# Chapter 74 Ethos, Pathos, and Logos of Doing Business Abroad: Geert Hofstede's Five Dimensions of National Culture on Transcultural Marketing

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## ABSTRACT

Marketing, by definition, is the performance of business activities of directing the flow of products and services from producer to consumer. By definition, international marketing is the performance of marketing activities across two or more countries. Transcultural marketing, by definition, is the performance of business activities of directing the flow of products and services from producer to consumer across two or more countries' core ethos, pathos, and logos. The root of all countries' core ethos, pathos, and logos is its culture. The purpose of this chapter is to analyze transcultural marketing for incremental and radical innovation based on the key factor of culture in transcultural. As such, Geert Hofstede's five dimensions of national culture are utilized and analyzed in relation to transcultural marketing. Hofstede's fifth dimension is long-term orientation (and) is the most difficult because it is the newest of the dimensions and the least familiar to Western researchers.

## INTRODUCTION

In marketing, the first issue at hand is conducting business in the domestic arena where unethical marketing practices can and do severely damage firms and their stakeholders, and thus have been the focus of recent research (Dunfee, Smith, & Ross, 1999; Handelman & Arnold, 1999; Mascarenhas, 1995; Smith & Cooper-Martin, 1997; Sparks & Hunt, 1998). Marketing is considered the most unethical of business functions and most marketing practices have been criticized as such (Laczniak, 1999). Therefore, during their education marketing students who will become

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marketing executives in the future need to be equipped with guidelines for ethical conduct in their chosen profession (Yoo & Donthu, 2002). Marketing students perceive the level of ethics education as less than adequate and insist that a marketing/business ethics course should be required (Shannon & Berl, 1997). As a result, many business schools have added a mandatory ethics class to the degree program as an independent course or a component of existing coursework, partly in response to the accreditation standards established by the American Assembly of Collegiate Schools of Business (AACSB) (Gunz & McCutcheon, 1998; Polonsky, 1998). Nevertheless, surveys continue to find a crisis of ethics in business schools and the business community (Borkowski & Ugras, 1998; Greenman & Sherman, 1999).

The second issue at hand in marketing is conducting business in the international arena and is generally known as international marketing; however, due to the effects of contemporary globalism (Christiansen, 2012) it is more precisely and accurately labeled transcultural marketing. While marketing is defined as the performance of business activities of directing the flow of products and services from producer to consumer, international marketing is the performance of these same activities across two or more countries<sup>1</sup>. Transcultural marketing, by definition, is the performance of business activities of directing the flow of products and services from producer to consumer across two or more countries' core ethos, pathos, and logos. The root of all countries' core ethos, pathos, and logos is its culture. The purpose of this chapter is to analyze transcultural marketing for incremental and radical innovation based on the key factor of culture in transcultural marketing. As such, Geert Hofstede's five dimensions of national culture will be utilized and analyzed in relations to transcultural marketing.

# MARKETING, ADVERTISING, AND GLOBAL BRANDING

The study of culture to understand global advertising results from the global-local dilemma: whether to standardize advertising for efficiency reasons or to adapt to local habits and consumer motives to be effective. Only recently have studies included performance criteria and several studies have demonstrated that an adaptation strategy is more effective (Calantone, Kim, Schmidt, & Cavusgil, 2006; Dow, 2005; Okazaki, Taylor, & Zou, 2006; Wong & Merrilees, 2007). As a result, understanding culture will be viewed as increasingly important. In the past decades various models have emerged of which the Hofstede model has been applied to global marketing and advertising the most. Geert Hofstede's dimensional model of national culture has been applied to various areas of global branding and advertising and the underlying theories of consumer behavior. The model has been used to explain differences of the concepts of self, personality and identity, which in turn explains variations in branding strategy and communications.

# Cultural Models Applied to Advertising Research

Cultural models define patterns of basic problems which have consequences for the functioning of groups and individuals: 1) relation to authority; 2) the conception of self and ego identity; and 3) primary dilemmas of conflict and dealing with them (Inkeles, 1997; Kluckhohn & Strodtbeck, 1961). These basic problems can be recognized in the Hofstede model (Hofstede 2001; Hofstede & Hofstede, 2005), and have been found in other studies such as those by Trompenaars (1993), Schwartz (1994), Schwarts and Bilsky (1987), and the recent GLOBAL study (House & Associates, 2004). This is because the desirable is how people think the world ought to be and the desired is what 24 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/ethos-pathos-and-logos-of-doing-businessabroad/147923

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