



**SPI Podcast Session #50 –
Brand Loyalty
And a 19th Century Strategy You Can Use to Get It**

show notes at: <http://www.smartpassiveincome.com/session50>

This is the Smart Passive Income Podcast with Pat Flynn, Session #50. We did it!

Announcer: Welcome to the Smart Passive Income Podcast, where it's all about working hard now so you can sit back and reap the benefits later! And now your host and the 50th episode of the Smart Passive Income podcast, Pat Flynn!

Pat: Hey, what's up? My name is Pat Flynn and welcome to session #50, the big 5-0, the golden podcast session, the Ulysses S. Grant of podcast episodes. The candy shop and magic stick of the show. Fiddy! The new 40th episode, and--this one's my favorite--the quinquagenary episode of the Smart Passive Income podcast.

I just have to first thank you for helping me get here. It's been a couple of years but a fantastic couple of years, and this podcast has done more for me than I could have ever imagined, and I say that knowing that many of you have also benefitted from listening to the show too, so it's a win-win for everyone. Here's to another 50 episodes down the road. I hope you'll stick with me because I'm going to be definitely sticking with you.

So, you know it's funny with episode 50 I had these HUGE plans, these huge ambitious plans, I was going to interview 50 people. All at the same time! No, just kidding. But yeah, I was actually going to interview 50 people, some of the top people in business and blogging, and get them all to answer one question for a single minute, and then put that all together in this session. And I thought that would've been pretty cool, but then I started to think more about it and I was like "That's not really that good of an idea."

I mean, there are some fantastic people out there with amazing knowledge to share, it would be a shame just to do all the work to get them on the line with me just for a minute. You know, I would want a full length episode with each of them. And of course, just the logistics of getting all that put together, it's hard enough to schedule a single interview sometimes, let alone 50, and I didn't want you to wait 3 months to get an entirely new episode.



And finally, about half of the episodes that I've done so far are interviews with other people, both well-known people in this industry and those who are killing it under the radar too, and the other half are solo shows with just me and I think for this very special 50th session, it only makes sense to just have it be you and me today. So that's what you got!

In session 50 we're going to talk about brand loyalty. Brand loyalty. And one very specific strategy that you can use to get it. Something you can do with your brand to help you get a more loyal following.

Now, before we get to that one particular strategy, let's sort of define what brand loyalty is really quick. The dictionary definition of brand loyalty is "strong support for a particular brand or allegiance." Which is true, but that's so BORING. I mean, let's put this into perspective.

Brand loyalty is people buying your products because they would feel bad if they didn't. It's going out of their way to go through your affiliate links when they don't even have to. It's defending you when trolls come and try to prove you wrong. It's having your followers send messages to THEIR followers each and every day to vote for your podcast when it's up for an award.

And Eric Foster and Tom from my Facebook page, I'm looking at you, you guys are awesome, thank you. It's also sharing all of your posts, talking about you at parties, having dreams about you--and I'm talking about YOU, DJ, and I'm glad it was a clean dream, although the sharks were a little weird. It's looking at you...brand loyalty is looking at you as the expert because there's no one else that would make sense for them, but you. That is brand loyalty, and it is the ultimate in marketing.

When you have people who are loyal to your brand, you've got it made. I mean, you've got it made. I mean, who cares what the competition is doing? You've got brand loyalty! Loyal fans who will go to you no matter what, who are going to naturally become a part of your marketing team.

They're going to help sell for you because they just love what you do. They're excited about what you do, and they tell everyone else about it. This is of course unless you end up screwing things up, and of course part of brand loyalty is maintaining brand loyalty and reminding those who are loyal to your brand why they are loyal to you in the first place.



But the big question is, how do you obtain brand loyalty? How do you first get it? Well, first and foremost, you have to have a brand, of course, which means you need to have a consistent message.

What is a Brand?

Let's dive into really what a brand is. You know, you need a consistent WHY behind what you do. If you've heard of this guy named Simon Sinek, author of "Starts With Why" you'll know exactly what I'm talking about. He has a great [TED Ex presentation](#) that I recommend you watch. I'll link to it in the show notes. As always, you can get the show notes at smartpassiveincome.com/session50 for this particular episode.

You have to have a "why" for what you do, and that has to show through your products, your content, the interaction that you have with people, and not only that but the look and the feel of your brand, wherever it's located, on your website, on all of your social media platforms, that should be consistently branded as well. Without that "why" and without that consistency there's no brand that people can hold on to. There's no brand to become loyal to, which is why I mention all this.

My Strategy

Now, hopefully you're there or you're working toward that, and yeah it doesn't happen overnight, it takes time, but it's not impossible either. It's definitely not impossible. So whether you're at that point or not, or like I said working toward it, I want to talk in detail today about a strategy that is pretty much the foundation for everything I do on the Smart Passive Income blog and on the podcast and on my YouTube videos. It's the reason why, or one of the many reasons why, I think my site and my brand has just taken off like it has.

And it's not creating epic content, or building amazing products. Yes, that's important, but that's almost the given. I mean, you should KNOW that already. Who would want to create bad products, right? You don't aim to create crappy stuff, no way. So creating amazing things and providing extreme value, epic content for your audience is something you have to do. Especially when it comes to getting more traffic and having people come talk about you and share your stuff. That's not the strategy I want to talk about today, but that's something that's really important, something that I try to do in my brand all the time.

The strategy is not being completely authentic and honest, and being up front with your audience, which for me is one of the most important beliefs that I have with my business. My businesses, actually. That will absolutely help you gain brand loyalty. I mean, why would anyone want to be loyal to a brand that isn't honest and upfront with



them? So always be honest and always be upfront with your audience, but again that's not what I want to talk about today.

The Factory Tour

The strategy I want to talk about today actually started in the late 19th century. The late 19th century. Yeah, I'm talking about the 1800s, and we're going to connect the 1800s to the internet. What is that strategy? The factory tour.

There's this really good quote by a guy named William Saphire, he's the American author and columnist. The quote says "Knowing how things work is the basis for appreciation and is thus a source of civilized delight." Knowing how things work is the basis for appreciation, and is thus a source of civilized delight.

Back in the 19th century, American factories started to open up their doors to the public, and this thing called the "factory tour" was born. I think it was Hines, you know, Hines ketchup in Pennsylvania. I think they were one of the first factories or manufacturing plants to actually create a regular schedule of tours of their factory floors for the public. And it's crazy because before the whole factory tour thing existed, access to all of that behind the scene stuff and the manufacturing process, it was only available to potential investors and dignitaries and that sort of thing.

But now it was available for everyone to see, and the factory tour became this huge craze. It's what's families ended up doing during the weekend. They went to tour factories. It was a fun thing to do and it still IS a fun thing to do. It's great for date night!

Everyone was fascinated with seeing how things actually worked and how things were made in factories. And like I said, most of us today are exactly the same way. We're obsessed with shows like "How Stuff Works." I think that's on the Discovery Channel, which shows us how everything from crayons to guitars and wire hangers are made. We're all so interested in that process.

There's also a show called "Unwrapped" on the Food Network. They take you behind the scenes of factories that make food and candy and that sort of thing. It's SO amazing, and for a while my wife and I were so obsessed with watching Unwrapped. It's just crazy.

Now, I remember taking a tour, this was back in college, of the Scharffen Berger Chocolate factory. They had a factory in Berkley where I went to school. And it was amazing, because I had no idea how chocolate was made. I didn't even know it came from a bean! And by the end of the tour, after getting educated, after we sampled all



the types of chocolate that were made right in front of our eyes, I immediately became a Scharffen Berger loyalist. And this is funny because this is absolutely true, just last week I consciously made the decision to buy the Scharffen Berger brand of baking chocolate when I was at the grocery store, because I remembered visiting their factory and how cool it was.

You know, in a similar way, people are insanely loyal when it comes to their beer. Brewery tours are ridiculously popular these days, and even if you don't go on an official tour at a brewery--that word's hard to say. Brewery! Many of those breweries have adjoining restaurants.

And if you go eat at those restaurants that are adjacent to the brewery where you can eat at the restaurant and order some of the beer that they brew there, within the restaurant they have these large panes of glass that allow restaurant goers to view the inside of the floor where they make all the beer. You know, you look through the glass and you see these huge pieces of equipment--fermenters and things like that. They're so big they have ladders climbing up the side of them.

You also can look up at the ceiling and you can see all the duct work. There are no paneled ceilings. Everything's exposed. Again, so give that feeling that you're inside the brewery, that you're actually there and experiencing how their beer's being made.

These tours and this ability to look inside what people are doing, what these companies are doing, it not only provides a form of education, and entertainment for the public, but back in the 19th century and still today it's an incredibly effective way for companies to build a relationship and connect with their customers. It's an easy way to build brand loyalty.

That's the strategy. Opening up your factory doors and sort of giving a tour of what you have going on in your brand. A factory tour is something special. You know, you see the ins and outs of everything that goes on in there, and as a person going on in a factory tour you sort of feel like you're, I don't know, more involved in what's going on. You have special, unique knowledge about this process that not everyone else in the world has. You know, you feel special when you go on these tours.

And it's human nature to want to look behind the curtain and see how things work and see exactly what's going on. And it's not just about understanding who the company or the person behind those products is. It's not just about the person or the company, it's about taking people through the process of how those products are actually being made.



You know, if you're buying something, you want to make sure, or it would be cool to know or just understand that when that product that you're going to buy or that you have purchased is being made, that there's some care behind it.

If you're looking to build brand loyalty online, tap into this human need and want of understanding how things work and open up your factory doors. My brand, the Smart Passive Income brand, it's basically a factory with no doors at all. The whole point of the blog is to share my processes and to give the factory tour to whoever wants to look around. You know, it's all there, free for people to check out.

It's the reason why, or one of the reasons why, I think my brand has grown as fast as it has, and why I have amazing brand loyalty. I mean, you want to talk about my brand loyalty, it's at a point where people are emailing me and messaging me on Facebook and saying that they're taking any recommendation I give and they're buying those things and they tell me that whatever future products I come out with, if I started a membership site, they don't care what it's about, they're going to pay for it.

Without even knowing exactly what those products are, they are already going to pay for it. That's huge! And of course that comes with great responsibility, of course it forces me to be really careful about what I do recommend and promote on the site, and it's the reason why I actually haven't yet launched my first product at the time of this recording. I don't want to just put out a product because I know it'll make money. I need to create something amazing, which takes time.

But, anyways, going back to the opening factory doors. Some of my most popular posts on my blog are ones that share every single little detail about how I do something. Which is a lot of my posts, but you know, there's the most popular ones like the Niche Site Duel at nichesiteduel.com.

The most popular series of all on the blog where I reveal exactly how I built the niche site at securityguardtraininghq.com, is the URL, which in case you didn't catch my latest income report, October's monthly income report from 2012, it actually surpassed \$3000 in a single month for the first time, which is awesome and a great milestone for the site. The site is growing, it's doing exactly what I want it to do, which is great.

There's also some of my tutorial posts, again, getting people to know exactly how I work, like for Facebook, and my most recent one which I'm extremely proud of, it's my podcasting tutorial. It's free. It's like a free tour, a set of videos that share exactly how I set up and execute my podcast. This podcast that you're listening to right now.



A lot of people were asking me about that, so I created some videos to share exactly how I put it all together, and the reaction has been pretty amazing. If you wanted to right now you could find that tutorial, here's a quick little url that'll redirect you to that place on my website--you can actually go to podcastingtutorial.com. Super easy! You don't even need to write it out. Podcastingtutorial.com, check it out, and I already know that because I shared that process of how I set up my podcast in detail, those of you who listen to my podcast and have watched that tutorial, you're going to have a better appreciation for how this is all put together.

The next time you listen to a show after you watch how it's all put together, you're going to understand exactly what went into this particular "product" that you're listening to right now. There are people who have used that tutorial and have created their podcasts already. Several people have emailed me and they're going to be extremely loyal fans, too, because I've helped them do something in a couple hours which took me, you know, a year and a half to figure out.

More Than "How-To"

This whole, you know, factory opening the doors thing, it's not just about telling people how to do things. How to build a niche site, how to do--how to create a Facebook landing page, how to create a podcast. This next point is extremely important. It's not just about what they're doing, it's about how I do those things.

And that's important because the how to and my brand are one and the same. People can see not just how it works but how I work, and so they get sort of an insider view of what I do, and so their trust with me grows. They fulfill that need to know how things work, and as a result I start to build a lot of loyal fans.

What if I did a tutorial on how to do Facebook advertising when that's something I don't even really do in my business. The tutorials might be helpful, I would do my best to do the proper research and figure out the right way to present to people and all those sorts of things, but since that's something I don't normally do in my business, I lose the whole "Oh this is actually how Pat does it" sort of effect. The mindset. And so there's a disconnect there.

Now, for this example, using my brand as an example, you might be thinking "Well Pat, you're teaching people how to do stuff online, that you already do, and it makes sense that this would work for you and it's easy for you because you just create tutorials for the things that you're already doing as a way to give people an insider look of how you're doing things. That's an easy way to open up your factory doors."



Now, your brain probably worded that differently, but I think you know what I mean, and yeah, that's an absolutely legit observation. People will actually benefit from the tutorials I create so in essence there's actual value added to people's lives and their business by opening my factory doors.

So the question is, is my brand loyalty a result of opening my factory doors or doing that plus at the same time creating tutorials that will actually help people? It's probably a combination of both, and yes, that's a legit observation, but I can think of so many examples, both online and offline, of brands opening their factory doors without that actual gesture of teaching people how to do something.

It's just a matter of "This is how we do it." And yes, that absolutely works to build brand loyalty. Even if the readers, subscribers, followers, viewers, customers, whatever, they're not going to "put that information to use" it's just nice to know that and just knowing that stuff builds brand loyalty.

Why does this work? Because people get the experience of learning something that other people have not yet. They get a glimpse of something hidden that makes them feel special, and as a result they become more loyal to the brand.

It also helps establish trust, specifically because--think about any sort of product that you use. Maybe it's your, I don't know, maybe your refrigerator. I don't know, I'm just using that as an example. You don't really think much about your refrigerator, it just keeps your food cold, but what if you took a tour of a refrigerator factory, the same factory where YOUR refrigerator was manufactured, and you noticed that when you were there, you saw the care that went into each refrigerator, how precise everything was, and the tests that were done to make sure that your fridge met certain standards or were energy efficient.

You would have more trust for that brand and probably be proud of that fridge that you owned after going on that tour. I mean, it's just a fridge, so it's not like you would go to a party and be like "Dude, my fridge is awesome! You gotta check it out!" But going on that tour, you could get a better understanding of that brand, even if you're never going to build a refrigerator of your own, you've purchased one and now you know the story that goes along with what you now own. And if you wanted to get another refrigerator later, you would most likely go with that brand again.



Probably a terrible example, but maybe this is a better one. I think the brand is...Bentley. Not...BMW or Bentley? I think it's Bentley. It's a high-end super expensive brand of cars based out of Crewe, England. Crewe, I think...I'm saying that right. Crewe. They have a factory there and they have tours of the factories that build these Bentley cars that show off the craftsmanship that go into each one of their vehicles which gives their owners a better appreciation for what they own, or the car that they're about to purchase.

These cars aren't cheap. They're like...\$200,000+. You know, into the millions, so if you actually go to the [Bentley website](#) and the link for that website will be in the show notes, again [smartpassiveincome.com/session50](#). If you go to the Bentley website to the factory tour link, you'll see a huge black and white picture and in the foreground of that picture on the right-hand side is a hand wearing a glove gently sanding something.

I don't know what it is, sort of looks like a steering wheel, I don't know, but it gives off this feeling of "we take great pride in the creation of our product. Let us show you how much we do that." And that's something you can only get truly from going on something like a factory tour or getting an insider view of what goes on behind the scenes. That's the only way you would know that because without doing that all you would see is the final product.

Online, let's direct our attention to Kickstarter really quick, at [kickstarter.com](#). It's a popular crowdfunding site where you can create any sort of project from technology to film, art, whatever, documentaries, whatever you want to do that you may need some cash flow for.

And so you set up a campaign and you could potentially get pledges from people who want to contribute to help you meet a specific monetary goal that you set in order to make that project happen. It's a great platform, lot of amazing success stories have come out of it.

When you set up a Kickstarter campaign for your project, you can upload a video to help introduce your product and in every single successful Kickstarter campaign that I've seen, you can catch a glimpse of the open factory doors in that video. And this makes sense!

People are on there telling stories about how they got their idea, or what it takes to build a product, or what materials it's made from, or how much work they put into it. Yeah, they're trying to get funding, so that sort of thing makes sense to put in there, but it makes so much sense for brand loyalty, too. Whether you're running a Kickstarter campaign or not.



People dig knowing how things happen in our business. So share it with them! Make a story out of it! It doesn't matter what you do. Just really show off. This is your time to shine and show off just how much care you put into the products that your audience is going to consume, whether it's something they purchase, something they read, something they download, whatever. Just give them a way to see exactly what you're doing.

Doesn't matter--maybe it's a blog post or on your about page or through a video, maybe you do a webinar for all of your customers that says, "Hey, thank you so much for being a customer, if you want to see exactly how this product is made, come on a webinar. I'm going to just show you exactly how I put it together.

Or, you know, I don't know what kind of business you have, but maybe you have the means to fly people out to your factory. I don't know, just any sort of thing that you could do to show your audience exactly how you do what you do. And that you care about that process because you care about your audience...it's just going to take your brand loyalty to levels that you couldn't even imagine.

Another point I want to make is it's those little, you know, those little...."ahh, I didn't know that!" type of moments. Even though they're small, they make a big difference. Sort of...you can call them like little Easter eggs in your brand.

Like In-N-Out. In-N-Out is a burger chain here in the west coast of the United States. I will argue that it is the best hamburger in the world, but we can talk about that elsewhere. But you know, for In-N-Out, there's a [secret menu](#), and only people who REALLY know about In-N-Out will know about the secret menu, and when you know about the secret menu and someone else doesn't, and you tell them about it, you feel special for letting them in on that insider information, right?

I was watching [Shark Tank](#) last week. It's one of my all-time favorite shows, and side note, it makes me feel so much better about staying home on a Friday night, because that's when it's on. I mean, yeah, everyone goes out and parties Friday night, I'm sitting at home watching Shark Tank, and I think that's okay.

I was watching Shark Tank and these two grandmas come on the show to pitch their product--that's what you do on Shark Tank, you pitch your product to potential investors for a share and stake in your company. And these two grandmas come on the show, 37 grandkids between them, which is CRAZY. I mean, Christmas must be AWESOME. So they pitch their products to these investors which is called ["Ice Chips."](#)



Ice Chips is the name of their product. It's a candy that's made of Xylitol, which I've learned is a natural sweetener that repels bacteria. So dentists love it. It'd good candy for kids.

Anyway, my point here is, during the pitch, one of the sharks, or one of the judges was like "Why are these shaped like broken chips? They're all different sizes! Tell me about that." The thing is, they weren't all one shape like most candies are. And the response, the two grandmas, their response was "Well, we just couldn't afford machines for this manufacturing process, so we had to pour the candy on sheets and break them on our own."

And two things, when they said that, two things immediately came to mind. First one was "Breaking Bad, the senior years." And two, "That is an awesome little fact about that particular candy that I will never forget."

So here I am, sharing that little tidbit with you. If I had a tin of these things, and I was out with some friends, and I was like "Dude, your breath stinks, have one of these," there's a good chance that I would share that little fact with them.

"These are Ice Chips. They're shaped like that because they couldn't afford machines, so they had to make them on their own! They had to break them on their own." That's such a cool little fact.

Along the same lines, one last example. And probably my favorite because it has to do with my son, is you know on DVDs how you can watch the movie, obviously, and then in the bonus feature section you can watch the movie AGAIN but this time with the commentary from the producers or writers or actors. Well, my son, he's a Toy Story freak. I mean, he was Buzz Lightyear for Halloween, he made ME dress up as Woody and my wife as Jessie, and we watch Toy Story all of the time. It's either that or Cars.

And one day my son was sick, so he was feeling really bad, so we let him just rest on the couch and just watch TV. We don't watch too much TV but he was ill and asked to watch Toy Story, so we wanted to make him happy. So we actually watched Toy Story 2 that day. Then after it was over, my son said "Again."

I was like "Ugh, again," I thought, "This is crazy, we just watched it!" But then I was like "Hmm, let's watch it again, but I'm going to put the DVD commentary on." And it was some of the most interesting dialogue that I have ever heard, and I was literally saying out loud "NO WAY!" or "That's awesome!" throughout the entire movie. Again, it's all about those little Easter eggs.



During the commentary they would point out something that I didn't notice before or make a connection to another Pixar movie in a scene or talk about how much work was put into rendering one of the scenes, how they came up with ideas for this and that, what the little numbers mean on the license plate, where those inspirations came from. Things like that.

Oh my gosh! I was just--my mind was blown, and I do feel that much more connected to the movie as a result of listening to the Toy Story 2 commentary on the DVD. I really do! And so, it's funny, when my wife came in after we had to watch the DVD commentary, I was telling her all of these cool things like "Did you know that this, and remember that part in this, there's actually this that happens" and it was so cool, like I think I'm going to watch the DVD commentary for every single DVD that I own now. It was just--it was just so fascinating.

So the question is how can we do that as business owners? How can we open up the factory doors, or how can we create our own DVD commentary for what we do online.

Call to Action

So the call to action for you in this 50th episode of the Smart Passive Income podcast would be this: I want you to think about how you can open up the curtains a bit for your audience. Have them understand exactly how it is you do what you do, so they can have an opportunity to appreciate that.

Maybe it's something you do publically on your website, sort of like I do, or maybe it's something you keep just for those who have shown a little bit of interest in your brand already. Maybe they're a subscriber or a first-time customer and you can use the idea of people wanting to know exactly how things work to build a deeper relationship with those people and create real brand loyalty and take the brand loyalty that you already have with them to an entirely new level.

Think about how you could do that, and seriously give it a shot! See what the reaction is! Every website, every brand is different as far as the actual method for doing that. Maybe it's a video, blog post, maybe it's just a series of pictures of what you do. Maybe it's an incredibly detailed, amazing infographic that just shows how much time you put into what you do.

You know, I promise that if you do it and it's entertaining and it shows off just how much you care about what you do, or the products you create, or the time that you spend making sure that your stuff is quality stuff, and you're putting in that effort for



them, they're going to see that first-hand in that factory tour. It's just going to create so many incredibly loyal fans for you that are just going to take your business or your blog to--there's no limit to what can happen.

To finish up this 50th episode, I just wanted to say thank you. If you want an insider look at how I do my podcast, check out podcastingtutorial.com, and I hope you'll be here for the next 50 episodes, which I definitely plan on doing. I'm not stopping at all. If anything I'm going to bring more goods to the table for those of you who follow the Smart Passive Income brand in the future.

So, please leave me a quick honest [review on iTunes](#). We're up to 608 5-star reviews at this point, and I'm just blown away. Seriously, if you like what you hear, leave me some feedback. It just totally fires me up! And if you DON'T like what you hear, leave me some feedback too because it fires me up as well.

All I want to do is improve. So, show notes, again, can be found at smartpassiveincome.com/session50, go there now, get the links you need for the show if you want them. Best of luck to you, happy Thanksgiving, and brand loyalty--go and get it! Peace out.

Announcer: Thanks for listening to the Smart Passive Income podcast at www.smartpassiveincome.com!