

# THE LONG TAIL PRINCIPLE IN ONLINE MARKETING

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**Abstract:**

*The concept of Long Tail is highly operational in online marketing, in at least two respects: the Search Engine Optimization (SEO) and the reaching narrow target of Web communities. Long Tail search keywords are queries that contain several specific, targeted words. The concept of frequency distribution with a long tail is not new. But, unlike the normal distribution of the bell curve, with items being sold in large quantities, the Long Tail strategy is increasingly relevant in online marketing, providing a wide amount of customized products or services for ever-expanding niches of narrow audiences.*

**Key words:** Long Tail, niche market, online marketing, Search Engine Optimization

**JEL classification:** M31

The concept of Long Tail, formulated by Chris Anderson, the editor-in-chief of Wired magazine, is highly operational in online marketing. As the cost of reaching consumers online drops dramatically, the markets are shifting from a one-size-fits-all model of mass appeal to one of unlimited variety of goods for customized needs.

Online marketing has the capacity to create viable businesses out of a niche market. The Long Tail is a variation of the 80/20 rule (the Pareto principle), applied to the revenue generated by a product range. Typically, 80 percent of the revenue of a company will come from 20 percent of its products. A small number of “bestsellers” generates more income than a large number of low-selling items. A frequency distribution of number of products by volume of sales is not a new idea. What is new is the idea that the Long Tail of low-sellers can now be profitable – and even make more money than the blockbuster items—thanks to the low distribution costs of selling online. Amazon is a classic case, where a seemingly infinite variety of niche products reach a niche audience, and their low unit sales volumes combine over time to make these products not only viable but also profitable (Reed: 2012, 6-7).

The author Chris Anderson explains the term: “The theory of the Long Tail can be boiled down to this: Our culture and economy are increasingly shifting away from a focus on a relatively small number of hits (mainstream products and markets) at the head of the demand curve, and moving toward a huge number of niches in the tail. In an era without the constraints of physical shelf space and other bottlenecks of distribution, narrowly targeted goods and services can be as economically attractive as mainstream fare.” (Anderson, 2008: 52)

Some of the most successful online businesses today leverage the Long Tail to reach underserved customers and satisfy demand for products not to be found in traditional physical stores. Anderson shows that the business implications of the Long Tail are profound and maintains that there is much money to be made by creating and distributing at the long end of the tail. However, bestsellers are still important, but as many online businesses have shown, big profits can be made beyond them. The concept apply equally well to marketing. There is a Long Tail market for Web content created by organizations of all sorts – corporations, nonprofits, churches, schools, individuals,

music bands – and used for reaching buyers – those who buy, donate, join, apply – directly (Meerman Scott: 2010, 18). As consumers search the Internet for answers to their problems, as they browse blogs, chat rooms and Web sites for ideas, they are searching for what organizations like yours have to offer.

Unlike in the days of the old rules of interruption marketing with a mainstream message, today's consumers are looking for just the right product or service to satisfy their unique desires at the precise moment they are online.

People are looking for what your organization has to offer right now. As marketers understand the Web as a place to reach millions of micromarkets with precise messages just at the point of consumption, the way they create Web content changes dramatically. Instead of a one-size-fits-all Web site with a mass-market message, organizations need to create many different microsites – with purpose-built landing pages and just-right content – each aimed at a narrow target constituency.

In order to succeed in Long Tail marketing, professionals need to adopt different criteria for success. In the online world, there are new rules of marketing and PR, as David Meerman Scott articulates in detail:

- Marketing is more than just advertising.
- PR is for more than just a mainstream media audience.
- You are what you publish.
- People want authenticity, not spin.
- People want participation, not propaganda.
- Instead of causing one-way interruption, marketing is about delivering content at just the precise moment your audience needs it.
- Marketers must shift their thinking from mainstream marketing to the masses to a strategy of reaching vast numbers of underserved audiences via the Web.
- PR is not about your boss seeing your company on TV. It's about your buyers seeing your company on the Web.
- Marketing is not about your agency winning awards. It's about your organization winning business.
- The Internet has made public relations public again, after years of almost exclusive focus on media.
- Companies must drive people into the purchasing process with great online content.
- Blogs, online video, e-books, news releases, and other forms of online content let organizations communicate directly with buyers in a form they appreciate.
- On the Web, the lines between marketing and PR have blurred. (Meerman Scott: 2010, 23-24)

The Internet offers a great opportunity for businesses to reach the buyers directly. Unlike offline marketing, that reach consumers via expensive media with poorly targeted messages, online marketing allows every organization to reach niche communities through many channels, with specific messages and at virtually no cost.

Online marketing is all about making the organization and its brands easy to find on the Web. Search engine marketing (SEM) is about making products/services easy to find on Google and other search engines, by increasing the position of their placement on search engine results pages (SERPs). This is done via three methods (Reed: 2012, 44-45):

- Search engine optimisation (SEO) – making a website more attractive to Google;
- Paid placements – e.g., using Google AdWords;
- Attracting in-bound links – e.g., using article marketing.

The great advantage of the first of these methods – SEO – is that it is not only free but also more effective. The goal of any organization with online presence is to increase its natural search engine rankings. Research shows that 75 percent of people using Google click on the natural search results, and 25 percent on the paid-for ads.

Google AdWords is still worthwhile. Paid-for listings become cheaper and more effective the more specific to your business the search terms you choose are. SEM is affordable even for small businesses.

Part of the aim of your SEM is to get incoming links from high-authority sites in order to increase the authority and therefore the position on SERPs of the organization.

Most people – about 90 percent – don't get past first page of SERPs delivered by Google. Getting a high placement on this page is critical to driving search engine traffic to your organization site (at least the third position in the first page of SERPs). Google has estimated that 50% of searches are unique. This means that the sum of searches which are unique is about the same as the sum of non-unique searches. Looking a little more closely at search terms will show a small number of high volume searches, and then a large number of lower volume searches stretching out to those unique searches.

Keywords in SEO (Search Engine Optimization) fall into two broad categories (Ryan and Jones: 2009, 75-76). Short tail keywords are simple one- or two-word phrases that are typically very general and attract a large volume of individual search requests. Long Tail keywords, on the other hand, are more complex queries that contain more words and are much more specific. Individually they attract a much lower volume of search traffic than their short tail counterparts, but cumulatively these long-tail-type queries account for the lion's share of internet search traffic.

In any keyword domain there are a small number of highly trafficked keywords or phrases and a large number of low-trafficked keywords or phrases. Often, the keyword domain approximates to the right half of a normal curve with the tail of the curve extending to infinity. Low-trafficked keywords are therefore also known as 'Long Tail keywords'.

The highly trafficked (short-tail) keywords have the following characteristics: highly competitive, consist of one or two words, have a high cost per click and may have low conversion rates as they tend to be quite general.

Low-trafficked (Long Tail) keywords are not that competitive, often consist of four, five or more words, have a lower cost per click and can have a higher conversion rate as they are quite specific indicating that the searcher is further along the online purchasing cycle.

SEM programs often fail because the marketers optimize on general keywords and phrases that do not produce sufficiently targeted results. For example, someone in the travel business might be tempted to optimize on words like travel and vacation. But entering "travel" into Google generates millions of SERPs. It is virtually impossible to get to the top of SERPs with a generic word or phrase like travel, and even if it happens, that is not usually how people search. It is ineffective to try to reach buyers with broad, general search terms.

True success comes from driving buyers directly to the actual content they are looking for. The best approach is to create separate search engine marketing programs for dozens, hundreds, or even tens of thousands of specific search terms that people might actually search on. Effective search marketing campaigns tend to put a lot of effort into discovering effective Long Tail terms.

The Long Tail principle is counterintuitive, because niches operate by different economics than the mainstream. Niches exist at both ends of the quality spectrum, since there are no filters online. As Anderson puts it, along with the fragmentation of markets is coming the fragmentation of marketing.

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