



SimulTrans®

your languages – your timeline

Is Your Software Localization Actually Paying Off?

An Excerpt from the SimulTrans Guide: Five Steps to Measure Localization ROI

You've made the investment. Your software has been translated. Your product is live in new markets. But here's the question most software companies can't answer with confidence:

"What is our localization actually returning?"

For CEOs, CFOs, and software executives overseeing international growth, this isn't just a marketing question, it's a business-critical one. Localization budgets require justification, and that justification requires a framework.

SimulTrans has helped hundreds of software companies, from SaaS startups to global enterprises, navigate exactly this challenge. Here is a preview of the first two steps from our proven five-step methodology.

Step 1: Define Your Localization Goals

Localization ROI measurement starts long before you review a single report. It starts with clarity. Many software companies invest in translation without ever articulating what success looks like, and that makes measurement nearly impossible.

Before spending another dollar on localization, ask:

- Are you localizing to increase software sales in a specific region?
- Do you want to reduce the volume of international customer support tickets?
- Is the goal improved satisfaction scores among non-English-speaking users?
- Are you targeting market share in a competitive vertical?

Each goal demands different metrics. Without this foundation, you're measuring noise. With it, you're measuring progress.

Step 2: Determine the True Costs of Localization

Most software teams dramatically underestimate localization costs, and that distorts every ROI calculation that follows. True cost accounting means going beyond per-word translation rates.

The full cost picture includes:

Cost Category	What's Included
Content Translation	Document translation, software UI strings, website copy, marketing materials, and video localization
Localization Software	Translation management system (TMS), CMS connectors, and integration tools
Internal Costs	Project management time, QA review cycles, and ongoing TMS subscription fees

Industry Benchmark.

Based on a SimulTrans survey of companies with significant localization budgets, the average investment in localization is **1.8% of annual revenue**, though this varies widely by industry and market strategy.

Understanding where your spend sits relative to this benchmark (and whether it aligns with your revenue ambitions) is the foundation of defensible ROI analysis.

The full guide walks you through how to measure localization benefits (Step 3), calculate ROI using a proven formula (Step 4), and continuously optimize your localization investment over time (Step 5), including a real-world example where a **\$150,000** investment returned **700%**.

[Get the guide now.](#)