GUIDE

Unlocking the Power of Asian Markets with Localization

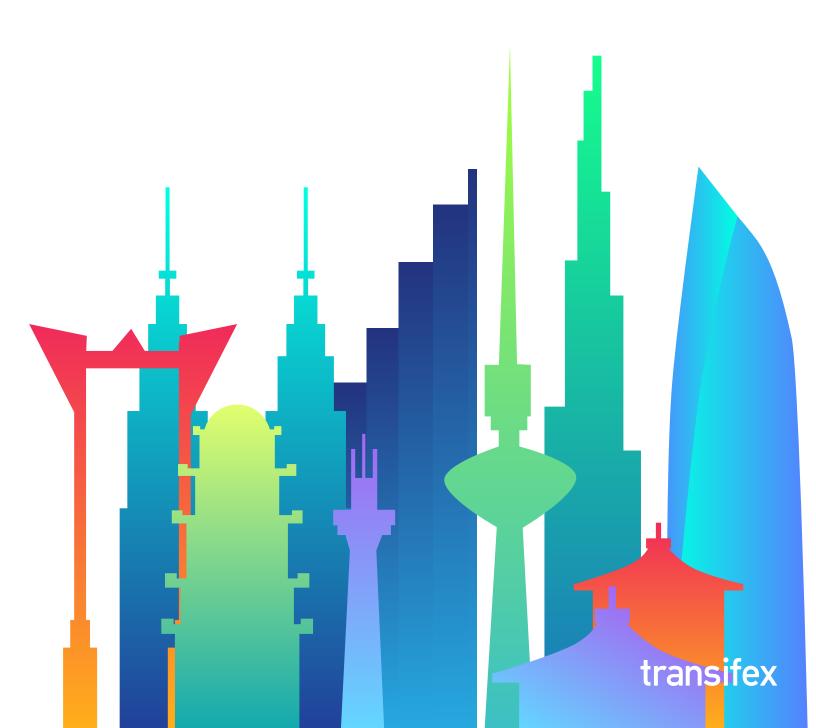


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I. Introduction

Navigating This New Digital, Global Era

This new global era has caused dynamic shifts across life and business, one of the most prominent being the digital revolution that has broken down market barriers for businesses. Physical location has taken on a new meaning and significance and, in turn, businesses are exploring new ways to engage with and communicate across their teams and with their customers across the globe.

The numbers related to this digital growth tell a powerful story, as the <u>Digital Trends 2020 report by</u> The Next Web reveals:

- The global internet user population has grown to 4.54 billion, up 7% or 298 million new users from just over a year ago in January 2019.
- The global social media user population has grown to 3.8 billion and counting, a number up 9% (or 321 million new users) since the year before.
- Mobile usage across the world has risen to over 5.19 billion people, a number that is up 2.4% (124 million users) in one year.

And this is just the beginning. As digital usage and the global population's relationship with this new interconnected era continues to reach new heights, more people are spending more time than ever before online. The result? An opportunity for more digital attention span, engagement, and revenue has opened up for brands around the world.

Going Global to Stay Afloat

From day one, our team and localization platform here at Transifex were built with a mission to break down language barriers by making localization accessible to everyone. Today, we are working with companies across the world to support their shifting into this new era that requires them to be able to speak and engage with their global audiences in strategic, meaningful ways, despite the lack of face to face opportunities for engagement. In practice, we have seen a number of customers using Transifex to rapidly localize and publish translated content related to COVID-19 in many languages in an effort to help their users and communities stay updated and connected during this time of crisis. On a wider business level, we are observing more companies investing in their efforts to drive global traffic to keep their business afloat by unlocking new markets.



Unlocking New Markets: East Asia

During this period, one region in particular that has garnered an increased amount of business interest is Asia. In fact, in the APAC region alone, Accenture reports projections of exponential digital- and commerce-driven growth in the foreseeable future. Specifically, by 2022, the world should expect to see the following rise in a number of the key drivers of APAC digital commerce growth:

- 2.5 billion internet users
- 3.5 billion mobile connections
- 388.2 million new consuming households
- 444 billion USD invested into digital transformation technology

Specifically, China has been an increasingly prominent territory for businesses across the world as McKinsey & Company recently reported that the physical constraints of the COVID-19 crisis have led Chinese customers to more willingly try new stores and brands in a digital way. While local brands have seen their offline sales fall by almost half, online sales have grown **upwards of 60%** — with some local players seeing a spike of as much as 300% in demand for their products.

As a result, savvy global companies are seeing this as an increased opportunity to actively engage in efforts that will not only multiply their online business locally but also try to capture some market share from rising markets like China.

Embarking on Your East Asian Localization Journey

Just as with other non-native markets, successfully engaging with new global audiences will require strong, deliberate localization strategies. And while this digital-focused era is new for some, localization is not. In this guide, you will find a breakdown of all the must-know foundational elements of localization, as well as some key tips and best practices to keep in mind as you embark on your East Asian localization journey.



II. Unlocking Global Markets with Localization Technology

The Evolution of Technology & Localization

Technology has been evolving, enabling businesses to adapt more easily to a digital-only period. Specifically, with regards to localization, recent years have brought about innovative advances in the methods and technologies that global companies are implementing to reach new international markets.

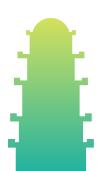
It was just several years ago that the term "localization" was an esoteric one known only to the world of translation professionals, and businesses were still learning the fundamentals of building an effective global presence. A process that used to require manual copying, pasting, and emailing back-and-forth of content to be translated has now been replaced by technologies like translation management platforms that bridge the worlds of manual and automatic translations.

As we enter this era of transforming global business landscapes and rapidly changing consumer behavior, businesses are pulling out all the stops to keep up. Today, localization has become a well-known and vital aspect of business growth, as companies around the world increasingly recognize the need for the proper adaptation of their content for local markets across the globe.

New Pathways for Localizing Products & Connecting with Global Audiences

The increasingly connected world has opened up new pathways for companies to not only efficiently translate their content, but to do so in even more authentic ways than before. How? Through crowdsourced community translation programs, which engage global product users by enabling them to take control of how they want their favorite products and brands to be presented in their local markets.

More and more global companies have started to recognize and leverage the power of their global communities for localization efforts in recent years and we have more case studies than ever before of companies that are taking their businesses global by crowdsourcing translations. If you have a growing community abroad and are looking to localize, connect the two with crowdsourced translations (like Trello – who launched in over 20 new languages with over 500 crowdsourced translators from its global user community).



III. Localizing into Chinese & Other East Asian Languages: 3 Must-Knows

The Growing Need to Localize into East Asian Languages

As reported by the <u>U.S. News</u>, it was around 2017 that the world started taking more acute notice of the increasing purchase power of consumers and audiences from East Asian markets like China, Japan, and India. Previously, this had manifested in the rapidly growing number of Chinese tourists throughout all areas of the world — all of which did not have Chinese as a native language or even as an accessible language. As a result, the innovation of real-time translation methods and translation of content and products by global travel companies brought about the first wave of strategic localization into languages from these markets.

Today, companies across the globe are catching on to the increasing purchase power of the populations from this region, and the forward-thinking ones have already laid out the foundation for localizing their content into East Asian languages. With the need to reach new markets having been rapidly accelerated to by pandemic conditions, companies are working hard to find new channels, methods, and technologies that will enable them to reach these new markets at scale. Here are a few fundamental tips to keep in mind for reaching the strongly trending Asian consumer market:

1. To win the Asian market, go local and go online...or go home.

We saw this trend first arise during the global travel boom from Asian tourists back in 2017, where travel and tourism companies like Booking.com were gaining substantial domestic Chinese market share through business strategy and localization. Although this example may be specific to the travel and tourism industry, ultimately this is representative of a larger wave of meaningful localization by global brands recognizing this method as the key to get a deeper reach into local Asian markets. Today, Accenture reports that the "APAC region's share of digital commerce is set to exceed USD 1 trillion by 2022." That's huge!

2. Find local influencers, meet them where they live (online), and make sure you speak their language(s).

The influencer trend has long been embedded into the social media landscape, but now businesses are cleverly using the influencer model to create a "new type of local partner: local digital influencers," as highlighted by the Harvard Business Review in 2018. Today, this trend has accelerated, and now companies are quite tactfully penetrating foreign markets through local influencer marketing. For China and other East Asian markets, this means two main things: first, meeting your influencers where they are (local social platforms like WeChat and Weibo are generating 3.24 million RMB (\$0.5MM USD) for brands in just minutes); and second, making sure that you are speaking their language when you are engaging with them (which is where localization comes in).

As digital transformation accelerates, the channels through which APAC users are acquiring product information are also expanding. For example, a shopping-review community and app called Xiaohongshu was founded in 2013 and has now gained tremendous traction in recent years and has become "the future of the online shopping experience."

3. Stay cognizant to avoid major cultural faux pas, especially when translating into East Asian languages.

As a general rule of thumb, it is vital to understand that localization is not simply translating content, but actually making sure that it is **localized** to fit the overall market and cultural context in which your translated content and product live. While it is common (albeit, not great) to see minor mistakes made by even the largest of corporations when they are localizing their English pages for another western country (say, a Spanish-speaking market), the stakes get much higher for the markets that don't share an alphabet and differ greatly in their cultural norms.

In the following section, we break down specific examples of how high-profile brands that were localizing into new markets with the best of intentions...fell short due to direct translation mistakes and other cultural faux pas.

IV. Avoiding Costly Cultural Mistakes

Costly localization mistakes don't only happen on a simple direct translation level, but on cultural and political levels as well. Over the years, as major household names have tried to stake their claim to expanding their brand to markets like China, we have seen countless localization errors that sometimes carry permanent detrimental impacts on the overall brand identity. There are a number of examples of high-profile brands that have tried to localize into the Chinese market with the best intentions, but unfortunately lost brand equity due to major translation and cultural faux pas.

Here are a few examples of those localization mistakes and cultural mishaps that may (at first!) appear small to the untrained localization eye:

- In 2015, Burberry made another mistake around the very popular "fu" character (which translates into "fortune") that global brands try to play off of when localizing. They printed a special-edition scarf in celebration of the Chinese New Year, with "fu" embroidered in red into their classic scarf. However, the one miss here was that "fu" needs to be written upside down during the Chinese New Year in order to hold its full intended and proper meaning of "fortune arriving." (Source: Business Insider, 2016)
- In 2016, Nike launched a pair of special edition trainers with two Chinese characters that individually were very positive, prosperous words: "Fa" (translated as "getting rich") and "Fu" (translated as "fortune arrives"). However, they put one character on each shoe, making the pair read: "Fa fu," which together translates into "getting fat." (Source: Business Insider, 2016)

Here's a list of two other seemingly funny (but highly costly) localization mistakes, from Translation Dictionary:

 In Chinese, KFC's "Finger-Lickin' Good" translated directly as "We'll Eat Your Fingers Off." • In Chinese, Pepsi's "We bring you back to life" translated directly as: "We bring your ancestors back from the grave."

On a translation level, paying close attention to cultural norms should be given much credence as one wrong move (especially in a language which is highly tonal and based on a character system rather than an alphabet) could mean the difference between an influx of new devoted customers or the exact opposite. Cultural mistakes often prove the costliest not just in terms of lost revenue, but also in negative public relations, as well as damage to the overall company brand, which can take years to fix and rebuild in many cases.

To avoid this, we recommend the following tips:

- Go straight to the source: consult with local translators and developers to get the most accurate feedback and market understanding of your localized content.
 Techniques like crowdsourcing or machine translation with human-in-the-loop (more in the next section) work well for this.
- 2. Pay close attention to **cultural norms** and build them into your language glossaries to make sure there is a uniform understanding of these norms across teams and translators, as well as consistency across your messaging.

3. When in doubt, start with what is already working — conduct your due diligence on each market's respective keywords and international SEO as vital points of reference.



V. How to Accurately Localize into Asian Languages

Over time, the art and science that is translation and localization have become more refined, efficient, and accurate. With this, comes some highly effective and easily implantable tools and methods that companies can use to start localizing their content into Chinese and other East Asian Languages. In this section, we break down the **one method that has gained popularity** (even before COVID-19) amongst companies that localize into Asian markets and other languages not based in Latin characters. That method is Machine Translation.

Marrying Machine Translation with Human QA

Machine Translation (or MT, for short) and one of its more specific applications, Neural Machine Translation (NMT) has become widely adopted by the platforms and companies in the localization world. In fact, MT has proven particularly effective for companies that are localizing into languages that are not composed of the traditional Latin characters, such as Asian languages.

This, coupled with human translators, has been the preferred recipe for success for a range of companies looking to localize their content at scale. Entrepreneur Asia Pacific explains how "[translation] accuracy is in the eye of the beholder," as proven by how leading companies vary in the way they approach and leverage machine and human translation in their localization efforts in new Asian markets. "In the translation world, it's not the question of can you use [MT] or not? It's not a binary decision. It's more of asking where can I use it."

This combined method is further bolstered by the fact that <u>recent studies reveal</u> how "humans are more productive when post-editing machine-translated content, rather than translating from scratch." Based on this, localization researchers optimistically posit that "understanding how human post-editors' work could open the door to the design of better interfaces, smarter allocation of human translators to content, and automatic post-editing."

To summarize, the combination of human and Machine Translation has proven to produce the best results and increase the most accuracy for Asian market localization efforts.

The Future of Translating Non-Latin Text

Looking ahead, the future is bright for companies that take proactive steps today to invest in a localization infrastructure that will help them to engage East Asian audiences through proper translation and communication. And with technological advancements in the localization world, translation and localization into these markets will only become more necessary for growth and expansion for those who really understand the long game of localization.

Transifex

Go Global & Reach Your New Markets with Localization

It is time to take innovative action to ride the waves of the new era. Localization has long been on the rise and is now more vital than ever. Effective localization efforts have already begun to separate out the local players from the global ones, and this trend will only accelerate as time goes on. If you haven't already, now is the time to start building the localization infrastructure you need to go global in a smart and calculated way.

Ready to implement localization to reach your new global audiences? With Transifex, you and your team can start localizing your product and pages in minutes. Transifex integrates with services from Google, Microsoft, and Amazon. To access integrations like this one and start translating your content, start your free 15-day trial of Transifex.

