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| Speaker 1: | Welcome to Build Your Tribe with your host, Chalene Johnson. |
| Chalene: | Hi, everybody. My name is Chalene Johnson, and I'm sitting here with Pat Flynn who is a legendary podcaster. You can find him in the business section on iTunes or the Stitcher app if you're an Android user. Pat's podcast is called Smart Passive Income. It's a huge community, one of the people who really inspired me to create a podcast. I love it, spending time with you. Every single morning before I would go and work out, I would listen to Smart Passive Income, and it just felt like, okay, I'm doing personal and business development and I can't believe this is free. |
|  | Literally, before I started doing a podcast, I thought to myself, how is everybody not doing this? Because you have, obviously, just an incredible wealth of knowledge. In addition to that, you bring on guests, who I'm like, oh, my God, my brain just exploded, just ideas and it's such a great way to start the day. We are going to do a Q&A and answer all of your questions about affiliate marketing. |
|  | Did you know that just about anything that you use and recommend and enjoy, you can be earning money for it, not 2%, 1%, but as much as 50%? Pat is the expert at affiliate marketing. Can you, just as a little teaser, tell them in the range of what you earn personally for affiliate marketing? |
| Pat: | Every month, between 60 and 70 grand, specifically from affiliate marketing. |
| Chalene: | That's crazy. |
| Pat: | Which is insane, because when you think about it, these are products that already exist. They are products that other people are already sharing out there and are using. |
| Chalene: | Yeah. |
| Pat: | You can be the one to let them know and recommend. I mean, we recommend stuff to our friends all the time. |
| Chalene: | All the time. Yes, absolutely. |
| Pat: | That's it. I get most of my things what I buy with friends, and so if you could that online, and even in person, there's a way for you to earn commission through those referrals. I mean, people hear affiliate marketing are kind of confused on what that is. It's essentially referrals and getting paid through referral. It's a win for everybody. It's a win for you because you get a commission. It's a win for the person you're recommending that product to because they discovered something great that can help them. It's a win for the company who you are associated with because they got another customer. The cool thing about this is, especially if you're in the online marketing space, we always hear about product creation and all the stuff but they are products that exist already that can serve your audience- |
| Chalene: | Yeah, that's my ... There are certain ... I'm sure you've probably discovered this, too, that there are certain types of individuals who they're just kind of known for. I personally think the right way to do affiliate marketing is you're like passionate when you find something that works or makes life easier, like I am a freak about Huggable Hangers, like I should be an affiliate for Huggable Hangers, but I'm not. Can we break it down, like how would you define affiliate marketing? |
| Pat: | Sure. Affiliate marketing is promoting, recommending, sharing a product to other people in any means possible that allows you to- |
| Chalene: | What do you mean by any means possible? |
| Pat: | Through Periscope, through blogging, podcasting, in person, at an event. Any place where you can share your message, you can do affiliate marketing. |
| Chalene: | How do I keep track of or send people to a place and I get credit for them buying this thing they have recommended? |
| Pat: | Great question because if you send them to the main website, for example, there's going to be no way for them to know if you're the one that referred them. |
| Chalene: | Right. |
| Pat: | Usually, you sign up for an affiliate program or referral program or a partner program as sometimes it's called. |
| Chalene: | Okay. |
| Pat: | Actually, you've seen these links at the bottom of websites of products that you've used. |
| Chalene: | You know that so many people don't realize how easy it is to sign up to become an affiliate. Correct me if I'm wrong, for most people, you can go to the website of your favorite gadget or whatever it is you love, seminar, product, anything, even sometimes a service, and you can scroll to the bottom of the website and it says Affiliates. Is it automated, in most cases? |
| Pat: | A lot of times, it's automated. They'll just say, "All right. Perfect. You're in." They give you a special link. |
| Chalene: | Okay. |
| Pat: | It's like a special tag or ID on it and that's the link that you share. |
| Chalene: | Got it. |
| Pat: | That's how they keep track, and usually, they have their own reporting system and whatnot to do that. Now not all companies or businesses or services will have that link. I had a great relationship with a product that had earn me upwards of almost a quarter million dollars because I reached out and I said, "I love your product. I use it. Do you have an affiliate program because I didn't find one?" |
| Chalene: | Can you tell us what it is? |
| Pat: | Yeah, it was for my Green Exam Academy website, which is I help people pass the exam in the architecture industry, and I use this company to help me with the practice exams that they offered. I said, "You know, I love your stuff. I have this website that helps people. Maybe there's something we can do." They are like, "Yeah. Actually, we have an affiliate program but we don't make it public." |
| Chalene: | Oh, okay. They had one. You're like, "This is the perfect fit. We don't advertise it, but it sounds like it's a mutually beneficial relationship." Then you're like ... Did you file an application? |
| Pat: | Yeah, it was really quick and then you put in like your PayPal e-mail address, and that's how they send payments to you. Now there was another company for one of my other sites, which is a security guard training website. I have a whole bunch of different niches. |
| Chalene: | And a food truck. |
| Pat: | And a food truck website and a software company and iPhone apps and all these other things. |
| Chalene: | Passive income is the way to go, right? Because all I know is ... Mister, this company, that company, this company and that company, all we've done is mess around all day, driving around in my car, doing workouts, singing rap songs, like, have you heard this great song? No. Have you heard this [Missy 00:05:22] song? This is the way to be. |
| Pat: | [Hotline 00:05:25] playing. |
| Chalene: | [Hotline 00:05:26] playing. |
| Pat: | This company that I want to ... Actually, they have their own exams, too, but they didn't have an affiliate program. I reached out to them. They're like, "Oh, we don't do that." I said, "You know what? It would actually benefit you if you did because you can have this almost sales force of people out there sharing things." Like Mark Zuckerberg said, a recommendation from a friend is much stronger than any other recommendation. |
| Chalene: | Heck, yeah. Don't you agree? |
| Pat: | Yeah, I agree and they agreed, too. They set up an affiliate program. I'd gotten contact with their development team, and they did the research and then put it into place. Then they opened that for me and they now have hundreds of other affiliates now. |
| Chalene: | Wow. |
| Pat: | I feel pretty cool helping that company out. |
| Chalene: | That's amazing. We use affiliates for our programs. Almost all, not all of them, but almost all of our programs, we have affiliates for them. We use an application process because we don't want people to spam others and ... We're kind of selective about it, but generally speaking, what can people expect to earn in terms of a commission? Is it a flat rate? Is it a percentage? What's the industry standard? |
| Pat: | It depends on the company or the service or product that you're recommending. |
| Chalene: | Okay. |
| Pat: | If you're going to recommend a book, for example, and you just link people to Amazon. Amazon has an affiliate program. It's called the Amazon Associates program, available in most states. If you sign up, you can earn anywhere between 4,8 percent, which is very small. That's on the lower level. |
| Chalene: | Okay, of all products pretty much? |
| Pat: | Of all products, and the cool thing about Amazon is if, say, I recommend [Lewis' 00:06:48] book, and you purchased through my link and then you end up purchasing other things in that shopping cart, too. I get a commission on all of that. |
| Chalene: | Really? |
| Pat: | Within 24 hours after you click on that link, which is pretty cool. That had some ... Some of them is random things because you can check on your port. I had someone buy an indoor pool. |
| Chalene: | Come on. Come on. You've got an affiliate fee for that? |
| Pat: | Yeah. It was like a thousand-dollar pool so I ... That one, I made like 80 bucks. |
| Chalene: | I need clarification on this. You're saying that when you sign up to be an Amazon affiliate, if somebody buys something from my link and they happen to have all of their Christmas presents in their cart, I get commission on all of Santa's goods? |
| Pat: | Yup. November and December are the best months for affiliates for Amazon. |
| Chalene: | I'll be right back. I got some pencils to buy. |
| Pat: | There's a lot of people out there who have brands and you have people ... They don't have their own products. They don't necessarily do affiliate marketing with other products, but they say, "Hey, guys. Here's my Amazon link. Go through it. Whenever you shop on Amazon, cost you nothing extra. If you want to help get back to what I do, just go through my Amazon link the next time you go on Amazon." |
| Chalene: | It's great. |
| Pat: | Sometimes they get a check for a thousand bucks a month. It ranges depending on how many people you serve through that link. |
| Chalene: | Boom, and this is great. |
| Pat: | If you aren't available for the Amazon Associates program because of the state you're in, actually, Target has an affiliate program. I don't know if ... Not many people know this. |
| Chalene: | No. |
| Pat: | Target has its own program. |
| Chalene: | I was there yesterday. Spill. |
| Pat: | Go to the bottom of their website. It says affiliates or look up affiliate program Target. iTunes has an affiliate program, so all the songs that you recommend, for example, or the apps that you recommend, you can actually earn a commission off of that, too. |
| Chalene: | What are some of the more common ways that you see people actually making enough money to call it a job, to call it a career, to call it paying the mortgage? |
| Pat: | Sure. Well, it depends on what the goal is of your audience. That's where you kind of get the bigger commissions. They're from services and tools and a lot of times, software that I recommend. |
| Chalene: | Oh, okay. |
| Pat: | My biggest affiliate relationship is with a company called Bluehost, which is a domain and hosting company. I've been able to negotiate with them over time and I earn a higher commission because of volume. You can do that. When you start to process a lot of volume for them, you can negotiate on things and I had them change the landing page. |
| Chalene: | How would you know to do that? |
| Pat: | You can just ask any time. I mean, they know that, that happens. |
| Chalene: | Yeah. |
| Pat: | Sometimes they'll say yes. Sometimes they'll say no. What's the worse that can happen? |
| Chalene: | True. |
| Pat: | You can do other things like, for example, have them add an image of you on link that you send to your audience so that there's some continuity in that, too, which is really awesome. Bluehost pays me $150 every time somebody signs up. |
| Chalene: | 200 and- |
| Pat: | $150. |
| Chalene: | $150. To sign up doesn't even cost $150. |
| Pat: | No. That's the interesting thing because- |
| Chalene: | Wait a second. Just to clarify, Bluehost is a web-hosting company where you can buy a domain, you can build a website, you can build a WordPress site and to sign up to get a web domain and have them host your website annually runs- |
| Pat: | Less than 100 bucks. |
| Chalene: | They're paying you more than what they get. |
| Pat: | What they get, but they're banking on the fact that these people will stay on for much longer. Because remember, these people are paying annual for them, plus there's sometimes upsells for a security or other website packages and to other domains and things like that. I've actually done a- |
| Chalene: | Can you buy your own domains? |
| Pat: | Yes. |
| Chalene: | Because I buy domains like I'm buying eggs. |
| Pat: | It's probably cheaper, I think, on GoDaddy. |
| Chalene: | Oh. |
| Pat: | You can get like the 99 cent ones, too, sometimes. |
| Chalene: | Well, buy, no, but not cheaper if I'm getting a [commish 00:10:12], right? |
| Pat: | True. |
| Chalene: | I don't know if that falls within the parameters, but interesting anyways. |
| Pat: | You can earn a commission off of your own purchase. |
| Chalene: | Oh, okay. Okay. Never mind that. |
| Pat: | Yeah. You don't want to do that. |
| Chalene: | Never mind. Okay. |
| Pat: | Yeah. |
| Chalene: | Always working the system. Always find a way to work the system. |
| Pat: | I've been a part of affiliate programs with a 100% commission, so it's a $50 product. It's a $100 product. I get that exact same payment. Do you know why? |
| Chalene: | No. |
| Pat: | Because they sell that person other things. |
| Chalene: | Oh, sure. |
| Pat: | It's sort of a loss leader. It's like a business term for ... They're willing to take that upfront loss because they know they're going to get more back in return. |
| Chalene: | It's kind of how infomercials work now. |
| Pat: | Kind of, yeah. |
| Chalene: | Really. |
| Pat: | That's where I can start with affiliate marketing, and I would just start with what other things that you use every day, software, what books are you reading- |
| Chalene: | Should you stick to things that are in your industry? Let's just use the same example that I just gave, which was hangers. I love Huggable Hangers. Is it considered appropriate to become an affiliate for things that really have nothing to do with your industry? They're just things that you love? Is that okay? |
| Pat: | It depends on how you frame it. If you're like, "Hey, guys. I got a deal for you. Come on my Periscope 5 o'clock. We're going to talk about this thing." |
| Chalene: | We're talking hangers at 5 o'clock. |
| Pat: | Huggable Hangers, then you kind of let people down because it's not really in line. If you're just like, "Hey, I love these hangers. You guys want hangers, too. Here's the link." That's it, and then you just kind of move on from there. You don't have to make a big deal out of it. I mean, I have, for example, when I'm on Periscope with my people, everybody's like, "Oh, what lens are you using? Or what mic stand are you using?" I have a page on my website that literally lists all the things I use. I mean, I just say, "Hey, guys. Go to smartpassiveincome.com/periscopegear. It's all listed there. Nice pictures. People click on them and I get a commission off of that, plus anything else they add in their cart, too. |
| Chalene: | One of the things I think a lot of influencers struggle with is the ... Once you got a sizable audience and you have people who begin to tune in every day or on a regular basis, they trust you. They believe you. They're learning from you. What you find is then you start getting approached by ... Companies are like, "Hey, we'd like for you to talk about our products and we'll send you one for free." Can you speak to those people who are starting to get those kind of offers and how they should basically evaluate the difference between being an affiliate and endorsing a product? |
| Pat: | It always comes down to how are you serving your audience, I think. That's the number one purpose and the thing that should stay on your mind. It's just ... It's in my helping my audience right now by doing this. Is this the product that can actually help them? If it is, then you can investigate further to make sure it checks out. I wouldn't just promote it the next day, but if you do promote it, I would be ... Actually, you have to be very honest about this, at least in the U.S., because of FTC regulation. |
| Chalene: | That's right. |
| Pat: | You have to let people know that you are getting a commission or that they did send you that product as well for you. |
| Chalene: | For free, yeah. I think maybe because of space that I'm in, because I'm also in the infomercial world, I guess you could say, the FTC kind of very closely watches claims and what your activities are. I'm very careful about what sponsorships or endorsements and who I lend my name to and realistically, people will come to me and they'll say, "Hey, we'll send you this and this and this for free. Would you like-" Well, but I can afford it. If they send it to you for free, then I have to disclose every time I talk about it that I was sent one for free. I try to tell people it's probably better for you if I just buy it because I want to tell people about this because I think it's great, because my friend [Icy 00:13:39] told me about it. |
|  | I just think that people, especially those of you who are bloggers and social influencers, do your research. We don't want to freak you out, but just do know that there are laws because the consumer has the right before they make a purchasing decision to know why it is you're so excited about it. Are you so excited about it because you got it for free or are you excited about it because it's freaking awesome, right? I think if you have a relationship with your audience, they come to trust you and you have to maintain that integrity because if you lose it, you just don't get it back. |
| Pat: | Plus there's some people who don't know that, that link will help you. |
| Chalene: | Ah, yeah. |
| Pat: | Actually, because I've shared it so openly every time I have an affiliate link, for example, in a blog post, I'll say, "Hey, this is an affiliate link. I get paid. No extra cost to you." That's an important thing because people think that it takes money out of their wallet. |
| Chalene: | Sure. |
| Pat: | Because I'm open about it, people are like, "Wow. I can actually help Pat and pay him back for this value that he's giving in his post for this podcast episode. I will make sure to go through that link." Because I've even used to ... When I would hear people recommend products on podcast, I would just go directly to that website. If that person said, "Hey, make sure you go to this website, if you've gotten value from this podcast episode, go through my link." You can use a WordPress plugin for your own WordPress called Pretty Link to make those nasty links with the ID tags and stuff but nicer, for example. |
| Chalene: | Shorter, too. |
| Pat: | Yeah. Like my Bluehost one, the actual one has like all the numbers but it's actually just using Pretty Link, smartpassiveincome.com/bluehost, and that's it. It's easy to remember on a podcast or on a video. |
| Chalene: | Do you suggest this as a way ... Because there was a lot of entrepreneurs who are like, "I've got an idea for a product. I've got an idea of how I want to help people, but I'm not there yet financially, and there's things I need to invest in." I do have an audience that's listening and I do have a tribe that I'm serving. I have lifers. Do you recommend this being an ideal way to kind of fund your future as an entrepreneur? |
| Pat: | I think it's a great way to supplement it. I wouldn't recommend it becoming the primary source like it is for me right now. Because it's a little scary because any moment, Bluehost, for example, could call me and say, "You know what? We're done." Or somebody might buy them out or any of these companies like when you rely on another company for your business, there's always kind of a what-if. |
| Chalene: | True. That's good advice. |
| Pat: | You should work for having your own products. |
| Chalene: | That's really good advice. I guess, I would assume then it would be your advice that you have quite a few companies that you really love and enjoy promoting so that's not all eggs in one basket. |
| Pat: | Right, right. That's true. |
| Chalene: | Okay. |
| Pat: | Like I said earlier, you want to treat these products that are other people's products like your own, and so you're selling your own product even to say, "Hey, guys. Click this link." Right, that like doesn't do justice to the product that's your own. |
| Chalene: | True. |
| Pat: | You would actually show the insides of it. I don't know if you ever watched any of these unboxing videos. |
| Chalene: | Yes, yes. |
| Pat: | There's like millions of them and millions of views on each of them. |
| Chalene: | Yes, I love them. |
| Pat: | Because people love to see what they're going to get before they get it. Like you would with your own product, open up the box, of that other product that's not yours, and share what's inside. Walk people though it. I actually have a video for the Bluehost thing, walking people through the steps. |
| Chalene: | Huge. |
| Pat: | Which is like not a hard thing to do, especially these days, and you can just use something like ScreenFlow to record your screen or your phone to open up a box and how a [crosstalk 00:16:54] works or whatever. |
| Chalene: | To do [hickey 00:16:56]. |
| Pat: | Yeah, to do [hickey 00:16:57], the widget or the gizmo, whatever you want to do. |
| Chalene: | The [jetsky 00:17:01]. |
| Pat: | Yeah. |
| Chalene: | Okay, so do you recommend that people focus on just one company to become an affiliate for or multiple? |
| Pat: | Great question. There's obviously, for me, for example, a lot of great hosts out there that I could recommend. If I were to recommend two, three, four to my audience, it would only confuse them. It wouldn't be a, "Oh, this is the one that I feel is best for you." It would be a, "Here's all the good ones out there." One of those is the best, right? |
| Chalene: | Yeah. |
| Pat: | I would recommend if there's two companies that are creating the same thing, pick one and really stand behind that one, develop a big relationship with that one. |
| Chalene: | It's good advice. That's good advice. I will say that we in a couple of academies, especially Marketing Impact Academy, we are affiliates for several companies that do the same thing and we make it very clear that we're affiliates and we say, "If you go through our link, we'll earn an affiliate fee. You don't have to use them." We also try to explain why they're different. |
| Pat: | Right. If you do share multiple, share wide or unique, because one might be suited well better. |
| Chalene: | For the size of your company. |
| Pat: | Right. For something like hosting, it's like a very ... You get it and you get this in return back so- |
| Chalene: | Could you please ask Pat if you have to be an LLC before you start doing affiliate marketing? |
| Pat: | No, you don't, although, of course, like with creating any business, shifting from a sole proprietor to an LLC or something is going to just help you stay a little bit safer, keep your businesses separate and your personal stuff. That's what I always recommend. |
| Chalene: | I would highly recommend that, too. Once you start endorsing a product or referring a product, I mean, people are coo coo for cocoa puffs on the Internet. You just never know when there could be some type of product liability or default and people come to you because of your implied or direct endorsement and affiliate relationship with the company, so why not just keep it safe? Is there an age cap on programs? Like my teens are interested in doing this on the side. |
| Pat: | That's exciting. |
| Chalene: | Yeah. |
| Pat: | Every company has its own terms in terms of the affiliate program that they run, so you just want to check. I would just really quickly and easily ask that company, "Hey, can my teenager do this? If not, then maybe it's something that you can help them with in your name." |
| Chalene: | I love that, right, like why not have kids start earning their own money to buy their own cars and whatever else they need to buy? What is your best commission? What's the smallest and what's the largest that you can share? |
| Pat: | Well, I've run commissions for other people's online programs before where it's $1,000 per sale because that program is $3,000, for example. That's probably the largest, and the smallest would be sort of like the books that I recommend, which are per book, maybe a quarter. Those add up. |
| Chalene: | Yeah, they do. |
| Pat: | They really do add up, and- |
| Chalene: | They do add up, especially if someone's adding it to a cart where there's a whole bunch of other things. |
| Pat: | Right. That, too, plus you're sharing it anyway, you might as well. |
| Chalene: | Right. Yeah. |
| Pat: | As long as you're honest about it, then there's no loss for anybody. |
| Chalene: | Do you use Amazon affiliate or would it be better to go through the actual company? |
| Pat: | It would be best to go through the actual company because Amazon will take cut, as they always do. It's easier, yes, so you'll have to weigh those options, too. A lot of companies don't use Amazon, but if they do, then you might want to see if the affiliate commissions are higher, which they usually are, because they're coming directly. Maybe there's other special goodies that come along with it, promotional materials and all those sorts of things, which you don't really get from Amazon, except you do get some links and some banners and stuff. Honestly, those things don't really work. What really works is just in context of what you're doing, sharing what you're already using. |
| Chalene: | Where do you start promoting it? Instagram, Facebook, a blog or all of the above? |
| Pat: | Yes. |
| Chalene: | All of the above. |
| Pat: | All of it, but again, you just want to be sensitive to how you're audience is seeing you promote those things. Is in context to something you're doing, or you're just spamming the heck out of it? You don't want to do the latter, of course. |
| Chalene: | Very true. Okay. If you don't have a huge following on any social media platform, how do you start? How do you get into it? |
| Pat: | Well, I mean, obviously, building an audience is going to be helpful but you don't really need that big of an audience to get started. I mean, a lot of people hear about people who have a hundred people on their e-mail list. That's like very tiny, but imagine a roomful of other people, that's huge. |
| Chalene: | Right. |
| Pat: | That puts things into context. There's a person on the other end there. |
| Chalene: | That's right. |
| Pat: | The cool thing about starting small is you can fine-tune your message, that when you grow bigger, it will already be fine-tuned for everybody else. |
| Chalene: | I've got a great story to share with you guys, especially those of you who don't necessarily have a big following in social media or an e-mail list, but you're someone of influence. In other words, in your personal life, in a very small way, in social media, perhaps, people look to you because they trust your opinion and they trust your guidance. They know that whenever you recommend something, it's like you vetted it and it works. |
|  | My makeup artist, former makeup artist, now she's a business coach and adviser, teaches people how to identify their brand. Their visual impression connect with their brand, and that is CoachGlitter. CoachGlitter, this is a great story. She had no e-mail list, but her life was so, and business was so changed by a smart success that she's like, "I don't need e-mail people. I got people on my phone who I text every day who they need this in their life, and so I'm just going to send them a text." She goes, "Chalene, can I be an affiliate?" I'm like, "Of course." Thinking she doesn't have an e-mail list, what she's going to do with this? She's like, "I have people that this is going to change their life." Guess what? She was our number one affiliate. She didn't even realized it was happening. Her goal was to reach out to people who she knew had a business and they didn't have things organized the way they needed to. They didn't have their systems in place. They didn't have plan to follow, but she had been working with them because of the industry that she was in, doing so much visual marketing. She's like, "This is going to send them over the edge. I'm just going to send them a text." |
|  | They signed up with her link and what she did to incentivize them to sign up with her link is she said, "I will keep you accountable and I will coach you through the program. We will talk about it. We will meet about it." She became our number one affiliate. I'm talking Brendon Burchard, Jeff Walker. Like Brendon Burchard has come going, "Who's this Tiffany Lee Bymaster?" I'm like, "Oh, that would be my makeup artist." Yeah, pretty influential. |
|  | I think the lesson there is that's a form of affiliate marketing, what I call, it's relationship marketing. It's that thing where you call your friend and you're like, "Dude, okay. Don't even ask any questions. You need to go to the store and buy this now." Your friend is like, "Okay, if you say so." That's a relationship. Why not earn from the time that you've spent vetting a product or service or program and the care that you have to make sure other people take part in it? I think you do have to have influence, but the influence can be small. There, you say like you've got to keep your integrity because that's the most valuable thing that you have. |
| Pat: | The other thing she did was she added a bonus. |
| Chalene: | Yes. |
| Pat: | Which is a smart thing. That is something you can do, but again, you want to check with that product or that service to make sure you can do that. I've done bonuses where it's group coaching, so for example, everybody who signs up through this link within a certain time, for example, might get access to a link to a private webinar with me, which is not hard to do. |
| Chalene: | People are like, "Oh, I was sitting on the fence, but now that I know I get access to a guy who I consider my mentor, I'm doing this." |
| Pat: | That or also another one that works really well is a quick-start guide for that product. |
| Chalene: | Oh. |
| Pat: | There's two-page [pedia 00:24:27] on ... Here's how you can get started right now, and this is what's going to make those people want to go through your link as opposed to other people's links. |
| Chalene: | Okay. Does Pat have a Periscope, too? |
| Pat: | I do. That's right, @PatFlynn. |
| Chalene: | Are there different website or different places where you can just sign up for affiliates? |
| Pat: | Yeah. Actually, there is what's called Affiliate Networks. I have tried working with this before. What happens is you sign up and you have to go through a small application process typically, but then you get access to companies and their affiliate links, like in a menu essentially. It spans across all different niches from beauty to health and medicine to food and other things. Yes, there are a few out there. There's one called Neverblue. CJ is a popular one, cj.com. |
| Chalene: | cj.com? |
| Pat: | Commission Junction. |
| Chalene: | No affiliation with cj.com. What if I recommended products before I was an Amazon affiliate? |
| Pat: | Taking the affiliate thing out of that, if you're recommending products, I think you should still share that, that is something that you use and something that you vetted. You don't have to mention anything about earning commission because you're not a part of that program yet. |
| Chalene: | Is there any cost to the person who's signing up to become an affiliate? |
| Pat: | No. |
| Chalene: | What is the difference between affiliate marketing and multilevel marketing? |
| Pat: | Multilevel marketing is selling something to a person who is going to sell that exact same thing to more people, and then that's where the people at the top of the pyramid, they get a certain percentage of the people who they're selling to, whose ... They're selling to more people. It's just like- |
| Chalene: | It's not just this single purchase. It's similar in that there's a link tied to your identity when people purchase from ... Let's use a specific example, like Mary Kay or Avon or Beachbody or Cutco. Did you sell Cutco? |
| Pat: | No, but I did go to one of their meetings because they said I was supposed to be selling athletic gears and then they're like, "Oh, before you get to the athletic gear, you have to sell knives." I'm like, "No." |
| Chalene: | Guess who sold knives door to door? |
| Pat: | Did you, really? |
| Chalene: | In college, yeah. |
| Pat: | Cutco? |
| Chalene: | Yeah, Cutco. I was my best customer. |
| Pat: | How [old 00:26:31] is the Cutco? |
| Chalene: | I have the set of Cutco knives in the kitchen that I bought like as part of my kit or whatever 30 years ago. They're good knives. |
| Pat: | They're good knives. |
| Chalene: | They're amazing knives. In our first home ... I'm doing a Cutco commercial right now. I'm no longer an affiliate for them. At our first house, I sure did cut our sod with a Cutco knife. Yeah, I was out there. Like now, now I live the kind of life where I can pay people to put my sod in. Back then, I was on my hands and knees, cutting my sod with my Cutco knives. Yes, sir. |
| Pat: | Is that a penny with the- |
| Chalene: | Oh, of course. That's part of the ... Yes, that's part of the gate. How do you personally manage all of the links if you're an affiliate for a lot of things? |
| Pat: | Yes, so I use Pretty Links to kind of manage all that. It helps me keep track of all them in one place, which is in the back end of WordPress and what's also cool about that is let's say, for example, again, we'll just go back to my Bluehost link. Let's say they, for whatever reason, changed my Bluehost link. They changed it, so I don't have to go to every single spot on my website because I just have the same URL that I just have to change wherever it directs to. For example, on the website I have, smartpassiveincome.com/bluehost everywhere on my resource page, and then if ... That redirects through Pretty Link into the Bluehost affiliate commission link. |
| Chalene: | Okay. |
| Pat: | If they change there, I just have to change it once and then it kind of gets- |
| Chalene: | You don't have to necessarily manage those affiliate links. The payments come to you automatically. |
| Pat: | Yeah, that's the cool thing. It can become a very passive thing and one of the best things I could recommend is if you have a resource page to include affiliate links on that resource page. A resource page is a page where people can get access to a list of tools, books, equipment that you use, all that stuff. It's a win for them because it's all easily accessible in one place. It's a win for you because some of those things can earn you a commission. |
| Chalene: | Is there a cost to Pretty Links? |
| Pat: | No. Pretty Links Lite is absolutely free. |
| Chalene: | Oh, this is great. Have you ever recommended something and then thought, I need to end this affiliate relationship because maybe the company's changed directions or, for example, this happened to my friend, Tiffany Lee Bymaster. There's a name of a light that we will not recommend right now, but she's like, "I love this product, yet they're getting so many complaints about their customer service that I don't feel comfortable. Even though I love the product, I don't know if I necessarily want to continue promoting them in the event that people have a problem with their product and they don't get great customer service." Have you had that happened? How would you handle it? |
| Pat: | Yeah. I mean, I think we all know that experience is a part of the product now with a lot of things, and so that customer service is very important. There was a company that I would recommend back in the day when I first started out. This is actually an online business academy. It's called Internet Business Mastery. |
| Chalene: | Okay. |
| Pat: | They were the guys whose podcast I listen to, who help me get my [whole 00:29:16] start and they were great, and I recommended their academy because I was in it, too. Then they just, for whatever reason, got money hungry and started changing their marketing. They just started spamming and started doing all this stuff that was not in line with how I want to serve my audience. |
| Chalene: | Yeah. |
| Pat: | I have to pull that out, that affiliate relationship, even though I was earning three or four thousand dollars a month. I would much rather lose that upfront than lose somebody for life. |
| Chalene: | Right. I agree. I think that's huge. That's just a great example of, like when you care about your audience, the people that you serve, when you care that much about them, you are actually concerned beyond the sale. You're actually concerned about customer care after the purchase. That really speaks to the type of individual who's going to do well in affiliate marketing because it is about taking care of your audience, taking of your lifers. |
| Pat: | One thing I love to do is invite that product's owner on my show or have them do an interview, like a written interview on my blog, because it just opens that person up to everybody else and then some feel a little bit more comfortable before they purchase. |
| Chalene: | For sure. Are you saying that your commissions are deposited in your account automatically? You don't have to do anything with that. |
| Pat: | Correct. A couple programs, however, I have to click withdraw because it kind of goes up there and builds up over time and then ... Most of them send you a check or a direct deposit, ACH or Paypal. |
| Chalene: | If it's a book from the same author that you're always recommending, shall I just become an Amazon affiliate? |
| Pat: | That would be the way to earn a commission from it, from your recommendation, yeah. |
| Chalene: | Yeah, there you go. |
| Pat: | Unless that author ... Some authors sell books off of Amazon and on their own site or some have other affiliate programs for their books, too, because they know that they'll get into programs and stuff on the back end. Check with that author. Maybe their website has an affiliate program that you can sign up for. If not, Amazon would be the way to go. |
| Chalene: | Great. Do you pay the same sort of taxes you would if you were working for yourself or is it higher? |
| Pat: | It's 1099. I mean, it usually just comes in like it's your normal income. |
| Chalene: | Awesome. |
| Pat: | Yeah. Maybe I'm not a tax professional. |
| Chalene: | Okay. I thought affiliate marketing was like side banners and when you're doing promotions. Other than banners, etc., how do you get people to buy whatever it is that you're excited about? |
| Pat: | The resource page is a great sort of passage for everything. |
| Chalene: | On your website. |
| Pat: | Yup. A list of stuff that you use, that you vetted, that you trust to take care of your audience, and that's what your audience is going to use to seal those things in one place. My favorite way to do it is to share process and during that process- |
| Chalene: | Where will we share that process? |
| Pat: | On your website, on your podcast or- |
| Chalene: | On a blog. |
| Pat: | On a blog, wherever. |
| Chalene: | On the Periscope. |
| Pat: | Periscope, yes. |
| Chalene: | Let's say you were sharing the process of setting up your own website and you were an affiliate for Bluehost. You could that day put a link to your Bluehost affiliate, am I correct, in your Periscope? In your Periscope bio, you can say, "Hey, guys. I'm showing you this live, but if you want to see step-by-step pictures of how you set up your own WordPress using Bluehost, you can go to my blog." They see the link there and in all of those instances, is it the best practice to disclose that you are an affiliate? |
| Pat: | Yeah, and you can do it like once at the top the first time you mention it because you might want to recommend it again or multiple times within that particular page or podcast. Actually, I did that. There is this thing a long time ago where my buddy challenged me to build a website from a scratch in a totally completely different niche that I'm not involved in. This is where the security guard site came from that I talked about earlier. I built this from scratch and I talked about how I found out a key word and I said, "Hey, guys. I found the key word. I used this tool, but there's also these free tools but this is the tool I used to make it speed up." Then step two was to build the website. I used Bluehost, but again, not talking about the product specifically, talking about the process. |
| Chalene: | I see. |
| Pat: | The products happen to just align in that process. |
| Chalene: | That makes sense. That makes total sense. Can you be someone who's involved in network marketing, multilevel marketing, which is the examples that we gave like Mary Kay, Amway, Beachbody, ACN or some others, Herbalife? Can you do multilevel marketing and affiliate marketing at the same time? |
| Pat: | Well, I remember when I was a Beachbody coach, who I was for a little bit, I sold Shakeology. That was affiliate marketing and it just kind of put me in that ecosystem. It depends. If you're doing MLM and you signed contracts with these companies, you just want to make sure that you don't overstep your boundaries. I do know some people who- |
| Chalene: | They're all different, from what I understand, is that each one has their own policy on affiliate marketing while also being a representative of their company and they're all very different. I would say you're the business owner. Don't go off of the word of somebody else who's also a distributor. Find out for yourself. Read the bylaws and make sure that you are in the clear. Make sure that you're abiding by it and that you're comfortable with those guidelines before you sign up or before you take on new business because you could, by accident, be jeopardizing your own income streams. Because so many people can basically start a business tomorrow on a website and there's so much opportunity, but you can't forget that you are still the business owner. You can't forget that you can't say, "Oh, I did it. No, and so therefore, I shouldn't be in trouble or I shouldn't have violated any laws or regulations or anything else." It's incumbent upon you to do the research and find out and know yourself, so you can't just claim ignorance. You need to figure it out for yourself. |
| Pat: | Yeah, and I would send an e-mail to somebody who would give you that answer. That's the quick and easy way to do it, and that's what I would do. |
| Chalene: | This episode has been sponsored by courageousconfidenceclub.com. It's a club that I've created specifically to help people who struggle with confidence and insecurities in social settings and just standing up for themselves, being yourself and feeling good about it. All of us could benefit from having more confidence. I'd love for you to just experience a taste of it, so please be my guest by going to chalenejohnson.com/confidencetips. Now if you don't feel like writing that web address down or remembering to go there later, all you have to do is while you're listening from your phone, send me a text message. The number is 949-565-4337, and that is for U.S. residents, then just send me the word confidence and I will send you access to this video. |
|  | This video will help you to eliminate self-doubt and just feel more confident in any situation, whether it's work or personal or just your social interactions. Every one of us can benefit from having more confidence. There, you'll submit your e-mail address and I will immediately send to your inbox my latest training video where I teach you step by step how to feel more confident in just about any social setting. I think you'll find this incredibly useful, whether it's business or personal or just in your everyday interactions. |
|  | Confidence is something that makes life easier. It helps you to raise more confident, self-efficient children. It allows us to speak our mind, to stand up for ourselves, to do the things that otherwise we are paralyzed by fear, and we just allow our own thoughts to stop us. By learning how to overcome self-doubt and fear of success, you can become that confident person that others are attracted to, the person you want to be, the person you deserve to be, the person you know is inside of you. Thank you for checking out my free tools by going to chalenejohnson.com/confidencetips. |