Go To Market Strategies:
Week 7

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- Background

- The Long Tail Concept and Economics of Long Tail

- Research: Long Tail and Omni Channel

- Spatial Long Tail and Critiques

Q1: What is *range* of quality / satisfaction?

Q2: What does this imply for filtering?

Background

o Historically, we lived in a world of "hits" (and not just for content), but now live in a world of infinite slots

o The economics of distribution have been radically altered for content, and for product as well

- The Long Tail exists because the economics of storage and distribution have changed; this is the **supply side** and could be thought out of *exogenous*

- The Long Tail is itself *endogenous* (**demand side**) as there are more ways for us to discover variety; think of Chris Anderson's example of *Touching the Void (1988)* versus *Into Thin Air (1998)*

- 1897 Vilfredo Pareto found __% of population owned __% of the wealth (in the UK) giving rise to the Law of the Vital Few

- 1949 George Zipf found that second most common word used 1/2 as much as the first; third 1/3 as much, etc.

- Power laws … occur with (1) variety, (2) inequality (some things have more of a quality than others), and (3) amplifies or network effects

- The *tyranny of locality* (relate this idea to the concept of *preference minorities*)

- An audience that is spread too thin geographically used to not get served, e.g., *Lagaan: Once Upon a Time in India* opened on only two screens

The Long Tail Concept and Economics of Long Tail

Q1: What is *range* of quality / satisfaction?

Q2: What does this imply for filtering?

- The ratio of niche products to "hits" is changing

- Distribution efficiency is amplifying (digital, search, etc.)

- Recommendations and reviews drive search so that consumers get into the tail

- *Collective* value of niches > hits

- "A Long Tail is just culture filtered unfiltered by scarcity"