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The Long Tail in Music Industry

What are some possible supply management challenges along the long tail demand curve in music industry?

In the long tail demand curve, the economy shifts away from producing small hits in the music industry to the head of demand curve that includes many niches in the tail. In the music industry, the cost of production has reduced considerably thereby allowing a musician to increase his supply depending on the popularity he enjoys in the mainstream. The main challenge with long- tail demand curve includes the need to use technologically advanced systems and tools to make music consumers aware of the products. It means that demand shifts from popular songs at the “head”, of the demand curve to the power the long “tail” has, which includes demand from various niche products.

As much as long tail demand curve is important, the main challenge includes expanding song varieties to the consumer demand, thus the need to retain the importance of mass appeal products that is impossible with the curve. The top players have to continue releasing hit by hit, meaning that immediately they fail to release a new entertaining song, they become obsolete.

What were music industry’s challenges when Anderson first introduced The Long Tail concept, what are music industry’s challenges with respect to The Long Tail now?

The challenges remain the same, however in today's world it is hard to use absolute demand that might be misleading, because of the advanced internet era. In the past it was easy to apply the "brick-and-mortar world with stable product variety, hence consumption of products happens at the same rate. It meant that the hits and niches could be defined in absolute terms as either top 10 or bottom 10 songs. Today, however, product variety has skyrocketed because of increased internet use, making more products unnoticed in the ears and eyes of the consumer. The popularity grows slowly, despite the expansion of the customer base. The past was dominated by hits, but today's music industry relies mainly on niches.

What is more powerful in the music industry today: Hits or Niches?

Hits only applied in the past when technological advancement was minimal, but today niches remain the most important aspects. In the past retailers stocked songs that could become hits to reduce costs, but with today's online retailers it is possible to stock everything making the number of existing niche products more than hits by several magnitudes. The many niches represent the long tail that had been neglected in the past, as hits were favored more. When the music industry offer infinite choice, the true demand curve is revealed, that concentrates less on hits. People move towards niches, because it satisfies narrow interests in a better way, with every person that loves music having a narrow interest. For example, people love different songs, which might not be hits now but online streaming gives them a chance to listen to it.

How Big in Independent Music

The music industry is experiencing a dynamic paradigm shift from major recording companies to independent music. The big recording companies have been homogenized, and there specialization in industrializing music makes them unpopular. Despite the big music companies investing in music, they mainly concentrate on shifting many units to many people as

much as possible. The independent musicians have become popular because of their interest to grow talent and concentrate on a specific niche, hence their advantage.