Interview

The Tao of Chris:
Chris Anderson on the Long Tail

Conducted by Tim Pulice

What is your "elevator speech" for describing and explaining the concept of the Long Tail?

Chris Anderson: It's a measure of how our economy and culture is shifting from mass markets to millions of niches. The rise of distribution methods with unlimited capacity or "infinite shelf space," of which the Internet is the foremost (but not only) example, have made it finally possible to offer consumers an incredible variety of products and other goods that were previously suppressed by the economic and physical limits of traditional retail and broadcast. The Long Tail refers specifically to the "long tail" of the familiar fast-falling demand curve in economics—we've usually looked just at the high part of the curve on the left, where the hits are. But the tail of smaller-sellers is incredibly long, and when you can offer everything, all those niche products can add up to a market that rivals the "head."

You emphasize the common belief that "too much choice is overwhelming" is false and that consumers are gravitating toward increased choice. Could you expand on that?

CA: My argument is that choice is only oppressive if you don't have help in making it. I use data from online marketplaces to show that "filters" (from search to taxonomies to recommendations to bestseller lists) can reduce impossible overabundance of choice into structured choice and make massive variety not only a good thing but a force that drives demand away from a few hits.

The 80/20 Rule says that 20% of products account for 80% of profits, that 20% of our time accounts for 80% of our productivity, and so on. However, you say the rule is misunderstood and can be interpreted differently in light of what the Long Tail reveals. Can you explain?

CA: The usual lesson from that rule is to only focus on the top 20% because that's where the bulk of the action is. And if you can offer only a limited selection, that remains a good strategy. But increasingly it's possible to offer everything, and then that other 20% of profits is there for the taking. Interestingly, when you do so you find that the profits are often much higher than 20%—not just because there's more in the Tail than we realize, but that if we can make it easy for people to find the niche products that are just right for them, they often prefer them, driving demand down the Tail.

As an aside, the statistical consequence of this, ironically enough, is to make the market look even *more* hit-centric: You often find that just 5% of the products account for 80% of sales (the 80/5 Rule). But that's simply an artifact of the hugely increased denominator as the inventory of available goods grows manifold. A better way to look at the change is to look just at the fixed number of goods that represent the top 80% of sales in a traditional market (the top 1,000 albums at Wal-Mart, for instance). In a Long Tail market, those same products might represent only 50% of the sales, with everything else representing the other 50%, a big increase from the 20% dictated by the 80/20 Rule.

As you point out in the book, Long Tails have occurred before in America. What industry or invention best exemplifies that history?

CA: At the end of the 19th Century, Sears Roebuck and the combination of centralized warehouses and the then-new rail/postal system led to the first great expansion in available choice for the average consumer outside of big cities. More recently, globalization and the high-tech and hypereffiecient supply chains that drive it have led to a huge expansion of choice in supermarkets over the past two decades.

Given this new dynamic, what are the industries most likely to undergo the most dramatic upheaval?

CA: The media and entertainment businesses are the most dramatic example. We're already seeing it in music, where the number of albums released last year nearly doubled, to more than 60,000. (By contrast, only 700 of them made it to America's largest CD retailer, Wal-Mart). We've seen a parallel rise in the number of books published and available online at Amazon.com and elsewhere and in the DVDs available at places such as Netflix. The industry with the greatest potential in this regard—the largest ratio of produced content to content available to the average consumer at any one time—is TV, where most shows disappear after a brief window of availability. But unlocking all that value in the TV archives will take new and much more efficient ways to clear the rights to that content, which is something the industry is working on right now.

Is there anything to fear in the Long Tail era, such as further fragmentation of society?

CA: The rise of broadcast radio and television was the great cultural unifier of the 20th century. But as powerful as it was—in the 1950s, 70% of American homes watched *I Love Lucy* at the same time on the same night each week—it was a relatively superficial sort of commonality. By contrast, the Long Tail's emphasis on niches leads to more tribal behavior—fewer but deeper links between us. Fortunately, each one of us belongs to many different "tribes" in various parts of our life, from work to play, and as a result I suspect that we'll be exposed to more, not less, variety in the future than we have been the past. We may be more fragmented, but we'll also be richer as a culture.

What is the most common Long Tail criticism you hear or read? What is your response?

CA: Aside from the one in the previous question, the main concern is that most of the profits in the Long Tail at the moment seem to accrue to the "aggregators": those marketplaces, from iTunes to Amazon, who can gather together all the niches alongside the hits. Although that's true, I think that these are early days yet and the tactics for playing the Tail best for the little guys are just emerging. The success of MySpace and the tens of thousands of musicians who build their audience there is a good example. They may not sell a lot of records, but they are building a fanbase for their live shows and building grassroots support without the need for a major label. I suspect that more and more of tomorrow's starts will come up this way, rather than being spotted by some record industry talent scout. Indeed, self-made stars such as the Arctic Monkeys and Clap Your Hands Say Yeah suggest that this is already working.