



International marketing report



Uncovering the power
of local knowledge

croud



Contents

Introduction	01	Context is king	09
The international state of play	02	Does localisation matter?	11
Tools for the job	05	The international language of money	12
One size still fits all	07	Methodology	15



Introduction

The borderless nature of the internet has empowered businesses to expand internationally, reducing much of the bureaucracy and set-up costs that companies had to factor in previously.

Similarly, innovations in digital marketing have enabled businesses to run marketing activity in multiple geographical markets, supporting business growth and driving sales in multiple regions, more easily than with traditional offline marketing. As brands continue to mature in the global market, so too should marketers' approach to international digital marketing.

To understand how mature international marketing is, we recently commissioned an in-depth study asking over 250 marketers how they manage international marketing campaigns, the challenges they face, and what they think good looks like.

The research found that international marketers are currently relying on central hub teams in one location to run campaigns in multiple markets, and are unlikely to tailor campaigns based on local market audience

insights, culture and behaviours. The majority of marketers don't have local market support in every market, and this applies across channels – from PPC to content and beyond.

Despite this, marketers are well aware of the importance of local market expertise. Seventy-six per cent of marketers say that having a team member or partner with local market knowledge is important in delivering a successful international campaign; but they aren't sure on how to make this happen. The majority of marketers see this as the biggest challenge they face.

In this report we outline the key findings from our study as we aim to unpick the disparity between what's currently happening and what marketers perceive as good: If we know local expertise is key for international success, why aren't we all using local experts?



The international state of play



The research found that, on average, 58% of marketers don't have local support in every market in which they are operational.

30%

don't have any local support at all for paid search

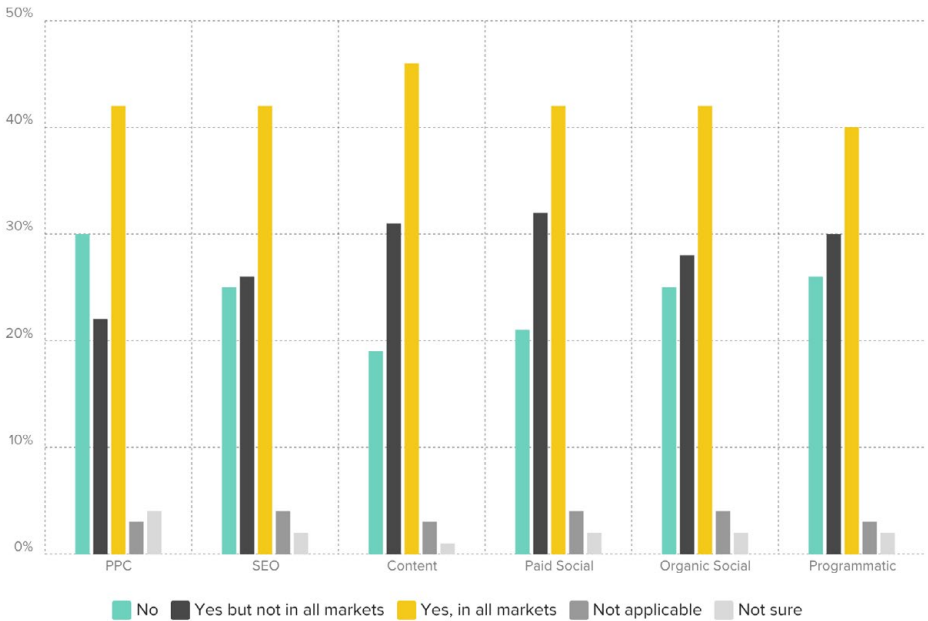
54%

don't have local market support for content in every market

60%

don't have local support for programmatic in each market

Do you have local market support to run campaigns in the following areas?



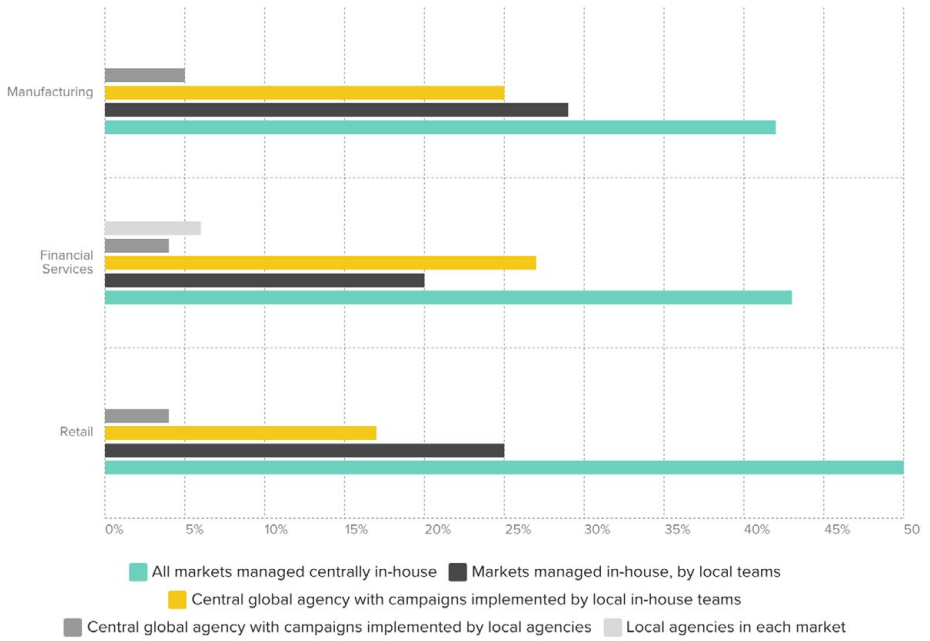
Digging into this further to understand how international campaigns are managed, the results show that the majority of retail marketers (53%) manage all international marketing centrally through one in-house global team. In comparison, just 24% of marketers working in construction manage international marketing campaigns through one central team, without local market expertise. Marketers working in construction are more likely (43%) to work with global agency partners to produce global content that is implemented by local, in-house teams.

Unsurprisingly, given over half of all retail marketers don't have local market teams to support marketing activity, almost a quarter (24%) state that the biggest challenge they face is a lack of local market knowledge. Lack of consistent measurement across markets is also an issue for a quarter (24%) of retail marketers.

Like in retail, marketers working in financial services are most likely to manage international marketing campaigns from one central in-house team. However, only 12% think a lack of local market knowledge is the biggest

challenge. Poor customer data and a lack of budget are the bigger challenges according to those working in the financial services sector (27%).

Which of these models best describes your international marketing set-up?





Tools for the job

For international marketing campaigns to run successfully, teams have a huge choice of tools, partners and technology to help get the job done.

SaaS platforms, heritage partners and agencies have all innovated in this area to support in-house teams in tech-first and flexible ways.

Despite this, our research found that 4 in 10 marketers still rely on Google Translate for translating marketing content. Somehow the tool is still widely used, even though 46% of marketers have in-house translators or bi-lingual staff.

Many marketers may still be using online translation tools, but they are aware of the potential shortcomings: 79% of retail marketers, 69% of financial services marketers and 80% of manufacturing marketers agree

that translation isn't enough to deliver relevant, effective digital marketing campaigns in multiple markets. In fact, language barriers and a lack of local market knowledge are the two biggest challenges marketers face.

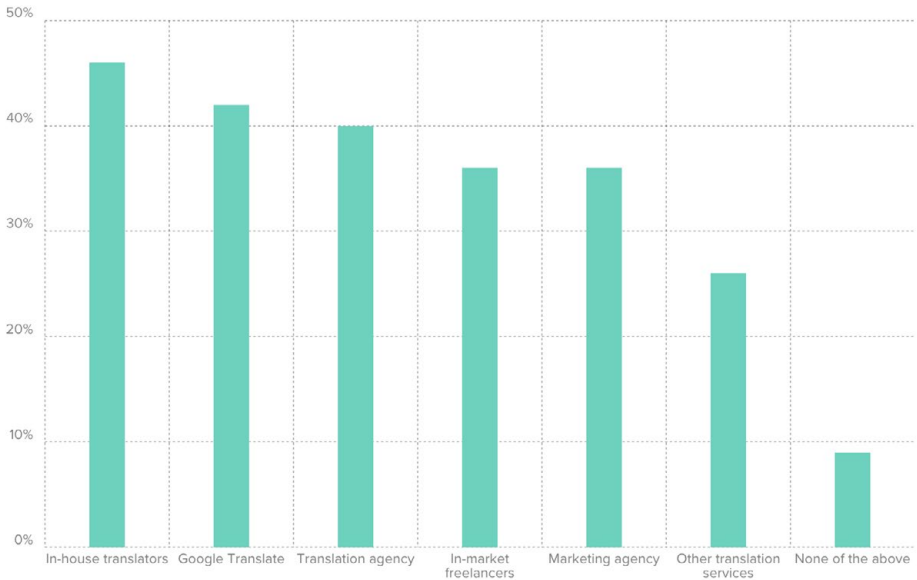
It's reassuring to learn that marketers understand the value of localisation and expertise, but so far few are altering their approaches and are still relying on flawed translation-only approaches:

- 4 in 10 marketers rely on Google Translate for translating marketing content

- 50% of large businesses, with a turnover of £51m-£100m, use Google Translate
- 1 in 10 businesses with a turnover of £11-50m don't use local market experts, translations services or agencies
- 51% of retail marketers translate content across markets, but only 29% consider full localisation
- Less than one quarter of financial services companies (24%) have in-house translation teams for marketing content



Which of the following do you use to translate marketing campaigns?





One size still fits all

Technology and teams can now be used to tailor campaigns across regions; however this isn't a reality for many marketing teams.

1 in 3

run the same campaigns in all markets

62%

don't use local audience insight

67%

don't use locally popular platforms

Worryingly, 1 in 3 marketers admit to running the same campaigns across all markets.

This isn't just a problem for smaller companies with fewer resources: almost 1 in 10 businesses (8%) with a turnover of £101m+ don't differentiate or tailor marketing campaigns across different markets.

Looking at how marketers tailor marketing campaigns across markets;

- 62% don't target based on local audience insight
- 67% don't run campaigns on platforms popular in different local markets

Marketers are most likely to translate copy into each language they are marketing to (43%), however as we've already seen these translations are likely to be carried out using online tools that simply translate copy. To produce marketing content that resonates with a local market, localisation is required. That means local market experts who can accurately translate and localise based on market understanding, cultural nuances, beliefs, sensitivities and colloquialisms.





Context is king

Marketers should be localising content, not just translating. Context and cultural awareness are paramount to success.

Failing to use local expertise could have a long-term negative impact on the marketing success in that region and an even bigger impact on the organisation's reputation.

We wanted to see what level of understanding marketers had of cultural nuances in the regions they were running marketing campaigns in. The results are eye opening:

- 62% of marketers who run marketing campaigns in Russia incorrectly believe that Russians celebrate Christmas Day on 5th January; this is almost as many incorrect answers

as the average marketer, whether they operate in Russia or not (63%)*

- Despite this lack of understanding of cultural traditions, the majority (70%) did recognise that Yandex is the predominant search engine in Russia
- A whopping 63% of marketers running campaigns in Europe thought that Oktoberfest was a national holiday in Germany**
- 54% didn't know that half of the Icelandic population believe in elves***

To optimise marketing activity and drive positive awareness and sales, it is vital to have a good understanding of the market's nuances such as:

- Respect important cultural dates and beliefs as this might impact the creative
- Cross check branding and key phrases for alternative cultural meanings
- Understand the local market platforms and preference on how people communicate and engage with brands

A recent example where local market insight hadn't been used, was when Coca Cola tried to combine te reo Māori and English, the two main languages spoken in New Zealand. Its attempts backfired as the company had unknowingly written "hello, death" on vending machines filled with its products.

Getting your geography right is also important. Gap recently had to apologise for selling a T-shirt that had an incorrect map of China on it. Car manufacturers have fallen foul of localisation problems in Brazil over the years. The Kia Besta van performed poorly in Brazil – it transpired that 'besta' can mean beast in Brazilian Portuguese, and also can be used as a derogatory term for an idiot. Ford had a similar experience, when its Pinto model failed to sell in Brazil. This was because 'pinto' is Brazilian Portuguese slang for small male genitalia.



*Christmas in Russia is normally celebrated on 7th January

** Oktoberfest beer festival runs for three weekends, finishing on the first Sunday in October. German Reunification Day coincides with Oktoberfest and is a public holiday.

***Yes, this is actually true – over 50% believe in elves



Does localisation matter?

The short answer, according to the marketers we questioned, is yes.

Our research found that having a team member or partner with local market knowledge (76%) is as important as having high brand awareness (77%) when it comes to delivering a successful international campaign.

This is a particular priority for larger organisations; a third (33%) of businesses with a turnover of £101m+ think that the biggest challenge is a lack of local market expertise, compared with just 23% of £5m-£10m sized businesses.



The international language of money

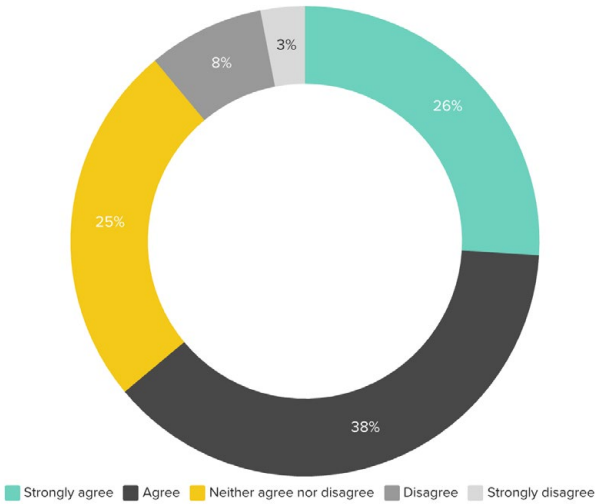
The research shows that one aspect that might be holding back marketing teams from using local market experts, is the perception that it is more expensive to run campaigns in this way.

Seven in 10 marketers agree with this statement.

Luke Smith, CEO and Co-Founder at Croud said: "It's risky to dismiss local expertise just because it's expensive. In fact, recent examples from Coca-Cola and Gap show it can be incredibly costly. A failure to properly localise international campaigns can have a serious impact on the bottom line and brand reputation.

Tech innovation and a global workforce mean there are now more efficient ways for brands to manage international campaigns and access local expertise. Partners that have local experts available on demand can be a cost-effective solution. Dialling up or down the volume of work helps increase efficiency and results whilst reducing risks."

International digital marketing campaigns are more costly when using local market expertise - do you agree?



More generally, the outlook for future budget growth is overwhelmingly positive:

- Three quarters of marketers at large organisations (£51m+

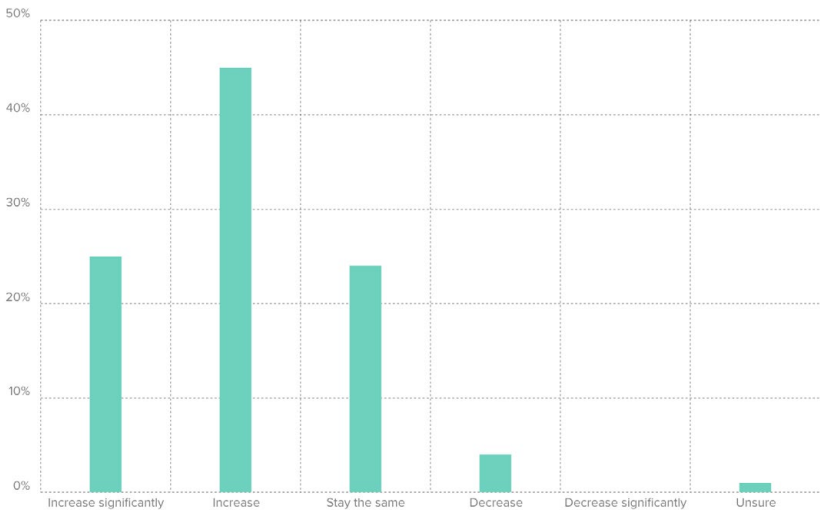
turnover) expect budgets to increase next year. 38% of these expect budgets to increase significantly

- Only 4% of all marketers expect budgets to decrease

next year

- 70% of all marketers expect budgets to increase next year and just 24% expect budgets to stay the same

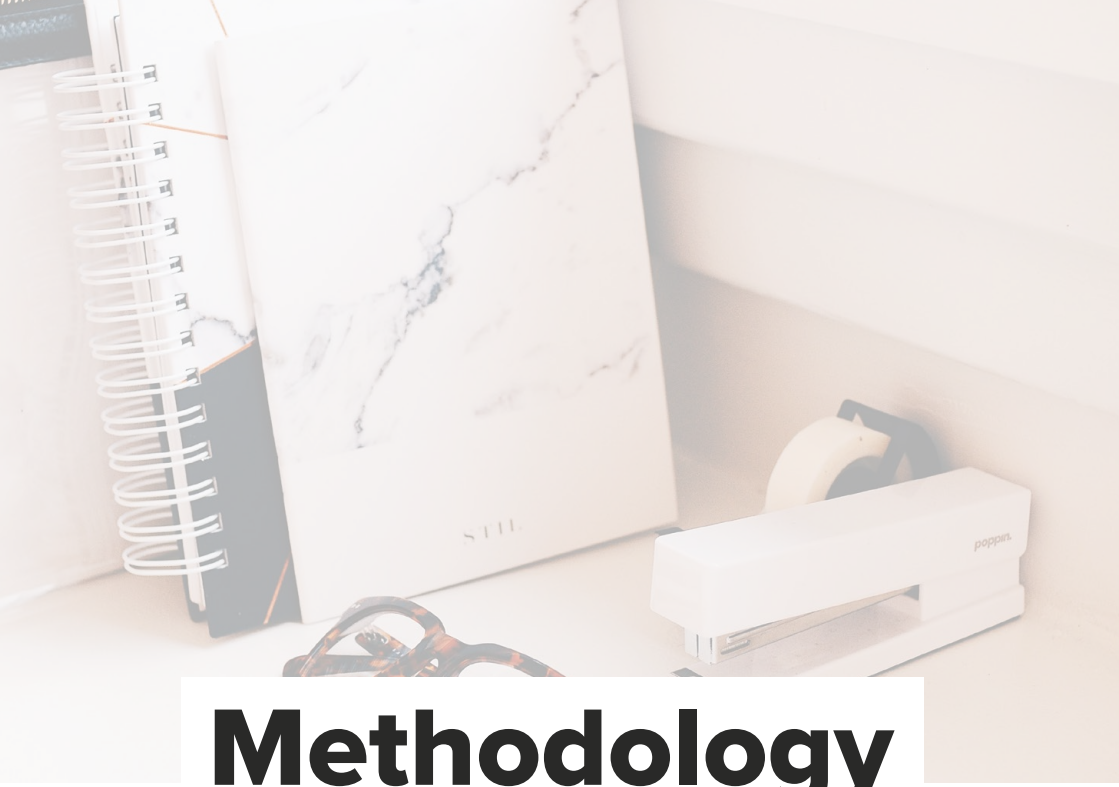
How do you expect your budget for international digital campaigns to change in the next financial year?



International campaigns with local experts in each market don't have to be more expensive. Utilising partners that have local experts on a demand basis can be very cost-effective. Dialling up or down on their volume of work helps to reduce cost but ensure brands are getting the expertise when required.

Failure to take into account local insights is risky and can significantly impact on the business' bottom line. An example of this comes from Pampers. After some analysis into why its launch in Japan hadn't been successful, Pampers realised the 'stork carrying a baby' design on the product was confusing parents as that folklore wasn't known in Japan. In Japan the story goes that giant floating peaches bring babies to their parents. An on-demand network of local experts helps to safeguard against this in an efficient way.





Methodology



The survey was conducted among 253 marketing decision-makers (manager and above) working in companies with revenue of £5m+. All respondents work on international marketing campaigns. Specific industries were targeted, with the following sample sizes for each sector:

Retail – 75

Financial services – 49

Manufacturing / Construction – 65

Other – 64

The interviews were conducted via an online survey by Sapio Research in September 2018.





Get in touch:



www.croud.com info@croud.co.uk 020 8017 7723

croud