The Long Tail Summary

1-Sentence-Summary: *The Long Tail explains why the big commercial hit is dead, how businesses can and will generate most of their future revenue from a long tail of niche products, which serve even the rarest customer needs, and what you can do to embrace this idea today.*

Read in: 4 minutes

Favorite quote from the author:

> "Up until now, the focus has been on dozens of markets of millions, instead of millions of markets of dozens."
>
> – Chris Anderson
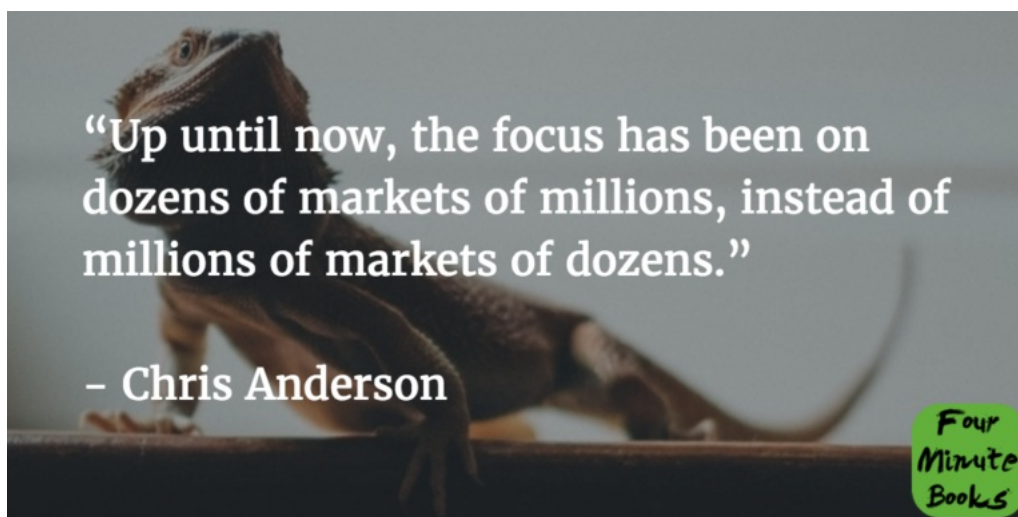
One idea I really love and try to embrace every chance I get is also one that keeps popping up here on Four Minute Books: the 80/20 principle. It says that for almost everything, 20% of the input gets you 80% of the results.

For example, 20% of the material will get you 80% of the points in an exam, just like 20% of your study time will be where you learn 80% of what you set out to memorize.

It's also a very prevalent notion in business, one that Chris Anderson, editor of WIRED magazine from 2004-2012, thoroughly embraced – until he found out he was wrong. Doing a pop quiz at an early music streaming service, Anderson guessed, like most people, that of their top 10,000 tracks, only 20% would be played in any given month – but it turned out to be 99%.

This sudden revelation turned into an article in WIRED magazine, which then turned into *The Long Tail*.

Here are 3 lessons to help you understand the long tail and use it to your own advantage:

1. In online markets, lots of niche goods tend to outsell fewer hit products.
2. The tail gets longer and longer because everyone can now produce content.
3. The tail gets fatter and fatter because everyone can also distribute their content.

If you don't think that the niche has become the norm yet, you're in for a real change of perspective, let's go!

Lesson 1: Online, a huge number of mildly popular products can outsell a small number of evergreen hits.

You've probably at some point seen the popular "hockey stick curve" in some form or the other. A very fat, short head, which carries most of the revenue of a business in just a few products, for example, followed by a loooong, flat tail of mildly selling niche products.

It's about the top result in any Google top 10, the most popular ice-cream flavor, or the highest-grossing movies, and the story is always the same: get through the long, hard dip, because it pays disproportionately to be number one. However, when it comes to online business, a curious thing is happening: if you combine all the products from the long tail and compare their share of the total revenue to the top performers, the two are almost equal.

What Chris found out is that **if you can offer a sufficiently large number of niche products, they can compete with the bestsellers.**

For example, Amazon offers over 11 million books right now, when even the biggest book stores can't stack more than 200,000. What they found is that 30% of all books bought are those you can't find in an average book store. Similarly, Napster offered 4.5 million songs at its height, every single one of which was played at least once a month.

If the average product price is the same (as is for most music streaming, for example), it doesn't even matter whether you sell a hit or an old folk song – a sale is a sale. The long tail comes down to the idea that nowadays, a big number of unpopular products can compete with a small number of popular ones.

Lesson 2: Since everyone can now produce their own content, the tail keeps getting longer.

The moment you leave the store with a new laptop in your hands, you are a creator. You then own a music production studio, a typewriter, a professional video editing system and a megaphone to speak to the world, all in one.

Because the means of production are now available to everyone, the tail has completely exploded in length, and it keeps getting longer.

Every day people create more and more things online. I've been up for five hours today, in which two million (!) blog posts have been published already. Within the next 24 hours, six million videos will be uploaded to Youtube, 500 million tweets sent on Twitter and 60 million photos uploaded to Instagram.

Because producing content has become so cheap, the barrier for people to do it is really low, which makes the tail longer and longer with every second.

Lesson 3: Aggregators make accessing niche products easier, which increases profits and makes the tail fatter.

Okay, so there *is* a long tail of niche products, but in order for those to be profitable, the tail has to also be fat, i.e. all of these products have to sell. To sell something, it first has to be accessible to those, who'd like to buy it. And this is where what Chris Anderson calls *aggregators* come in.

What prevented niche products from selling before was simply that customers couldn't find them. Try locating one specific book in a book store without a computer, or grabbing a specific kind of cereal from one of the dozens of shelves at the grocery store without help, and you'll see why we need aggregators.

Anderson distinguishes between two types:

1. **Hybrid aggregators**, which catalog physical goods online, to make them searchable, and then ship whatever's ordered.
2. **Digital aggregators**, which only sell digital products, that can be bought at any time from anywhere.

Hybrid aggregators like Amazon, eBay or online shops of brick and mortar stores, still face economic constraints, because they have to store the product at a physical location, but digital ones like Spotify, Youtube, Netflix, blogs or news sites are basically unlimited in how many products they can offer, store and sell.

So get out your laptop, start creating, and get your work into an aggregator, so you too can ride the long (and profitable) wave of the long tail.

The Long Tail Review

Since *The Long Tail* is already ten years old, this has become a "duuuh, obvious" idea – but only in hindsight. It's one that you need to keep reminding yourself off, and that, if you haven't heard of, will make you feel optimistic, hopeful, and inspired to start creating. Must-read for anyone interested in business.

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What else can you learn from the blinks?

- What pre- and post-filters are and how they help customers access your products
- The problem with shelf space
- How Netflix can be responsible for 50% of all documentary film revenue in the United States
- Why even "offline" companies like LEGO can use the long tail to their advantage
- Which concrete steps to take to implement the long tail into your business
- What you can learn from Microsoft's Channel 9 blog about long tail advertising

Who would I recommend The Long Tail summary to?

The 15 year old teenage girl, who's bored in her spare time, the 49 year old product manager, who's company is economically limited by its physical products, and anyone who thinks they have to land a hit to make it as a musician.