Why measure ROI?

A natural question that arises when investing in localisation for the first time, or expanding into new locales, is how to measure success. How do you know that it was worth spending time, money and resources on a new localisation?

Traditionally, return on investment in localisation has been notoriously difficult to measure. You might have seen a boost in sales after making your product available in a new market, but how much of that boost could be attributed to localisation as opposed to other efforts such as marketing or local pricing?

Experimenting globally

In today's digital marketplaces, expanding into new geographical markets has never been easier. For apps, it's often simply a case of ticking a box to make your product available in a new country's app store. Websites are globally accessible, and powerful analytics tools enable you to drill down into where your visitors come from and how long they spend on your site.

With insights like these, it becomes possible to measure the ROI in localisation much more directly. You can A/B test localised and non-localised versions of your content with little cost. For example, you can see how much traffic to your website increases from say, Sweden, after launching your website in Swedish.

Is it worth trying to measure ROI at all?

There's some debate as to whether it's worth trying to measure ROI in localisation at all. We think so – especially now that hard data is readily available.

Understanding the ROI helps you to determine whether localisation is a revenue-generating investment for your business, get stakeholder approval and demonstrate its overall value.

Approaches to measuring ROI vary, but here we've put together the KPIs that we think are most relevant across four different areas:

- Reach and traffic
- Usage and engagement
- Conversions and sales
- Retention

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- Coverage

Reach and traffic

Can content localisation help you drive more traffic to your website or increase the number of app downloads? Absolutely. Search engines will always try to find pages that match the searcher's language. When you translate your product's website into a new language, you can't afford not to optimise your translated content for search engines.

It's essential to optimise your content before launch so you're able to measure the number of visitors to the localised versions of your site. Web analytics is a powerful tool that helps you to navigate global markets, buyers and customers. Here we show you some examples using Google Analytics, one of the most common tools.

Email open rate

Localised subject lines and email messages can give your email open rates a big boost. Localising your email marketing allows you to stand out in a crowded inbox full of mass marketing emails in English.
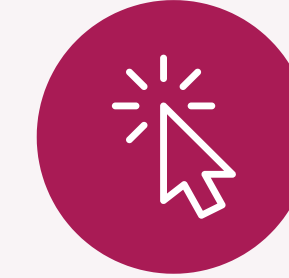
Email CTR

By localising calls-to-action within your email messages, you can power up your email clickthrough rate. This means you're more likely to get your potential customer to make a purchase or follow a link to a content piece in the message.

Mobile app downloads

The most obvious measurement of success for a localised app is the number of downloads over a given period. You often see spikes in downloads right after you launch localisations and whenever you push your marketing campaigns.

App store conversion rate

Your conversion rate is the percentage of views of your app on an app store that result in a first-time download. Localising your app description and app store keywords is vital to boosting this metric.

PRO TIP

We recommend using different URLs for each language version, rather than using cookies or browser settings, for easier tracking. Use hreflang annotations to help Google search results link to the correct language version of a page.

English content: www.mywebsite.com/en/solutions
Swedish content: www.mywebsite.com/sv/solutions

Users by browser language

The languages report is one of the most cryptic reports in Google Analytics. This report shows the number of visits and on-page interactions detected in different languages. It's worth bearing in mind that this report is based on the language the user's browser is set to, which may not always be the language they actually speak and use online.

Language	Users	New Users	Sessions	Bounce Rate	Pages / Session	Avg. Session Duration	Contact page visit - EN (Goal 1 Conversion Rate)	Contact page visit - EN (Goal 1 Completions)	Co visi 1 V
	70,948 % of Total: 100.00% (70,948)	70,476 % of Total: 100.04% (70,451)	85,263 % of Total: 100.00% (85,263)	81.31% Avg for View: 81.31% (0.00%)	1.58 Avg for View: 1.58 (0.00%)	00:01:04 Avg for View: 00:01:04 (0.00%)	0.00% Avg for View: 0.00% (0.00%)	0 % of Total: 0.00% (0)	0
1. en-us	29,830 (42.05%)	29,647 (42.07%)	34,607 (40.59%)	81.08%	1.53	00:00:49	0.00%	0 (0.00%)	£0.
2. en-gb	13,625 (19.21%)	13,561 (19.24%)	17,080 (20.03%)	80.98%	1.69	00:01:09	0.00%	0 (0.00%)	£0.
3. sv-se	3,243 (4.57%)	3,218 (4.57%)	4,004 (4.70%)	83.39%	1.49	00:00:51	0.00%	0 (0.00%)	£0.
4. en	2,793 (3.94%)	2,776 (3.94%)	3,222 (3.78%)	87.93%	1.26	00:00:50	0.00%	0 (0.00%)	£0.
5. da-dk	1,729 (2.44%)	1,721 (2.44%)	2,049 (2.40%)	82.97%	1.41	00:00:41	0.00%	0 (0.00%)	£0.
6. es-es	1,409 (1.99%)	1,401 (1.99%)	1,794 (2.10%)	83.05%	1.43	00:00:52	0.00%	0 (0.00%)	£0.
7. fi-fi	1,173 (1.65%)	1,154 (1.64%)	1,771 (2.08%)	60.76%	2.38	00:04:07	0.00%	0 (0.00%)	£0.
8. sv	1,067 (1.50%)	1,059 (1.50%)	1,253 (1.47%)	85.08%	1.38	00:00:40	0.00%	0 (0.00%)	£0.
9. zh-cn	1,056 (1.49%)	1,045 (1.48%)	1,176 (1.38%)	81.89%	1.40	00:00:55	0.00%	0 (0.00%)	£0.
10. nb-no	1,045 (1.47%)	1,034 (1.47%)	1,384 (1.62%)	82.80%	1.53	00:00:57	0.00%	0 (0.00%)	£0.

Show rows: 10   Go to: 1   1 - 10 of 2

Page views for a particular localised version

The page views metric allows you to measure the number of views you've had for a particular page on your website. If you localise your product's web interface or marketing website using different URL paths for each language, for example stptrans.com/da for Danish, you'll be able to easily track them using a web analytics tool.

Plot Rows   Secondary dimension ▼   Sort Type: Default ▼   /sv/   advanced

Page	Pageviews	Unique Pageviews	Avg. Time on Page	Entrances	Bounce Rate	% Exit
	3,200 % of Total: 2.37% (134,847)	2,684 % of Total: 2.32% (115,901)	00:01:01 Avg for View: 00:01:49 (-44.49%)	1,905 % of Total: 2.24% (85,208)	79.00% Avg for View: 81.31% (-2.84%)	58.53 Avg for V 63.19% (-7.3
1. /sv/oversattningstjanster-fran-svenska-till-engelska/	1,196 (37.38%)	1,114 (41.51%)	00:01:05	1,104 (57.95%)	92.48%	90.
2. /sv/	494 (15.44%)	392 (14.61%)	00:01:03	287 (15.07%)	34.84%	30.
3. /sv/kontakta-oss/	235 (7.34%)	165 (6.15%)	00:00:53	44 (2.31%)	75.00%	35.
4. /sv/oversattningsbyra/	208 (6.50%)	185 (6.89%)	00:02:04	184 (9.66%)	79.89%	79.
5. /sv/experter-pa-nordisk-oversattning/	189 (5.91%)	139 (5.18%)	00:00:51	39 (2.05%)	56.41%	30.
6. /sv/losningar/	189 (5.91%)	160 (5.96%)	00:00:45	29 (1.52%)	72.41%	22.
7. /sv/sa-har-arbetar-vi-med-dig/	183 (5.72%)	152 (5.66%)	00:00:41	15 (0.79%)	60.00%	33.
8. /sv/en-nyborjarguide-for-flersprakig-seo/	96 (3.00%)	83 (3.09%)	00:02:43	78 (4.09%)	87.18%	81.
9. /sv/blogg/	89 (2.78%)	57 (2.12%)	00:00:46	20 (1.05%)	20.00%	15.
10. /sv/6-anledningar-till-att-du-inte-bor-ge-oversattningsjobbet-till-dina-egna-anstallda/	66 (2.06%)	61 (2.27%)	00:00:56	29 (1.52%)	89.66%	60.

Show rows: 10   Go to: 1

Usage and engagement

Localising your product isn't as simple as translating a page from English into Danish. You'll need to localise text strings as well as graphics and images, and research the expressions, nuances and habits of different audiences. It's ultimately the combination of these factors that creates an engaging user experience. That's why in this section we list usage and engagement metrics that you should be following closely after localisation.

Free trials   *software as a service*

Numerous cloud-based software platforms offer free trial versions to help users assess whether that platform is the right fit for them. If your company offers a free trial, keep a close eye on this indicator. An increase in the uptake of free trials in the country/language you're targeting is a clear sign that your localisation strategy is effective and that users are now engaging with your product.

7–30 days

The ideal free trial lenght

Usage statistics   *mobile apps & software as a service*

After you have localised your app, you can measure usage data such as active devices, sessions and retention.

Average session   duration

A session is counted as when your product is used for at least two seconds. The question to bear in mind though is: what is a good average session duration?

2–3 minutes

A reasonable benchmark for average session duration

Daily active users

You know how many times your product has been downloaded or activated, but just how indispensable is your app for those who've installed it? The daily active users metric will tell you just that. This can be measured by the number of daily logins for SaaS applications or number of launches for mobile apps.

Retention rate

This can help you understand whether users enjoy their initial experience. Calculating retention based on users' first logins will reflect how effective your product's messaging, onboarding and UX are at keeping users around. A properly localised application should increase retention rates.

How is it calculated?

No of users who opened app/logged in on day 14

No of users who opened app/logged in on day 1

You can calculate your retention rate using app download or first login as the denominator.

Conversions and sales

Before your potential users can even engage with your localised product, you have to convince them that it's worth downloading or subscribing to. Localisation is key here, too: your app store listing or sign-up page is your shop window. According to CSA Research, 75 per cent of online shoppers don't buy online if the product description isn't available in their native language.

Number of subscriptions

Software-as-a-service (SaaS) is an increasingly popular software distribution model. Subscription pricing varies, but all SaaS companies rely on recurring revenue as a business model. Success in SaaS depends on building an engaging experience that makes users want to log in again and again. After localisation, you can expect a greater revenue stream from the markets you're targeting. Remember that a properly localised checkout or subscription page is critical to avoid churn at the end of the funnel.

In-app conversion rate

In-app conversion rate refers to the percentage of users who complete an in-app purchase in an otherwise free app.

7% conversion rate

If you had 100 people using your free app and 7 of them made some sort of purchase within the app, your in-app conversion rate would be 7%.

E-commerce tracking

If your platform or app offers the option to buy products online, then another important metric to look at is online sales, which can be tracked with various analytics tools. E-commerce tracking is available for free with Google Analytics. Because most users find buying in their native language more convenient, there's a high chance that you'll see an increase in online purchases from the target markets for which you have localised your content. A perfectly executed localisation strategy should also give your users the option to check out using their preferred local payment method and currency.

In-app purchases

If you operate on a freemium model, you may wish to offer your users extra content and features in the form of in-app purchases – with things like premium content, digital goods and subscriptions – right inside your app. But it's hard to convince people to pay for something they're used to getting for free. Developing this kind of revenue stream requires you to convince users of the value of the value added by your in-app purchases.

Retention

Retaining customers is difficult, and this is where many companies will fall off the process if they're not sufficiently supported.

Customer retention

Acquiring new customers is six to seven times more expensive than keeping existing ones.

Customer retention is fundamental simply because customer acquisition is expensive. We've previously seen how to measure retention with regard to usage and engagement, so now we will apply the same kind of logic to existing customers.

Technically speaking, customer retention rate is the percentage of customers who remain loyal to your company over a predefined period of time.

> *How is it calculated?*
>
> ((NCE - NEW) / NCS)) X 100
>
> NCE = Number of Customers at End of Time Period
> NEW = Number of New Customers Acquired During Time Period
> NCS = Number of Customers at Start of Time Period

We recommend comparing customer retention rates for certain markets before and after localisation. If you are already localising, you could test how retention rates vary when you add extra coverage for that language (translating marketing content such as blog articles or launching local social media campaigns).

Sentiment analysis

You may have already localised your product UI, application and website into several languages but now you are doubtful return on investment in certain countries and markets. Before dropping any language, it's worth running a sentiment analysis to collect and structure data of public opinions about your products, services and overall brand. If carried out properly, a sentiment analysis will provide you with data that can be very useful for commercial applications like product feedback, customer service, net promoter score and overall market interest.

Sentiment analyses can also be used to calibrate the tone of voice in a translation. So, for instance, if the source text is hyper-positive you would expect a hyper-positive translation. But while some cultures relate better to optimistic messages, others prefer a more neutral style of communication. In order to build stronger relationships with your customers, we suggest moving away from sentiment correspondence between source and target language, and assessing the tone of voice in each specific locale per se.

Coverage

Just like network or area coverage, we can also think about coverage in localisation. When it comes to software localisation, the question to be asked is how much of your user experience is actually localised? It's certainly a challenging task and you may need to dig out different systems in order to come up with a final metric — your UI content may be stored in one platform while your help content is in another.

Coverage by language

It's not English vs. all the other languages, but English vs. German, English vs. Spanish, and so on. If you want to measure coverage properly, you'll need to establish a coverage score per language.

Coverage by stage

This is a slightly different approach to thinking about coverage. You may have localised your user interface and help pages into German, but your website, blog and social media presence is still in English. Your German coverage is high for the far-end of the customer journey stages, but low for the awareness and consideration phase. If your goal is to penetrate a new market, we recommend you break up your localisation coverage score according to the different stages of the customer journey.

Here's an example of how you can compare coverage rates:

	Awareness	Consideration	Purchase	Retention	Overall score
Coverage	50%	60%	90%	90%	72.5%
Coverage	20%	25%	90%	90%	56.25%

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