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## A new model for localization: transadaptation and collaboration with PayPal

Powering billions of secure transactions every year, PayPal is the market leader in online payment systems operating across more than 200 countries and in 26 currencies. But could it continue to drive global growth across new markets while improving the quality and value for money of its localization?

This case study looks at how **a game-changing new approach developed in partnership with Alpha CRC** is redefining PayPal's localization model through teams of **dedicated language experts** focused on **transadaptation and collaboration with PayPal**.

### The tipping point for digital payments

In 2020, the demand for easy, secure and accessible digital payment options became an even greater necessity for billions of people worldwide as a result of the coronavirus pandemic.

Seen by many as the tipping point in a global transition from cash transactions towards a digital-dominated payment infrastructure, PayPal was uniquely placed to meet this need.

Alpha CRC HQ  
St Andrew's House  
St Andrew's Road  
Cambridge  
CB4 1DL  
United Kingdom

+44 (0)1223 431000

@alpha\_crc

Alpha CRC



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## The challenge

A global leader in online payments with more than 300 million customers across 200 markets, PayPal is a brand trusted to empower people and businesses to thrive in the global economy.

Operating in diverse global markets and expanding into new territories, however, offers challenges and opportunities in equal measure. Throughout its 23-year history, PayPal's commitment to exceptional customer experience across all markets has underpinned its long-term investment in localization.

Nevertheless, PayPal's continued growth had placed strains on its existing localization model in terms of capability, quality and efficiency.

PayPal's existing model faced a number of issues including:

- A focus on controlling translation costs by reducing cost-per-word was creating quality issues.
- Multiple localization vendors working across different languages and functions affected quality, efficiency and costs.
- This linguistic services set-up was also not capable of supporting higher-level activities such as transadaptation and original content creation.
- Automated translation systems (including translation memories and substitution tables) did not always deal effectively with a wide variety of content variables.
- Linguistic quality was measured in key performance indicators (KPIs) which were not focused on the customer experience.
- No integrated global localization platform to streamline workflow and secure assets.

PayPal not only needed to support content transcreation and origination offerings, but also wanted linguistic staff dedicated to the program that could grow and flex with the business. It was important that the same resources would be used across different processes to ensure consistency and retained product knowledge.

The solution needed to meet global market business growth for 100+ languages while delivering the best user experience and local-country origination requirements.



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## Devising the solution

Having worked together since 2013, PayPal asked Alpha CRC to collaborate on devising a new localization model that would support its global growth. This new approach is based around the following core principles.

Principle	Aim
<ul style="list-style-type: none"><li>• Replace multiple localization vendors with dedicated localization vendors responsible for all aspects of the process</li></ul>	<ul style="list-style-type: none"><li>• Streamline processes</li><li>• Increase ownership</li><li>• Improve quality</li></ul>
<ul style="list-style-type: none"><li>• Create dedicated teams of Language Experts with 100% responsibility for their language/locale</li></ul>	<ul style="list-style-type: none"><li>• Integrate function of translation, review and quality assurance</li><li>• Promote quality ownership and develop brand/product knowledge</li></ul>
<ul style="list-style-type: none"><li>• Invest in hiring Language Experts at competitive rates and move away from per-word translation cost model</li></ul>	<ul style="list-style-type: none"><li>• Build a stable core team of highly motivated Language Experts</li><li>• Allow sufficient time for high-quality translation and remove need for additional quality assurance steps</li><li>• Empower ownership of the language quality process by Language Experts</li></ul>
<ul style="list-style-type: none"><li>• Partnership approach between PayPal and key localization vendors</li></ul>	<ul style="list-style-type: none"><li>• Create PayPal team of Vendor Engagement Managers with the key goal of making the vendor successful</li></ul>



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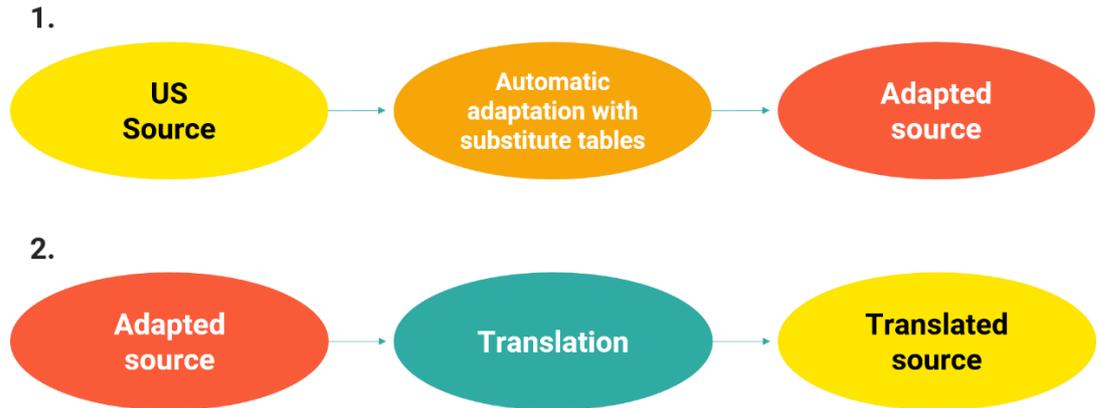
<ul style="list-style-type: none"><li>• Move away from linguistic KPIs to measure quality in a customer-centric way</li></ul>	<ul style="list-style-type: none"><li>• Improve customer experience by understanding how effective and engaging PayPal's localized content is from the customer perspective</li></ul>
<ul style="list-style-type: none"><li>• Creation of an in-context cloud-based localization platform</li></ul>	<ul style="list-style-type: none"><li>• Streamline processes</li><li>• Access from anywhere in the world</li><li>• One-week sprints</li><li>• More efficient platform improved workflows</li><li>• Built in additional lead time for Language Experts to do their work and deliver better quality; i.e., more time to think.</li></ul>

The approach was developed at a strategic level and rolled out in stages over a two-year period. The scope of the work initially covered product translation alongside miscellaneous language support (including research, language assets maintenance and process improvement).

## Implementing the solution

### 1. Language Experts replace automated approach

PayPal's existing approach was based around a system known as adaptation rules (this system is still in use for a number of PayPal's localization functions). This uses an automated substitution table to change source language (US English) into another adapted English source version for a specific market which is then ready for translation. This two-step process is shown below:



For example, the term “currency conversion spread” is used by PayPal in the US, but the substitution table automatically converts this to “currency conversion fee” for the rest of the world. Likewise, the substitution table converts the US term “Purchase Protection” to “Buyer Protection” for the UK market.

One of the main limitations of using this approach is that it is unable to cover all scenarios in the adaptation requirements for the many elements of PayPal product personalization for different markets. For example, a process based on substitution is less efficient at dealing with:

- **Omissions and additions**

**Omissions and Additions**

Where a certain part of a string needs to be omitted or added for a locale, rather than adapted.

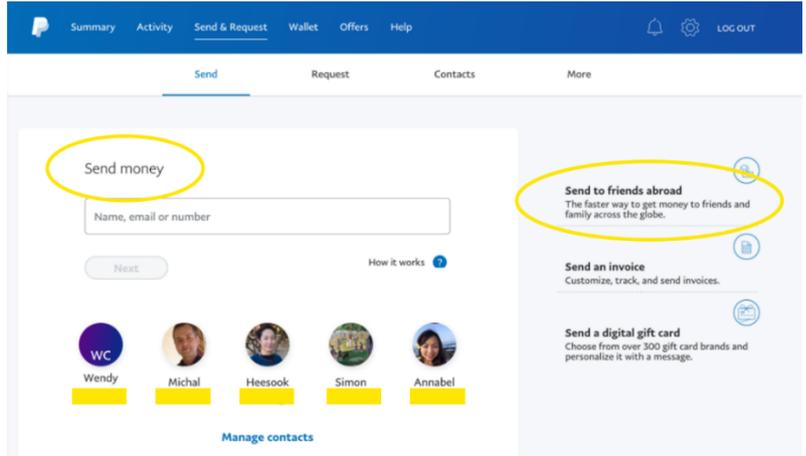
Context Details: PayPal: Send Money



• **Multiple variations**

**Multiple Variations**

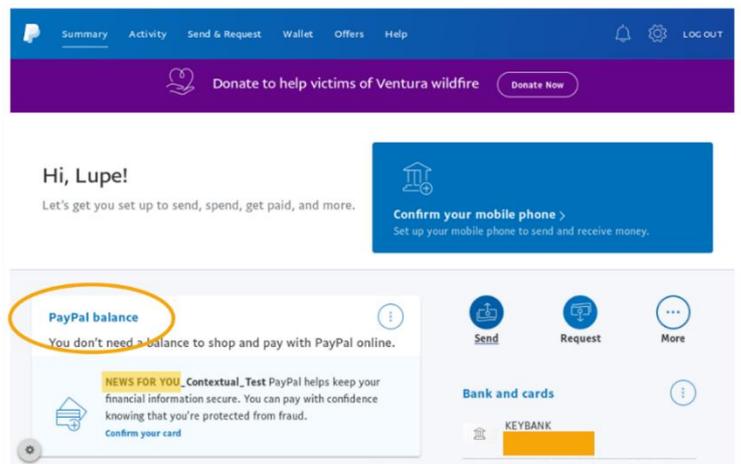
The substitution table needs to contain entries for all possible variations of a term that needs to be substituted.



• **Value propositions**

**Value Propositions**

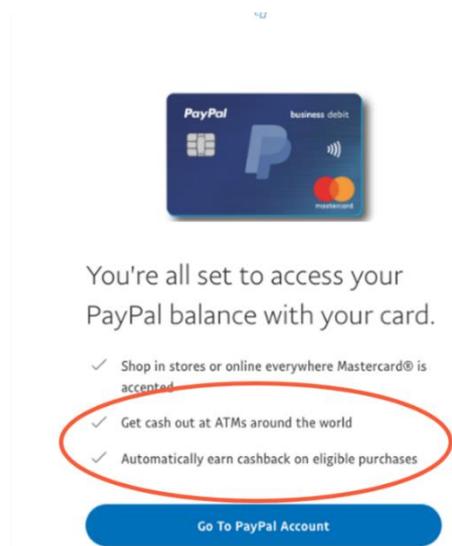
That vary by country/region



• **Hardcoded content**

**Hardcoded Content**

Such as contact numbers, shipping, fees and cash backs





The adaptation approach also involves a potentially lengthy two-loop cycle. When Language Experts receive adapted content for translation, any adaptation issues are sent to production engineers which, when answered, are rerouted back to the Language Experts for translation again. Likewise, legal verifications on content can involve a further loop to legal experts, which extends workflow cycles and reduces efficiency.

The new approach focuses on a process of transadaptation by Language Experts who both translate and adapt source content in US English to fit the linguistic, legal and feature requirements of the target language.

Using their subject-matter expertise (of the client and the online payments market) and their own in-country linguistic and cultural knowledge, the Language Experts are no longer dependent on the adaptation-rule process.

Not only does this eliminate the two-loop workflow cycle, it also addresses the weaknesses inherent in the substitution table system (such as omissions, changes in sequence or value propositions) which can be easily resolved through the knowledge of Language Experts.

## **2. Language Experts with 100% ownership of the language/locale work within dedicated vendor teams**

One of the most striking aspects of this new approach to product localization with PayPal has been the development of a team of dedicated Language Experts who take 100% ownership of their particular language/locale (within the context of market-specific PayPal approval on glossaries, style guides and legal sign-off).

The newly defined role of Language Expert now encompasses the functions of translation, transadaptation (adapting source content to fit the legal, cultural and linguistic requirements of the target market), review and quality assurance.

By replacing the requirement to involve multiple vendors in the localization process, this not only reduces costs and streamlines work processes, but also leads to increased quality through a focus on applying knowledge from a single highly developed human resource.

## **3. Spending more on translation to focus on quality not volume of delivered work**

As PayPal had grown, the scale and cost of localization had escalated too.

To reach global markets, it needed to localize in 100+ languages. To manage costs, its approach had been to focus on lowering cost-per-word



translation but ensuring quality through spend on review and quality assurance stages.

However, this approach was seen as increasingly untenable to meet PayPal's longer-term strategic goals for a variety of reasons:

- The cost-per-word for translation had been lowered but overall localization cost increased in part due to increased spend on review and QA stages.
- Because of the focus on low-cost translation, retaining good translators with product-knowledge became difficult. Consequently, there was a reduced sense of quality ownership or partnership with PayPal from the translation teams.
- It had become hard to measure localization quality with automated systems, especially when different quality requirements were based on the different types of content. PayPal executives managing the localization process did not have the language skills to assess quality of localization output in target languages and, in particular, no insight into the local customer experience.

### **Changing the paradigm**

As a result, PayPal decided to turn the model on its head: the aim was to secure higher level localization and marketing capabilities by paying competitive higher market rates for full-time dedicated resources. This increased the rate of retention, product knowledge and quality.

Translators – now assuming the role of Language Experts – would be given the time to create high-quality localization at the time of translation, reviewing their own work so that no additional quality assurance stages would be needed by third-party vendors.

Paid for full-time work rather than by the word, the team of Language Experts (which now fulfils the multiple roles of translation, transadaptation, review and quality assurance) is now able to focus on quality of work rather than volume delivered.

Instead of working across multiple localization vendors for different languages and across different functions (e.g. translation, review, linguistic quality assurance), PayPal now uses two vendors (Alpha CRC and one other, split by language) with dedicated teams that are each responsible for ensuring linguistic quality.



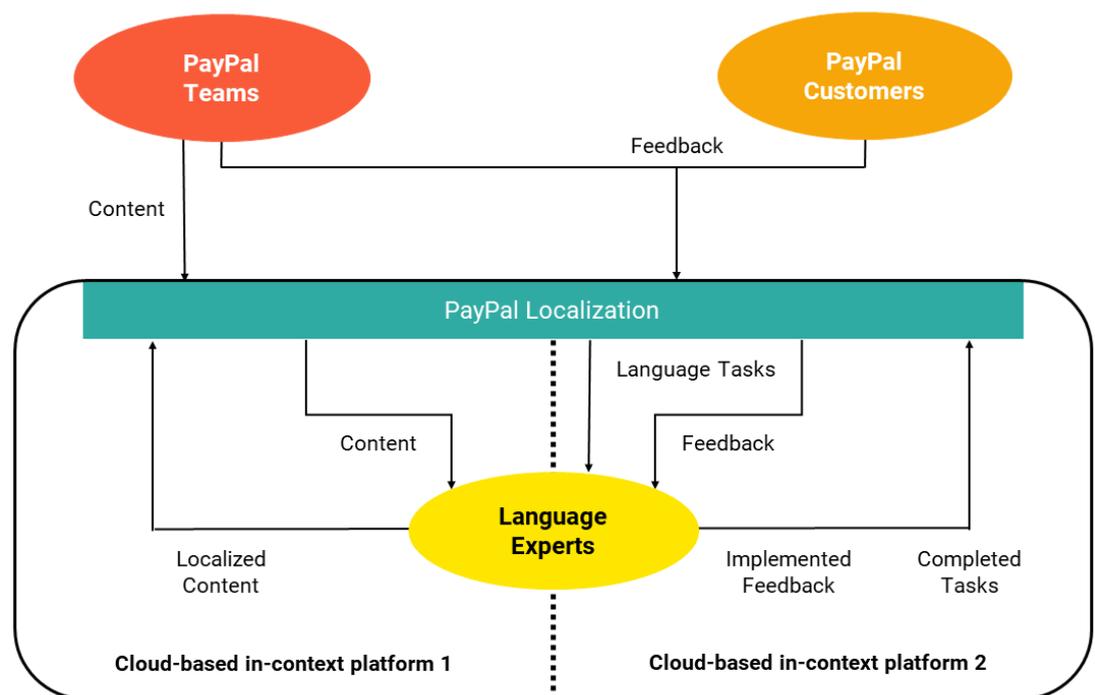
In a process recommended and managed by Alpha, a team of highly qualified Language Experts has been hired at competitive market rates so as to attract more experienced candidates and encourage employee retention. In the early stages, the focus has been to grow the team's product knowledge and develop a resource pool that would promote long-term project continuity – and in turn, drive quality of localization.

The focus has been on building a team of Language Experts that is highly motivated and extremely knowledgeable about PayPal and its customer base; it is fully resourced in terms of staff, time and training to deliver exceptional quality work at all times. The team includes dedicated back-up Language Experts – two for each language – who take on the extra work when volume levels rise, so as to not compromise quality of output at any stage.

#### 4. Creation of a cloud-based localization platform

The introduction of a new cloud-based in-context localization platform has ensured that the workflow is accessible from anywhere in the world and also streamlined the hosting of language assets.

As with any major platform change, there have been some initial challenges to make sure it works reliably and efficiently across the full range of operational requirements. However, this is a key tool for PayPal going forward focused on addressing key issues related to security, i-context, efficiency, cost issues and scalability of its localization functions.





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## The story so far: achievements and challenges

Alpha CRC (and one other vendor) has worked with PayPal to roll out the Language Expert Program since October 2018. Hiring at competitive market rates, Alpha has built a dedicated in-house team of 31 full-time Language Experts working across 28 languages with at least two back-up experts for each language.

For the transadaptation program, following lessons learned from a pilot program beginning in August 2020 which focused on two languages, the new approach was rolled out extensively for PayPal product localization from October 2020.

From the outset, the program has been based on the principles of transparency and buy-in from all stakeholders. A dedicated vendor-success team has been created by PayPal to ensure optimal collaboration with the Alpha team across its business units. Costs on both sides were shared including profitability projections, rates and salaries, helping to establish real costs and realistic budget allocations.

In particular, this has allowed for the investment in quality hires and training, aiming to encourage employee retention and develop a comprehensive knowledge resource that will build long-term value for PayPal's global business year on year.

### Challenges and Improvements for Transadaptation (TA)

#### Identifying strings

Determining the right TA  
Currently in the high-effort part of the process, separating TA/non-TA jobs will reduce LE workload.

#### Covering LEs

Our LEs are perfectly placed for TA work and so are difficult to cover. Investing time in documentation and TA workshops for backups.

#### Maintaining productivity

TA takes about 10-40% more to process than other work. Tackling challenge #1 will improve productivity.



While the model is still in the early stages of implementation, PayPal has already noted significant successes including:

- Increased capability to support the global market and its 100+ language initiative
- Reallocation of budget to secure experienced linguistic resources to support new language requirements
- Better partnership between vendor and localization teams
- Successful delivery of thousands of localization projects across multiple languages each month
- Reduction in quality issues and enhanced focus on User Experience metrics
- Improved capacity planning based on transparent resourcing model
- Creation of highly-qualified and motivated team of Language Experts focused on sharing knowledge across languages.

The early success of this new model for product content has led PayPal to contract Alpha CRC to begin rolling it out across the localization of some of its marketing content from April 2021.

Based primarily at Alpha's global HQ in Cambridge, UK, the team of Language Experts also has a presence in Estonia, the Czech Republic, Mexico and Brazil. The team is in the process of growing its client/product knowledge of PayPal, which it is enhancing via a series of interactive training workshops in which Language Experts share their experiences, knowledge and challenges within the project so far.

Of course, especially in the early stages of any major new program, there have been challenges and learning experiences. Some of these have been process related: while the principles behind the new approach are clearly understood, practical experience with the finer points of the workflow is still being developed on a day-by-day basis.

The focus on transadaptation and the multi-faceted role of the Language Experts clearly requires a greater amount of time than translation alone; as a learning process, the volume which can be delivered by Language Experts at required quality levels is still being refined. It's also been a process which has needed to balance the requirements of production output while investing the necessary time to train language experts and their back-up teams.



# An inside view from Alpha's team of Language Experts

## Mikael – Swedish Language Expert

**Q:** *What does your in-country knowledge bring to your role as a Language Expert for PayPal?*

**A:** It means you have direct knowledge of PayPal's users in Sweden and how they perceive PayPal as a payment service provider. You understand much better how people like to pay, what kinds of services/providers they use, and what they feel about financial services brands in terms of trust and loyalty issues.

You have an idea of how the online market works in Sweden, the kinds of things people are shopping for every day or perhaps only once in a while. And, crucially, you understand the way users in Sweden expect to be addressed and treated, and the language you can use to achieve this.

It's also really important that I have a detailed understanding of the different PayPal services and features in the Swedish market. This makes the whole process of transadaptation more efficient and more accurate.

“Crucially, you understand the way users in Sweden expect to be addressed and treated, and the language you can use to achieve this.”

**Q:** *How do you use your language expertise to make transadaptation work in practice?*

**A:** Of course it's all about finding the correct terminology when adapting US source content for the Swedish market. But where I can really add value is in the adaptation of “clever” or “quirky” American expressions into Swedish expressions that will have the same meaning for the user in that market.

**Example #1 – “Aw nuts!” → “Åh nej, vad synd” (“Oh no, what a shame”).**

*So, for example, a quirky PayPal message in US English might be “Aw nuts!” to express disappointment (at an error, for example). But that certainly doesn't translate literally into Swedish! So, to express the same idea in the same colloquial tone, I adapt it to “Åh nej, vad synd” (“Oh no, what a shame”).*



## Example #2 – “Congratulations!” → “Toppen”

Another example is that the PayPal US English source content uses a lot of “Congratulations!” for seemingly simple tasks, like creating accounts, or just receiving money.

But that’s not what Swedish users expect to see – to their ears, it sounds a little condescending. So we transadapt this to (among other things) “Toppen”, which means “Great”. The exclamation mark is also left out since, for Swedish users, there’s no need for an “emotional outburst” after simple actions, such as creating an account.

These are the kinds of transadaptation examples where you really rely on your knowledge of the local audience, the language they use and also the tone of voice PayPal wants to use to connect with its users. It’s definitely an area in which an automated system or an inexperienced translator would probably fail to find the right solution.

“Where I can really add value is in the adaptation of ‘clever’ or ‘quirky’ American expressions into Swedish expressions that will have the same meaning for the user in that market.”

**Q:** *How does the Language Expert program add value to PayPal?*

**A:** For PayPal, our team of Language Experts is about having “boots on the ground”, in a figurative sense at least. It’s about making use of our native knowledge of the country, language, locale and market, its people, culture and mentality.

It’s an ongoing process too: we hear and see how PayPal is perceived and we keep tabs on competition in the local market.

Added value also comes through the intersection of cultural understanding and PayPal knowledge. For example, I could know everything about PayPal, but if I was still writing “Congratulations!” [see Example #2 above] every time the source told me to, I’d still put customers off.

Likewise, I could have all the cultural knowledge in the world, but without the in-depth PayPal knowledge we’re supposed to have, I’d misunderstand, mistranslate, and potentially mislead the customers, especially because the source is sometimes somewhat up for interpretation.



“Added value also comes through the intersection of cultural understanding and PayPal knowledge.”

## **Débora – Spanish Language Expert (Spain)**

**Q:** *Can you describe the transadaptation process with PayPal?*

**A:** During transadaptation, US-specific content is adapted according to country-specific product availability or requirements. In the current new process, as opposed to the previous process where the source content was adapted prior to translation, Language Experts are able to use their full knowledge of country-specific product availability and requirements

**Q:** *As Language Experts, how do you add value to the process?*

**A:** The Language Experts in general add value to the transadaptation process by accumulating knowledge for their own country via the resources mentioned above and becoming experts in country-specific product and feature availability. Having Language Experts who can specialise at this level makes it possible to provide the best possible experience for end users in each country.

“Having Language Experts who can specialise at this level makes it possible to provide the best possible experience for end users in each country.”

## **What’s next?**

From April 2021, Alpha will add PayPal marketing localization to its existing product content localization which is translated and transadapted by the team of Language Experts.

This represents a huge opportunity to drive even greater value from the Language Experts Program through in-country knowledge, product expertise and streamlined workflows and approval processes.

As with the existing content, transadaptation – the ability to shape content to target specific geographical markets – will be essential to successful localization.