Chapter XII A Cultural Perspective on Web Site Localization

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ABSTRACT

For the last two decades, companies have been increasingly operating in many foreign markets. Serving local consumers effectively and thus achieving success in individual foreign markets require both a solid understanding of local values and a reflection of this understanding on business activities in foreign markets that will facilitate serving local markets. Today, as the size of global E-Commerce is expanding, a Web site is an important medium of multinational companies in communicating with stakeholders. In this chapter, we will discuss from a cultural perspective how to create and manage Web sites that will enable multinational companies to successfully localize in their target markets. The localization model, a useful and comprehensive tool in Web site localization, indicates that effective Web sites must adopt the specific cultural characteristics for the local market beyond the simple content and the product/service localization. However, an analysis of some international (local) Web sites of the largest multinationals shows that although some

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multinationals localize their international Web sites well, many others are weak in reflecting even some key localization features let alone full localization in their local Web sites. Managers are advised to utilize the Web sites localization model to increase the effectiveness of their international Web sites.

12.1. INTRODUCTION

As the size of global e-commerce is expanding, the global online population is becoming more varied and Web sites are considered as important communication medium for marketers. The number of global internet users has been growing rapidly since 2000 along with increasing amount of e-commerce sales. The number of Internet users in the world is now about 1.4 billion people that represent about 20 percent of global populations (internetworldstats.com, 2008) and growing online transactions both for Business to Consumer (B2C) and Business to Business (B2B) are driven by easy computer access, increasing number of internet users, and the continuing trend of globalization across the world.

12.1.1. Recent Trends in E-Commerce

There are several indicators explaining diverse group of global online population. Recent estimates by Internet World Stats (2008) show that only 30 percent of all internet users are now English speaking (427 million). The rests 70 percent of non-English speaking online consumers are composed of Chinese (233 million, 16.6%), Spanish (122 million, 8.7%), Japanese (94 million, 6.7%), French (67 million, 4.8%), German (64 million, 4.5%), Arabic (60 million, 4.2%), Portuguese (58 million, 4.1%), and Korean (35 million, 2.5%) (Internet World Stats, 2008). Moreover, cultural values are very different across these countries. For example, Asian cultural values and languages like Chinese, Korean, and Japanese are very different from those of western countries (Hofstede, 1980), which makes challenging for Western multinational companies to localize the content of their Web sites according to Asian cultural expectations. Consequently, many companies have acknowledged that building an e-commerce Website to suit international target consumers is more complex than they expected (Sheldon and Strader, 2002). U.S. and European multinationals have had many challenges in localizing their operations for fast growing Asian online population due to unfamiliar business practices, intense competition (Grau, 2007) and different linguistic and cultural expectations.

These growing global online environments provide international marketers with an exceptional opportunity to reach their potential customers throughout the world through Websites. They provides companies with an efficient marketing tool by

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