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Wait-and-see approach in Q4 could set your business back



Image: David Wall

Companies that continued or increased marketing efforts during recessions and soft economies saw a 256% increase in sales, according to a Harvard Business Review study.

DAVID WALL VIA GETTY IMAGES

By Melissa Flynn – Founder, Melissa Flynn PR & Marketing
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This year has certainly been a waiting game for DFW decision-makers. And yet, after many months of economic uncertainty, many believe we're starting to see the light. The Federal Reserve's [long-awaited rate decrease](#) has business leaders exhaling a little, and reports say that while consumer spending may stay a little soft, M&A activity is expected to pick back up. The fourth quarter will tell us a lot.

But then again, isn't waiting for Q4 to "happen" entering 2025 on our heels?

Companies typically come to marketers, like me, when they're feeling good, budgets are strong and they're ready to act. Or they come to me when things are not going well, and they're backpedaling. Both are reasonable times to tap marketing/PR for solutions. But in my view, there's an opportune time to market that many business leaders overlook: The "soft," uncertain times. When things are a bit unknown and we're in a cautious mode, that's when it's time to get off the bench and act.

Why? When others are cautious, market share and share of voice are up for grabs. Just look at what happened during Covid. Zoom, Skillshare, HelloFresh – all acted on the moment, when the economy was the furthest thing from stable – and successfully invested in their short and long game through aggressive marketing. When others are waiting-and-seeing, that gap in action is also the perfect time to advance long-term business goals and build awareness.

If you don't believe me, here are a few data points that speak volumes in soft economies:

- Consumers are more price-conscious and receptive to promotions and offers. A 2020 McKinsey & Co. study showed that consumers are 50% more likely to switch brands during economic downturns and soft times because of this reality.
- With fewer competitors actively marketing, proactive marketing and advertising stands out, meaning increased brand visibility and top-of-mind awareness. A Harvard Business Review study and subsequent 2020 article found that companies that continued and/or increased their marketing efforts during recessions and soft economies saw a 256% increase in sales versus those that cut back.

The wait-and-see method is safe, but one could argue that it's not growth-oriented. I regularly ask clients: What are your business goals for the next few quarters? What about three to five years from now? Are the steppingstones in place, marketing and PR-wise, to ensure you're positioned to reach those goals – even with fits and spurts of uncertainty in the market? What "big rocks" are you holding back on because you're uncertain about the economy, but will still be there when the economy looks up?

The truth is business leaders often choose to pause budgets or even cut them in soft or down markets. To me, that's counterintuitive. Instead, I'd ask: What market opportunities are opening up for you? Are you embracing AI and fully understanding the potential positive impact on your business? Are you looking into the future at new customers and considering how to market to what they'll need and want? Are you tackling tough issues that your leadership team has been "stuck" on? These are questions that forward-thinking business leaders, including clients of mine, are already thinking about.

"For most people, I think it's a wait-and-see mentality, especially due to the political climate. But for us, because of that uncertainty, we chose not to wait – we chose to make the strategic decision to invest in consultative marketing because we're at a pivotal point in our business and it's critical for positioning us for 2025 and the future," said Kelly Rao, managing partner at Dallas-based Talent Suite.

Similarly, Michael Pennington, CEO and founder of Dallas-based Platinum Dermatology Partners, said: "We've tracked the rapid emergence of AI and are early investors in cutting-edge marketing capabilities that integrate these technologies to deliver a more personalized and impactful patient experience. By harnessing the power of AI-driven insights, we aim to better understand and engage with our patients and ensure that Platinum continues to lead the way in exceptional dermatological care."

The reality is that we don't know what the economy will look like a quarter or two from now, but we do know it won't be markedly different. Is the economy ever really "stable"?

So a soft economy isn't the time to rest on our laurels and hunker down. The fact is that companies – and brands – need to work harder to gain trust and drive consumers to spend right now, to lean hard into technologies and forward-looking strategies to set them up for future success.

My recommendation to business leaders on the marketing fence: Make the tough, long-term decisions, invest in your Q1-2 marketing strategy to start the year off with a bang,

bite the bullet and set time for the strategic offsite and tackle those unknowns, and keep one eye on the future so you're ahead of the game when the economy picks up.

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