

The Long Tail isn't Yellow

Not so long ago it used to be that most everyone in this country watched a similar selection of videos, read the same bestseller books and drank the same wines. After all, these are the products that are widely available; the critically acclaimed items that retailers can expect to generate the bulk of their sales.

This hit-driven culture is a function of limited shelf space; after all, it doesn't make sense to stock lots of products that don't cover the rent. Economists have modeled this phenomenon as a graph with popularity on the vertical axis and the total number of products across the horizontal axis. The

most popular products crowd the left axis of the graph leaving a "long tail" of less popular products that trails out to the right. The most popular 20% of products are the "hits" that make it into most retail stores, while the other 80% represent niche products that have a limited audience. Yellow Tail is an easy sale in most stores; so it doesn't belong in the Long Tail.

It seems our culture and economy has begun an unprecedented shift towards the Long Tail. As also referred to in our cordials feature in this issue, Chris Anderson, editor-in-chief at Wired Magazine, recently wrote about this in "The Long Tail: How Endless Choice is Creating Unlimited Demand". The Internet has opened the door to retailers with unlimited shelf space; Netflix has on offer 25,000 DVDs compared 3,000 at a typical Blockbuster. Amazon lists 2.3 million books compared to your local Barnes & Noble which may have 130,000; indeed between 25-30% of the books on Amazon are not available in any bookstore!

Consumers are disappearing into the niches and as Anderson says "many of our assumptions about popular taste are actually artifacts of poor supply and demand matching – a market response to ineffi-

cient distribution." His theory predicts that demand for products that are unavailable in physical stores is potentially as big as the demand for those that are.

What Does this Mean for You?

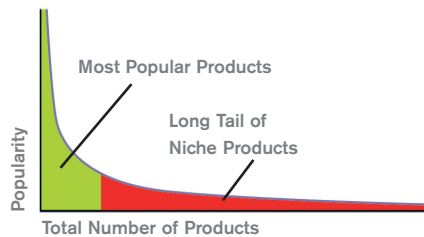
Imagine being able to service niche groups of wine drinkers who are unable to find their selections at bricks-and-mortar stores. In several markets Beverage Media provides "virtual inventory" of the prod-

ucts carried by wholesalers in those markets. This lets stores offer as many as 25,000 wines on their website; the unlimited shelf space is being provided by wholesalers

who are warehousing these products.

Anderson warns that for the full effect of the Long Tail to kick in it is not enough to have a large product base with efficient distribution. The potential of this model only really kicks in once shoppers are able to find what they want through the recommendations of "tastemakers". Tastemakers for your 25,000 wines could be selections you promote on your site; they include the ratings given by Robert Parker, the Wine Spectator and Steve Tanzer. They can also include tasting notes by wine bloggers who have grown to micro-celebrity status and feedback left on your site by other customers.

As more and more stores tap into the potential of the Long Tail, individual stores can differentiate themselves by the way they help consumers make sense of this vast selection. Making recommendations and finding ways to link your products to relevant reviews makes your site more useful for your customers. It also allows you to service customers with niches products that don't fit on your shelves.



To learn more about how the Beverage Media can help with a website for your retail store, contact Ian Griffith at ian@bevmedia.com, (212) 571-3232 x318, or visit www.bevnetwork.com/retailweb.