

THE LONG TAIL

Why the Future of Business is Selling Less of More

CHRIS ANDERSON

CHRIS ANDERSON is editor-in-chief of *Wired* magazine. He previously worked for seven years for *The Economist* and six years for *Nature* and *Science* magazines. Mr. Anderson has also served as a researcher at Los Alamos and as a research assistant to the chief scientist of the Department of Transportation.

The Web site for this book is at www.thelongtail.com.

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at www.summaries.com.

MAIN IDEA

The real mother lode of commercial success for twenty-first century businesses will be in multiple-niche marketing rather than trying to score a few mass market hits. The economy and our culture is evolving from focusing on mass markets to aggregating millions of niches into markets which end up being larger when combined than the traditional mass markets.

A new business model is arising based on the economics of abundance rather than scarcity. This new model rests on the idea it will be better and more profitable to sell a few copies each into a million niche markets than it will be to try and develop one product which you sell two or three million copies. The great success stories of the future will be the companies which are aligned with the long tail of the demand curve rather than those which bring hit products to market.

“The theory of the Long Tail can be boiled down to this: Our culture and economy are increasingly shifting away from a focus on a relatively small number of hits (mainstream products and markets) at the head of the demand curve, and moving towards a huge number of niches in the tail. In an era without the constraints of physical shelf space and other bottlenecks of distribution, narrowly targeted goods and services can be as economically attractive as mainstream fare. When you can dramatically lower the costs of connecting supply and demand, it changes not just the numbers, but the entire nature of the market. This is not just a quantitative change, but a qualitative one, too. Bringing niches within reach reveals latent demand for noncommercial content. Then, as demand shifts towards the niches, the economics of providing them improve further, and so on, creating a positive feedback loop that will transform entire industries – and the culture – for decades to come. We are turning from a mass market into a niche nation, defined now not by our geography but by our interests.”

– Chris Anderson

1. What is the “long tail” concept? Pages 2 - 3

For many product categories, smart technology is transforming mass markets into millions of small niche markets. Although each of these niche markets may be small, when all the various niches are combined, the volume of business is actually greater than the traditional mass market successes. Thus, the great commercial opportunity of the future isn't catering to the “short head” of the demand curve where multiple copies of the same product are sold. Instead, the real opportunity to move forward lies in serving the “long tail” of the same curve – the millions of various niche markets.

2. The driving forces behind the long tail phenomena Pages 3 - 4

In a nutshell long tails emerge in an industry whenever the cost of reaching niches gets reduced to a very low level. There are three powerful forces which can cause these costs to fall:

1. The tools of production become more widely available.
2. The costs of distribution are cut appreciably.
3. Some way of connecting supply and demand is established.

Whenever these three forces are present in an industry, look for a long tail to emerge as the driving force of commerce.

3. Doing business in a long tail economy Pages 5 - 6

No matter whether you're starting from scratch or facing the emergence of the long tail economy with a multi-billion-dollar business, the fact is things are going to be different in the future.

It helps if you keep in mind a few basic ideas and concepts about the realities of the long tail economy:

1. Always think in terms of abundance, not scarcity.
2. Blockbusters will still come along, they are here to stay.
3. The niche revolution will reach every industry.

The sooner you accept these realities and start working with them rather than against them, the better positioned you will be. Regardless of whether you're ready or not, the long tail economy is just about to move to center stage. There's no point delaying the inevitable. It's time to get on the bandwagon.

4. The nine rules of success for long tail businesses Pages 7 - 8

The secret to commercial success in an economy dominated by long tail economics can be encapsulated in two imperatives:

1. Make everything you have to offer available.
2. Help people find what they want.

In practice, successful long tail businesses will treat consumers as individuals, not as part of some arbitrary demographic group. Mass customization will be at the heart of the businesses which thrive under these marketplace conditions.

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- Learn from the mistakes and success of the smartest people in business;
- Get fresh ideas, strategies & motivation that could be worth millions to you;
- Follow emerging trends, so you can catch the wave before your competitors do;
- Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

