

Nearly everyone agrees that e-commerce is gaining ground and that it will fundamentally alter the way in which we do business. New studies reinforce the benefits to be gained from it. But what are the implications for the language and localization industries? How will their services and the way in which they deliver them change?

The e-Business Case

1999 has been the year of the "e." With or without accompanying hyphens and asterisks, this abbreviation for "electronic" is now an established part of everyone's vocabulary. And while there is still considerable confusion about the terms and concepts following the prefix, everyone agrees that the phenomenon is here to stay. Thus 85 percent of all respondents to KPMG's pan-European 1999



Deborah Fry

Electronic Commerce

Research Report are now capable of electronic dialogue with their customers, and nearly three quarters used e-commerce technologies¹ to launch a new product or promote an existing one in the past three years.² Among the conclusions drawn by KPMG, "Commercial organizations that have embarked on the digital trading route are not lone explorers. [...] e-commerce is revolutionizing customer relationships. [...] There is only a very short time left for companies to catch up with their e-commercially aware competitors." According to KPMG, the message also seems to be getting home, with 69 percent of all respondents spending more on e-commerce in 1999 than 1998, and 71 percent expecting to increase their budgets next year.³

The reasons for this interest among companies are simple. First and foremost, an online presence means a global presence, and this enables companies to communicate with clients (and often suppliers as well) across the world. As David Brooks, Microsoft's senior director of international product strategy, wrote in a recent *LISA Newsletter* article: "In the 21st century the majority of businesses will be globalized—not just big companies like Boeing and Microsoft. Even tiny companies in Nebraska, for example, will be able to transact business around the world. As the world moves to a knowledge economy, and

Betting the Farm

The Internet is poised to revolutionize how people buy and sell language services. But without a strategic plan, language-service providers might be caught off guard.

by Deborah Fry

hence to e-commerce, Internet access and a phone will make location unimportant.”⁴ This is borne out by the results of the KPMG report, in which “reaching new markets or customers” was rated the most important benefit from e-commerce by the largest number (36 percent) of respondents.

However, increased reach is not the only benefit to be gained from e-commerce. Other key advantages cited were “flexibility and adaptability” (16 percent), followed by “speed” (15 percent), and “cost savings” (14 percent). Other issues cited were “perceived as new and exciting by customers” (12 percent) and “simplification of tasks” (6 percent). Last, but not least, of course, companies expect to make money via the Net. Forrester Research estimates that total European Internet revenues will reach US\$65 billion by 2001,⁵ while market-research company Dataquest estimates that the global volume of online business-to-consumer trade will have risen to US\$380 billion in 2003.⁶

Sliding Scale or Slippery Slope

Nevertheless, companies and their service providers need to keep their feet firmly on the ground. E-commerce is still an emerging technology, and the day when significant revenues are generated off the Web may still be some way away for many companies. Thus, according to the 1999 KPMG report, only 4.3 percent of sales by the companies surveyed were attributable to the Internet, and a sizeable 37 percent of respondents stated that no sales were generated by their activities in this area. Correspondingly, average forecasts for marketing spending—and hence potential service provider revenues—in three years’ time are comparatively low, at US\$289,100.

In addition, in practice the term e-commerce covers a broad range of concepts and varying degrees of sophistication, although these are not necessarily mutually exclusive. The 1999 KPMG Report identifies four stages of maturity:

- Advertising Only
- Two-way Communication
- Online Transactions
- Full Automation

In the advertising-only stage, the entry level for most companies, companies broadcast corporate and product information to potential clients in a one-way process. The next stage offers two-way electronic communication (e.g., contact management) but not the ability to conduct transactions online (the third stage). At the top of the e-commerce tree are those enterprises whose Internet offerings are fully integrated with their order fulfillment, stock control, and delivery systems. These companies are also known colloquially as the dot.coms—e.g., Amazon and Dell.

Forrester Research estimates that total European Internet revenues will reach US\$65 billion by 2001, while market-research company Dataquest estimates that the global volume of online business-to-consumer trade will have risen to US\$380 billion in 2003.

Enterprises move up the scale over time according to KPMG, although in practice this is by no means trivial. Companies introducing e-commerce need to invest considerable amounts of time and money in reengineering their underlying business processes to support the new sales and delivery channel. What happens internally when an order is placed via the Web? How can credit checks be performed, payment and payment security be guaranteed, and returns handled? Do product-support concepts and warranties need rethinking, and how can clients protect their products, services, and information against copyright infringements? In a nutshell, becoming “e-enabled” is not a one-shot activity, but one that fundamentally and permanently affects the way in which organizations do business.

What is more, successful e-commerce depends on yet another factor: achieving *stickiness*. This can be defined as the ability to attract new and repeat visitors to e-commerce offerings. Popular methods of keeping visitors glued to Web sites include in-depth company and product information, loyalty programs, tips and tricks, help desks and support functionality, as well as chat rooms and message boards. All of these have to be designed, implemented, and maintained—and the bigger the site, the bigger the headaches that may arise.

Chances, Solutions, and Challenges

How, then, do the language and localization industries fit into this picture? The answer is twofold: as providers of products and services with which other companies can take advantage of e-commerce and globalization, and as e-commerce players themselves. For reasons of space, I shall concentrate on the former aspect, although it is clear that e-commerce is becoming an integral part of the business of both tools and service providers.⁷

Looking at the services to be provided, the obvious starting point is translation/localization. In the early days of the Internet, to paraphrase Henry Ford, Web users could have any language as long as it was English. Of course, the same restriction also applied to the products being advertised via this medium. However, any potential disadvantage was mitigated by the fact that the online community was itself more or less limited to those who were proficient in the language. Today, though, both the volume of non-English content and the number of non-English users are rapidly increasing. In fact, the latter is scheduled to overtake the number of English users by January 2001 according to Global Internet Statistics for Euromarketing Associates.⁸ This obviously opens up opportunities for translating and localizing both the content of Web sites and any products distributed via this channel.

In practice, however, these opportunities will vary with the type of site concerned, and in particular on its positioning within the business-to-consumer or business-to-business continuum. By and large, consumer-oriented mass-market sites offering online services (e.g., e-shopping) will be or become the most multilingual, since these are the ones most likely to need to reach non-English speaking audiences. This makes them prime prospects for translation- and localization-service providers, although the amount of work performed will always be subject to financial and time constraints. At the other end of the spectrum, the semiproprietary, customer-controlled supplier communities now being set up by the major auto makers⁹ and other global companies are much less likely to offer extensive multilingual facilities, since it is their needs that are paramount. In this area, to rework Willy Brandt’s famous saying, “if you want to sell to me, you’ll have to speak English.”

In addition, service providers seeking to exploit the opportunities of the Web face a number of challenges. Internet content needs

translating at Internet speed and must often be released simultaneously in all languages, thus drastically compressing turnaround times. What is more, Web pages are surprisingly quicker, thus increasing update frequencies. This means that the age of the micro-release is upon us: thousands of small files now require near-instant delivery and subsequent management and—hopefully—reuse. Tight integration with the authoring process is a prerequisite here at both the technical and the conceptual levels. The stickiness requirement mentioned above and the need to achieve a balance between global branding and local-market attractiveness will further blur the authoring and translation processes in this area, requiring new skills and new working processes.

The speed and flexibility demanded by clients cannot be purchased at the expense of quality. On the contrary, by exposing products, services, and information to large native-speaker audiences worldwide, the Web is increasing the pressure on enterprises to provide high-quality material. Service providers who cannot support their clients in this will feel the heat in the future, especially since language technology is starting to offer an alternative at the low end of the market. If you cannot clearly add value against free machine translation, why should anyone pay to use your services? In many cases, this need for quality will reinforce the current trend towards greater specialization, since it is impossible for a service provider to offer the required quality in all subject areas and languages. However, by and large, service providers still have some way to go before they can meet the demands of specialist clients. In the case of e-trading, for example, at least one company has set up in-house facilities because service providers have been unable to offer the combination of specialist knowledge and bandwidth required (i.e., speed, volume, and number of languages).

This trend towards subject area and functional specialization, coupled with the need to respond flexibly to changing situations, will lead to an increase in partner relationships among specialist organizations. Networks of alliances of varying degrees of formality will emerge, glued together by technology and advanced project and workflow management. The cost implications of such a model are, of course, considerable, and will lead to further changes in industry structures and service-provider profiles.

Tooling Up

Language and other technology has a number of different roles to play in this constellation. On the one hand, service providers will depend more than ever on tools to meet the content management and delivery challenges facing them. In addition, however, some tools (machine translation, term look-up, etc.) can give end users at least a basic understanding of material in languages they do not (perfectly) speak, thus obviating the need for more sophisticated language services. To this extent, the Web offers potential opportunities for both push and pull language technology offerings. The decision is likely to be taken on the basis of the importance of the relevant markets, the volume of work involved, and corporate budgets. To this extent, tools only represent a threat to service providers where their own value proposition (i.e., the benefits they offer) is not convincing.

The Next Steps

The LISA Forum 2000, to be held in Washington D.C. from March 8-10, 2000, will focus on many of the topics raised in this article. Issues to be covered at the event, which is entitled "The

(continued on page 45) ◀

Multilingual Millennium—from Walls to Webs,” will include:

- Protecting multilingual intellectual property across borders
- Managing multilingual information storage, access, and delivery
- The multilingual e-release process
- Generating greater return on equity and value from localization
- Creating Web-based multilingual information workflows
- Reducing multilingual information cost
- Meeting multilingual infrastructure technical requirements
- Structuring partnerships to control your multilingual assets
- Multilingual “simship”: e-business, e-release, e-support

In addition, an industry media and business education seminar will focus on educating opinion makers on the benefits to be gained from professional localization. Pre-forum workshops will be held on internationalization and writing for the global enterprise will also be held, as will a localization technology, services, and tools exhibition. Further information can be obtained from the LISA Web site: www.lisa.unige.ch

Deborah Fry is co-director of Fry & Bonthrone Partnerschaft and editor of the LISA Newsletter. This article appears courtesy of the LISA organization. Email her: deborah@fb-partners.com

Notes

¹ KPMG's Electronic Commerce Research Report 1998 defined e-commerce as “companies' use of technologies to communicate with customers or other companies, to carry out research or information-gathering, or to conduct business transactions.” Electronic commerce technologies include Internet access, intranets, extranets, Electronic Data

Interchange (EDI) and smart cards.” Perhaps significantly, in the 1999 Report no definition was considered necessary.

² Both the 1998 Report and the newly released 1999 Report are available as pdf downloads from www.kpmg.uk

³ The 1999 Report surveyed 357 European companies in the manufacturing, retail/wholesale and distribution, and financial services with sales of US\$300 million or more.

⁴ *LISA Newsletter*, Vol. VIII no. 4, December 1999

⁵ Cited in Rose Lockwood: “You Snooze, You Lose,” *Language International* Vol. 11 No. 4, August 1999

⁶ “GartnerGroup's Dataquest Says Business-to-Consumer e-Commerce to Become a \$380 Billion Industry by 2003,” October 12, 1999, at: <http://gartner5.gartnerWeb.com/dq/static/about/press/pr-b9957.html>

⁷ For only a few examples, see Trados' recent Web-centered anniversary promotion (www.trados.com), Uniscape's new “e-services translation portal” (www.uni-scape.com), the “e-agency” etranslate.com, and ITP's “FastTrack” online localization and translation quotation system (www.itp.ie/english/about/news/itp_news_99_09_23.html)

⁸ cited in Rose Lockwood, *ibid.*

⁹ cf. e.g., *Wall Street Journal*, December 3–4, 1999 p.1: “Big US Car Makers May Take Internet to the Next Level”

