

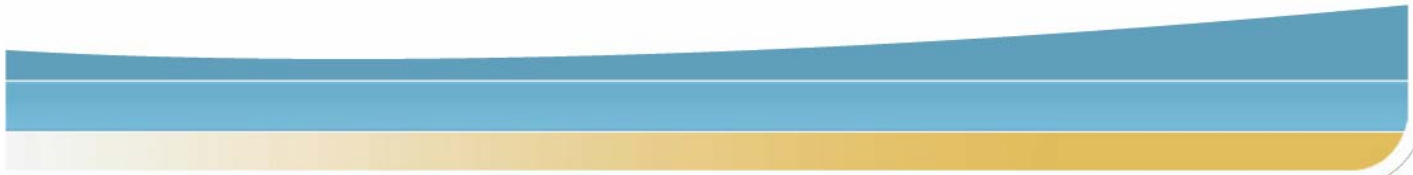


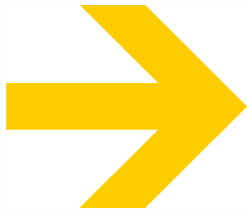
White Paper

Building Stronger Brands around the World

A Guide to Effective Global Marketing

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At a Glance

Centralized localization gives companies access to a global network of translation resources and helps them achieve the right degree of standardization in managing their global marketing activities.

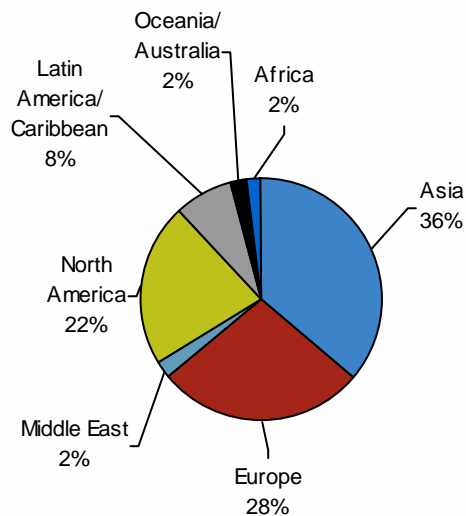
Executive Summary

As companies take their marketing programs global, they face the challenge of how best to customize their deliverables for diverse markets. Some organizations lack the tools and resources needed to develop market-ready versions, while others rely almost exclusively on local offices to do the work. Still others assume that translated versions of their successful national campaigns will work as effectively in other parts of the world and are surprised when they don't deliver. Developing effective global marketing requires finding the right balance between centralized and regionalized marketing.

A global approach to marketing is necessitated by the rapid changes in our world economy, particularly in emerging markets. China, India, and Russia are growing quickly and consumers in those countries are spending at a high rate and attracting many of the world's product and technology companies. World Internet usage, for example, is now dominated by users in Europe and Asia, with new growth emerging in Latin America, Africa, and the Middle East.

A centrally managed localization program is the glue that holds a global marketing plan together. Centralized localization (ideally through a language services provider) gives companies access to a global network of resources and helps them achieve the right degree of standardization in managing global marketing activities. It also provides key benefits, including cost savings and more timely production due to global resource sharing and the reuse of translation memories and glossaries.

Through centralized localization, corporate marketing departments ensure brand preservation, while regional marketing teams are empowered to develop local programs that not only resonate with their intended audiences, but also comply with corporate goals and standards.



World Internet Usage by Region, Forrester Research, Inc.



The Challenges of Global Marketing

Marketing to a global audience presents myriad challenges for companies, including:

- Maintaining a strong, viable brand
- Building a loyal customer base
- Ensuring consistent and meaningful messaging for all audiences
- Managing to global marketing guidelines while giving local autonomy to regional offices
- Keeping awareness high for products and services in all markets

These macro challenges are exacerbated by the diversity of the markets companies are pursuing. Consider the following: China, India, and Russia are in the midst of huge economic growth. These countries are investing in infrastructure and cultivating consumer societies at a rapid pace. Companies see the revenue potential of these markets and want to harness it. But reaching and engaging the consumers there — all with different cultural behaviors and buying habits — can be overwhelming. In India alone, there are 15 different languages spoken by more than 25 million people.

Typically, marketing organizations adopt one of two approaches. Either, they assume that their national marketing campaigns, when translated, will work as effectively in other parts of the world; or, they give their local offices the freedom to create customized deliverables (struggling to manage the efforts in the absence of well-defined guidelines), and they end up with widely divergent form and content. In both cases, there are costs.

When presenting a translated program, companies find that meaning and nuance are often lost across cultures. The same message that works well in the US might be acceptable in the UK, but does not translate effectively in China.

When translated marketing programs do not adequately engage regional customers and prospects, or when organizations choose a distributed approach to international marketing, local offices often create their own versions with significant variations between them. Sometimes, the only common element is the company logo. The result of all the inconsistency is audience confusion and a weakened, runaway brand.

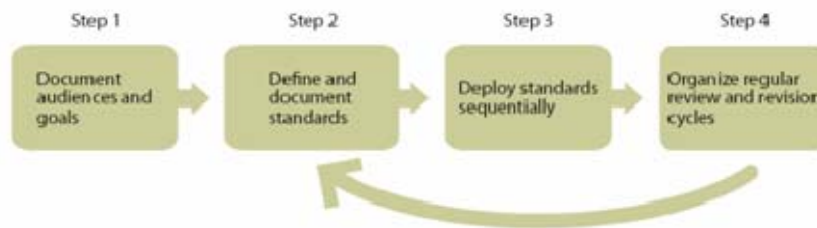
Standardization – the Key for Branding and Customer Satisfaction

So, what then is the right approach for global marketers hoping to do business around the world? The development of marketing standards is instrumental for brand consistency and customer satisfaction – standards ranging from color palates, logos, taglines, and slogans, to imagery, graphics, and language selection, in the case of web sites. To establish effective standards, firms need to collaborate with their local offices, balance a clearly defined brand image with buyer behavior, and differentiate between enforceable standards and looser guidelines.

Consider the corporate web site. To ensure consistency across a large web presence, especially when site ownership is shared by multiple lines of business or local subsidiaries, web standards are mandatory. The cost of failure is a site that delivers a disjointed, confusing customer experience.

But standards that don't focus on process or cater to local needs can also backfire. A recent Forrester customer experience survey found that more than 75% of the respondents received regular complaints from their regional offices because their company's global web standards were too rigid, were poorly communicated, and lacked local relevance.

Forrester recommends a four-part best practices model to develop effective web site standards that protect brands and facilitate a positive user experience.



Source: "Creating Global Web Site Standards that Work," Forrester Research, March 2006

1. **Document the audiences and goals that the standards must satisfy:** Define the experiences that the standards will support, considering the differences in local expectations. Let user goals drive the standards as much as possible.
2. **Define and document the standards:** Decide what your top-level standards should be and consider which flagship brands or major markets generate enough revenue to create exceptions to those rules.
3. **Deploy the standards sequentially:** Prioritize and phase-in your standards. Roll out your highest priorities first, and after achieving a target level of compliance, turn your attention to the lower priority standards.
4. **Organize regular review and revision cycles:** Establish regular communication processes since global standards can (and sometimes should) change frequently and your local offices can be unaware of new standards they need to follow.



Localization, the Missing Ingredient

Decisions about how best to establish standards are difficult to make without an in-depth understanding of the consumer behaviors, cultural expectations, and language/dialect preferences found in your target markets.

Lionbridge builds on Forrester's standards recommendations by including a prescription for localization. Localization is the adaptation of products, services, and related content to the cultural, legal, linguistic, and technical requirements of a specific locale. More than a simple word-for-word translation, localization accounts for wide variations in cultural nuance and user behavior and accommodates your programs to address those differences. So, for example, when you develop a media campaign for Brazil from your corporate headquarters, and you localize it, it looks and feels like you developed it in Brazil; and it's very different from the same program that you've developed for China.

Localization is a complex process that involves many steps and requires a significant number of resources and tools. When you localize, you:

- Review target markets to identify local linguistic and environmental requirements
- Analyze projects to determine areas to be adapted
- Extract text and other linguistic or culturally sensitive material
- Translate and modify elements
- Reengineer your core deliverable to accept new foreign market content (e.g., resizing of buttons to accommodate new text)
- Test your new foreign market editions to ensure they meet the performance standards of the domestic offering

A sound, centrally-managed localization program is the glue that holds a global marketing plan together. Centralized localization (ideally through an experienced language services provider) helps companies find the right degree of standardization in managing their global marketing activities, while giving them the ability to use in-country resources to create the most effective programs. It also ensures that customers, no matter where they are in the world, have the opportunity to do business with your company in a manner that suits them.

How Localization Contributes to Global Marketing

Localization impacts your marketing initiatives in a number of ways. The look and feel of your web site, advertising campaign, or direct marketing program gives a global user an important first impression about your company, its products, and services. For example:

Web site: How easy is it for users to select their language choice on your site? Is the language selector hidden or below the "fold" of the web page? How are you dealing with text expansion or shrinkage? Did you know that, on average, when you translate an English sentence, it can be 30-40% larger in a language like German? For Asian languages, the opposite effect happens and text shrinks by 30-50%. Are you allowing for these issues in your standards planning?



Collateral: Are you developing your content with localization in mind? Or are you writing it in your native language and hoping that your global customers will understand and appreciate the translated messaging? Are you careful to avoid national references that will be meaningless across the world? Are you standardizing your terminology to avoid translation multiplicity?

Advertising: Are you sensitive about the use of colors and imagery in your global ad campaigns? Colors hold varied meanings across cultures, and companies must be careful to make correct color choices. They must also vet images for gender, dress, architecture, symbols, and gestures to avoid offensive or inappropriate selections. The following table gives an example of how people perceive the same colors around the world.

Color	China	Japan	Egypt	France	United States
Red	Happiness	Anger, Danger	Death	Aristocracy	Danger, Stop
Blue	Heavens, Clouds	Villainy	Virtue, Faith, Truth	Freedom, Peace	Masculine, Corporate
Green	Ming Dynasty, Heavens	Future, Youth, Energy	Fertility, Strength	Criminality	Safety, Go
Yellow	Birth, Wealth, Power	Grace, Nobility	Happiness, Prosperity	Temporary	Cowardice, Temporary
White	Death, Purity	Death	Joy	Neutrality	Purity

When you build localization into your global marketing programs, and account for it in your standards development process, you address cultural issues early. A greater awareness of cultural differences, with an understanding of how to accommodate for them, saves your company money and ensures the success of your global marketing initiatives.

Emerging Challenges – Are You Leaving the Global Audience Behind?

Marketing has evolved in recent years to include social marketing methods. The very nature of this new media –corporate Blogs, Podcasts, and RSS feeds, among others—is to engender a one-to-one dialogue with your end-users. This form of direct communication shifts marketing from a periodic communications vehicle to one that is rapidly updating new information and posting it for mass consumption. Once a press release is posted, it’s automatically distributed by RSS feed to hundreds or even thousands of end users. Same with Blog posts.

However, in the spirit of rapid communication and creating a tighter connection to your end users, you could be leaving your global audience behind.

Jonathan Schwartz, CEO of Sun Microsystems, is at the vanguard of corporate Blogging. His is one of 30 Fortune 500 companies that post a Blog, and one of the only ones written solely by the CEO. His Blog attracts 50,000 viewers a month, and is supported by 3000 other Sun Blogs.



Despite the fact that the Blog is several years old, Sun just started translating the content into 10 languages in September 2006. Remarkably, this places them at the forefront; most companies focus on the Blog, not its potential global impact.

Once a company has established the direct channel to its end-user, there is an expectation of rapid information delivery and an openness of communication. If you don't localize this content, you negate the goodwill you generate with a well-translated web site and well-localized materials. By not localizing this important channel, you are essentially telling your global audience they no longer matter.

Search Engine Marketing (SEM) is another area that is often overlooked by global marketers as an opportunity to differentiate your company globally. Companies often spend thousands of dollars optimizing their US site for the US-based search engines and then translate that content with no regard to search engine lift in target languages. Any global search engine optimization is done locally by interested marketers with little coordination with corporate marketing.

Companies who identify key words in the source language and then research the "search engine friendly" equivalents in target languages develop a foundation for local SEM efforts during the translation process. There are countless examples of words and phrases that though linguistically correct, ignore local search popularity, and will result in the company not being displayed when a user searches on the more popular terms. Connecting this process to localization and terminology management efforts is significantly more efficient than adopting a market-by-market approach.

Benefits of Centralized Localization

To succeed in building a loyal base of repeat customers, your offer needs to be clear, appealing, and have perceived value. It should also reinforce your brand. While these are standard objectives for marketers, the goals become more challenging when the clients you're dealing with are multicultural.

Localization allows you to reach these buyers with deliverables that they can relate to and understand. This, in turn, helps to create loyal, repeat consumers from purchase to fulfillment. The result is increased sales for your firm.

A centrally managed localization program, that combines the quality of in-country translation with a global network of resources, will help you account for regional differences up front and address them in the marketing programs you develop. The result will be greater consistency in form and content, a more satisfying and meaningful experience for your customers, and a stronger global brand.

Effective localization also includes the use of translation memories (TMs) and glossaries. Companies who use these tools are able to track and store the content they've already translated and avoid the time and expense involved in translating redundantly. The leading Language Service Providers provide software that firms can use to centrally maintain their translated content and filter out previously processed words.

Best Practices for Global Marketing

The best approach to global marketing is to create a program that's centrally managed, but brings together corporate and in-country representatives from the outset. Groups that normally work at arm's length must come together to discuss the marketing plan, agree on goals for each country, and establish common metrics and delivery timetables. Getting early buy-in from all stakeholders will be at the core of your program's success.

1. Agree on the Right Balance between Tight and Loose Standards

Work with your global marketing team to develop the right combination of tight standards and loose guidelines for the development of marketing programs. Together, the team can make decisions about how much form and content should be standard versus custom for your company. How much freedom will you give your in-country affiliates to develop their own web pages or marketing collateral, for example? What's the right balance?

By partnering with a language service provider (LSP), you can ensure that the marketing standards you develop are an appropriate blend of stringent rules and loose guidelines to avoid the "one-size-fits-all" mentality that so often derails a global program. When you develop standards with global audiences in mind, and incorporate them consistently into your marketing initiatives, localization is easier and more cost-effective in the long run.

2. Document and Communicate your Standards

A formal style guide is an important product of the standards development process. The style guide communicates the agreed-upon standards for things like corporate colors, imagery, logo usage, content, and tone. When in-country representatives are involved in developing the style guide, regional perspectives can be addressed, improving the accuracy of the standards for all markets. Share the style guide with all stakeholders around the world and revisit it regularly for updates.

3. Work with an Experienced Language Service Provider

Once you've decided on the best development strategy for corporate and regional marketing programs, the most effective way to ensure control is to partner with an LSP. An LSP will help you ensure that your deliverables not only conform to your company's marketing goals, but that they are also correctly packaged for your target markets.

The LSP you work with should offer an experienced global team of project managers,



A Sound Approach to Global Marketing



translators, linguists, authors, publishers, designers, and QA professionals. Its services should also scale to accommodate the needs of your entire business – with resources available to you onsite, nearshore, or offshore, depending on your company's unique goals and requirements.

In the early planning stages, the LSP should work with your marketers to conduct cultural assessments to provide feedback on direction and brand identity, including potential concept risks outside the domestic market.

During the development phase, the LSP should work closely with your internal design groups and outside creative agencies, offering advice on the architecture of key branding elements to ensure a more efficient localization effort. (For example, your web page menu design must accommodate for word expansion or shrinkage.)

The LSP's production methodology should incorporate a balance between flexibility (responding to your dynamic needs), efficiency, and high quality. Look for the following key activities:

- Analysis and requirements development
- Pre-production
- Translation, editing, proofing
- Image and color recommendations for local relevance
- Formatting and desktop publishing
- Linguistic and quality reviews
- Client review
- Final production
- Delivery and post-project review

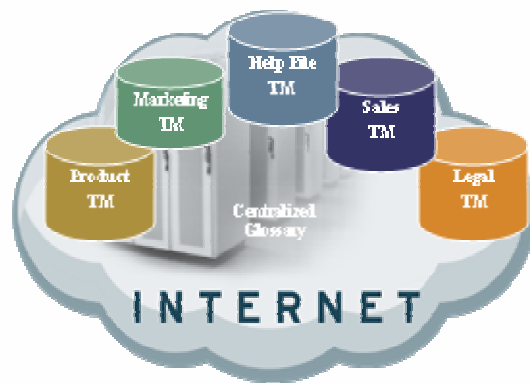
4. Embrace Translation Memory and Terminology Management

Central to an effective localization process is the use of translation memories (TM) and glossaries.

It is estimated that 15 percent of all globalization project costs arise from rework and that the primary cause of rework is inconsistent terminology. As businesses expand, they face the challenge of maintaining a consistent corporate "language." Inconsistencies are minor in isolation, but when different functional groups or regions work together on marketing programs, terminology differences become a source of frequent rework and costly delays. For example, different teams working on a brochure for a wireless network card may invariably call the computer a "notebook," "laptop," or "PC." While these may seem like innocent synonyms, compounding these three variations across a dozen or more languages causes confusion.

A glossary is a key component to delivering consistent, high quality technical translations that retain the overall tone and “voice” of the source materials.

TM technology provides companies with a mechanism to build a central repository of previously translated content to reference against in later translation projects. TMs significantly reduce the cost of localization by eliminating rework and redundancies.



Centralized TMs and glossaries promote translation reuse and lower costs.

Some LSPs offer clients a centralized approach to translation memory management. The Lionbridge language asset management system places TMs and glossaries into a central repository and stores them securely in a single location. Systems like ours aggregate assets from multiple projects and workgroups to increase efficiency, and post updates back to the central repository in real-time. With this type of advanced, Internet-based architecture, valuable client assets are no longer stored on dozens of machines around the world. Instead, the systems allow secure, centralized management of TMs and glossaries. Clients gain leverage across projects, divisions, and functional groups by sharing and reusing TMs.

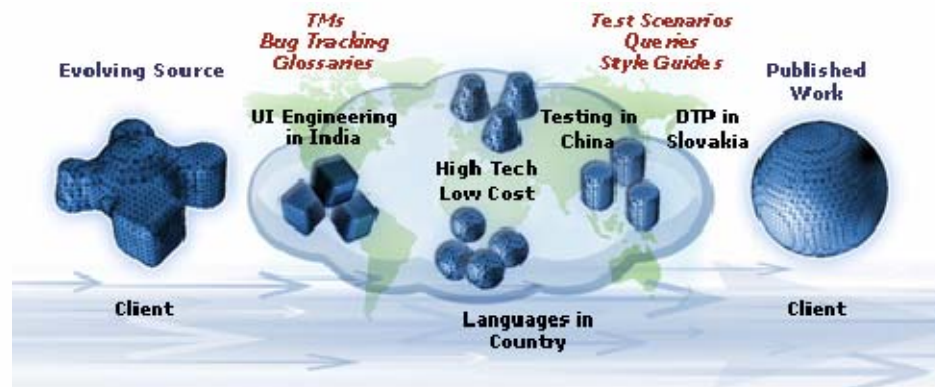
5. **Opt for a Managed Service Model**

In the localization industry, LSPs are transforming the way they manage and deliver their services. Some vendors are embracing a managed service delivery model (see Lionbridge white paper, *Moving Past Projects to Managed Service*) to speed time-to-market and drive significant ROI for their clients.

The benefits of the managed service model include:

- Accelerated turnaround times
- Increased TM leverage
- Quality enhancements
- Worldwide collaboration
- Easy project submission, routing, and tracking
- Greater reporting accuracy

The Lionbridge technical infrastructure incorporates the elements of managed service into a single, web-based platform. Offered free-of-charge to our service clients, the platform instantly connects client teams, personnel, and translators to accelerate the flow of project files and information, and to ensure greater production consistency through open communication, asset reuse, and knowledge management.



Managed Service Delivery Platform Distributes Work to Appropriate Resources

Expected Benefits: An Example

A leading provider of products, services, and solutions for information management and storage was seeking a more efficient way to develop marketing content for its diverse global markets. The company hoped to reduce its 3 to 5 month lag time between delivering marketing materials domestically and delivering them to global markets. It also hoped to improve the consistency of its messaging by centralizing translation management and reducing its reliance on in-country sales and marketing resources.

Working with Lionbridge, the company developed, deployed, and maintained common terminology and style guides, balancing central control with local market influence. Using workflow and portal technology, the company was able to successfully integrate translation into its content creation lifecycle.

The results of centrally-managed localization were significant for the company. It was able to cut its lag time to just one week, enabling near-simultaneous deployment of marketing materials around the world. Its brand consistency improved because the same collateral versions were available in all target languages for all sales employees, prospects, and customers. Lionbridge's ability to translate 100% of the targeted content improved the company's in-country sales utilization and local customer response. Finally, content reuse increased by 50% and productivity increased by 20% among in-country sales and marketing personnel.

Conclusions

Rapid expansion into new and emerging markets exacerbates the typical challenges of global marketing — How to build a strong, consistent brand image? How to maintain a loyal customer base? How to ensure appropriate messaging for every prospect?

When companies take their marketing programs global, they face the additional challenge of how to deliver the right degree of customization at the regional level. They sometimes assume that a



simple translation of their successful national campaign will bring the same degree of success in other markets; or, because they lack the necessary in-house resources and tools to localize, they cede all control, letting the local offices create the deliverables, severely diluting the company's core brand.

Developing effective global marketing requires finding the right balance between standardized and regionalized (i.e., localized) marketing deliverables. A centralized localization program, managed with the help of a strong, globally-aligned LSP, can help your company ensure the success of its global marketing activities. It can also provide important tools and technologies for cost saving and production efficiency.



Contact Information

About Lionbridge

Lionbridge Technologies, Inc. (Nasdaq: LIOX) is a leading provider of globalization and testing services. Lionbridge combines global resources with proven program management methodologies to serve as an outsource partner throughout a client's product and content lifecycle — from development to globalization, testing and maintenance. Global organizations in all industries rely on Lionbridge services to increase international market share, speed adoption of global products and content, and enhance their return on enterprise applications and IT system investments. Based in Waltham, Mass., Lionbridge now maintains more than 50 solution centers in 25 countries and provides services under the Lionbridge and VeriTest™ brands

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