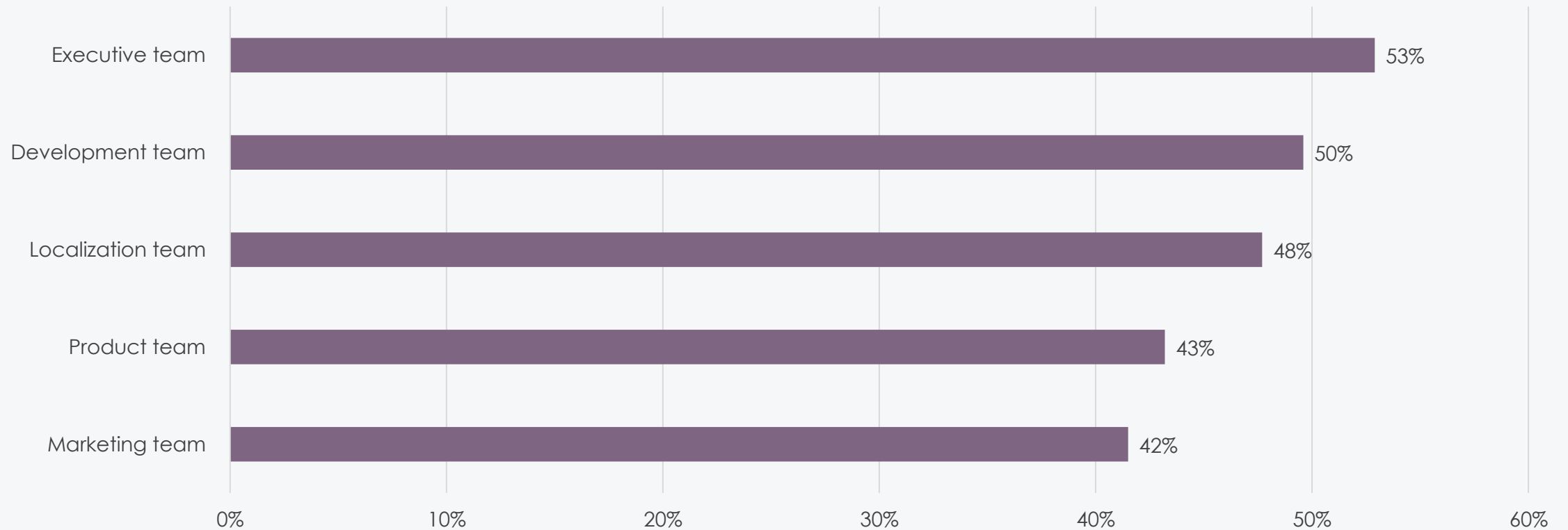
78% STATED STRONG VALUE FOR DEDICATED, INTEGRATED, AND AUTOMATED LOCALIZATION SOLUTION

In your opinion, how valuable would a solution be that was integrated with your products, documentation, and collateral that tracks changes requiring localization and automatically provides and inserts needed translations?

78%

| 43% | 35% | 17% | 4% | 1% |

Legend:
- Extremely valuable
- Moderately valuable
- Somewhat valuable
- Slightly valuable
- Not at all valuable

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

FOR MORE INFORMATION…

About Dimensional Research

Dimensional Research® provides practical market research for technology companies. We partner with our clients to deliver actionable information that reduces risks, increases customer satisfaction, and grows the business. Our researchers are experts in the applications, devices, and infrastructure used by modern businesses and their customers.

For more information, visit www.dimensionalresearch.com.

About Lokalise

Lokalise is a continuous localization platform that streamlines the translation and localization process and collaboration between developers, designers, translators, and project managers. APIs, SDKs, and plug-and-play connectors automate data input from prototyping platforms to production. Lokalise is a fully remote company founded in 2017 that has 2,500 customers from 80 countries, ranging from startups to Fortune 500 companies.

For more information, visit https://lokalise.com/ and follow the company on LinkedIn and Twitter.

For more information, visit www.lokalise.com.

METHODOLOGY AND PARTICIPANTS

dimensional research

GOALS AND METHODOLOGY

Research Goal

The primary research goal was to understand companies' growth strategies for 2022 and how critical localization was to realizing those plans. The research also sought to understand the extend companies localized digital products today, how localization is achieved, challenges encountered, and what needs exist to improve their localization process.

Methodology

Business professionals at companies of all sizes representing all seniority levels were invited to participate in a survey on their company's growth strategies for 2022 and their current practices and plans for localization.

The survey was administered electronically, and participants were offered a token compensation for their participation.
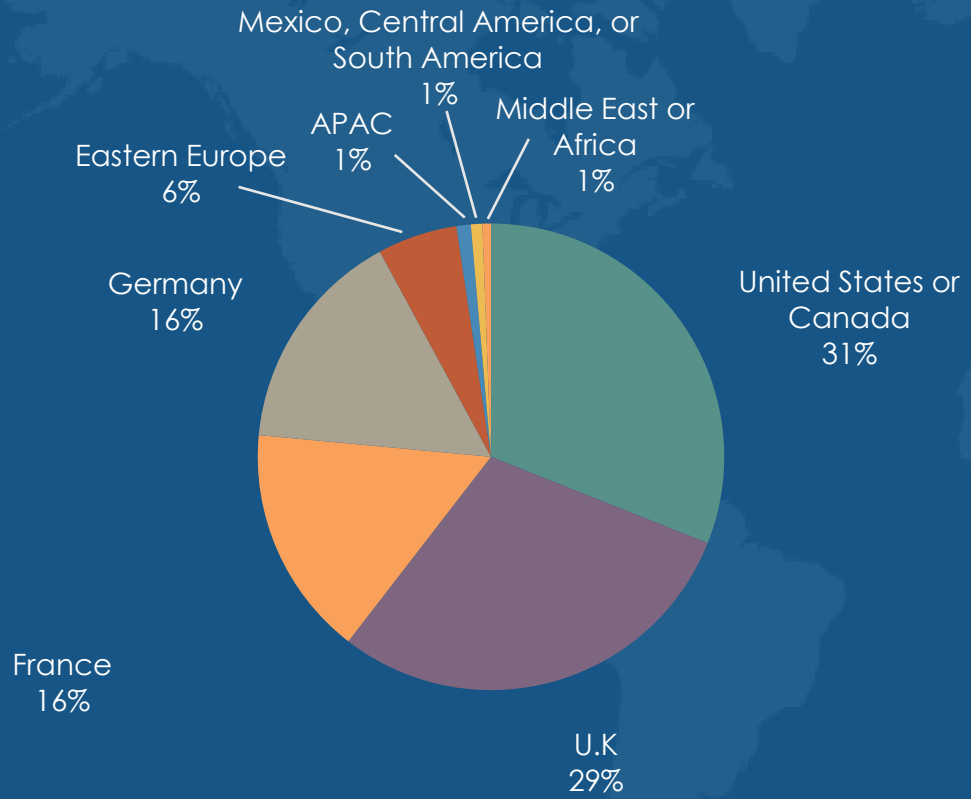
Participants

A total of **506 qualified participants** completed the global survey. All participants had growth, product, or localization strategy responsibilities. Participants represented numerous countries from 5 continents.
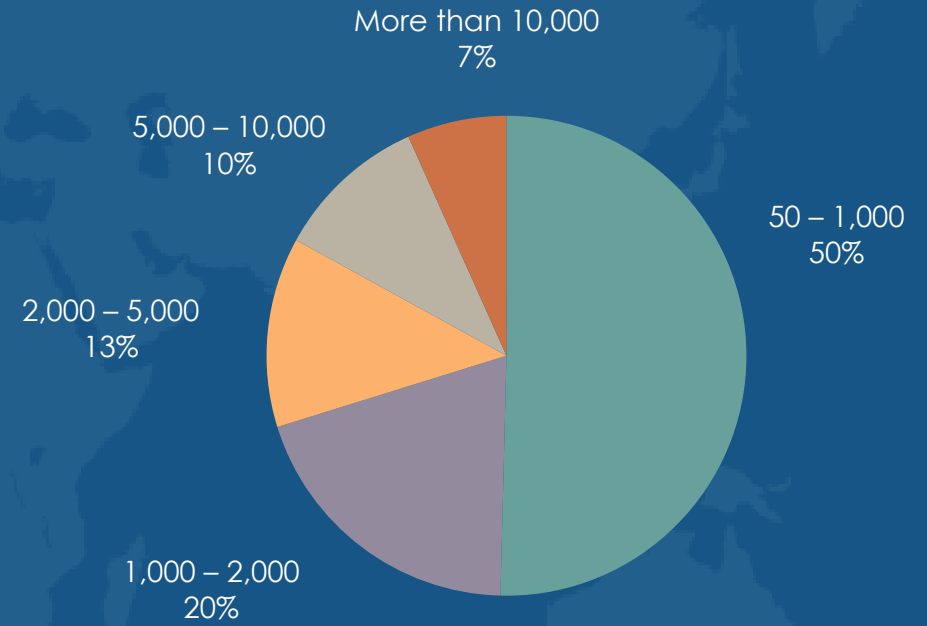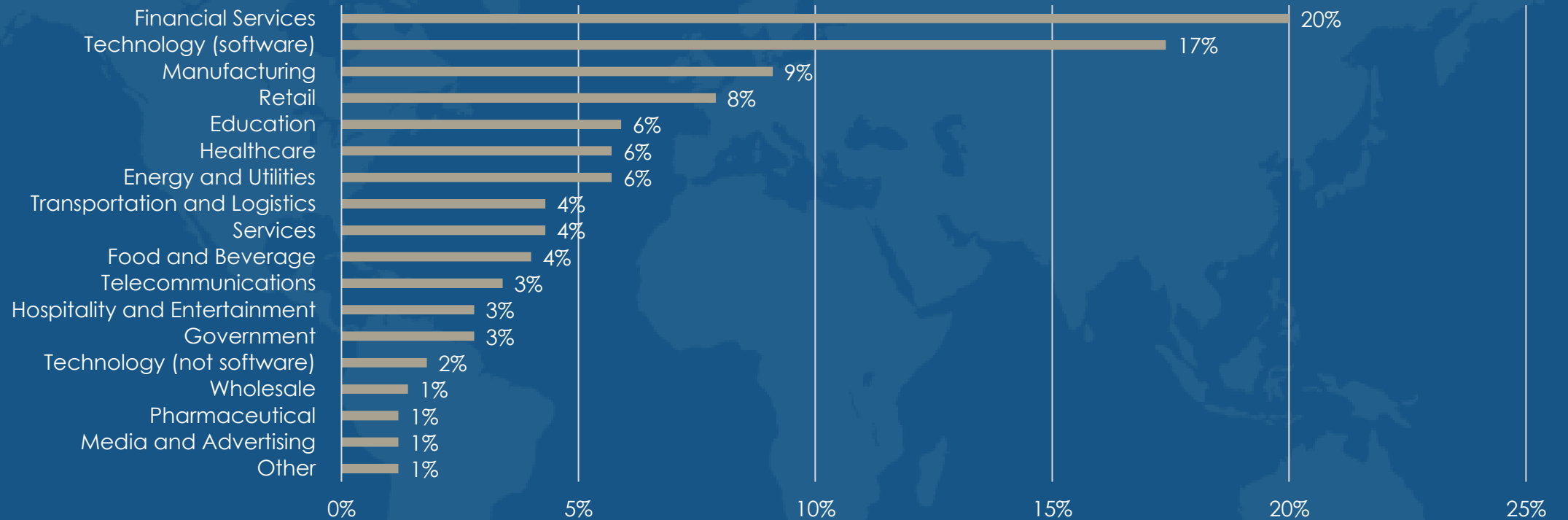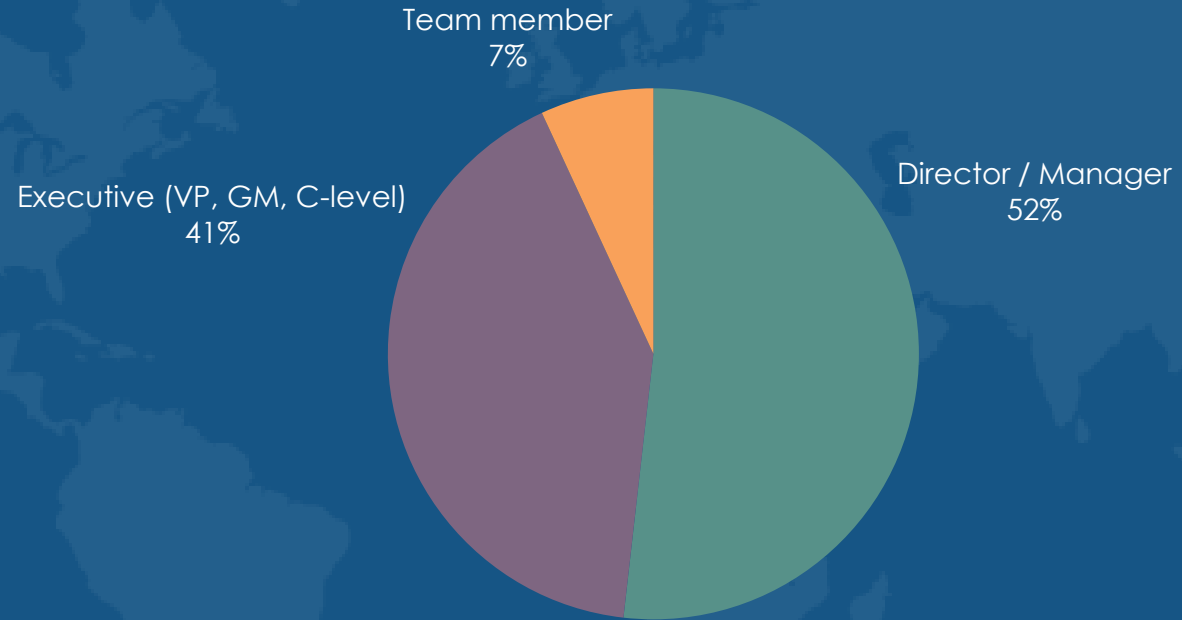
COMPANIES REPRESENTED

Location

- Mexico, Central America, or South America — 1%
- APAC — 1%
- Middle East or Africa — 1%
- Eastern Europe — 6%
- Germany — 16%
- United States or Canada — 31%
- France — 16%
- U.K — 29%

Size

- More than 10,000 — 7%
- 5,000 – 10,000 — 10%
- 2,000 – 5,000 — 13%
- 50 – 1,000 — 50%
- 1,000 – 2,000 — 20%

INDIVIDUALS REPRESENTED

Seniority

Team member
7%

Executive (VP, GM, C-level)
41%

Director / Manager
52%

INDIVIDUALS REPRESENTED

Responsibilities

- Product strategy — 55%
- Revenue growth — 41%
- Software development — 39%
- Localization — 38%
- International expansion — 33%
- HR — 24%
- Finance — 24%

(Axis: 0%, 10%, 20%, 30%, 40%, 50%, 60%)
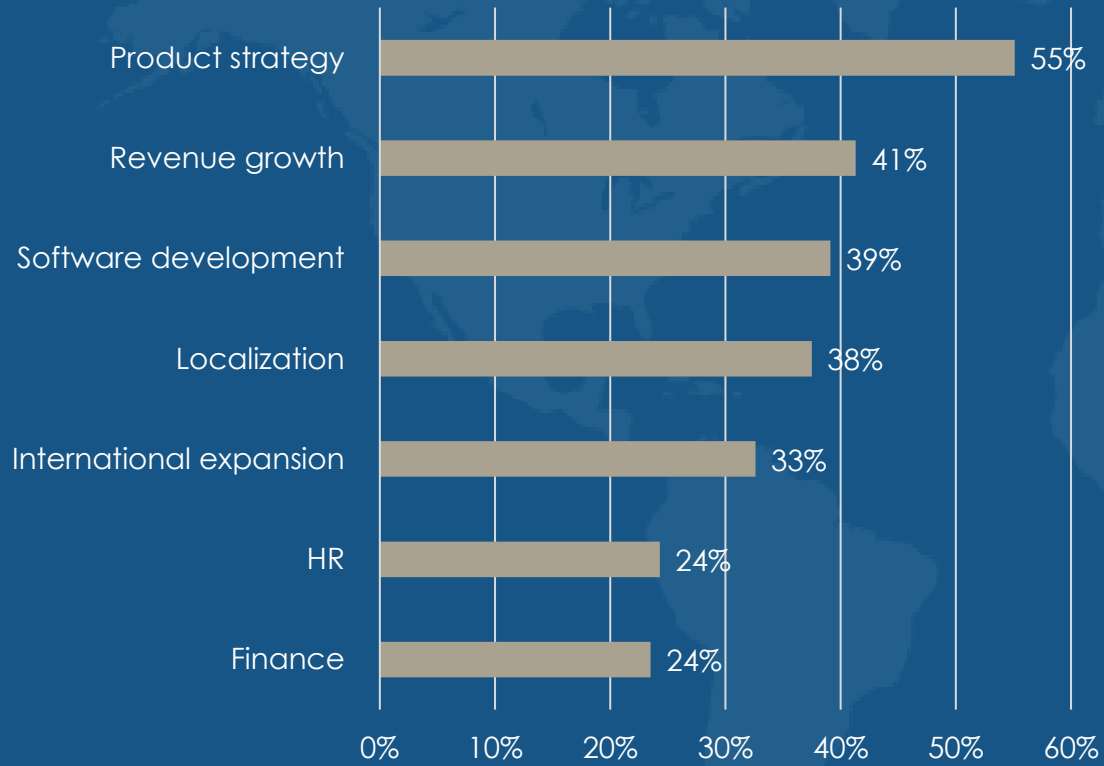
Personally Involved with Localization Decisions

- No 8%
- Yes 92%

INDIVIDUALS REPRESENTED

Team

- Executive team — 28%
- Product strategy — 25%
- Marketing — 15%
- Finance — 12%
- Software development — 11%
- Sales — 6%
- UX Design — 3%

(0% 5% 10% 15% 20% 25% 30%)

Software Development Role

- Software engineering 36%
- Software developer 64%