

A hand holding a silver pen points to a specific location on a world map displayed on a whiteboard. The map is colorful, showing continents in various shades. The background is slightly blurred, showing a green wall and some office equipment.

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Evaluating Translation ROI

Is Translation & Localization Financially Feasible?

Learn how to evaluate the return on investment (ROI) of translation and localization efforts and if they are financially viable for your company.

Introduction

The Internet has become ubiquitous, and so has your website. At a time when both mature and developing international markets have more access to your content than ever before, it's never been more pivotal to cater your messaging to customers' unique locations and behaviors.

Businesses that localize content are 1.5 times more likely to report a total revenue increase and 2.5 times more likely to experience year-over-year profit growth. When website content is omnipresent, there's extreme value in content every global audience can understand.

But how do you quantify the value of translation and localization for your business or determine if these efforts are financially viable for your organization?

This guide explores the variety of factors that influence the total cost of translation and localization and how these factors can determine your ultimate return on investment (ROI).

Different Approaches to Measuring ROI

Many business executives and marketers look at ROI through a singular lens which compares the amount of money spent on a campaign directly to how much profit the campaign brought in.

Businesses that localize content are 1.5 times more likely to report a total revenue increase and 2.5 times more likely to experience year-over-year profit growth.

This approach may suit specific initiatives that produce immediate results, such as paid search ads. However, it's highly ineffective for strategies that can take time to build a positive ROI, like search engine optimization (SEO) and translation and localization.

Let's look at how traditional approaches to measuring ROI stack up.



Single Attribution: First Touch or Last Touch

The most common, cut-and-dry method of calculating ROI is first touch/last touch, or the single attribution method.

The single attribution method assigns all of the credit for a conversion to one single touchpoint in the customer journey—despite there being an average of eight touchpoints in each journey.

First touch attribution allocates all credit to the first initiative that touched the lead. For instance, if an organization hosted a webinar and generated a lead that converted an entire year later, the credit is still attributed to the initial webinar.

Last touch attribution allocates all credit to the last initiative that touched the lead. For example, if an existing lead received a product demo and converted that afternoon, the credit is attributed to the demo, even with previous touchpoints.

The Benefits

- Reveals relevant insight into the earliest stages of the revenue cycle
- Supports business models that focus on lead generation rather than lead nurturing
- Conforms with last touch data supplied by default from Google Analytics

The Challenges

- Limits data on lead quality until a lead converts
- Eliminates the influence of other touchpoints to skew the actual quality of each initiative
- It does not account for strategies that do not yield immediate results

Ideal website translation vendors offer a hybrid approach, which uses more costly human translation for high-profile pages such as homepages and technical content, and cheaper machine translation for less brand-sensitive content.



Single Attribution with Revenue Cycle Projections

The reality is that many of today's marketing investments—including translation and localization efforts—may not drive revenue in the current month or even in the quarter.

To leverage single attribution for ROI calculation does not correctly account for the time-investment payoff, ultimately resulting in a bias toward short-term gain over long-term value. (See the section on “time-investment payoff,” later in this document.)

Enter revenue cycle projections.

Revenue cycle projections utilize the tentative impact of an initiative at the top of the revenue cycle and apply historical conversion metrics to estimate the long-term return.

For instance, imagine a recent webinar that generated 50 leads. Historically, 25% of leads convert in the long-term, and each has a customer lifetime value (CLV) of \$20,000. Therefore, revenue cycle projections can predict an ROI of approximately 12.5 conversions and tentative revenue of \$250,000 long-term.

The Benefits

- Leverages estimates to quantify the future value of current investments
- Provides a better understanding of the time it takes to see a return
- Looks beyond the top of the funnel to focus on the revenue impact of initiatives

The Challenges

- Utilizes historical data that cannot incorporate recent changes
- Attributes value to singular touchpoints without regard to other touchpoints
- Difficult to predict ROI from translation and localization efforts if they've never been done before

The Bottom Line

The quality of your ROI truly depends on the metrics your business wants.

Are you looking to impact your bottom line with initiatives that drive revenue? Do you want to extend your potential reach? Would you prefer more website visitors?

Sometimes the true ROI of marketing initiatives, like translation and localization, does not relate to an immediate dollar amount. Global potential leads may not equal instant money, **but they do equate to potential profit down the line.**

Factors Influencing the Cost of Translation & Localization

To calculate a return on investment, you first need to understand how much the potential investment could cost. Numerous factors influence the cost of translation and localization services, particularly the level and quality of your chosen services.

Many organizations seek translation services at the lowest price-per-word. Unfortunately, unexpected costs often blindside them—proofreading, formatting, quality assurance, and SEO—which can double the final price.

Though the costs for these service additions may be unanticipated, they're **mainly influential** to the quality and success of the final product. It's preferred to seek translation service providers that roll these essential costs into the overall price-per-word, so there's no surprise come time for payment.

ROI is also evident among customer service departments, which experience reduced call frequency (and cost savings) once information is translated online.

Take a look at the key factors influencing the cost of translation and localization.

1. Type of Translation Service (Human vs. Machine)

There are two avenues for translation services, in-house or outsourced.

The **in-house approach** involves hiring full-time employees to translate web content. This human-focused approach is often costlier, as the median annual wage for interpreters and translators was \$52,330 in 2020.

The **outsourced approach** involves sending website content to a vendor using machine translation or a human translator.

- Machine translation is a cheaper, more viable option for some online content but often has linguistic limitations that may not make it the best choice for high-profile pages.
- Human translation is a more expensive, reliable option for all online content that can capture the nuance and message of high-trafficked pages.

Ideal website translation vendors offer a hybrid approach, which uses more costly human translation for high-profile pages such as homepages and technical content, and cheaper machine translation for less brand-sensitive content.

2. Total Number of Words

Price-per-word is different when it comes to website translation versus typical translation.

Many websites have key sentences and phrases that appear across multiple web pages. As a result, they can be repurposed hundreds or even thousands of times.

Most translation vendors include repeating content in their scope of work.

Even at an initially low price-per-word, the cost of translating and localizing this tremendous word count becomes astronomically high. Even worse, many vendors don't present the total scope of work when they discuss pricing, so most customers never know their all-in cost until it's too late.

Great vendors leverage machine translation technology that detects all translatable content on your website, including repeated phrases. This means that the scope of work for your translation project is much smaller and your translation costs are much lower, too.

3. Consultation Fees

Website translation vendors typically charge customers ongoing project management and consultation fees that can skyrocket the cost of a monthly invoice.

The only problem is that these fees aren't often disclosed with their low-cost translation rates.

Though it's to be anticipated that businesses will need to partake in an initial consultation to decide whether the website will leverage human or machine translation, most companies do not expect rolling line items on each monthly invoice.

4. Proofreading Fees

Proofreading is an essential step for website translation and localization, especially when you consider the misplacement of one article or accent mark can change the entire meaning of a sentence to a native reader.

Many vendors' low translation rates exclude critical editorial steps like proofreading, which are done at an additional cost and are usually billed as separate line items. Great vendors include editorial oversight like proofreading within base rates for transparency.

5. Formatting Complexity

The complexity of multimedia assets in a website translation workflow can greatly influence the price.

When a site hosts multimedia assets that were done by page layout applications such as Adobe Photoshop, InDesign, or QuarkXpress, the business will require translation and formatting services. A designer must be used if a business cannot or does not provide the design files, which can increase the total cost of the translation.

This applies to both **Desktop Publishing (DTP) Services**, like web pages and brochures, and **Multimedia Translation Services**, including videos and animated graphics.

6. Revision Fees

Word growth, or text expansion, is widespread when translating from English to a Romance language. For instance, Spanish content tends to be 25% to 30% longer than its English counterpart.

Since English speakers design most websites for English speakers, word growth can skew the look and feel of a website template, causing costly revisions.

Many businesses don't account for potential revision fees, significantly impacting the investment cost.

7. Quality Assurance

Quality assurance (QA) for website translations ranges from assessing the appropriateness of regional slang or cultural references to preserving the original content's intent and tone.

Machine translations are rarely reviewed for accuracy, whereas human translators typically QA for accurate, consistent brand messaging. Excellent translation services roll the price of human QA into translation pricing.

8. SEO Considerations

Word-for-word translation may convey your message to global audiences, but localization uses unique phrases that resonate within specific markets and help rank on local search engines.

Whereas certain website translation vendors offer SEO considerations as an upcharge, ideal solutions automatically apply international SEO best practices for the optimal return on investment.



Evaluating the Return on Investment

When evaluating the ROI of website transcription, the true value is contingent on the problem your business is trying to solve.

- Decline in sales
- Regulatory compliance failure
- Low brand awareness in global markets
- Difficult brand consolidation from international M&As
- Poor communication with international vendors, which is vital for indirect sales
- Lack of or overwhelmed customer support departments or international call centers

What key performance indicators (KPIs) point to a positive return based on the above problems? Perhaps that's overall conversions and downloads, or maybe it's clicks and reach.

To measure these KPIs regarding website translation for global markets, you can segment data by location-specific subdomains. Segmentation enables you to determine how many more users (or clicks or conversions) came to the site strictly because of translation and localization efforts.

Let's look at which KPIs to evaluate the ROI for particular business goals.

ROI Analysis for Lead-Gen & Revenue

To evaluate the ROI for lead generation, attribute dollar values for specific conversions based on conversion rate and average CLV. For general revenue, compare the amount spent on translation services to the amount generated by post-translation conversions.

ROI Analysis for Brand Awareness

The KPIs for brand awareness center on recent traffic to the homepage, like branded clicks and impressions. You can find these KPIs on analytics tools like Google Search Console and Google Analytics.

ROI Analysis for Industry Authority

Industry authority largely relies on organic visibility, your ranking performance without paid ads, and your current ad impression share.



ROI Analysis for Customer Experience & Service

To evaluate the ROI for customer experience and service, continuously monitor customer surveys and customer retention rate—or customer churn rate.

ROI is also evident among customer service departments, which experience reduced call frequency (and cost savings) once information is translated online.

The Time-Investment Payoff

Several marketing initiatives have a **time-investment payoff**, which refers to the amount of time it takes to recover the cost of an investment. Website translation and localization are one of them.

- Search engine optimization (SEO) takes time—typically 6 to 12 months to see a measurable increase in traffic and associated leads or conversions.
- Different cultures have different preferences—it takes time and effort to adjust all website content and marketing initiatives to meet these preferences.
- Breaking into global markets is a learning process—there is a cultural learning curve for both mature and developing markets.

Moreover, it can be challenging to compare month-over-month costs for website translation due to the variable nature of translation costs. The upfront cost will be more if you've never translated your website.

The cost savings become more evident once you enter maintenance mode and add more content to a translation memory database.

The Opportunity Cost of Not Translating and Localizing

On website translation costs, it's only appropriate to discuss the **opportunity costs** of not investing in translation and localization.

Stagnant Global Growth

Global markets expect to conduct online business in the languages they prefer, as English on the Internet is declining in favor of languages like Arabic, Chinese, and Spanish.

If global visitors cannot read your website, do not expect global growth. These visitors will pivot to the websites of local or international competitors instead.

Poor Global Brand Image

Your website is your brand's international calling card. If your website is untranslated or only partially translated, you tell global customers you don't value their business.

To maintain a positive brand image for international customers—one with high standards for quality and customer service—you'll need to translate and localize **all elements** of your website.

Failure to Comply with Local Law

Many countries enforce language-related regulations for companies doing business in the local market. For instance, all businesses that sell products or services in the Canadian province of Quebec must provide French versions of their websites, including product descriptions and receipts.

Failure to comply with local law can result in hefty fines, not just in Canada but also in other global markets.



Partner with a Transparent Translation Company

A highly localized website will incur initial and ongoing costs like any valuable investment. However, when you weigh those costs against the opportunity costs of not investing in translation and localization, the value of high-quality translation services is abundantly clear.

To maximize your return on investment, it's crucial to partner with a transparent translation company that doesn't hide the total cost of translation with too-good-to-be-true pricing schemes.

Partner with a website translation vendor that rolls essential costs—like quality assurance, editorial oversight, and project management—in upfront translation pricing, a partner that won't double (or triple) charge for phrases repeated across your website.

When you partner with a transparent translation company, there are no boundaries for the global audiences you can reach.

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