

Target the Right Customers

Case: Madame Zingara's tent collapses in London

MARKETING TIP OF THE MONTH

Be humbled by your success, and set your sails accordingly.



The McKinsey Quarterly's (2009, Issue 1, pp.68-75.

"They warn that lamenting on 'historical techniques' may foolishly make you target the wrong segments. Marketers should rather **review their customer segments**, advertising and salesforce strategies. They highlight that B2B firms you should look at every single customer separately."

"If you nail the Segmentation, Targeting and Positioning, everything else falls into place." Philip Kotler. "the world's foremost expert on the strategic practice of marketing."

"There is nothing so useless as doing efficiently that which should not have been done at all." Peter Drucker

The success of their immediate past blinded their future.





Madame Zingara, the South African born dinner theatre spectacular, was adored and valued by their local segments. **Then, at the peak of their SA cycle they folded almost immediately when management pitched their antique 'tent of experiences' in London.**

At R800.00 per couple (without beverages), Madame Zingara's tent-of-dreams opposite Monte Casio (SA), was sold out before they even pitched for trade on the 18th August 2008. Why? Because they ditched what the average restaurant offered, and innovated an experience. They created a 'spiegeltent-theatre', and ditched fixed premises and a long a la carte menu. They were trading in an uncontested market and could have demanded even higher prices... but they were blinded by their success and perused a new 'attractive' segment.

Unfortunately their perfect formula was short lived. They were liquidated a few months later (Jan 2009) because of huge debts incurred by investing in London during the UK recession. Cash flow problems, due to *targeting the wrong customer segment* destroyed a great formula - they collapsed.

The below table illustrate the Feasibility Study. With a score of 5/100, why did Madame Zingara leave their golden egg and even attempt to target London?

Madame Zingara's Grave Mistake Sold out in SA – flopped in London.

Their Business Strengths	The Market Attractiveness	FINAL SCORES: 49-100 = go for it!, 29-49 = cautious growth
Madame Zingara in South Africa vs. London		
 Excellent word-of-mouth and reputation in SA	 Very little competition. Playing in uncontested space.	$10 \times 10 = 100 \text{ (SA)}$
 Need to rely on expensive advertising.	 Deep recession. Strong competition.	$5 \times 1 = 5 \text{ (London)}$

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