tar is a very powerful command for sysadmin. It helps to packages everything necessary into a single file. I collected here a few tips for compression and using the command in different ways.

compress as gzip #gzip -1c myfile > myfile.gz to extract gunzip myfile.gz

compress as bz2
#tar -jcvf file.tar.bz2 file
extract
#tar -jxvf file.tar.bz2
If you are doing regular backup you can append date for more description.
#sudo tar -czf /tmp/archive archive \$(date +%y%m%d).tar.gz

to compress big file and split it into smaller files
#tar -cvjlarge-files.avi | split -b 650m -d - "large-files.tar.bz."

to extract, either combine first
#cat large-files.tar.bz.\* > large-files.tar.bz
#tar xvjf large-file.tar.bz
or directly
#cat large-file.tar.gz.\* | tar -xvj
sometimes you only want to inspect what is in a tar package. You can do that without having to extract the package.
#tar -jtvf file.tar.bz2