Slator 2019 Game Localization Report

WITH COMPLIMENTS

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Slator Reports

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Executive Summary

Gaming was a USD 138bn market in 2018. The game localization sector comprised about 1% of that grand total at USD 1.3–1.4bn.

The buyer side is highly concentrated, with 35 of the biggest public game companies by revenue in 2017 accounting for over USD 100bn in sales. The rest of the market is shared by multitudes of small to mid-sized to large gaming companies. These range from those substantially well-known in the gaming community, to obscure indie outfits run by a handful of developers that make money off open game-selling platforms.

The leading provider of game localization is far ahead of the next few companies on the list; and farther down, the gap widens considerably. Large game companies keep within themselves in mostly in-house localization setups. Furthermore, whenever they do require external expertise, they operate in a like-attracts-like paradigm: large game developers and publishers go to similarly large game localization providers.

Everywhere in the ecosystem, buyers look for providers who can offer value through specialist expertise, experience, or technology. Even when looking for direct individual freelancers, game companies prefer those with experience in gaming.

Meanwhile, providers almost never play purely within game localization. They either go deeper (and earlier) into the game development pipeline, or attack adjacent markets like media localization.

The global games market is currently being molded by a few significant industry trends:

- Gaming becoming the world's top pastime;
- Companies pivoting from a single product model to games-as-a-service; and
- Growth centers focusing on a few key geographies.

But, by and large, game localization continues to only be affected by one thing: monetization potential.

The way the gaming industry is evolving creates more opportunities for game localization providers in the form of continuous localization and adjacent outsourced technical work (e.g., development). Technology permeates the localization process with some parts automated via translation platforms that allow large game companies to simultaneously ship (simship) games internationally.

However, given the volume of transcreation in most gaming content that requires localization, wholesale automation afforded by technologies like neural machine translation continues to be out of reach.

Key stats

Introduction

The most profitable entertainment title in history (so far) is a video game called Grand Theft Auto V, at 90 million units sold since release with around USD 6bn in total revenue[1]. Also called GTA5, the game reached its first billion in sales three days after it was launched on September 17, 2013, breaking six world records[2] along the way.

While GTA5 was a worldwide phenomenon, it was only localized into 14 languages, based on the platform (console or PC) and region where it was purchased[3].

The ratio of the game's localization spread and its sales reflect the size of the game localization market compared to overall global games revenues. As many games are localized into various geographies and the global games market continues to grow, the game localization market is following suit.

Identifying the size, role, and dynamics of game localization as an industry, however, is a complex task. A single game might be localized only half a dozen times but keep making money several different ways for many years. Simply looking at a game's revenues and localization spread is only one indication of market sizing.

As gaming quickly becomes the world's favorite pastime, game companies provide entertainment for players (actual gaming), spectators (e.g., e-sports and game streaming), and creators (game content sharing via video and social platforms).

This makes the complicated gaming landscape — and the game localization sector within it — even more complex and challenging to estimate.

The figures, estimates, case studies, and industry insights in this report are derived from market intelligence firms, industry sources, financial analyst reports, and proprietary Slator research to provide an actionable view of the game localization market and how it operates.

Market Size

Game localization makes up about **1% of the global games market**.

Global gaming revenues hit **USD 138bn at the end of 2018**[4], and will continue growing at 10% CAGR to reach USD 180bn by 2021.

Meanwhile, industry sources[5] estimate the game localization market itself to be at least **USD 1bn**. This might be a conservative estimate, considering the size of the addressable market of the leading provider of game localization services (Keywords Studios) is USD 2.8bn[6], and 50% of its services come from activities related to game localization[7]: 33% localization and 17% localization testing[7].

These estimates project the addressable market for game localization to be around **USD 1.4bn**.

Country	Revenue in USD millions
China	34.4
USA	31.5
Japan	17.7
Republic of Korea	5.8
Germany	5.0
United Kingdom	4.7
France	3.4
Canada	2.4
Spain	2.2
Italy	2.2

Top 10 countries in terms of game revenues by Newzoo.

Key stats
(cont.)

Major providers

The biggest specialist provider of gaming localization services globally is UK-listed Keyword Studios. It has seven business lines: Functional Testing, Localization Testing, Localization, Audio, Customer Support, Art Creation, and Engineering. Localization was the biggest revenue driver in 2017, followed by Functional Testing and Art Creation.

In 2017 and 2018, Keyword Studios made 11 and 8 gaming services-focused acquisitions, respectively, and it is keen to further embed itself within the supply chain.

Citi Equities noted in a Peer Comparison that there are a limited number of "direct comparable companies" to Keywords; and, among language service providers (LSPs), compared the company to RWS Holdings and SDL[7].

Many of the major multi-vertical global LSPs offer localization services to the gaming sector. The top LSPs by 2017 revenue — TransPerfect, Lionbridge, and SDL (#1, #2 and #4 ranked) — all provide localization services to the gaming industry alongside the many other verticals in which they are engaged.

Further down the long tail of the sector, innumerable smaller players have a niche in specialist services or geographic markets, typically servicing similarly sized clientele.

Major buyers

The gaming market is mostly consolidated with a fragmented tail end. Nearly three quarters of gaming market revenue is consolidated across a few major game companies, including Electronic Arts, Sony, Activision Blizzard, Ubisoft, Tencent Games, Bandai Namco, Konami, and Nintendo.

One gaming industry analysis indicated that the top 10 public game companies by 2017 revenue have over 50% market share[4]. Meanwhile, the top 35 public game companies by revenue in 2017 account for a total of USD 100.2bn[4] in revenues.

Upon independent analysis of updated annual reports (the financial year differs from region to region) as of December 1, 2018, these are the top 15 public gaming companies and their most recent full-year revenues.

Rank	Company	HQ	FY Rev in USD billions
1	Sony	Japan	16.2
2	Microsoft*	US	10.4
3	Nintendo	Japan	10.0
4	Activision Blizzard	US	7.0
5	NetEase	China	5.6
6	Electronic Arts (EA)	US	5.2
7	Netmarble	South Korea	4.8
8	Tencent**	China	4.3
9	Bandai Namco***	Japan	2.9
10	Square Enix	Japan	2.2
11	Nexon	Japan	2.1
12	Ubisoft	France	2.0
13	Take-Two Interactive	US	1.8
14	NCSoft	South Korea	1.6
15	Mixi****	Japan	1.5

* Only gaming revenues under "More Personal Computing" category
** Just "Online Games" revenues, divided into PC and mobile gaming
*** Only the "Network Entertainment Unit," responsible for the "planning, developing, and distributing network content; planning, developing, and sales of home video games"
**** Just the "Entertainment Business" category

Key stats
(cont.)

Notably, there are companies like Apple (which takes a cut of App Store purchases, including mobile games) and are thus included in top game companies lists. Additionally, companies like Time Warner have a bundled category under which they group gaming and do not release separate figures for gaming alone. Some other notable companies and their full-year revenues include the following.

Company	HQ	FY Rev in USD billions
Apple	US	30.0
Google	US	14.3
Time Warner	US	13.9

Apple's revenues are inflated due to gaming being bundled into the Services category, which "includes revenue from Digital Content and Services, AppleCare, Apple Pay, licensing and other services." The same goes for Google. "Google Other Segments" includes "income from related online, media, and cloud computing businesses such as the Play Store, Chromecast, Chromebooks, Android, Google Apps, and the Google Cloud Platform." For Time Warner, games revenues fall under the "Warner Bros" category, "consisting principally of television, feature film, home video and game production and distribution."

The gaming giants release several games every year, and each company has franchises that comprise several titles, with some spanning decades' worth of games.

Many of these titles fall into the Triple-A (or AAA) category; that is, the blockbusters of the gaming world with the best quality production and with the highest development and marketing budgets. Consequently, these are also the games that require the most amount of localization.

The rest of the gaming market is more fragmented and is made up of a range of players from midsize game companies to indie game developers who self-publish games on open marketplaces like Steam.

Industry Overview

There are three macro trends currently shaping the global games market. These are what they boil down to, and what it means for game localization providers.

Trend	Impact on Providers
#1 Pastime – Gaming is becoming the world's favorite pastime thanks in large part to the availability of mobile[4].	Very positive for game localization demand outlook.
Games-as-a-service – Big game companies have pivoted from selling games as standalone products to a continuum of products in one way or another[4].	Game localization is increasingly integrated into game development with localization happening concurrently or, at least, in shorter release cycles.
	Additionally, game localization now extends well after the release of a game with continuous localization for game patches, downloadable content (DLCs), and updates, among others.
Growth centers – Growth is highest in Asia[4] and more focused on mobile[8].	Game developers will be following the money, not the language. A lot of global game revenues are focused on microtransactions — the spending that happens after a game is purchased or installed.

Speaking of Asia-centered growth, it is important to note that these Asian markets have unique hurdles for game localization providers as well; for instance, Japan and China.

Gaming in Japan

Japan has a healthy local gaming scene that thrives on vernacular content, though the market is not immune to international Triple-A hits. Still, most of the time, Japanese games are localized into other languages and not vice versa.

Japan has had a long and storied history when it comes to video games and game localization. Today, the country not only has a healthy local game market, but also a stream of local titles regularly being exported to the West. Japanese games, particularly role-playing games (JRPGs) are in extremely high demand in Western markets.

LAI Global Game Services CEO David Lakritz said in regard to Japanese game companies, “in our experience, localization is usually just considered an add-on and not thought about early on in the development process. That almost always means it will cost more to produce a localized version that has a better chance of success in the market because more changes are needed.”

LAI is a provider of game marketing, publishing, and localization services. It is headquartered in California with offices in Asia, including Beijing and Tokyo. Lakritz said game localization can account for as much as 50% of the company’s annual turnover, depending on market conditions. He estimated that 70% of their game localization work was for PC and consoles, with 25% going to mobile and 5% to casual games. This reflects the service portfolio of most game localization providers — few are actually pure-play, and the portion allocated for game localization is spread across platforms and formats.

Japanese games are so popular overseas that some fans have taken it upon themselves to perform the translation of a game when its publisher is not open to taking on the risk of costly localization. There are **pirate translator groups** comprising fans **voluntarily localizing media without permission**. These titles are usually not intended to be localized for overseas markets. In response, Japanese companies strike back with Digital Millennium Copyright Act **(DMCA) takedown notices**, legal, digital cease and desist notices.

For Lakritz, it is “great when fans…show the publisher the business case of making the game accessible in a new territory”; although he also highlighted the potential conflict that might stem from a fan localization project.

“It might be the case that the developer has a contract in place giving a certain publisher the rights to publish the game in a certain locale, and perhaps those rights have not been exercised yet for business, market, or timing reasons” Lakritz said, adding, “That could put any fan-based localization in murky legal waters.”

Gaming in China

Game localizers are best off targeting Chinese game companies that want to export their titles to foreign markets, instead of the other way around. Game companies looking to break into the Chinese market are in for a difficult time finding a partner capable of meeting their needs.

China is the top gaming market in terms of revenue, and reports indicate there is indeed an appetite for Western games in the Chinese market. However China has very strict regulations on foreign software-as-a-service (SaaS), and **games fall under this category**. This means game companies require the right local Chinese partner to navigate bureaucratic requirements. For instance, the massive online game **Fortnite** needed an equally massive partner to break into China: Tencent.

Gaming in China

(cont.)

Tyler Long, CEO of game startup Trigger Core and game localization veteran with nearly a decade of experience, said Chinese game companies are definitely eyeing foreign markets. He noted that many Chinese game companies want to leapfrog the local market as it "gets more heavily controlled by the larger players, such as Tencent, and user acquisition becomes increasingly difficult."

In terms of game companies wanting to break into China's gaming scene, Long pointed out that, on top of strict regulation, the market itself is essentially monopolized by a few huge players. He said Tencent has a monopoly on top social apps (QQ, WeChat) and, by his estimates, around 90% of the total PC game market in China.

As for the gamers themselves, Long said, "China tends to be almost solely trend-based. Once a game starts getting popular, it tends to break critical mass for organic growth and become one of only a few games actually played by almost everyone."

Long said this "extreme hit-or-miss type of user adoption" tends to be risky for foreign developers who might not find the gamer base they wanted to attract. All things considered, however, Long said "there is definitely a lot of potential still in the market and it is definitely changing."

While virtual reality (VR) and augmented reality (AR) are rising as considerations in gaming, they are still minor ones at the moment. VR and AR have availability and maturity hurdles to overcome before they can significantly impact game localization.

The Role of Language Services in the Industry

Game localization providers service game developers and publishers, who in turn service end consumers. But these end consumers are no longer just the actual players, as previously mentioned.

This is a general breakdown of game user types, their actual activity, spending habits, and localization demand.

User Type	Activity	Spend	Localization Demand
Hardcore Gamers	**GAMING**	HIGH	HIGH
Core Gamers	**GAMING**	MEDIUM	LOW – MEDIUM
Casual Gamers	**GAMING**	LOW – MEDIUM	LOW
Game Streamers	**GAMING + STREAMING**	LOW – MEDIUM	LOW
Game Content Creators	**GAMING + STREAMING + ORIGINAL CONTENT**	LOW – MEDIUM	LOW

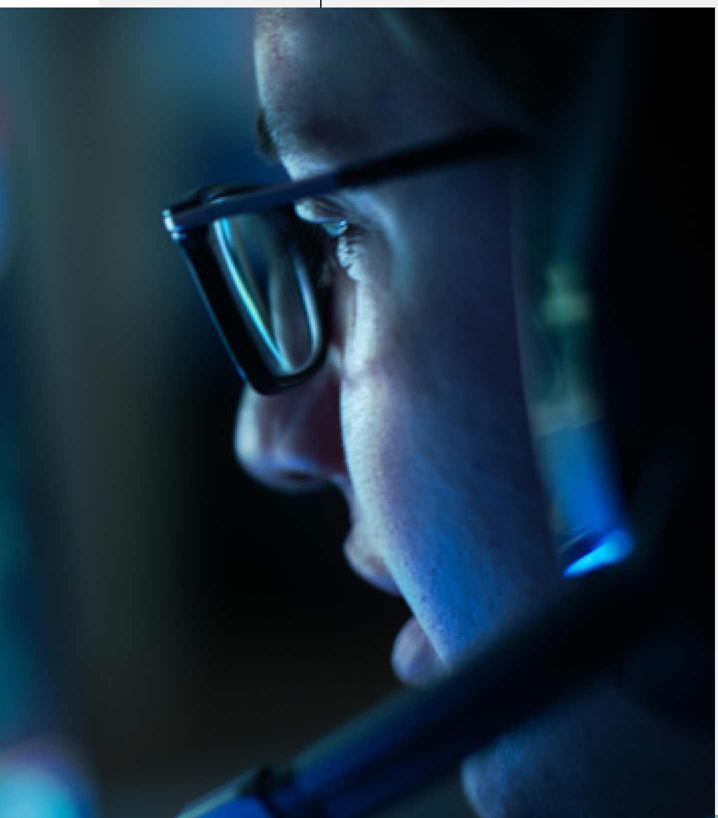
Hardcore, core, and casual gamers are pretty straightforward classifications. Game streamers are gamers who stream games on platforms such as Twitch, where other enthusiasts can watch their games with them. Live streaming has also given rise to recorded streams in the "Let's Play" format popularized by YouTube gaming celebrities, some with as many as 21 million subscribers.

Game content creators are still an emerging phenomenon in gaming. They consist of a worldwide community of gamers who use games and mods to create content for entertainment (e.g., Minecraft players creating huge worlds and mini-series with episodes from their games) and "modders" who use modified games (e.g., Skyrim, Mass Effect) to create comedic sketches on YouTube.

Both game streamers and content creators have an actual audience that can be monetized via donations, subscriptions, ads, and other streaming platform-specific content while streaming.

While each end-consumer type may generate localization demand, these end consumers do not necessarily dictate which games are localized where.

Gaming companies will base their localization strategies primarily on monetization potential (or ROI) as game developers and publishers follow the money, not the language.



Mike Kim, Localization Director at Tencent America advised during the Technology Panel at SlatorCon San Francisco 2018: "In terms of what our priority language is, it's actually where the money's at." Kim explained how Tencent's localization strategy shifted from localizing based solely on languages with the most speakers to localizing for markets with the greatest spending potential.

Since the long tail of game revenue is generated after the game is purchased through ad revenue and microtransactions, game companies may decide to localize for markets that will continue spending on already-bought games, over markets where many people will likely purchase the game but not continuously spend on it.

Furthermore, e-sports plays a significant role in global games revenues, but the localization required for e-sports leans more toward media localization instead of game localization. It is the streaming platforms, subtitles, and simultaneous event interpretation audiences watch that are being localized, not the actual games. The same goes for game streamers and content creators, albeit on a much smaller scale.

Market Sizing

As of 2018, game localization makes up around USD 1.3–1.4bn of the overall USD 138bn global games market. A few factors come into play when considering market sizing.

- **Game revenues go past game localization**. This is especially true for online and mobile games (and online mobile games) that rely on advertising and microtransactions for revenue. Game localization happens once for the full game, but revenues keep coming. In fact, a game with multiplayer options and microtransactions can make money for years after its launch.

- **Not all games are localized**. Game companies consider various factors when deciding to localize a game into a specific market. On one end of the spectrum, some Triple-A games are always slated for international release; on the other, a number of mobile games might be localized for obscure languages because of spending potential. Additionally, local game developers working in their vernacular will always play a role, and the number of new game companies dotting the landscape continues to grow alongside the global games market.

- **Big game companies have in-house assets**. A lot of game localization work tends to be done in-house at those game companies that can afford it, and whose development pipelines can be so complex and reliant on proprietary platforms that third-party LSPs might not integrate as efficiently. Game giants, such as Electronic Arts, for instance, mainly work with freelancers and single language vendors (SLVs) wherever possible.

Industry Service Model

Game localization occurs either after a full game is developed or concurrently to allow publishers to simship international versions of the same game.

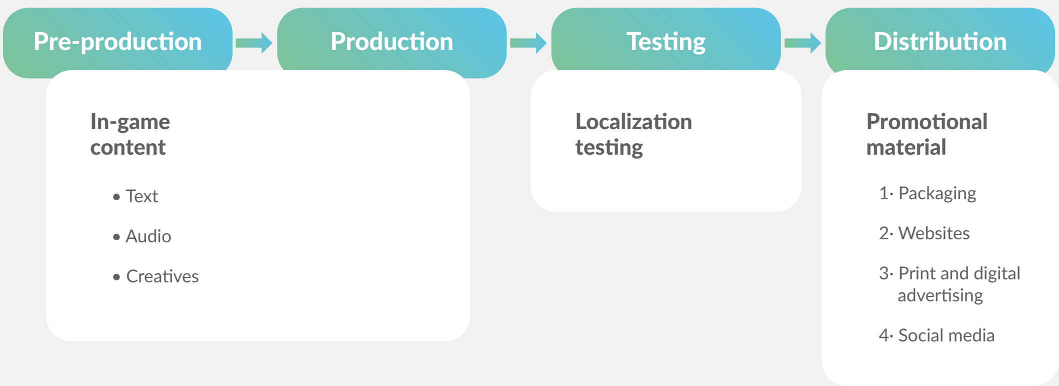
An example of the former is the JRPG title Enchanted Arms, originally released in 2006. The game's English localization was performed by a game localization provider, and that English version served as the master version upon which it was then localized into European languages. An example of the latter is EA's FIFA 18 World Cup, where the decision to launch internationally meant game development and localization happened at virtually the same time.

Most localization work is performed on textual and audio assets, which means translation of strings from string repositories and multilingual dubbing work. The process for localizing text for user interfaces, in-game strings, and subtitles can be automated via popular translation management systems (e.g., memoQ, XTM), while bigger game companies and / or providers can also leverage remote dubbing work.

Content

Game localization work spans translating in-game assets, localization testing, localizing marketing assets, and continuous localization.

The content types handled within each category can be mapped out within the game life cycle — all except for continuous localization, which essentially contains the same content types.



When it comes to Triple-A games, outsourced game localization work is typically limited to partial in-game content translation, subtitling, transcreation, dubbing work, QA testing, and marketing material translation.

Industry Service Model
(cont.)

In-game Assets

- Textual content – mostly user interfaces, subtitles, and captions. In-game text also includes information that can be accessed in the game from road signs to books or other informational material, such as loading screens, on-screen tutorials, and help screens.
- Audio content – typically multilingual dubbing
- Creative content – sometimes artwork, in-game graphics, and other elements may be deemed offensive when brought to a different market with a different culture and, thus, need to be localized in order to be appropriate for the target market.

Localization Testing

Localization testing is also often outsourced to game localization providers. Testing extends to gameplay, cutscenes and the movies that play in-between bouts of gameplay to tell or supplement the game's narrative, audio, and user interfaces.

Marketing Assets

Game localization providers may also be involved with marketing content.

- Physical packaging – typical distribution formats for PC and console games are digital downloads and physical discs, which have labels and owner's manuals, etc.
- Advertising and marketing – both in-print and digital advertising and marketing
- Game websites
- Social media content for ongoing player-base engagement

Continuous Localization

Continuous localization for games extends to DLCs, game patches and fixes, and additional material. Online multiplayer games, for instance, continuously release patches for various aspects of their games. DLCs and expansion packs are additional game content that expands the content of the original game.

On the marketing and support front, there is also customer engagement via multilingual help desks and tech support.

Technology and Automation Suitability

Translation technology is pervasive in game localization and many major game developers, such as EA, operate their own proprietary localization platforms.

As for game localization providers, most use industry-standard technology such as memoQ, XTM, XTRF, or SDL's range of products that maintain compatibility of file types and content between different clients who use the same tools.

Translation technology ecosystems can become quite complex and involve multiple integrations for different environments. XTM, for instance, localizes games with integrations from string repositories like GIT, Perforce, and SVN. On the marketing side, integrations may include AEM, Drupal, and Sitecore. Other integrations include Marketo (email) and ZenDesk, JIRA, and ServiceNow (for localization QA).

The use of these translation management platforms have certainly automated part of the game localization process. Beyond that, however, game localization does not, as yet, lend itself well to automation via technologies such as machine translation (MT).

Tencent's Mike Kim explained how their localization process was more akin to transcreation and was, therefore, incompatible with MT: "For marketing content, copywriters don't even speak the source language, they just look at what's been translated, receive the context, and rewrite. Copywriters will write new style guides, new characteristics for heroes, so it's like creating a new world apart from what was originally created. That's really hard to do with MT."

Language Production / Linguists

Major buyers will do as much language production work as possible with in-house linguists, or partner with a provider who can fill in the gaps. For small to midsize buyers, the situation is more case-to-case.

For Serbian game developer Nordeus, for example, all localization work is pushed out to LSPs, according to Localization Lead Jasmin Jelača. He explained that this allows their team to focus on making an impact on the initial design of new products and features, not on day-to-day translation management.

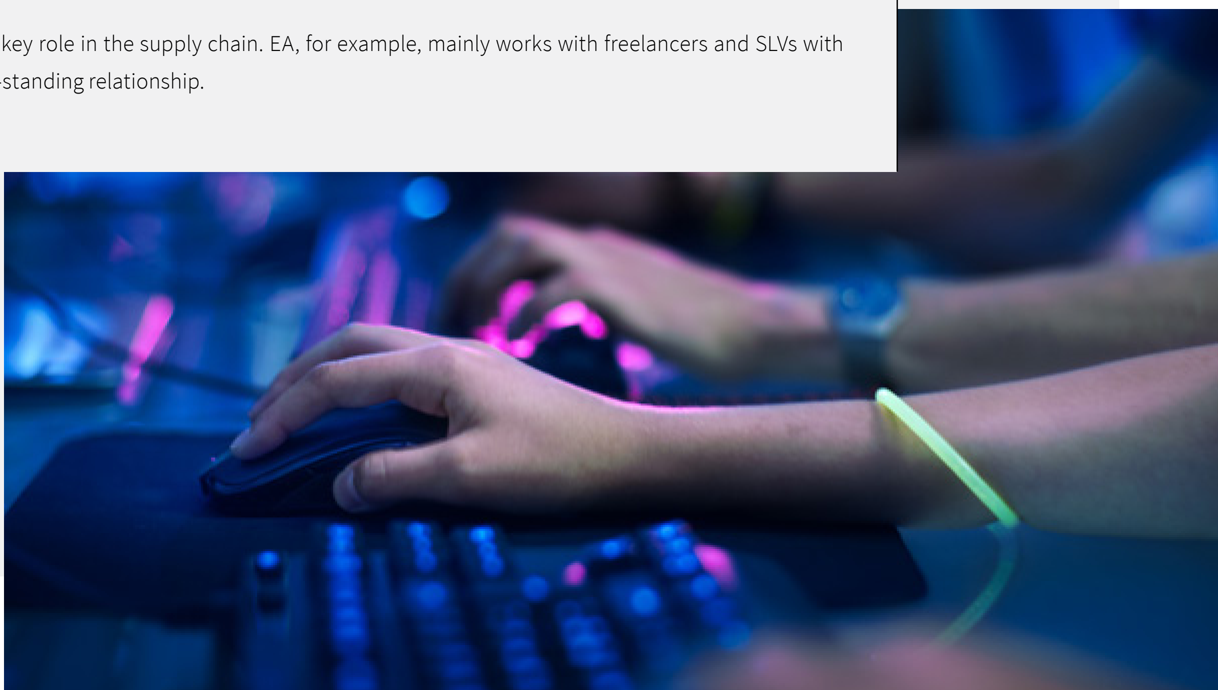
For Level Up Brazil, around 40% of content for localization is outsourced. Their Creative Lead and Localization Head Lucas Mendes said that "while some games are fully localized in-house, others require more effort due to lengthier projects and / or tighter deadlines, thus requiring outsourcing from experienced partner localization companies."

Game localization veteran Tyler Long from Trigger Core said, in his experience, the localization process is typically outsourced and "it is rare and not very cost effective to have specialized translation resources available in-house." He noted, however, that when the developer partners with a publisher, they usually have in-house localization resources.

Such is the case with EA, whose proprietary localization platform and in-house processes are "considered a competitive advantage," according to Michaela Bartelt-Krantz, Senior Localization Director. Speaking at SlatorCon London 2018, she said, whenever game developers want to publish with EA, the quality of localization they put out becomes a selling point.

Subcontracting seems to be the norm in the sector, where game localization providers welcome work subcontracted to them by other LSPs, but are not keen on subcontracting work they receive to others.

Freelancers also play a key role in the supply chain. EA, for example, mainly works with freelancers and SLVs with whom they have a long-standing relationship.



Competitive Landscape

Introduction

Top LinkedIn results for “game localization”

Microsoft	495
Google	257
Electronic Arts (EA)	427
Amazon	343
Ubisoft	337
Lionbridge	130
Blizzard Entertainment	296
Facebook	117
Riot Games	110
Keyword Studios	249
Wargaming	148
Gameloft	142
Apple	204
Netflix	50
Amazon Web Services	68

The game localization landscape is dominated by Keywords Studios, followed by a few major LSPs like Pole to Win that do not focus solely on gaming but include the gaming sector as a vertical. Lionbridge, for instance, acquired ExeQuo in Q1 2017 in a bid to dig deeper into the game localization sector. Nevertheless, there is still a disparity in market share within game localization, with Keywords Studios’ CEO Andrew Day commenting that “Lionbridge and SDL don’t play very strongly in this space.”

After Keywords and major, generalist LSPs, the market share significantly drops off and spreads to midsize and small players.

A key takeaway is that major game developers do a significant amount of localization work in-house. When searching LinkedIn Navigator for the keyword “game localization,” the top companies yielded were mostly game developers and / or publishers (or companies with gaming divisions). Of course, this is only one keyword combination and there are dozens of other relevant ones, but it does provide an indication of the in-house bias.

Essentially, major providers can perform parts of the game localization process on their own, both with in-house technology and human resources. When they do outsource, they tend to do so because their preferred providers offer specialization and / or better cost-efficiency.

Perhaps this is why the vast majority of providers are not pure-play game localizers, but offer a blend of related services. This service blend splits two ways.

- Game localization is one part of the game development life cycle serviced by providers like Keywords; that is, many game localization providers also offer localization testing, audio services, game development, and support services.

- Game localization is one vertical among others serviced by providers like major, generalist LSPs.

Many LSPs Slator spoke to shared a very positive industry outlook. Most expected their game localization revenues to increase by 20% to 30% in 2018. This despite the fact that most of the game localization work they do is still for PC and console games, and the fastest growth mainly comes from mobile.

This does not mean Triple-A games are not green pastures. Recently, Red Dead Redemption 2 sales registered USD 725m in the first three days. By comparison, Disney’s Avengers: Infinity War grossed USD 640m over its first weekend.

Main Providers

Professional networking portals such as LinkedIn give a broad but ultimately limited view of game localization providers. A partial list follows:

FTEs	Company	HQ	LinkedIn Followers
1,056	**Keywords Studios**	Dublin, Ireland	8,559
4,000	**Pole to Win**	California, USA	8,548
179	**MoGi Group**	Dublin, Ireland	2,928
171	**Qualitas Global QA Labs**	Pune, India	889
112	**Active Gaming Media**	Osaka, Japan	1,100
97	**Netmarble Turkey**	Istanbul, Turkey	2,771
75	**Altagram Group**	Berlin, Germany	1,819
71	**VIP Group**	Sofia, Bulgaria	101
59	**Synthesis Group (part of Keywords)**	Milan, Italy	482
57	**GameCloud Technologies Pvt Ltd**	India	1,352
55	**NIS America, Inc.**	USA	728
52	**Inlingo**	London, UK	465
47	**LocalSoft Games**	Malaga, Spain	1,676
40	**ExeQuo (part of Lionbridge)**	Paris, France	1,236
37	**Alconost**	Alexandria, VA, United States	540
37	**Tamatem Inc.**	Amman, Jordan	990
32	**Game On**	Montreal, Canada	1,888
27	**23 Studios**	Turkey	312
27	**GlobaLoc GmbH**	Berlin, Germany	545
22	**Levsha**	Moscow, Russia	110
21	**Red Cerberus**	Sao Paulo, Brazil	91
17	**Locpick**	Istanbul, Turkey	158
17	**SPG Studios**	California, USA	47
16	**Locsmiths**		94
16	**Aksys Games**	California, USA	1,452
14	**Arlation LLC**	Giza, Egypt	31
13	**Monde Media Solutions**	Montreal, Canada	203
12	**Musai Studios**	Seoul, South Korea	16
10	**AiBell Game Localization**	Istanbul, Turkey	59
10	**Local Heroes Worldwide B.V.**	Utrecht, Netherlands	86

*Headcount based on LinkedIn data, and not the company website or other publicly available information that may vary.

Major Buyer Case Studies

This section contains a number of case studies to illustrate the differences in activities and requirements between buyers.

Electronic Arts (EA)

Simultaneous Localization, Live Content, Long-Running Partnerships

EA has an internal localization team that essentially operates as an internal multilingual vendor for all the company's games. The company makes localization decisions based on market data but also, increasingly, player engagement, as well as real-world events.

For EA's biggest franchise titles, game development and localization happen simultaneously, decoupled but in parallel. All of EA's game franchises are "live," i.e., once the actual game goes live, EA localizes all further live services, as well as online and downloadable content.

EA's Michaela Bartelt explained that continuous localization needs to evolve into real-time localization to meet the expected increase of constant demand for game localization from live content. She said this might be possible in the future with the help of MT, automatic voice generation, and real-time testing.

Level Up Brazil

Localization That Works for the Market

Level Up Brazil brings Massively Multiplayer Online (MMO) games to its Brazilian player base through dedicated servers for native players, full customer support, and complete localization. The company also has "channeling titles," for which Level Up acts not as publisher but as retailer, allowing players to purchase credits for games using local currency.

"We also provide marketing and Customer Support services to some companies, such as Tencent, NetMarble, Epic, and others," Level Up's Lucas Mendes said.

Level Up localizes titles into Brazilian Portuguese and Spanish from mostly English versions; sometimes from Chinese and Korean. Their in-house localization team may seek support from localization providers to deliver titles to their monthly active user base of one million gamers.

Dubbing seems to be a major matter. "The most common concern is to have neutral localization through our games so it works for the whole territory, especially when doing voice-overs," Mendes said.

Nintendo

Continuous Demand for Japanese Games

In mid-2017, Nintendo launched a new game localization workflow that allows the company to ship games from Japan to Western markets more efficiently.

Instead of finishing the game and then localizing the finished content, Nintendo now flies localization experts to Japan every two months to take a look at the work and suggest changes to the content in an effort to minimize drastic changes to its localized versions. This way, the localization team can also have game development make some elements of the game easier to localize for various international target markets.

A former Localization Editor for Nintendo Treehouse, responsible for in-house localization for Nintendo of America, said on a postcast that Nintendo needed to take "calculated risks" when bringing Japanese games to Western markets, as some titles are simply "very Japanese" and it would be a "colossal waste…to localize that in this current market, because [requesting fans] don't make up a big enough group." He was later let go over his comments.

Nordeus

Users Play in Their Localized Language

Nordeus is a Serbian mobile game developer responsible for one of the most downloaded games in Europe: Top Eleven Football Manager, launched in 2010. At the time of writing, the game had 180 million registered users and was available in 30 languages.

Nordeus' Jasmin Jelača said the majority of their daily active users play in their localized language. "Our top languages are English, French, Italian, German, Spanish (EFIGS) plus Russian and Turkish," Jelača said. For Nordeus, since users play in their own language, game development and international launches are strategic investments they need to closely monitor. Jelača explained that in their "language tier strategy" the scope of localization differs between tiers, and the strategy is "updated every once in a while" for better ROI.

For example, when Slator interviewed Jelača, Nordeus' second game, Spellsouls: Duel of Legends, was still in soft launch. He said they were measuring data from their soft release in English and Traditional Chinese (Taiwan) in a limited number of countries. "So far, it looks promising. We have the list of languages for the full launch ready and will start working on the implementation soon. It will cover FIGS, the usual Asian languages, Brazilian Portuguese, and Arabic," Jelača said.

Major Buyer Case Studies (cont.)

GAMEVIL COM2US

Solving Quick TAT and Flexible Licensing Challenges

GAMEVIL COM2US uses memoQ terminology management to meet deadlines that often span just hours and flexible licensing and usage needs for a distributed, global workforce working in different time zones. Using memoQ as the foundation for a maturing localization tech stack, the company is ready to roll it out for use in all its offices around the world.

GAMEVIL and Com2uS are mobile video game publishers founded in 2000 and 1998, respectively, with offices in South Korea, Germany, USA, China, Japan, Taiwan, Thailand, Indonesia, and Vietnam. In 2017, the companies decided to set up their international offices as GAMEVIL COM2US.

Aside from games, the company also localizes other types of content into 16 target languages. Most content needs are product-related, with the remainder coming from other departments.

Marketing material	**Customer service**	**Social media content**
Intranet content	**Web-based apps**	

The GAMEVIL COM2US translation tech stack includes two memoQ servers in South Korea and Europe, which are used to translate into 16 target languages. The company is also equipped with extra memoQ translator pro licenses to cover outsourcing needs.

For the GAMEVIL and Com2uS teams, turnaround time is critical. They work with strict deadlines (e.g., for notice boards), often needing to inform users within 8 to 12 hours. Their community managers find that memoQ's terminology management capabilities save time and increase consistency even on tight schedules.

memoQ-Based Localization Workflow

In 2015, GAMEVIL and Com2uS decided to first implement memoQ at their European office, where it would act as a development lab. The team defined workflows and recommended best practices for their use cases and content. During the next three years, they replicated the effort in other offices, involving more colleagues in the memoQ-based localization workflow.

Internal learning content was created to ease the onboarding process for new memoQ users. The company found that translators could more readily get up to speed with memoQ, despite it being more complex than other web-based tools they considered. After investing in process development and education, GAMEVIL COM2US is ready for global rollout to all 10 offices.

4 Key Benefits memoQ Provides GAMEVIL COM2US

- Saves 3 to 5 times the investment in user licenses, because with memoQ's CAL-licensing, users in distant time zones can share the same license when they work at different times of the day.
- Easily rent more licenses on a monthly basis when there is an occasional increase in the number of required licenses.
- memoQ supports multilingual delimited text filtering, a key benefit for software localization.
- Technical support: accessibility, quality and competency, 5/24 availability.

Details provided by Artjom Vitsjuk – GAMEVIL COM2US Europe GmbH | Localization Project Manager | Global Localization Operations, and sponsored by memoQ, for inclusion in the Slator 2018 Gaming Localization Report.

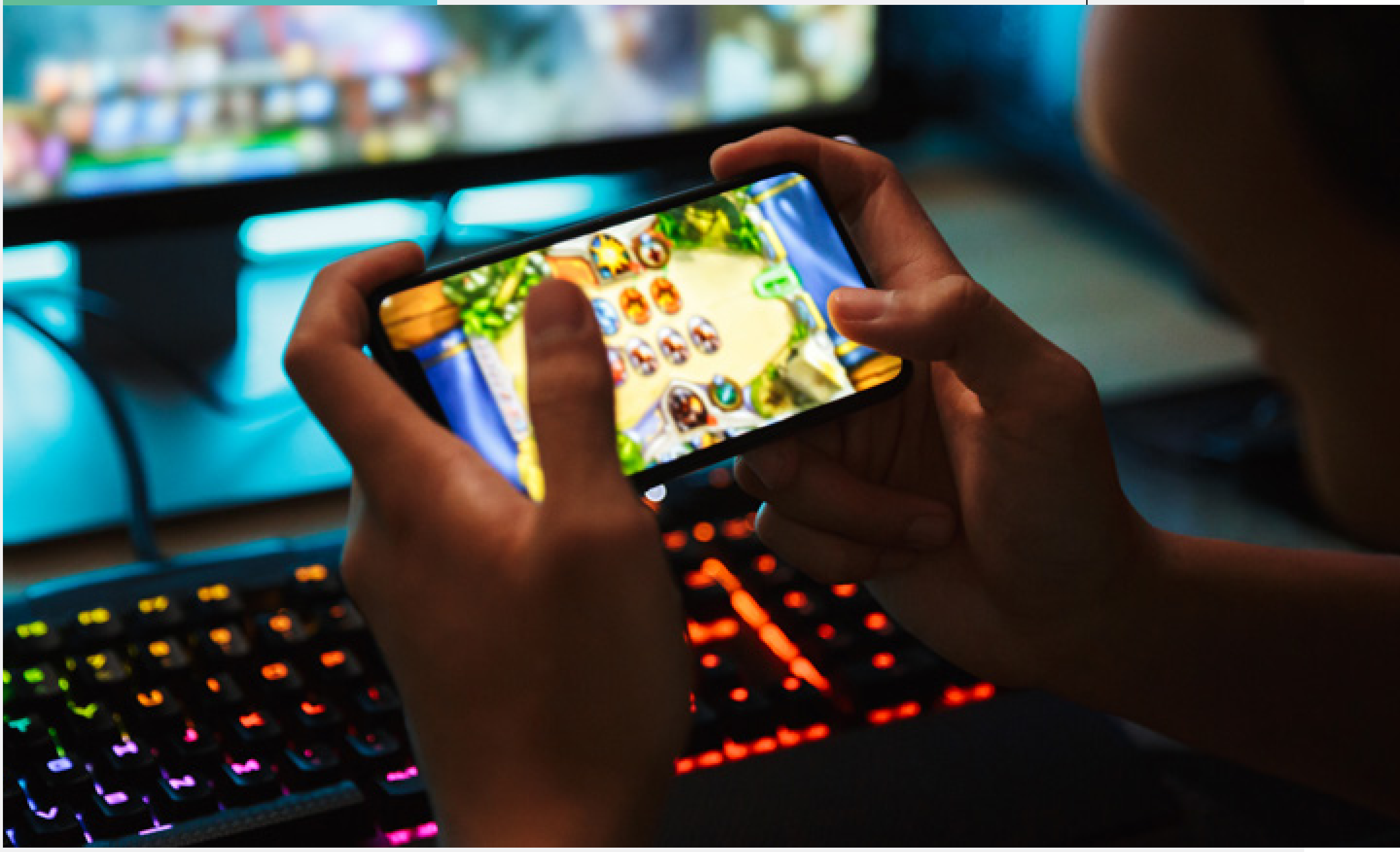
Adjacent Services and Markets Worth Keeping in Mind

The most natural adjacent market for localization providers is functional game testing, since localization providers typically already perform localization QA functions on the translated versions.

Game development and creative asset production are also two activities further upstream in the game development pipeline. As game localization providers already use compatible technology for localizing game assets, such as graphics and audio, these same tools (and the skill sets to use them) can be leveraged to break into earlier stages of game production — from helping produce original audio to developing actual parts of the game itself.

Additionally, gaming was identified as an adjacent market in **Slator's Media Localization Report 2018**. Indeed, localized dubbing is required for most games and is a major overlap between gaming and media, two sectors often lumped into Digital Media Entertainment. Alongside media dubbing, Citi Equities identifies online gambling and e-learning as adjacent markets to gaming.

Other adjacent markets that media and gaming share are VR, AR, and Mixed Reality (MR). These technologies are increasingly deployed on games, offering players new immersive experiences.



Sales, Business Development, Marketing

Go where the market is — and for gaming, the market comes together neatly in various conferences, expos, and events across the world. The following is a list of notable events that game localization providers may find useful for sales, business development, and marketing purposes. Please note that this is neither an exhaustive list nor are the events necessarily recurring / annual.

Major Events, Expos, and Conferences	E3 Game Developers Conference Gamescom
B2B and Game Localization Specific Events	Game Quality Forum APAC Game Global Summit IGDA Events Gamesforum Gameindustry.biz Marketing Summit White Nights Conference Game Connection America
Event Series	PAX Events Casual Connect Events Esports BAR Events London Games Festival Melbourne International Games Week

Mobile Gaming Events	Pocket Gamer Connects Mobile World Congress
Regional Events	Athens Games Festival BIG Festival Dublin Games Summit EGX Gamelab Barcelona Gaming Istanbul Ludicious Zürich Game Festival Middle East Games Con Montreal International Game Summit (MIGS) Tehran Game Convention
Game Developer Events	Develop Conference India Game Developers Conference (IGDC) Level Up KL New Zealand Game Developer Conference
Miscellaneous	Effects VRX Conference and Expo

Localization managers within buyer companies are usually the ones to contact. The usual pain points are keeping costs down and proving the ROI of localization to specific markets. However, localization is not always centralized within buyers, and budget holders may be spread across several different teams. Most common job titles for sales reps to target include the following:

Localization Director	Head of Localization	Localization Tester	Localization Lead
Senior Director Localization	Head of QA and Localization	Localization Project Manager	Localization Consultant
Game Localization Director	Sr, Producer, Head of Localization	Localization Coordinator	Localization Specialist
Senior Localization Program Manager	Head of QA Engineering and Localization	Localization Engineer	Localization Associate Team Lead
Global Localization Manager		Localization Producer	Senior Localization & QA Manager
Director, Global Localization		Localization Supervisor	Localization Manager
Localization Lead		Localization Editor	

Note that “Localization” may be spelled with an “s” rather than a “z” in some companies and locations.

Buyers will be looking for specialist expertise: technological infrastructure, skills, experience working on games or in the specific geographical or linguistic markets to enter; or all of the above.

Finally, more guideline than rule: Game developers and publishers usually want to time their development cycles to have something to demo or announce during major gaming events such as E3 or Gamescom.

Highly anticipated titles or publicized game companies may announce plans to work on a specific new game or sequel as a means to generate market excitement and gauge public interest — in which case the development cycle for that game will be in its earliest stages, which may affect how open they are to localization partnerships.

Slator In-person Lead Generation

Slator conceives, plans, and executes custom roundtable events to attract a very targeted set of language service buyers in the gaming industry. To learn more, contact Slator Commercial Director Andrew Smart at **andrew@slator.com**.

Slator Advisory

Developing a go-to-market sales strategy and building an effective sales team is critical to securing and expanding your client work in the gaming localization industry. Slator provides a one-day workshop for LSPs to review their strategy and assess and motivate their sales teams. To learn more, contact Slator Commercial Director Andrew Smart at **andrew@slator.com**.

Appendixes

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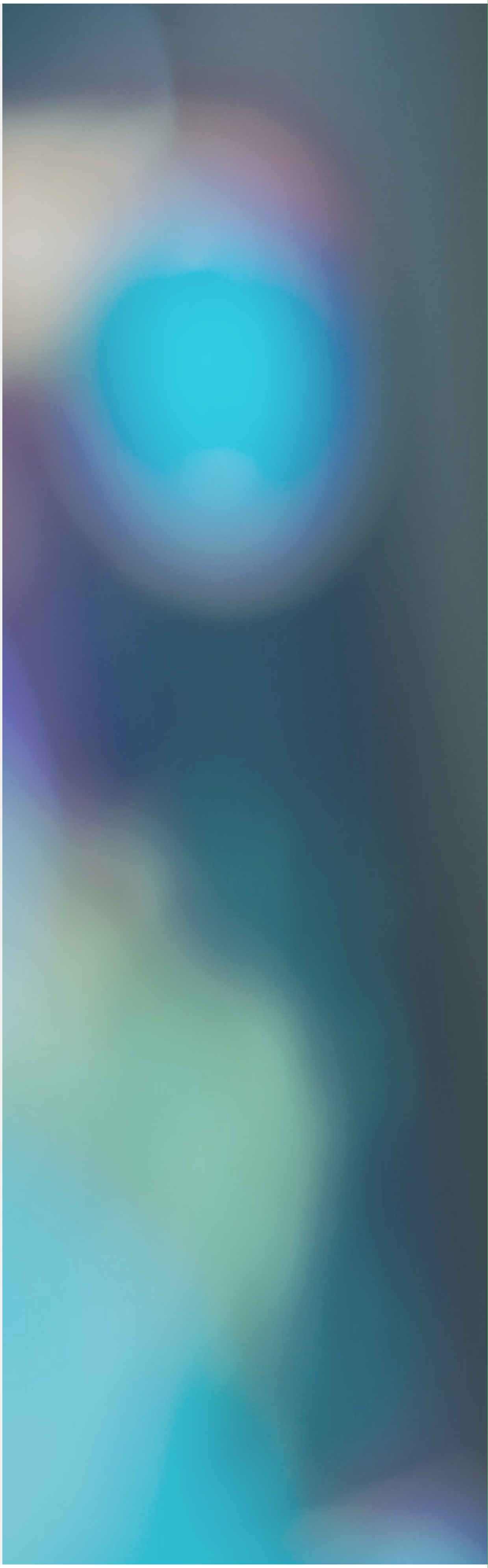

About Slator

Slator makes business sense of the translation and language technology markets through news and insights on demand drivers, funding, talent moves, technology and more. Our platforms include the **Slator.com** website, SlatorCon and bespoke events created to foster high-impact discussions with the industry's key decision-makers. Headquartered in Zurich, Switzerland, Slator also has a presence in London, Singapore, Bangkok and Manila.

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