European startups may not enjoy as much publicity buzz as their counterparts based in Silicon Valley — but they are no less exciting. The whole startup scene in Europe is on a mission to catch up with the technology hotspots in the United States. Some of the unique features of European companies, such as their multicultural and multilingual backgrounds, act as advantages when it comes to scaling up globally.

The fact is that the number as well as the size and valuation of average European startups are smaller than those in the United States. There are no technology giants or internet game-changers that originated in Europe. All of the current tech Fab Five — Alphabet, Amazon, Apple, Facebook and Microsoft — are US-based.

But Europe does have a thriving technology startup scene. The technology investment bank GP Bullhound recently counted 40 Europe-based unicorns — private companies with a valuation in excess of $1 billion — founded since 2000. On the flip side, the combined market value of all those companies was just $120 billion, which is less than half that of Facebook alone.

**Europe’s built-in advantage**

Europe’s problem is not so much a lack of innovation or the number of startups; it’s a lack of scale-ups — small companies that would grow rapidly to a global scale, to become the European Google or Facebook, and continue growing.

Why is that? There are many reasons, but one is that until recently, European startups would get acquired early in their life span, well before they would become unicorns on their own. Think of Skype, the originally-Scandinavian startup sold to eBay back in 2005 for $3.1 billion. The Dutch travel site Booking.com sold to America’s Priceline.com sold to America’s Priceline.com in the same year. Zendesk, the provider of a cloud-based customer service platform, was founded in Copenhagen, Denmark, in 2007, before receiving US funding and moving its headquarters to San Francisco.

European startups may be appealing to acquire because they have a built-in advantage. The European Union — the single biggest economic space in the
world — is inherently multilingual, unlike the largely monolingual US economy. This forces European startups to break through their national barriers and support multiple languages, locations and currencies early on in their development — well before the multilingual need may rise on the horizon of their US competitors. Localization can enable a startup company to scale up faster, as well as increase valuation and general attractiveness to investors.

Skyscanner is a good example of a scale-up. This Edinburgh-based online travel site currently supports 33 languages, thanks to an early start with localization. Barry Smith, Skyscanner’s cofounder, told The Guardian about their early days when they were already supporting a number of European languages, and were able to add a new one for just £1,500: “Our main competitor in America had only one language. They had 220 employees covering the US, and just four for ‘Europe,’ as though it were one giant country.”

### Where unicorns tend to be multilingual

The empirical evidence shows that European startups embrace localization relatively early in their development. The figure above shows a selection of the 50 most-valuable or otherwise interesting startups, some of them unicorns based in Europe, and the number of languages into which they currently translate their products, websites or apps. There are very few “monolingual” companies, and if any, they come from the United Kingdom, such as Lyst, the fashion eCommerce platform.

Even relatively young companies translate into at least a few languages, and typically those associated with the largest economies in Europe — German, French, Spanish, and in some cases, Dutch. For instance,
Deliveroo is a service that lets you order food from nearby restaurants and delivers it to your door with an average delivery time of only 32 minutes. It was founded recently in 2013, but is already available in six languages and 12 countries, including Singapore and United Arab Emirates.

Not surprisingly, startups in the consumer space localize most extensively. Online travel, online music and eCommerce are the verticals that require localization because of the expectations of their consumers. In contrast, companies in the financial technology (fintech) or enterprise-focused sectors go for smaller scale localization, focusing on just the main markets.

The European “champions” in this listing are Israel-based Tranzmate, which runs the globally popular public transportation app and mapping service Moovit, and London-based Badoo, which runs a popular dating and social networking service available in more than 190 countries. They boast a 300 million-strong community and more than 60 million active users.

Moovit uses a community of over 20,000 active users in over 100 countries to provide the most up-to-date transit information for 800 cities and over 30 million users, adding a new city every 24 hours. Following in the footsteps of their compatriot startup Waze, which was acquired by Google in 2013 for $1.1 billion, this crowdsourced system is supported by localization into over 40 languages. Similarly, Badoo is currently available in 42 languages. As such, it is well ahead of Tinder, which otherwise often tops the list of the most internationalized US unicorns, but is currently localized into “only” 35 languages. Either way, this shows that the more personal a given product or service is, the more pronounced the need for its localization.

English is a “compulsory” language — 49 of the 50 researched startups have their products or website content available in the language. It is clear from these companies’ language strategies that European technology startups maintain a focus on the European market plus North America. Relatively few — only 44 % of those included in this research — localize into Asian
languages, and when they do, even fewer go beyond Japanese, Chinese or Korean. Only a handful of European startups have African, Latin American or long-tail languages as part of their global strategy.

**European hotspots for startups**

While startups spring up all over Europe, there are a few particular hotspots with established and maturing ecosystems that support this entrepreneurial activity. Their ranking or “hotness” may differ depending on which survey you look at, but the main cities include London, Berlin, Stockholm, Amsterdam, Paris, Barcelona, Tel Aviv and Helsinki.

Just like there are differences between Silicon Valley and, say, Boston, New York, or Seattle when it comes to their technology startup scenes, each of these European hotspots has its strengths and weaknesses, and each would encourage the creation of somewhat different types of companies.

London benefits from being one of Europe’s financial centers, and has a high concentration of venture capitalists (VCs), investors and seed funds. It’s also a natural home for a host of startups in the nascent fintech sector, such as TransferWise or WorldRemit, or in eCommerce, such as Farfetch or Lyst. The fact that many international technology companies have offices in London facilitates networking and partnerships. Conversely, it’s a good place for European startups that aim for fast access to the US market.

Like London, Berlin’s international atmosphere attracts expats, providing a pool of people with foreign language skills. It also enables tapping into the German industrial and manufacturing prowess, making Berlin potentially attractive for startups in the Internet of Things space. And in line with the German export orientation, it’s clear that a large number of local startups have a natural aspiration to become global businesses.

Clearly, German consumer preferences are a fertile ground for many online retail and delivery startups. Many of these are linked to the local serial producer of internet startups, Rocket Internet, headquartered in Berlin, which is behind many successful German startups such as Zalando or Foodpanda. The latter specifically focuses on online food delivery in emerging markets.

The relatively small size of the Dutch and Swedish markets means

---

**INTERNATIONAL STRATEGIC PARTNERSHIP**

Announcing a new partnership between U.S. and Chinese Language Service Providers to better meet your medical and technical language needs!

**WORLDWIDE TRANSLATIONS**

- Medical device, pharma, and healthcare industries’ translation experts
- Exclusive EU language translation provider for MedDRA, the Medical Dictionary for Regulatory Activities
- Senior expertise in FDA and EU compliance

**www.wwtranslations.com**

---

**AITRANS**

- Technology and patent document translation for all technical fields
- Professional translation software tools (Aitrans-PAT) and cloud A.I. corpus, offering higher quality at a lower price
- Online quotes, providing customizable procedures for your projects
- Developing proprietary A.I. translation system for medical, biotech, etc. industries

**www.aitrans.org**

---

**Corporate Headquarters**

HENDERSON, NEVADA
Tel 800-293-0412 / 702-897-8841
operations@wwtranslations.com / corporate@wwtranslations.com

---

**Corporate Headquarters**

BEIJING, CHINA
Tel 010-82893875 / Fax 010-82895385
trans@aitrans.net / trans@aitrans.cn
that startups in outward-looking Amsterdam and Stockholm have a natural propensity to think internationally right from the start. In contrast, French startups benefit from the large domestic market that tends to prefer local products and services, as well as the government support of France's digital economy and ecosystem abroad via the La French Tech brand.

In many ways, it's actually easier and cheaper to build a startup in Europe today than, say, in San Francisco, where the competition for engineers and other talent is much more intense, especially if you're a “no-name” startup. With less fierce competition for people, employees in European startups also tend to have greater allegiance to their companies.

Some considerations for (not only) European startups

The source language may not be English. For many European startups, English may not be the default language for their source content development, especially in Germany or France. That means dealing with potential difficulties in multilingual localization — finding resources that can translate from a language other than English, or having to translate to English first.

In other cases, when the source content language is English, the language quality may be imperfect, causing inefficiencies further down the line. European startups that make English their #1 language are better positioned to become international faster, but making content internationalization-friendly is also key.

The need to build in-house expertise in globalization. When it comes to scaling up globally, startups face similar challenges all around the world. Naturally, their initial localization maturity is low. They need to ingrain the global mindset, have localization champions in place and obtain executive buy-in. They need to establish cross-functional visibility for localization. The list of tasks is long and daunting.

The most successful European startups take care to establish solid globalization expertise in-house as soon as possible, all the while avoiding building large teams that would entail major internal overhead. Because of its concentration and its history of technology startups, it’s easier to find the initial globalization champions in Silicon Valley, compared with the geographically distributed cities in Europe, but there are a great many client-side localization professionals in Europe, too, and a new generation of enthusiastic localization talent has already found its way into European startups.

For many well-funded startups, cash is not the main concern, and they may receive VC funding specifically for international expansion. But building large in-house localization teams is rarely a competitive advantage in today’s agile world, and expanding internal headcount and high fixed costs is not typically something VCs would rate highly. On the contrary, international growth and radical scalability are what increases startup valuations in the eyes of the current — and future — investors.

Starting with a clean slate is a great advantage. Little or no legacy content, with no legacy translation technologies or processes in place. Creative teams not afraid to experiment. Can-do attitude and lean structures. All of these are attributes of startups that foster innovation in localization as well. Some of the
innovative approaches to localization developed by US-based unicorns such as Airbnb or Netflix are well known. But the same applies to European startups, even though these innovations may be currently less publicized.

*Older and wiser:* Many European startups may have missed the boat — or got acquired — during the previous wave of innovation associated with the rise of the internet. Hence there are no European Googles or Amazons. But the situation is different today.

First, the startup ecosystem in Europe is much more mature than it was 15 years ago. There are more VC funds that are based in or focused on Europe, such as Atomico, created by Skype co-founder Niklas Zennström. Founders of previous startups are now around to help and provide guidance, and many are actively investing in the current wave of European newcomers. There is also a lot more money available to take startups through the middle and later stages of development, giving them the opportunity to scale up globally and achieve valuations in excess of $1 billion, rather than getting acquired on their way up.

*Get data-driven.* Smart startups build their international growth engines using data. There is a wealth of data available that can help make better decisions about which markets to enter and how. There has been so much exuberance among technology startups recently — and some of it was arguably irrational. The recent fall from grace of Powa Technologies, until recently one of Britain’s brightest tech unicorns, is a good case in point, as it burned through over $200 million of cash in just over two years and went into bankruptcy proceedings. But a data-driven approach, coupled with some strategic thinking, can go a long way toward building a sustainable engine based on custom metrics and key performance indicators.

Data can help understand international users, track their behaviors, and identify opportunities, even in countries not currently served. It can help prioritize languages and content types for localization. It can help identify what actually drives growth and inform local social media strategies.

*An early pain means an earlier gain.* Building internationalized products and running multilingual marketing early on entails a number of headaches for startups, which focusing on a single market may avoid. The need to add a new multilingual dimension into everything they do adds an extra level of complexity in a situation when things may already be volatile.

But experience shows that localization becomes a huge advantage for them later on, since they are already prepared for international growth with content and products poised to augment global scale. Companies that postpone the intern regionalization of their products, operations and communications until they reach a certain size tend to find the journey much tougher.

**Scaling**

Startups have little choice: in today’s fast-moving, winner-takes-all world, they need to aim for scale. This forces them to think about internationalization and global scalability from the very beginning. Europe now has a working ecosystem in place to support the international growth of its home-grown startups. This means that more European startups have a chance to scale up and become dominant platforms, especially in the current waves of technology innovation. After all, that’s how companies such as Google or Amazon started up themselves. [M]