



# Digital-first globalization strategies

Research report



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## Study overview

In a digital world, improving customer experience and reach, wherever the customer is located, is increasingly critical to business success.

This study provides insight into why, despite this, so many companies have yet to implement digital-first globalization strategies that make the most of personalized content and deliver it in the customer's own language.

RWS surveyed more than 300 executives, seeking their insights about the evolving digital-first environment. We asked these business leaders to assess their strategies, the strengths and weaknesses of their organizations, and to describe the trends that are defining their digital future. Interviewees work in marketing, localization, IT or digital transformation and come from a variety of industries.

## What we found

The research in this report reveals where companies are today and how your company can best move your globalization strategy forward.

According to our research, 80% of companies have global expansion plans in the next 2-3 years, driven largely by executive leadership.

However, these plans pose a number of key questions for an organization. What's the best way to expand internationally? How aggressive should the expansion plans be? And, at what cost? Surprisingly, in many cases, having your executive leadership leading the way may hamstring your efforts, as many companies are going global using antiquated strategies designed for a pre-digital era.

Content is integral to many successful globalization strategies in the digital era, helping you bring your products and services to market faster. It also contributes to key business objectives, especially when it comes to customer satisfaction, retention, brand consistency and customer experience.

Our research found that respondents at larger companies or people with IT/Digital/Transformation backgrounds recognize the value of content more.



## Key findings

**80%** of companies have expansion plans. Roughly 1/3 of companies plan to expand to 1-3 countries in the next 2-3 years, while another 30% plan to expand to 4-6 countries in the next 2-3 years.

**73%** Executive leadership drives the decision to go global for 73% of respondents.

**2/3** of the companies surveyed hire sales representation before they localize content.

**7,500** Just one department in an organization in our study produced approximately 3,000 emails/newsletters, 2,500 documents and more than 2,000 social media messages annually.

**50%** For more than 50% of the companies, over 70% of their content is translated.

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Content creation, translation and delivery professionals face a broad set of challenges at all stages of the content supply chain.

1/3 are struggling with:

- Reusing and retiring content through the creation, translation and delivery stages of the supply chain.
- Recreating content for specific channels or audiences.
- Meeting regulatory requirements.
- Localization costs and complex translation approval processes.
- Overly complex workflows.

The autonomous content supply chain is closer than we think...

- More than half of content is translated by machines.
- 63% take an automated approach to measure and adjust content.
- 58% can reuse content programmatically.

**70% of companies can personalize content based on demographics, 64% based on behavioral segmentation and 55% on employee-based data.**

## Global growth in the digital era

Businesses are always on a quest for growth and the easiest way to deliver growth is to expand in new markets. Our research bears this out: 80% of companies have expansion plans. Some seek more aggressive growth than others. Roughly 1/3 of the companies plan to expand to 1-3 countries in the next 2-3 years, while another 30% plan to expand to 4-6 countries in the next 2-3 years.

In the early days of globalization, setting up a sales office in another country was the standard first step to going global, but it could take years to achieve sustainable growth. Hiring and training people, understanding local culture and customs and overcoming language barriers are all challenges that need to be conquered and that slow growth.

Modern globalization moves at a faster pace because content has lowered the barriers to entry for driving awareness, engagement and revenue generation. Think about how many parcels you order from Amazon that arrive from another country. Content, not a foreign operation, is now the conduit of global business.

Our respondents recognize content's contribution to key business objectives. Many believe content leads to better customer satisfaction and retention (57%), contributes to better customer experience (56%), increases brand consistency (53%) and revenue (52%).

Content creators, localization departments and professional linguists face daily pressure to translate huge volumes of content across multiple languages and file formats. This unceasing demand has created a desperate need for quick and affordable delivery of multilingual content without sacrificing quality.

We asked respondents about their globalization plans, challenges and expectations.

### What is content?

**What constitutes content varies from organization to organization but in general it includes marketing materials such as adverts, blogs, direct mail, emails, FAQs, packaging, presentations, social media, videos, website, white papers and so on and product information such as assembly instructions, instruction manuals, license agreements, maintenance manuals, privacy notices and warranties.**



### The challenges

Our research shows that the challenges of globalization and content are intertwined, varied and complex. Ultimately, business behavior is driven by the needs of customers and the customer experience.

Common challenges organizations face in creating and delivering content are:

- 32%** Knowing when to reuse/update/retire content
- 32%** Having to recreate content for different channels or audiences
- 31%** Meeting regulatory and compliance demands
- 30%** Managing complex approval processes for new content
- 29%** Understanding very complex workflows

What makes these findings interesting is that there is no one overriding factor that modern global businesses are challenged with today. More likely, a business will encounter a combination of challenges at different times and will be faced with having to overcome them.

Think about what globalization requires. Internal human labor and the time to wrangle content from disparate content systems, understand project requirements, contact a vendor, wrestle a PO from accounting and transmit the project requirements to a translation vendor – all of these steps add more layers of complexity, which is difficult to calculate in terms of its impact on profitability.

As most businesses are not adequately aware of the variety of strategies and technologies that can help them, it is imperative that they find a partner with the breadth and depth to advise them on a truly seamless global content supply chain.



### The deciders

Often, going global is a chicken-or-egg dilemma. Wait for sales to take off in a specific country before investing in content and product localization or invest in localization first to build demand for sales? In the amount of time that it takes most organizations to make a decision, local competition has already gained a toehold in the market, and suddenly, localization is the least of your worries.

The players involved in globalization can have a major impact on the speed and effectiveness of a company's global strategy, so we wanted to understand who decides which markets to go into and how they make their investment decisions.

The largest global organizations have entire departments dedicated to localizing products and content for global marketplaces. Nevertheless, most organizations don't leverage the expertise of these globalization departments when deciding to go global. According to our research, expansion decisions are mainly led by executive leadership (73%), followed by marketing leadership (53%), product leadership (41%) and sales leadership (38%).

Executive leadership can often be blindly swayed to go global to satisfy a contractual requirement or one-off business case without doing their homework first. For example, a pending deal in a certain country can drive the desire to localize content and win the deal. However, this knee-jerk reaction to globalization doesn't take long-term factors into account. Is this a one-off deal or will there be continuing business? Are there other business opportunities in the country to justify on-going localization? Is there enough customer awareness and demand to support expansion into this market? Without market research and nurturing a solid customer base, efforts like these will be expensive and bound to fail.

Even more concerning, we discovered that executive management might not be in touch with what those on the ground are trying to do. According to our survey, 60% of those in a manager role believe there is consistent content delivery across the enterprise (content appears the same wherever it is used across the enterprise, for example on a website, in a brochure, in documentation), but only 45% of VP and C-level respondents thought that was true.

### The modern global enterprise

Content strategy discussions sometimes feel like conversations about spring cleaning: The amount we actually do is far less than what we claim we do.

Understanding that what some managers may be saying they do is less accurate than what they are quantifiably spending money on made us curious about what content strategies modern global enterprises deploy.

#### Three main themes emerged:

- 1 Increasing content production
- 2 Translating into more languages
- 3 Translating more content faster



## 1. Increasing content production

If there's a common theme, it's that content production must be a priority.

The survey found that 80% of respondents saw the following content trends:

- Everyone today is looking for answers and they want them now, regardless of their role: customer or employee. This has led to the rapid growth of smaller and more manageable pieces of content (snackable content, such as infographics), that can be quickly read and understood.
- More frequent content iteration – customers expect instant access to current information.
- More agile and modular approach in content management, allowing more flexibility and a faster response to content changes.
- Increase in the number of languages translated.
- More sophisticated content personalization.

Over half of the respondents in our survey believe that increasing content production is a priority. However, senior level respondents felt more strongly about increasing content production than those with IT, Digital and Transformation backgrounds.

Spending increases are more significant in content production, personalization, data and analytics, but there are spending increases across all aspects of content production, translation and management:

- Respondents with IT/Digital/Transformation backgrounds want to invest more in content production (57%) and translating content into more languages (52%).
- Respondents at senior levels (VP and above) want to invest more in increasing content production (63%) and translation volume (57%).
- Smart Insights reports that marketers rank content marketing as the top activity that will have the biggest impact on their business in the near future (20%), followed by big data (14%), AI and machine learning (14%) and then social media (10%). Content marketing has consistently been the top activity for the last 3-4 years.

### The Content Marketing Institute found:

- 92% of marketers said their company views content as a business asset.
- 56% of businesses reported they want to increase their content creation spending.
- 40% of the most successful B2B marketers spend their total marketing budget on content marketing.

Another study by The Content Marketing Institute discovered B2B marketers use the following technologies to manage their content marketing efforts:

- Analytics tools (87%)
- Email marketing technology (email focused) (70%)
- CMS (63%)
- Marketing automation software (automation focused) (55%)
- Webinar/online presentation platforms (43%)

With content a top focus for marketing organizations, it's important to have a digitally-focused plan to keep up with your customers' needs.

## 2. Translating into more languages

Each company is unique, with its own particular markets that it targets, and this will, of course, determine which languages they translate their content into. However, as companies expand globally, the more languages they use, the greater the complexity and time it takes to go global.

If budgets are limited, some languages, such as English, Mandarin Chinese and Hindi, will help you communicate with a significant proportion of the world's population. According to The Intrepid Guide, although there are 7,097 languages in the world, just 23 of those languages cover half the world's population.

Now, on average, companies deliver external content in 15 languages and companies with revenue between \$500M-\$1B deliver external-facing content in 21 languages. For internal content, on average, companies deliver content in more than 12 languages and use more than 14 content repositories.

Companies from regulated sectors deliver external content in more languages than non-regulated industries.

## 3. Translating more content faster

Respondents generally agree that content volumes will continue to grow. Forty percent think content volumes will increase by more than 31% in the next two years (slightly less than the 50% who thought so in our 2018 survey).

For all content types, about 40% of the content is expected to be translated within 24 hours. The demand for fast turnaround times for legal, advertising and marketing content is higher than other types of content.

These priorities have influenced how global enterprises grow globally. Despite the prevalence of language service providers (LSPs) over the last three decades, it is interesting to note that more global enterprises are bringing translation in-house.

Comparing similar studies in 2016 and 2018:

- More companies are now doing translation internally (40% -> 56%)
- The use of LSPs remains the same (45%)
- Increased use of Translation Management Systems (TMS) can be seen (29% -> 37%)

We believe that in-house translations are becoming more prevalent in an effort to integrate content supply chains more seamlessly. Nearly half of companies working with LSPs or TMS have a workflow built into their Content Management System (CMS) (46%), but compared to 2016, more companies are directly integrating their TMS and CMS (29% -> 36%).

Interestingly, it's the smaller, more agile companies that have embraced built-in workflows. This presents an opportunity to overtake larger, slower organizations who have not prioritized integrating TMS and CMS systems. Our research shows that:

- More companies with revenue between \$500m-\$1b have built-in workflows (56%)
- 44% of larger companies have directly integrated their TMS and CMS

## Strategies for global expansion

To meet their business priorities, global enterprises are employing a variety of strategies to accelerate global growth.

First, they are building autonomous content supply chains. Second, the vast majority are personalizing at scale:

- 70% of companies can personalize content based on demographics, 64% based on behavioral segmentation and 55% on employee-based data.

For global enterprises, this means collecting data – lots of it. And with data comes data management. To be successful at personalization, global enterprises must parse the data they have collected, decide the best way to use the data and then send the right content to the right people and places at the right time.

Finally, global enterprises are struggling to deliver continuous content journeys for their customers in a digital world – where customers are presented with content that progresses them along a journey towards purchase and an on-going relationship, no matter how they choose to interact with the enterprise. All too often the customer experience is disjointed across platforms, with broken or dead-end journeys.

While respondents may be confident in their ability, other data shows that they're less confident about the results of their efforts. They spend the money, but only 30% believe they have created a continuous content journey for their customers.

### What global enterprises are NOT worried about

- Respondents are confident in their ability to predict and plan their budget and resources to create, translate and deliver content each year (70%).
- While content volume is expected to grow, the budget allocated to create, translate and deliver is trending up at the same level as content volume growth.
- According to most respondents, market spending is expected to increase overall, but more importantly, the spending increase is more significant in content production (91% of respondents expect increased budget), personalization (91%), data and analytics (87%).



## Recommendations

With this study, we have explained what the challenges are but also what the way forward should be.

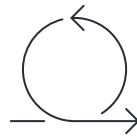
So how does your organization optimize its global strategy?

Here are a few steps to get you started:



### **Invest in an autonomous content supply chain.**

Most organizations have already invested heavily in machine translation and other automation technologies that enable them to quickly translate more content and personalize at scale.



### **Rethink who drives your globalization strategy.**

While this has traditionally been under the purview of top leadership, organizations may want to reverse this model and allow the people on the ground a greater say in the decision.



### **Pursue a digital-first strategy for globalization.**

Three-quarters of organizations are hiring in-country sales representation before localizing content. This is contrary to the digital-first strategy that companies are deploying for competitive advantage.



**Choose a partner who has experience in both content technology and language.** The problems your organization faces will vary and you're unlikely to find all of the experience you need with only internal resources.



**Integrate your content repositories.** This will not only streamline your operations, but it will also make it easier for your organization to take advantage of AI strategies as the technology matures.

## Research methodology

- We interviewed 326 content professionals who own content creation, translation, management and delivery in medium and large global organizations in the United States.
- Respondents mostly work in marketing, localization, IT/Digital/Transformation and have senior roles in their organizations.
- Study respondents work in various industries, including high-tech (software, hardware, ICT), electrical equipment and electronics, banking, insurance, FMCG, travel and leisure, retail, pharmaceutical and medical devices, legal and professional services.
- KANTAR conducted the online study between July 29, 2019 and Aug. 21, 2019.



## Digital-first globalization strategies

### About RWS

RWS Holdings plc is the world's leading provider of technology-enabled language, content management and intellectual property services. We help our customers to connect with and bring new ideas to people globally by communicating business critical content at scale and enabling the protection and realization of their innovations.

Our vision is to help organizations interact effectively with people anywhere in the world by solving their language, content and market access challenges through our collective global intelligence, deep expertise and smart technology.

Customers include 90 of the globe's top 100 brands, the top 10 pharmaceutical companies and approximately half of the top 20 patent filers worldwide. Our client base spans Europe, Asia Pacific, and North and South America across the technology, pharmaceutical, medical, legal, chemical, automotive, government and telecommunications sectors, which we serve from offices across five continents.

Founded in 1958, RWS is headquartered in the UK and publicly listed on AIM, the London Stock Exchange regulated market (RWS.L).

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