

Becoming Locally Relevant Online

A Whitepaper from Digital Element:
Content Localization Capabilities With IP Intelligence



Introduction

Localization continues its steady march from the streets to the desktop; it's now more than just knowing the physical location of a company's dot on the map. True online content localization involves a concentrated effort to create and deliver information that engages visitors in a comfortable and recognizable manner.

The Internet provides an opportunity for every company — regardless of size — to become instantly global, which seems very daunting when one considers the often faceless and geographically dispersed nature of the online audience overall.

Because the online world has become an integral part of day-to-day business, appealing to a mass online universe is no longer adequate. Businesses must now find innovative ways to reach and communicate with “global” audiences, but within their “local” communities. When it comes to online content, a universal, all-things-to-all-people approach simply doesn't work anymore. To succeed online, businesses must localize content, advertising and communications to increase the reach, relevance and response to their messages.

As global businesses take more holistic views of their online business initiatives, they are turning to IP Intelligence (anonymous data derived from analyzing an Internet user's IP address, including city-level location and other information) to help them move closer to replicating real-time interaction in the offline world — most importantly, helping them remove the impediments of geographical distance. Businesses now realize the importance of engaging the global customer in a way that has previously been difficult in cyberspace. IP Intelligence delivers an in-depth view of the Internet — and its constituents — that allows for more tailored messaging and content by forging the relationship between geography and business.

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This whitepaper is intended to illustrate how IP Intelligence provides a complete solution for addressing companies' online content localization needs. The information contained in the paper covers the following:

- How companies can use IP Intelligence to manage content localization for their websites;
- An overview of IP Intelligence and its capabilities; and
- The industries and applications that stand to benefit most from content localization employing IP Intelligence.

Enabling customers, partners, employees and other stakeholders to interact with website content on their terms is a

critical success factor for expanding into new markets and increasing profitability. Therefore, website content needs to be both internationalized and localized.

Think Globally, Act Locally

Companies were initially caught up in the vast global opportunities afforded by the Internet — so much so that geographic boundaries seemed to disappear overnight. It sounded great on paper. However, in reality, geography plays a very important role in conducting business offline:

1. What language you speak;
2. What currency you use to make purchases;
3. Whether or not you sell to someone (legal restrictions); and
4. What products you are likely to buy/how you should stock your shelves.

JupiterResearch, a leading authority on the impact of the Internet and emerging consumer technologies on business, has found that for companies to compete in an increasingly global marketplace, they must position themselves for global online growth. However, the most successful companies in markets outside the United States will be those that move beyond developing and applying uniform templates to their websites — tailoring sites to the needs and tendencies of individual countries and their constituents.

Thirty-seven percent of all large U.S. companies have not even translated their website content into any other language, despite the fact the average number of languages for the Top-10 global brands is almost 30, according to JupiterResearch¹. Companies that are not developing content for non-English-speaking audiences risk losing market share to competitors with more “localized” global strategies.

The distribution of the global online population is making significant shifts that are projected to continue during the next few years.

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In March 2008, approximately 1.4 billion Internet users existed worldwide². During the last eight years, however, the global complexion of the Internet has changed. Asia (38 percent) and Europe (28 percent) now capture essentially two-thirds of global Internet usage³. North America is now home to only 18 percent of all Internet users; whereas, in 2000, the United States alone claimed nearly 33 percent of Internet users worldwide⁴.

As international Internet markets mature and more defined consumption habits begin to take hold, businesses planning on communicating with the “new” global customer should re-evaluate their online strategies to ensure that they follow the flow of individuals online.

Don't Get Lost in Translation

Automatically delivering website information translated into a visitor's native language represents only one component of a content localization strategy.

Companies can gain a competitive advantage as they begin to build solid,

global relationships based on connecting with people in their local community – and within the parameters of when, where and how they want to be reached as well as providing relevant, personalized information that resonates with their culture and lifestyle.

72 percent of respondents in an online media and marketing survey ranked “having a direct path to content I am looking for” as “very important” or “somewhat important”.

Today’s sophisticated Internet users expect high-quality, relevant and engaging online interactions. And, if they don’t find what they need — and quick — they’ll move on to the competition that, in most instances, is merely one click away.

According to Forrester Research, an independent technology and market research company, 72 percent of respondents in an online media and marketing survey ranked “having a direct path to content I am looking for” as “very important” or “somewhat important”⁵. This type of perspective is moving the importance of relevant content and navigation to the forefront of Web site design today.

Similarly, a new study from Service Excellence Resource Group (Service XRG), a research firm focusing on the support-and-service industry, indicated nearly three quarters of consumers used a company’s website to get information about a product or service, but only 44 percent

of consumers felt that the information found there met their needs⁶. This type of disconnect suggests that companies have significant gaps to fill in terms of managing online visitors’ expectations.

And, the quicker marketers correct these disconnects the better. The survey also found that, compared to customers reporting a neutral or negative experience on a company Website, customers who have a positive experience are three times more likely to buy a product from that company. Respondents said they were four times more likely to recommend a company or renew an existing relationship (e.g., a service contract), and five times more likely to report satisfaction with the outcome of the interaction⁷.

All good online marketers should always be working to create a positive online experience for visitors. The underlying impetus in this instance involves increasing online conversions, whether the strategy is aimed at acquiring new customers or better servicing the existing ones. No matter how marketers define “conversion” (i.e. as a click-through, a purchase or a form submittal), greater conversions lead to increased revenues down the line. However a number of obstacles have cropped up in today’s marketplace that are increasingly challenging companies to meet their revenue goals:

- The rising costs associated with customer acquisitions;
- The inability to measure campaign effectiveness in real-time and translate this data into actionable intelligence to optimize results; and
- The unpredictable and disparate ways that different segments respond to brands, messages and promotions.

Know Thy Online Audience

For marketers, knowing their online audience is extremely important. Basic audience intelligence for a website should involve examining:

- Who is visiting the site — prospects, customers, competitors, stakeholders, employees, etc?
- How did they find out about the company, product, or site — paid search, natural search, word-of-mouth, other advertising, etc.
- What do they want from the site – information, products, service, etc?
- How do they interact with the site – which pages, functions and features do visitors have the highest affinity for?

Once marketers understand the make-up and behaviors of their audience, they can determine which segments are useful, viable and profitable from an online perspective. They can then start “localizing” their messages accordingly. Segmenting an audience into smaller groups ensures that each group receives the most relevant, personalized experience, information and offers.

Since the Internet has made every online company instantly global, the best way for marketers to connect with this diverse and dispersed global audience is to show them that they “understand where they are coming from.” And, many times that means translating that phrase into the literal sense by identifying the location of website visitors.

Content Localization Capabilities With IP Intelligence

Digital Element recognizes the geographic realities of “doing business” won’t change just because companies are now

conducting business online. Through its IP Intelligence technology, Digital Element helps companies quickly and cost-effectively provide localized content for their websites.

Digital Element's NetAcuity IP Intelligence technology allows businesses to perfect audience segmentation capabilities and targeting based on a comprehensive set of parameters such as geographic location (country, region, state, city and zip code); connection speed; area code; Internet Service Provider (ISP); North American Industry Classification System (NAICS); domain name; demographics; company name; proxies; Designated Market Area (DMA)/Metropolitan Statistical Area (MSA); language; time zone; and longitude/latitude.

With global accuracy rates of 99.9% at the country level and 95% at the city level, Digital Element leads the pack when it comes to delivering reliable data for its customers' online applications.

By deploying NetAcuity, companies can accurately and anonymously pinpoint a person's location down to the city level worldwide without being invasive. NetAcuity utilizes more than 20 different patent-pending methods that make it the recognized industry-standard in accurate IP Intelligence technology.

Accuracy is the most important feature companies should look for when they evaluate IP Intelligence technology. This is the area where other similar technologies

have previously fallen short in their drive to deliver the desired results.

Digital Element strives to continually improve its accuracy levels. Recent third-party tests conducted by Keynote Systems, the global leader in on-demand test and measurement solutions for continuously improving the online experience, clearly place Digital Element ahead of its competition. With global accuracy rates of 99.9% at the country level and 95% at the city level, Digital Element leads the pack when it comes to delivering reliable data for its customers' online applications.

For example, having the ability to accurately and non-invasively identify a website visitor's location down to the city level worldwide gives businesses the knowledge needed to understand the makeup of their online audiences and know where they come from – literally. Websites can instantly route users to location-relevant content instead of asking each visitor to “choose their country” or surf their entire site just to find products and services of interest to them.

Armed with this real-time information, companies of any size — from mom-and-pop retailers to globally recognized conglomerates — can customize website content, language, currency, products and promotions to their online audience, creating an instant connection with online visitors.

Localized Benefits of Business with IP Intelligence

By using IP Intelligence, companies can enhance the relevance of their online business and gain the knowledge needed to build stronger customer relationships. More specifically, companies can use IP Intelligence to localize online content in order to:

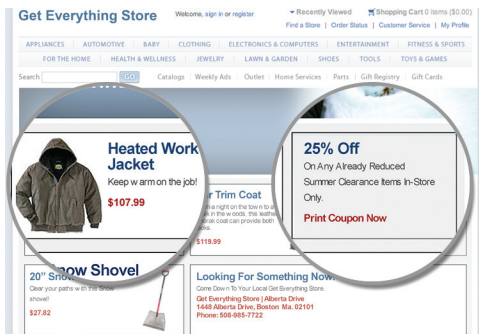
Build Consistent Brand Awareness – By delivering localized content, companies can provide consistent and relevant communications and messaging to prospects, customers and employees on a global basis. Whether someone visits a website from the United States or Japan, they are met with the same consistent brand and messaging from the company — only the U.S. visitor is greeted in English and the other in Japanese. Localized content also gives companies a platform to integrate themselves more in the local community and build affinity for their brands. For example, a large outdoor gear retailer can build local corporate citizenship awareness by delivering content that highlights donations to local charities or schools. Or, a local department store can run ads when high school proms are approaching or congratulate the local little league team for winning a recent tournament.



Automatically direct website visitors' to the country-specific version of the website without making them “choose their location”.

Increase Sales and Revenue – Companies can increase conversions for both online and offline sales by targeting promotions based on customer location. For example, for a family-owned hardware supply company with locations in both the

Northeast and Southeast, IP Intelligence can help promote relevant seasonal merchandise on the Web, regardless of a user's location. In March, for Northeast visitors, information on winter-related items such as snow removal equipment would automatically be presented. In the Southeast, online customers would automatically see content for newly arriving



Target location-relevant products and promotions based on a person's geographic region.

spring plants, such as annuals or summer planting bulbs. In addition, an in-store coupon can be offered for a 25 percent discount, helping to drive offline business as well as online.

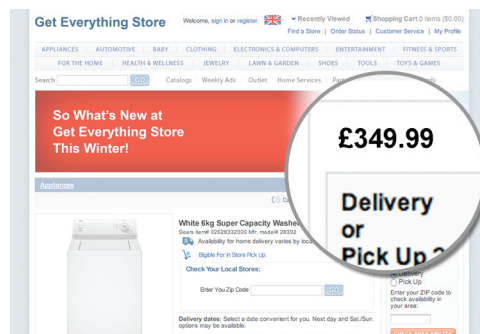
Reduce Rates for Abandoned Transactions

According to Forrester Research, Web users are four times more likely to purchase from a site that communicates in the customer's language⁸. Presenting a visitor with content and products in their native language (based on geography) establishes an instant connection with existing and potential customers. They are more likely to stay and shop and less likely to abandon their transactions. For example, a visitor from Italy visits the Website of a small retailer specializing in custom ski gear. The entire site appears in Italian, and the merchandise

highlighted on the homepage features the hottest selling styles for the Italian ski slopes. The visitor never had to "choose a location" – it was performed automatically.

Simplify Global Transactions

IP Intelligence can simplify online global transactions and eliminate currency miscalculations. By having website catalogs and checkout pages offer currency based on a visitor's geographic location, companies can eliminate the dependence on customers to make the right selection themselves. Companies can reduce the payment and shipping errors associated with conducting business internationally.



Eliminate currency miscalculations by showing country specific currency on all relevant pages.

Applying Content Localization Within Key Industries

Most of the world's largest networks, websites, enterprises and emerging technology companies have chosen IP Intelligence solutions for access to the most comprehensive set of IP data available for content localization. Although content localization should be a main priority for any company with a strong online presence, the following industries stand to benefit most

from customized content driven by IP Intelligence:

Retail/E-commerce

Because e-tailers have an estimated eight seconds to make a good impression online, they need the ability to present visitors with customized content on the fly to help simplify and enhance the customer experience. For example, an outdoor outfitter may present promotions on goose-down parkas to those visitors from Chicago (in the middle of winter) instead of top-of-the line swimwear. That same retailer may also automatically show the nearest retail location instead of asking users to "Select a Store." For big-box retailers, IP Intelligence allows them to automatically set pricing regionally. And, as retailers continue the trend of building social networks within their websites, they will need a mechanism to deliver customized content (i.e. information, products, coupons, promotions, etc.) that resonates within these socialized communities as well as regionally-based buyer groups.



Automatically present website visitors information on stores closest to their location without making them enter their zip code.

Education

As the competition for higher-education students continues to intensify, colleges and universities need to ensure that their websites — in most instances the



Simplify a website visitors' experience by showing them relevant information based on their location.

first place prospects go for information — make a good first impression and create a memorable experience. For instance, large institutions can show information on campuses, programs, offerings or alumni associations closest to a prospect's location. They can even provide related dates when recruiters are scheduled to be in their area. And, for schools that offer programs of interest to international students, information can automatically be delivered in a visitor's native language — ensuring that communications and messaging are consistent across all nationalities. With IP Intelligence, school websites can deliver regionally relevant content through unique information and page themes to visitors based on their geographic location. For example, a prospect from South Carolina who is considering a school in North Dakota may be served pages that include “warm-weather” images and showcase related outdoor activities.

Financial Services

Whether the focus is insurance, banking, brokerage, credit cards or lending, companies in this sector (who have long been very conservative when it comes to technology innovation) are starting to embrace the Internet wholeheartedly as a viable business channel. National brands in particular realize the benefit of delivering customized information to website visitors that may include the location of branch offices or a list of sales representatives who serve their areas. Additionally, products and services that may differ from state to state, such as home and car loans as well as credit card offers, can be automatically targeted to consumers based on their geographic locations.

Technology/Telecommunications

The technology and telecommunications industries have grown exponentially during the last decade and are driven in large part by global conglomerates with world-wide locations, service providers and partners. For technology companies that offer software downloads online, the ability to automatically provide information, instructions, and currencies to customers in their native languages is essential. Software companies can also provide the location of technology partners in customers' areas or deliver targeted content to regionally-based user groups. Additionally, IP Intelligence can enable digital rights management, allowing for legal downloads where licensing and copyright agreements are in place and restricting downloads where it is illegal. Companies can also enhance the delivery of downloads based on a user's detected connection speed. For telecommunications companies, such as wireless providers, local website content might include regional coverage area maps, special offers and the location of brick-and-mortar retail outlets.

Pharmaceutical

The fierce competition in the pharmaceutical industry is not expected to subside any time soon. As “Big Pharma” extends its reach into international markets to boost revenues, the need to make websites “globally local” should also become a major focus. With IP Intelligence, pharma companies can not only serve content in different languages, but they can also restrict the necessary product information in certain countries; provide notifications of local drug trials and patient education forums; offer regional disease and vaccine materials; and highlight corporate philanthropic efforts in specific areas.

Consumer Packaged Goods/Manufacturing

The applications for content localization within the consumer packaged goods industry are very similar to those for retail. However, product locator features that allow consumers to find the nearest stores carrying certain items have been slow to materialize in this industry. In large part, this is because most of a major packaged food maker's products are easily found in the majority of grocery stores already. But, for specialty products, such as high-end brands of dog food (i.e. Proctor & Gamble's Eukanuba) which are sold only through specialty retailers and veterinarians, an automatic locator service driven by IP Intelligence can prove valuable.

Corporate

The ability to deploy enterprise-wide content anywhere around the world through a corporate website is increasingly becoming a key requirement for global companies today. Content localization on the corporate side enables employees,

clients, partners and other stakeholders to automatically interface with information in their own language — critical to extending a company's true global reach, improving productivity and driving profits. IP

IP Intelligence can help businesses grow by providing tools to help them understand and communicate more effectively with customers.

Intelligence also allows global businesses to instinctively display other pertinent information such as office directions and contact information nearest a Web user's location. Additionally, global corporations can make a great first impression to professionals looking for career opportunities on the company's website by presenting job openings for locations closest to the person's geographic location – instantly creating a connection and positive brand impression for prospective employees.

The Push to Create Dynamic, Engaging Online Experiences Will Continue

Consumers will persist in their demands for engaging, personalized and interactive content from websites, while marketers will continue to be challenged to present a dynamic, relevant and profitable online experience.

Customer engagement will continue to be driven by an ever-growing digital world. And, for marketers, the following trends will only perpetuate a stronger focus on enhancing the online experience:

- More collaboration;
- Continued increase in the amount of online marketing spends;
- Consumers' need for instant gratification;
- Shifts toward mobile marketing; and
- Rise in local online communities.

During the last several years, many global companies have been making great strides in the area of website localization. And, automation of this process has become an essential component in handling the high volume of frequently changing content. In the future, website localization will become more than just an online enhancement -- it will be a necessary fact of doing business on the Internet. So, companies that have reliable, accurate and versatile technology solutions in place now will be ahead of the game for the future.

But many companies are faced with the need to localize a wider range of content that extends well beyond Web pages. The Internet channel highlights the overall lack of "local" brand awareness that plagues many companies. The majority of today's consumers are multi-channel shoppers. Even though they may use each channel differently — some use the Internet for information and the retail store for sales (or vice versa) — they still engage in a shopping experience within their local communities.

Whether it be for web pages, marketing collateral, product documentation, customer support content or company procedures, global enterprises must develop a wide variety of localized content to be available to many different audiences, across many different channels. The key is to build brand affinity across all channels and integrate localization technologies in order to realize cost savings and real economies of scale. The use of IP Intelligence builds a solid foundation or platform from which to start.

Conclusion

As the business world continues to move more to the Web, technology will increasingly become more integral to defining the customer experience. In order to be successful online, businesses need to realize there's more to just collecting the number of page views and counting the abandoned shopping carts. IP Intelligence can help businesses grow by providing tools to help them understand and communicate more effectively with customers. By employing IP Intelligence, marketers can quickly and cost-effectively enhance the relevance of their online business and gain the critical knowledge needed to build stronger customer relationships, brand awareness and, ultimately, increase sales and revenues.

About Digital Element

Digital Element delivers the de facto standard in IP Intelligence, providing coverage for 99.9999 percent of the Internet and collecting more than one million points-of-view daily from different online vantage points. Taking advantage of its patented technology and a team of dedicated data analysts, most of the world's largest networks, websites, video portals and social networks, access the most comprehensive set of IP data available to deliver targeting advertising, content localization, geographic rights management, video streaming localization and analytics. Through Digital Element's industry vision and leadership, this non-invasive technology has evolved into much more than geographic information and now includes other intelligence factors such as connection speed, domain name, ISP and language.

For more information on how to uncover new levels of insight about online users,

please visit www.digitalelement.com. Digital Element is a business unit of Digital Envoy, part of the Landmark Interactive division of Landmark Communications.

¹Wigner, Zia Daniell, JupiterResearch. "Companies Embracing Web Site Localization Are Better Positions to Compete in a Global Marketplace," January 22, 2008.

²Internet World Stats, "World Internet Users and Population Stats," March 2008, Accessed May 6, 2008, <http://www.internetworldstats.com/stats.htm>.

³Internet World Stats, op. cit.

⁴Computer Industry Almanac, Press Release, April 24, 2001, Accessed May 6, 2008, www.c-i-a.com/pr0401.htm.

⁵Li, Charlene, Forrester Research, Inc. "Creating Good Online Content Experiences," October 24, 2006.

⁶Sweeney, Tom, Service Excellence Resource Group. "Influencing the Online Experience," March 3, 2008.

⁷ibid.

⁸Forrester Research, www.forrester.com.