

Survey of language and cultural service providers 2005 - key findings

**CILT, the National Centre for Languages
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1. Introduction

This UK-wide snapshot of activity among language and cultural commercial service providers¹ was conducted by CILT, the National Centre for Languages in early 2005 by means of a questionnaire circulated to providers registered on CILT's BLIS Professionals database².

The survey set out to answer the following questions:

- Is the volume of business in language training decreasing?
- What is the current profile of commercial language training?
- Is the volume of business in translation increasing?
- How do commercial providers maintain quality?
- What continuing professional development do commercial language service professionals need?
- Which languages are likely to be in demand in the future?
- In which sectors are commercial language service providers working?

Using the information gathered to answer the questions above, this report is intended to promote a greater awareness of trends and developments and to inform the provision of support for the sector.

¹ 'languages and cultural service providers' or 'language services' are for the purposes of this report defined as commercial providers of translation, interpreting, language training or cultural briefing services.

² www.blis.org.uk/professionals - database of international communication experts, comprising providers of translation, interpreting, language training and cultural briefing services. Part of the BLIS Services suite, the one-stop shop for language and cultural expertise, located at www.blis.org.uk.

2. Summary of key findings

The key changes and future trends in the language service sector, as perceived by the survey respondents, are:

- The language services sector is still dominated by small companies, i.e. micro-enterprises of fewer than five employees, and sole traders.
- While the demand for language training appears to be decreasing, there is a discernible increase in demand for translation services.
- There is a growing demand for localisation and cultural training services.
- Across all forms of language service, French, Spanish, German, Italian and Portuguese are the most popular languages that providers currently offer to their clients. French, Spanish and German are the three languages most in demand at present. Spanish, French and Chinese are expected to be the three languages most in future demand.
- Demand for Chinese, Arabic, Russian and Japanese is growing, while demand for German is decreasing. There is some increase in demand for Eastern European languages, particularly Polish, Czech, Bulgarian, Ukrainian and Slovak.
- Finance, IT and legal services are the three business sectors from which providers currently have the most work. It is predicted that future demand will remain the same in these three sectors, whereas demand is likely to increase in both the tourism sector and the public service sector

Respondents to the survey suggested that:

- awareness needs to be raised that providers need support in recruitment of personnel with skills in lesser used languages, i.e. languages other than French, German, Spanish and Italian;
- they would welcome more opportunities for professional networking, developing marketing, sales and presentation skills as well as ICT and project management capacity.

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3. Response analysis

The questionnaire was sent via e-mail to all registered BLIS Professionals providers based in the UK and with an e-mail address. 925 providers were contacted and 150 responses were received, a response rate of 16%. A couple of respondents did not complete every question and there are therefore variations in the overall number of respondents used as the basis of percentages in this report.

3.1. Trading profile

As shown in the table below, 55% of the 150 respondents are sole traders, with 79% of all respondents having a workforce of ten or less employees. In terms of turnover, 58% of providers generated £50,000 or less in the financial year to March 2004. It therefore seems that the language services sector is still dominated by sole traders and small companies.

Number of employees	1 (i.e. sole trader)	2-5	6-10	11-50	51-250	251-500	501+
Percentage of respondents	55%	19%	5%	14%	5%	-	2%

3.2. Language services: patterns of provision

21% of language service providers responded that they have changed the balance of services offered in the last three years. They reported that there are more requests for translation services while requests for language training appear to be decreasing. Group training for larger organisations is on the decline with a shift to coaching on an individual basis or distance learning. There are more requests for localisation and cultural training services and respondents who noted this also reflected that they perceive this to be a consequence of increasing globalisation on the part of their clients.

The data collected from the survey show that French, German, Spanish, Italian and Portuguese are the most popular languages that providers currently offer to their clients. As might be anticipated, the nature of the clients varies considerably and they come from a wide range of sectors. Some common themes emerge. For example, the French language is required more frequently in the legal, business, finance, marketing, IT, pharmaceutical, tourism, property and general government sectors, while German is in demand from the engineering, chemical, IT, finance, legal and automotive sectors.

Asian languages, such as Chinese, Arabic and Japanese, are covered by a smaller number of service providers but are increasingly in demand and from a range of sectors, in particular the engineering sector. Demand for Eastern European languages services, including Russian, Czech, Polish, Slovak and Bulgarian, is on the increase, and this is

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thought to be a consequence of the expansion of the European Union. Russian is required in the main from the engineering, legal and government sectors. In contrast, the legal, education and business sectors are the sectors commonly requiring other Eastern European languages.

Other European languages such as Norwegian, Swedish and Dutch show relatively small but steady demand, largely from the legal, financial and business sectors.

3.3. Language services: modes of promotion

98% of the respondents use integrated communications to market their services. 47% of the providers use Yellow Pages or similar, while 52% are listed on membership directories of professional associations. As a consequence of technological developments, web marketing is becoming more popular and more than 50% of the respondents use the web to promote their services. Word of mouth is, however, the most popular marketing method, with 84% of respondents using this method of promotion. This may be attributed to the fact that more than 50% of the providers are sole traders.

Methods providers use to market their services

Marketing method	Number of providers using this method	Percentage of providers using this method
Word of mouth	126	84%
BLIS Professionals	104	69%
Via own web presence	80	53%
Membership directories of professional associations	78	52%
Yellow Pages or similar	71	47%
Local Chamber of Commerce	33	22%
Local or national media	28	19%
Business Link or UK Trade & Investment	26	17%
Other	26	17%
National Register of Public Service Interpreters	8	5%
Services not promoted	3	2%

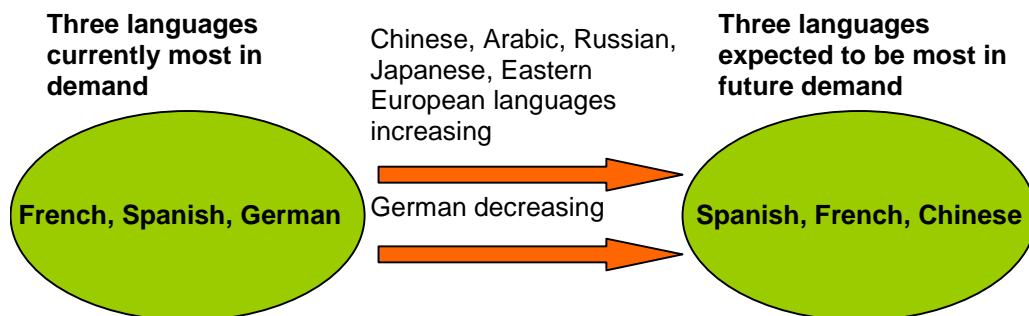
In the 'Other' marketing category, direct marketing is the most popular approach to obtain new clients. This is a combination of on-line and off-line methods such as e-mailing, mailing and telephone sales or telephone follow-up. Attending conferences, exhibitions and events are popular means by which respondents extend their networking. Respondents also produce leaflets and advertise their services in trade press and targeted business directories.

3.4. Market demand in languages

Based on personal business experience, 55% of the providers are of the opinion that French and Spanish are the languages most in demand at present, and 39% put German in the same top category.

Respondents feel that there is more demand for Chinese, Arabic, Russian and Japanese while the demand for German has been dropping. Demand for Eastern European languages such as Polish, Czech, Bulgarian, Ukrainian and Slovak is also considered to have increased. Respondents also reported a notable increase in demand for cultural briefing by comparison with levels of demand for other forms of language service.

The survey results show that Spanish, French and Chinese are expected to be the three languages most in demand in the foreseeable future. Arabic, Russian, Japanese and Eastern European languages are thought to be increasingly in the second tier.



3.5 Sector demand in languages

In terms of business sectors requiring language services, there has been little change in patterns of provision in the last three years. Only 19% of the 148 providers that responded to this particular question report that they have experienced a change in the sectors they work with. The survey data indicate that the finance, IT and legal sectors are the three sectors that generate the most demand at present. It is predicted that the greatest demand in future will come from the same three sectors. However, as a consequence of technological developments and EU expansion, there could be more demand in IT and legal sectors rather than in finance. Increasing demand is also predicted in the tourism sector. Respondents speculated that increased personal wealth is making it possible for more people to travel, and there are therefore more language service needs. Comments were also made regarding the requirements needed in local government and public sector organisations regarding communication with minority language groups in an expanding European Union. These sectors are therefore also thought likely to generate substantially more demand for language services in the foreseeable future. A number of other sectors, such as the telecommunications,

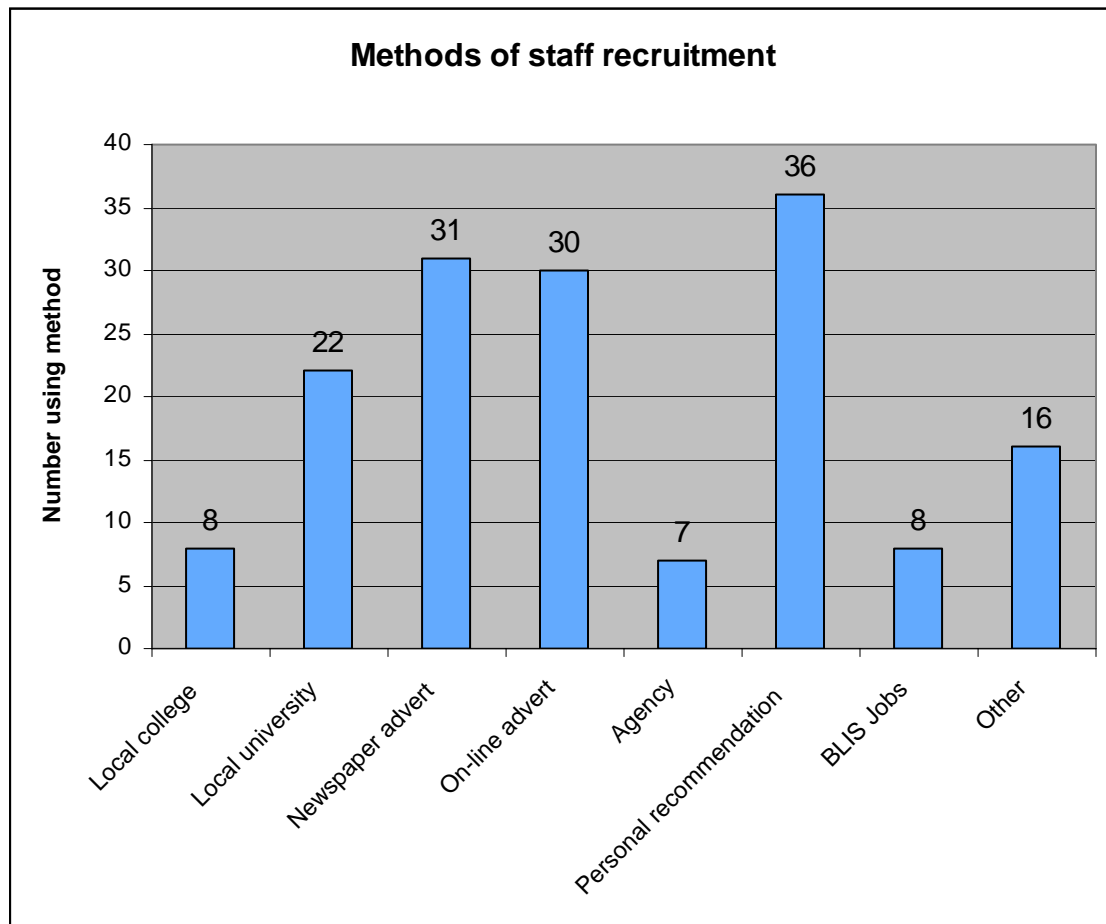
manufacturing, marketing and pharmaceutical sectors, are predicted to continue generating a steady demand for language services.

3.6. Continuing business and professional development

49% of providers are receiving more business compared with three years ago, while 31% are receiving the same level of business and 20% less business. Business growth is largely attributed to better targeted marketing and sales activities, which have increased the reputation of the provider concerned and raised awareness among existing and potential customers. Internet technology has also helped some providers reach a wider client base. Respondents are uniformly of the opinion that good quality assurance and word of mouth referrals are indispensable. Some providers are sufficiently flexible to be able to benefit from responding to market changes and adjusting their service offering accordingly, e.g. switching from language training to cultural briefing services.

22% of respondents have experienced difficulties in recruiting personnel for work in some languages. For example, respondents noted difficulties in finding professionally qualified speakers of some Eastern European languages, such as Polish, Ukrainian, Macedonian and Kurdish. It is also reportedly difficult to track down expertise in some Asian languages, including Hindi and Nepali. In the main, it is not easy to find people who have the right technical expertise and professional qualifications to undertake service provision other than in common Western European languages such as French and Spanish.

The chart below gives an indication as to how language service providers recruit their staff. The numbers themselves are low due to the low number of respondents who need to regularly recruit (as mentioned earlier, the majority of respondents are sole traders or employ a very small number of employees).

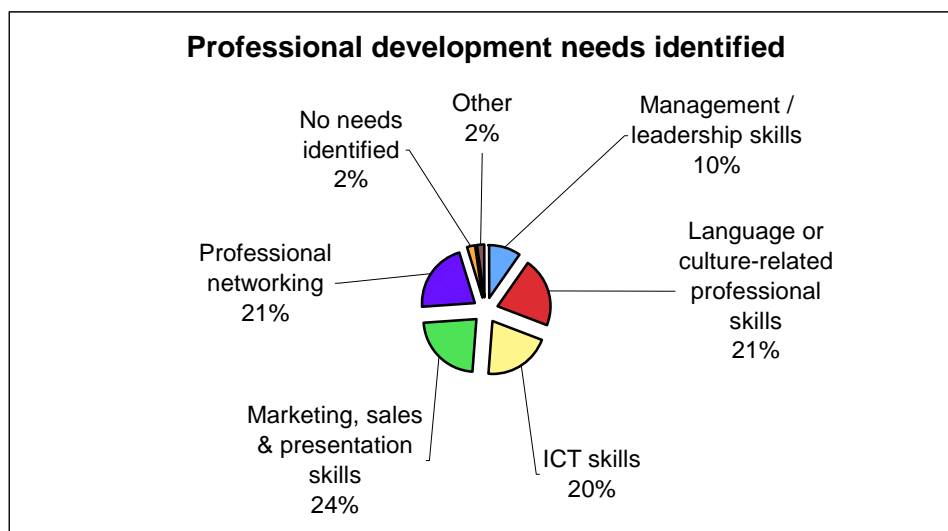


The 'Other' category shown in the table above includes professional databases, community and professional networking, etc.

In order to develop their business and extend their professional expertise, 49% of respondents wish to develop enhanced marketing, sales and presentation skills, with 46% looking for more professional networking opportunities. With reference to their ICT skills, 45% would be interested in some updating opportunity. Other professional development needs identified included project management skills, more subject-specific training and bookkeeping skills. The table and pie chart below demonstrate these figures. Only eight respondents said they did not have any professional development needs.

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Professional development need	Number of respondents identifying this as necessary
Management/leadership skills	31
Language or culture-related professional skills	67
ICT skills	65
Marketing, sales & presentation skills	73
Professional networking	69
No needs identified	8
Other	8



4. Suggestions for action

Respondents were given the opportunity to make further comments and suggestions. The most significant comments were about recruitment and professional development, as shown below.

Recruitment: 22% of respondents experienced difficulties in recruiting staff for work in some lesser-spoken languages such as Eastern European and some Asian languages. Respondents suggested that close-to-government organisations, business and education institutions work together to organise and promote the relevant resources in order to produce a more appropriate skills mix for the sector and thereby enable the individuals concerned to benefit from the employment opportunities available.

Continuing Business and Professional Development: Respondents were keen that awareness be raised that commercial service providers would welcome greater support in areas such as marketing, sales and presentation skills, professional networking opportunities, ICT capacity-building and project management skills.