

## **ARE YOU TALKIN' TO ME?**

An international market study into the impact of language on a consumer's purchasing behaviour

July 2005

Over the last year or so, our clients have been asking us the following question with increasing frequency: *Why do we need to pay for localization when most of the developed world has some understanding of English?* This is a perfectly reasonable question. As global companies reach out into more markets without commensurately larger marketing budgets, they need reassurance that money spent on culturally - adapted marketing materials and high quality translations will generate a good return on investment (ROI).

While we can readily provide a wealth of anecdotal feedback and examples from the wide range of marketing communications projects that we undertake for our clients, we can rarely find good sources of quantifiable data to irrefutably justify the case for localization.

The overall main question we all want answered is 'why should we localize?' To take advantage of this in future marketing activities, we also need to know:

- Do consumers now expect global companies to communicate with them in their own language?
- Is the consumer's propensity to buy affected by the language of the product communication?
- Does the influence of own-language communication vary according to what is being purchased?
- Are there significant differences in attitudes to the use of the mother tongue across locales?

In May 2005, we set out to find the answers in order to provide our clients with some facts about the need to localize their marketing and advertising campaigns and materials. Through the contacts we have with our extensive translator network, we undertook an international market study to start to examine the impact of mother tongue communication on a consumer's purchasing behaviour.

## 1. METHODOLOGY

Using a structured questionnaire, we conducted more than 1,250 interviews with consumers in Europe, Asia, South America and the Middle East to find out more about their purchasing behaviour for a range of products and services.

There were two sections to the questionnaire. In the first section, we asked respondents to score a total of 18 products and services according to the importance that they place on product communication - advertising, packaging, user manual, website, helpdesk etc - being in their own language.

In the second section, we asked respondents to give us their level of agreement or disagreement with 15 statements relating to their decision-making process when purchasing products and services.

While we are aware that the findings only represent the views of a relatively small sample of consumers and that it would be misleading to draw too many firm conclusions, they do offer a valuable insight into the relationship between own-language communication and consumers' purchasing behaviour.

The unequivocal - if unsurprising to us - message for global companies is that consumers do expect to be communicated with in their own language and that good communication can be a more compelling reason to purchase a product than price or brand recognition alone.

This is just the beginning. Wordbank plans to increase the size and validity of the sample size in future research and is actively looking for partners and contributors to help turn this first step into a regular and valid source of valuable international market research.

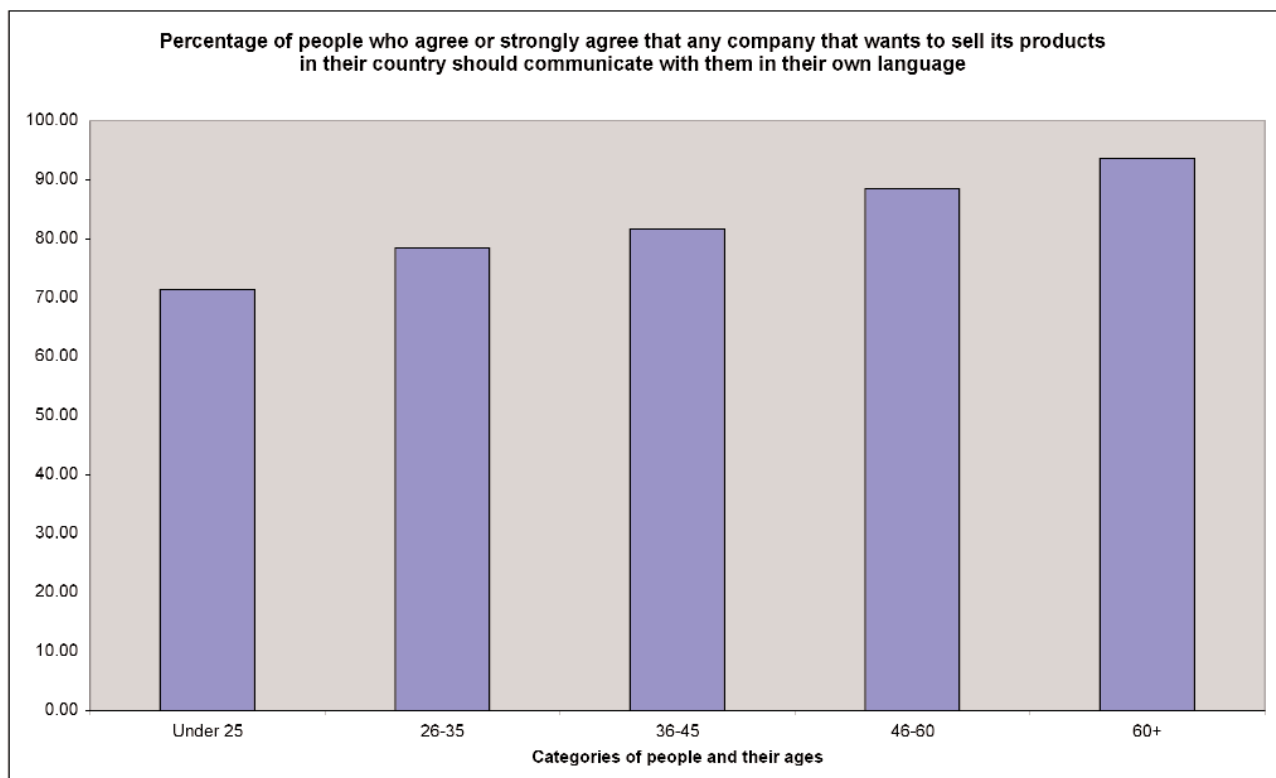
## 2. EXECUTIVE SUMMARY

- More than eight out of ten (81%) respondents expect companies that want to sell their products and services in their country to communicate with them in their own language.
- When faced with a choice of buying two similar products, 73% of consumers are more likely to purchase the one that is supported by product information in their own language.
- Seven out of ten respondents agree that they will not buy a product if they cannot understand the packaging.
- Consumers are negatively influenced by poor translation – 61% would be reluctant to purchase a product if the information has been badly translated into their own language.
- More than seven out of ten (71%) respondents are more likely to purchase the same brand again if the after-sales care is in their mother tongue.
- Only 43% of respondents would purchase a global brand that does not provide product information in their own language in preference to a relatively unknown brand that does provide information in their own language.
- When faced with the choice of buying two similar products, only a third would be more likely to purchase the cheaper one even if it does not have product information in their mother tongue.
- The top three products and services that consumers consider it important to be communicated with in their own language are: banking and financial services (86%), pharmaceutical and beauty products (78%), and consumer electronics (73%).
- These are closely followed by business equipment (71%), home entertainment (71%) and computer hardware and software (71%).
- The products and services that consumers are least concerned about being communicated with in their own language are: sports and exercise equipment (42%), mail order clothing (46%) and leisure and entertainment activities (49%).
- Of the 39 languages covered in the survey, product communication in their own language is most important to those who speak Portuguese. They are followed by Spanish and German speakers.
- The Baltic States and the Scandinavians feel the least strongly about product communication being in their mother tongue.
- The older the respondent, the more they want to be communicated with in their own language.
- Not surprisingly, there is also a correlation between the respondent's knowledge of English and the need to be communicated with in their mother tongue. 98% of those with no knowledge of English want to be communicated with in their own language as do three quarters of those who are fluent in English.

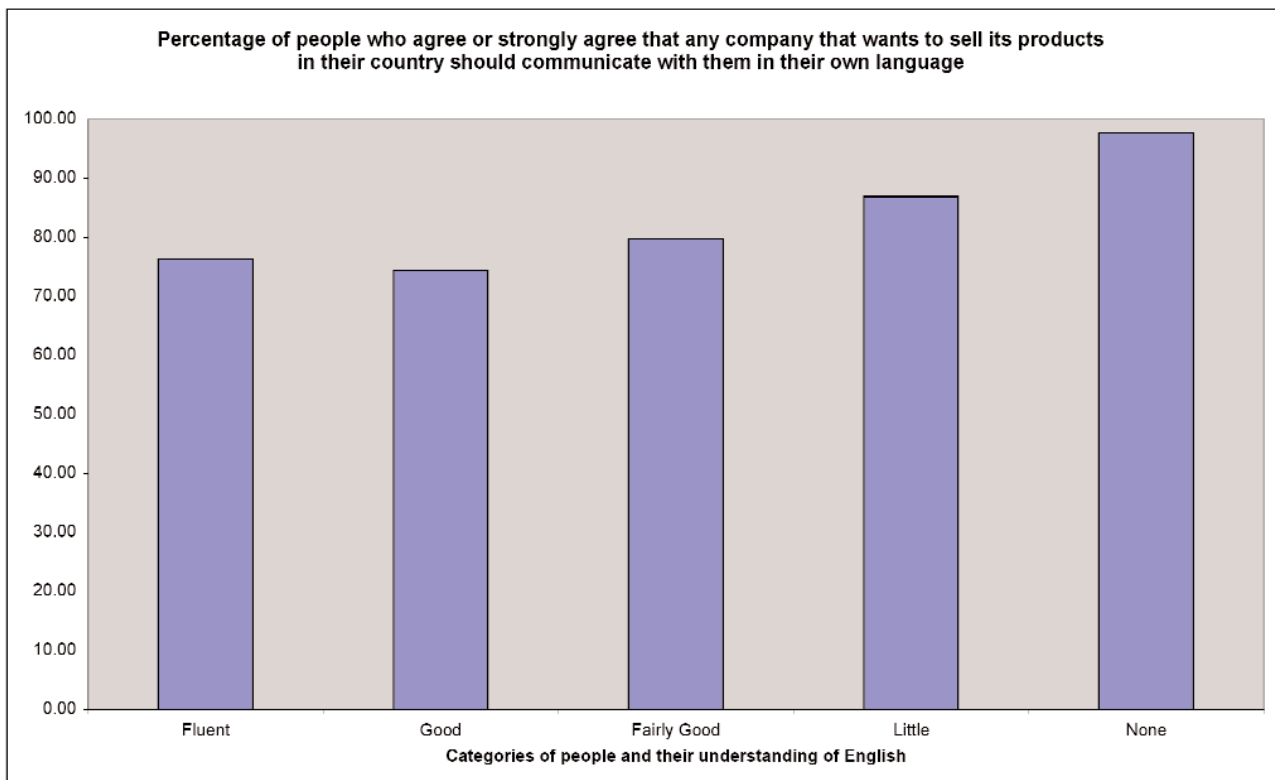
### 3. PROFILE OF SURVEY RESPONDENTS

The profile of the 1,250 respondents representing 39 languages is broken down into gender, age group and level of understanding of English.

<b>Total Respondents – 1,250</b>	
Access to Internet	82.4%
<b>Gender</b>	
Male	45%
Female	55%
<b>Age</b>	
Under 25 years old	17.7%
26-35 years old	37.0%
36-45 years old	20.2%
46-60 years old	17.5%
60+ years old	7.6%
<b>Level of understanding of English</b>	
None	10.4%
A little	17.1%
Fairly good	21.7%
Good but not idiomatic	18.1%
Fluent	32.7%



Perhaps not surprisingly, there is a correlation between age and the need to be communicated with in your own language. The older the respondent, the more they prefer to be communicated with in their own language.



There is also a correlation between the respondents' understanding of English and their wish to be communicated with in their own language. Not surprisingly, 98% of those with no knowledge of English want to be communicated with in their mother tongue.

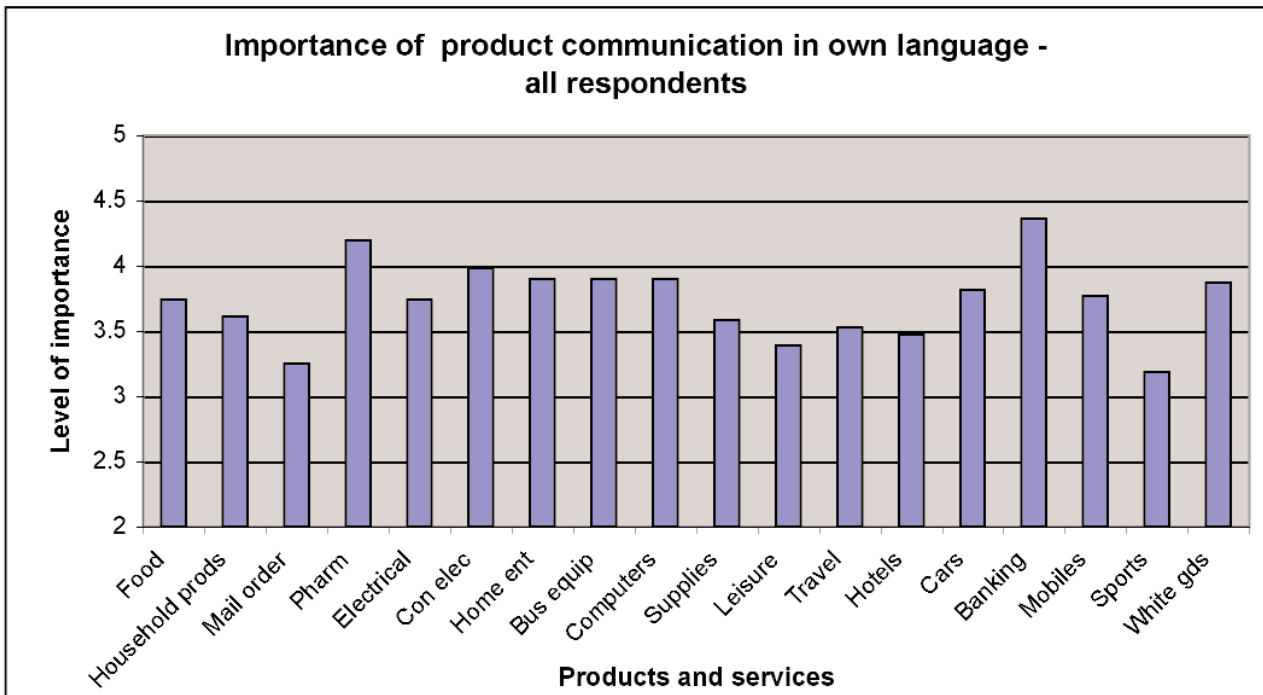
## 4. ANALYSIS OF FINDINGS

### 4.1 The importance of being communicated with in your own language

The respondents were asked to score a total of 18 products and services according to the importance that they place on being communicated with in their own language.

**Q.** When purchasing the following products and services, how important is it to you that the product communication (eg advertising, labelling, packaging, instructions/user manual, website, helpdesk) is in your own language?

1 = not at all important, 2 = not important, 3 = neither important nor unimportant, 4 = important, 5 = very important.



## All Respondents

Product or service	Avg mark	% Not at all important or not important	% Neither important nor unimportant	% Important or Very important
1. Banking and financial services	4.36	6	8	86
2. Pharmaceutical and beauty products	4.2	10	12	78
3. Consumer electronics – eg digital cameras and printers, PDAs, MP3 players	3.98	14	13	73
4=. Business equipment – eg photocopiers, printers, fax machines, scanners	3.9	15	14	71
4=. Home entertainment – eg televisions, video and DVD players, radios	3.9	15	14	71
4=. Computer hardware and software including laptops	3.9	16	13	71
7. White goods – eg refrigerators, washing machines, dishwashers, microwave ovens	3.87	14	17	69
8. Automotives – cars, motorcycles	3.82	16	18	66
9. Mobile phones	3.77	17	17	66
10. Household electrical products – eg kettles, toasters, hair dryers, fans	3.74	18	16	66
11. Food and beverages	3.74	19	17	63
12. Household products	3.61	19	22	59
13. Computer supplies - eg ink and laser cartridges, paper, data storage products	3.6	20	21	59
14. Travel and holidays	3.53	22	22	56
15. Hotels and restaurants	3.47	23	22	54
16. Leisure and entertainment activities	3.39	23	28	49
17. Mail order clothing	3.25	27	27	46
18. Sports and exercise equipment	3.19	29	28	42

### Commentary:

- The two products where marketing communication in the consumer's mother tongue is considered to be most important are banking and financial services (86%) and pharmaceutical and beauty products (78%).
- The next most important are consumer electronics (73%), business equipment, home entertainment, and computers (all 71%).
- Sports and exercise equipment and mail order clothing are the lowest scoring products with 42% and 46% of respondents considering it important to be communicated with in their own language.

## 4.2 Your decision-making process when purchasing

The respondents were asked to respond to the 15 statements below about their decision-making process when purchasing goods and services according to their levels of agreement or disagreement.

1 = disagree strongly, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = agree strongly.

### All Respondents

Statement	Avg mark	% Disagree	% Neutral	% Agree
1. My expectation is that any company that wants to sell its products and services in my country should communicate with me in my own language	4.2	8	11	81
2. When faced with the choice of buying two similar products, I am more likely to purchase the one that is supported by product information in my own language	3.98	10	17	73
3. I will not buy a product if I cannot understand the packaging	3.92	15	15	70
4. I am more likely to purchase the same brand again if the after-sales care is in my own language	3.87	10	20	71
5. I am more likely to purchase from companies who reply to my enquiry emails and phone calls in my own language	3.65	18	21	61
6. I am reluctant to buy a product if the information has been badly translated into my own language	3.64	16	23	61
7. I will not buy a product if the packaging or product information contains imagery, symbols or language that I find culturally unacceptable	3.43	24	24	52
8. If I want a specific item (eg printer cartridge), I am able to decide which product to buy even if the product information is not in my own language	3.3	27	20	54
9. I would purchase a global brand with a good reputation that does not provide product information in my own language in preference to a little-known brand that does provide product information in my language	3.24	23	34	43
10. I am able to decide which consumer electronic product (eg digital camera) to buy even if the product information is not in my language	3.18	31	19	49
11. I will only purchase something if the instruction manual is in my own language	3.01	38	24	37
12. I will not buy a product for which the information provided is in the language of one of my neighbouring countries but not my own	2.9	40	25	34
13. I am increasingly using the Internet to purchase goods and services	2.9	42	18	40
14. When faced with the choice of buying two similar products, I am more likely to purchase the one that is cheaper even if it does not have product information in my own language	2.87	39	29	33
15. I will only make a purchase via a website if the site is in my own language	2.75	48	22	19

## **Commentary:**

- More than eight out of ten respondents (81%) expect that any company that wants to sell its products and services in their country should communicate with them in their own language.
- More than seven out of ten (73%) respondents are likely to purchase the product that is supported by information in their mother tongue when faced with the choice of buying two similar products.
- Seven out of ten respondents will not buy a product if the packaging is not in their mother tongue.
- Consumers are negatively influenced by poor translation – 61% would be reluctant to purchase a product if the information has been badly translated into their own language.
- Despite the high percentage of respondents who have access to the Internet (82.4%), only 40% of them are increasingly using it to purchase goods and services. They are also willing to purchase from websites that are not in their own language.

## **5. LANGUAGE AND REGIONAL REPORTS**

### **5.1 Asia Pacific Region (Chinese, Japanese, Thai and Indonesian)**

More than eight out of ten (83%) of Asia-Pacific respondents expect that any company that wants to sell its products and services to them should communicate with them in their own language. 84% will not buy products if they cannot understand the packaging and 85% are reluctant to buy products if the information has been badly translated into their language. More than three quarters (76%) are also more likely to purchase the same brand again if the after-sales care is in their own language.

Respondents in the region are the most sensitive to culturally unacceptable imagery, symbols and language in marketing communication. Nearly three quarters (74%) would not buy a product if they find it culturally unacceptable.

The three products and services for which it is most important for Asia-Pacific respondents that product communication is in their own language are: banking and financial services, consumer electronics and pharmaceutical and beauty products.

The three products that they are least concerned about having product information in their own language are sports and exercise equipment, leisure and entertainment activities, and mail order clothing.

### **5.2 Baltic States (Estonian, Latvian and Lithuanian)**

Respondents in the Baltic States appear to be the least concerned group within the overall sample about product information being in their own language. They only consider it important that the marketing communication of two products and services – banking and financial services and pharmaceutical and beauty products – is in their own language.

They do not consider it important that the marketing communication for six of the 18 products and services surveyed – mail order clothing, leisure and entertainment, travel and holidays, computer supplies, hotels and restaurants, and sports and exercise equipment - is in their own language.

However, more than three quarters (76%) of them expect any company that wants to sell its products and services in their country to communicate with them in their own language.

Baltic States' respondents are also the second most likely to make a purchase from a website if it is not in their own language – only 17% agree that they will only purchase from websites in their own language. They are also willing to purchase something if the manual is not in their own language. Nearly three quarters (72%) of them will purchase something if the product information contains imagery, symbols or language that they find culturally unacceptable.

Interestingly, in spite of their high level of Internet access (94.6%), only a third (34%) of respondents are increasingly using the Internet to purchase goods and services.

### **5.3 Central Europe (Czech, Hungarian, Polish, Slovak and Slovene)**

More than eight out of ten (83%) respondents in Central Europe expect that any company that wants to sell its products and services to them should communicate with them in their own language. When faced with the choice of buying two similar products, three quarters of them are more likely to purchase the one that is supported by mother tongue marketing communication.

The two products and services for which it is most important for respondents in Central Europe that product communication is in their own language are banking and financial services, and pharmaceutical and beauty products.

These are followed in importance by consumer electronics, computer hardware and software, and business equipment.

The two products that they are least concerned about having product information in their own language are mail order clothing and sports and exercise equipment.

Around a third of respondents will not make a purchase from a website if it is not in their own language (37%) or buy a product if the manual is not in their own language (34%).

In spite of their high level of Internet access (83.3%), only 30% of respondents are increasingly using the Internet to purchase goods and services.

### **5.4 Dutch**

Just over two thirds of Dutch respondents (67%) expect that any company that wants to sell its products and services in their country should communicate with them in their own language but this was the third lowest response of all the languages and regions. When faced with a choice of two similar products, seven out of ten are more likely to purchase a product that is supported by marketing communication in Dutch.

The three products and services for which it is most important for Dutch respondents that product communication is in their own language are banking and financial services, consumer electronics, and mobile phones. It is also important that home entertainment products are communicated in Dutch.

The three products that they are least concerned about having product information in Dutch are leisure and entertainment activities (3.38), computer supplies (3.41), and sports and exercise equipment (3.42) – although the average scores for all of these are still higher than neutral (3).

Nearly two thirds (63%) of Dutch respondents are willing to buy something from a website that is not in their own language and nearly half (47%) will purchase a product with an instruction manual that is not in Dutch. However, in spite of the high percentage of respondents with Internet access (86.3%), only 36% of respondents are increasingly using the Internet to purchase goods and services.

## **5.5 French**

Nearly eight out of ten (79%) of French respondents are more likely to purchase the product that is supported by product information in French when faced with the choice of buying two similar products. More than three quarters (76%) also expect that any company that wants to sell its products and services in their country should communicate with them in their own language. Nearly eight out of ten (79%) will not buy a product if they cannot understand the packaging.

The two products and services for which it is most important to French respondents that product communication is in their own language are: banking and financial services, and pharmaceutical and beauty products. It is also important that marketing communication for computer hardware and software and business equipment is in French.

The three products that they are least concerned about having product information in their own language are sports and exercise equipment (3.09), hotel and restaurants (3.31) and leisure and entertainment activities (3.34).

More than half (56%) of respondents are increasingly using the Internet to purchase goods and services (one of only three languages/regions where a majority are doing so). Half of the French respondents are also willing to make purchases from a website even if it is not in their own language.

## **5.6 German**

German respondents consider it important that the marketing communication for ten of the list of 18 products and services covered by the survey are in their own language – only the Portuguese and the Spanish are more demanding.

For German respondents, the three products and services for which it is most important that product communication is in their own language are: banking and financial services, pharmaceutical and beauty products, and computer hardware and software.

The Germans have high levels of agreement with the statements about their decision-making process. Again, only the Portuguese and Spanish have higher levels of agreement. Nearly nine out of ten (88%) expect any company that wants to sell its products and services in their country to communicate with in their own language and will not buy products if they cannot understand the packaging. Nearly eight out of ten (79%) are more likely to buy a brand again if the after-sales care is in German. More than two thirds (68%) are reluctant to buy products if the information has been badly translated into German.

The German speakers are also one of only three language subsets in which a majority are increasingly using the Internet to purchase goods and services.

## 5.7 Italian

Two thirds (65%) of Italian respondents expect any company that wants to sell its products and services in their country should communicate with them in their mother tongue but this is the second lowest result and only the Scandinavians are less demanding than the Italians.

However, more than three quarters (76%) of Italians are more likely to purchase a product again if the after-sales care is in their language and 69% are more likely to purchase a product if it is supported by marketing communication in Italian. Nearly two thirds (64%) will not buy a product if they cannot understand the packaging.

For Italian respondents, the three products and services for which it is most important that product communication is in their own language are: banking and financial services, pharmaceutical and beauty products, and consumer electronics. Computer hardware and software, home entertainment, and white goods are also important.

The three products that Italian speakers are least concerned about having product information in their own language are sports and exercise equipment (3.08), mail order clothing (3.2) and leisure and entertainment activities (3.26) – although the average scores for all of these are still higher than neutral (3).

Half of the respondents are increasingly using the Internet to purchase goods and services but 42% will only purchase from websites that are in Italian.

## 5.8 Portuguese

Portuguese speakers are the most demanding in their expectations that global companies should communicate with them in their own language. Of the 18 products and services that they were asked about, the Portuguese think it is important that the product information is in their own language for 16 of them.

The three most important products and services are: banking and financial services (4.67) pharmaceutical and beauty products (4.54); and automotives (4.67). Apart from German speakers, they are the only language that considers it important for automotive product information to be in their mother tongue.

Nearly nine out of ten (88%) Portuguese respondents expect any company that wants to sell its products and services in their country should communicate with them in Portuguese. Nearly eight out of ten (79%) of them will not buy a product if they cannot understand the packaging. Three quarters of them are more likely to buy a product if it is supported by marketing communication in Portuguese; and 73% are more likely to buy a product again if the after-sales care is in Portuguese. More than seven out of ten (71%) are reluctant to buy products if the product information has been badly translated.

However, only 29% agree that they will only purchase from websites in their own language and although 81% of Portuguese-speaking respondents have access to the Internet, only 31% are increasing their use of it to purchase goods and services.

## **5.9 Scandinavia (Danish, Finnish, Norwegian and Swedish)**

The Scandinavians – together with the Baltic States – are the most neutral about the need to be communicated with in their own language when purchasing products and services.

It is most important to them that the marketing communication for banking and financial services is in their own language (4.32) and reasonably important that pharmaceuticals, consumer electronics and computers are in their own language but their average scores are lower than the majority of the other language subsets.

The Scandinavians are the least demanding in their expectation that global companies should communicate with them in their own language – only 58% expect them to do so. However, more than seven out of ten (71%) will not buy a product if they cannot understand the packaging and 68% are reluctant to purchase a product if the product communication has been badly translated.

Nearly two thirds (65%) are confident of selecting a product to purchase even if the product information is not in their language and 61% can decide which consumer electronic product to purchase without mother tongue product information.

The Scandinavians are one of only three regions/languages where a majority (56%) are increasingly using the Internet to purchase goods and services and nearly two thirds (64%) are willing to purchase from sites that are not in their own language. They are also not concerned about buying products with manuals that are not in their language nor are they concerned if the product information is in the language of one of their neighbours (but not theirs).

## **5.10 Southern & Eastern Europe (Bulgarian, Croatian, Greek, Romanian and Turkish)**

More than eight out of ten (86%) Southern & Eastern European respondents expect that any company that wants to sell its products and services in their country should communicate with them in their language and three quarters of the respondents are more likely to purchase a product if it is supported by communication in their own language. Nearly three quarters (72%) will not buy a product if they cannot understand the packaging.

It is important for Southern & Eastern European respondents to be communicated with in their own language when purchasing banking and financial services, pharmaceutical and beauty products, consumer electronics, and white goods.

Nearly two thirds (60%) are reluctant to buy products if the information has been badly translated into their language. Six out of ten are able to decide which consumer electronic product to buy even if the product information is not in their language.

Only a third (36%) are increasingly using the Internet to purchase goods and services but they are largely willing to purchase from sites that are not in their language.

## 5.11 Spanish

More than nine out of ten (92%) Spanish respondents expect that any company that wants to sell its products and services in their country should communicate with them in Spanish – making them the most demanding of all the languages and regions surveyed. More than eight out of ten (81%) of them are more likely to purchase the product with Spanish product information given a choice of two similar products. Eight out of ten are also more likely to purchase the same brand again if the after-sales care is in Spanish. Three quarters (74%) are more likely to purchase from companies that reply to their enquiries in Spanish.

They consider it important to be communicated with in Spanish for 11 out of the 18 products and services that they were asked to comment on – the most important are banking and financial services, pharmaceutical and beauty products, business equipment and white goods.

Only 32% are increasingly using the Internet to purchase goods and services and 30% will only make a purchase if the website is in Spanish.

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