

# Brendan Nugent of Adrenaline

**Hall T Martin:** [00:00:04] This is the Investor Connect Podcast Program, I'm Hall T Martin. I'm the host of the show in which we interview angel investors, venture capital, family offices, private equity, and many other investors for early-stage and growth companies. I hope you enjoy this episode.

**Hall T Martin:** [00:00:23] Well hello, this is Hall Martin with Investor Connect. Today I'm here with Brendan Nugent, CEO of Adrenaline. Brendan, thank you for joining us.

**Brendan Nugent:** [00:00:30] Thank you. Thanks for having me.

**Hall T Martin:** [00:00:32] So, what was your background before working with Adrenaline? What did you do before this?

**Brendan Nugent:** [00:00:38] Yeah, I've been all over the U.S., so, I'm based in Texas today and, I obviously don't sound Texan but have been in the U.S. for about 16 years. Spent some time really on the East Coast cutting my teeth in direct sales in early parts of my career. Spent some time on the West Coast where I was able to sort of \_\_\_\_\_ contracts and products for one of the leading direct sales companies in the U.S., and, what happened was one of those relationships ended up being with a new concept at the time called iFLY, and iFLY is Austin, Texas-based, and that's how I ended up moving from the West Coast to Austin. And, I had six great years with iFLY and it was just an amazing experience and saw the company go from what was at the time 8 or so locations, all the way up to 80 locations as we're sort of at the moment, and was able to sort of enter the company, just post-Series-A funding and be able to see and be part of the Series B fundraise, and, yeah, it was just a great experience.

**Hall T Martin:** [00:01:46] Great. Well, tell us more about the work that you guys do there at Adrenaline and your role there with them.

**Brendan Nugent:** [00:01:53] Yeah, sure. So, Adrenaline.com is essentially an online travel agency and gift marketplace, and what we really do is we provide a choice to consumers of over 1,300 active experiences in the U.S. and that portfolio covers nearly over 40 States in the U.S., and think of anything from amazing, part something cool

activities like flying experience, such as helicopter tours, skydiving, land adventures like ATV rentals, jet ski tours, whitewater rafting, and all the way up to things like driving a Ferrari on a racetrack. And so, really as the business sort of got established in the U.S., it really went hard at building out that product portfolio and it really is an amazing collection of experiences that people get to choose. And they can either choose to do those experiences by booking them, say, picking a date and time, or they can give it as a gift to a loved one or friends and family that they want to give an experience like that for. And really what we have become to many of our partners, is really a key channel partner to places like iFLY and helicopter tour companies, and really just a great way for them to acquire customers and really expand and extend on their own marketing and sales efforts.

**Hall T Martin:** [00:03:17] Great. Well, let's talk about the rise of the travel-venture segment. What can you tell us about this segment and how it's growing and how big it is?

**Brendan Nugent:** [00:03:26] Yeah, obviously 2020 it's changing quite dramatically because of COVID, and our business is obviously, was really targeted towards a lot of international tourists that are looking to do some of the experiences in places like New York City and Vegas, Los Angeles, and really what we've seen really from the onset of COVID is a complete shift. We saw many of our partners go in the early stages of COVID go into hibernation as they reset their businesses, and really what we saw towards the middle to end of June is the U.S. demand picking up. And, what we've done is really focus towards that U.S. demand and really look at experiences that are in great dry markets, so, think of things like the Grand Canyon, or Santa Barbara, or Texas coast for example where you've got essentially a two or three-hour drive, which seems to be happening more and more. So, trips and experiences are happening, there are people obviously travelling internationally, they're picking maybe that destination that they've always wanted to go but never had the time to do it and that's what we're seeing. The second thing we're seeing is that we're seeing a lot of our experiences that are open-air, or private, or exclusive, sort of become more popular as a result of the pandemic. Things like hot-air ballooning has a perception of being in the great outdoors, which it is, and it's now become perhaps more popular as a result of the pandemic compared to, say, some of the other experiences that are more indoors or closed. So, it's been interesting to see that, but also the key \_\_\_\_\_, a lot of our things as private

and exclusive, where families that are travelling together sort of want to do those experiences exclusively. So, our portfolio is sort of adjusting as a result of that, but it's sort of well-positioned because we've got so many experiences and it's cool to see some of those experiences all of a sudden they've come to life now as a result.

**Hall T Martin:** [00:05:27] Well, great. So, what makes for a successful company in this segment? What do you have to do to win?

**Brendan Nugent:** [00:05:32] Yeah, I think the first thing, there's a couple. I would say the first one is you have to personally deliver your product digitally in this environment, and this is obviously a trend that was happening before COVID-19, but it's really essential to be able to deliver your gift experience or a booking experience into that consumer's inbox, or via \_\_\_\_\_ without them having to go pick up anything or sort of see a concierge, so to speak. So, that's first and foremost. The second one is, that confirmation request should come instantly or very close to instant. Consumers these days are really expecting to book that Airbnb and get that instant confirmation straight away. And so, it's the same thing with these type of adventure activities where someone makes that request on our platform or any platform and they want to know that they've secured that date and time. So, in order for companies to be successful, they've got to really have either a support team that allows those confirmations to happen, or have the technology that allows that instant confirmation to occur. And so, that's really keen. The third one is an obvious one, which is because the consumer is online, they've got plenty of time to browse and read reviews, get a really good sense of who the best experiences are and the greatest experiences are out there, and so, having just impeccable reviews is a key one if you're going to convert anyone online.

**Hall T Martin:** [00:07:01] Well, very good. So, what should investors look for in companies in this space? What would be the key metric that really says this is a good, proper company?

**Brendan Nugent:** [00:07:11] Yes. So, I think the main one predominantly is going to be margin. Like I mentioned, Adrenaline has become an extension to a lot of our partners' marketing and sales efforts, and so, sort of understanding the cost to acquire the customer and making sure that that cost is built into the contracted relationship between a platform or marketplace like Adrenaline and the 400 different partners that we contract

with, to the 1,300 different experiences out there on the platform. And so, understanding sort of what the cost is to acquire that particular customer is a key metric to look at, and it's something that as a new leader in this business, is something we're actively working on with our partners to educate and understand and also reset some of those contracts.

**Hall T Martin:** [00:08:04] And, what else should we know about this segment that may be unique or different from other segments in travel or in general?

**Brendan Nugent:** [00:08:11] Yeah, so the primary one to think about, the industry has obviously had a dramatic change because of the pandemic, but what we hoped to see was a V-shaped economy or V-shaped recovery, I should say, and, really what we're sort of seeing is see the demand return. That's really being fueled by the U.S. consumers as they look sort of locally and regionally as things to go do. And, what we're seeing is a similar amount of traffic on our platform each week compared to, say, the pre-COVID level at really the beginning of Q1 and we're seeing comparable traffic. And so, what sort of is key for us to think about as we go into winter and future seasons, is like what are the exciting segments that we don't have on the platform that we can go and really contract and source and really provide these amazing experiences to people that are keen to get out and do stuff, and, what is clear is that seeing that we're in the middle of September or late September, it really does feel that there's a pent up demand of people at least planning and coordinating the things that they're going to do, either now or sort of towards the end of the year as we get into the holiday season.

**Hall T Martin:** [00:09:26] And, so what changes do you expect to see in the coming 12 months? I know there may be potential COVID lockdowns again, but aside from that, where do you think it might go?

**Brendan Nugent:** [00:09:37] I think it's safe to say, look, our international consumer base that was traditionally using our platform will return at some stage in 2021 and obviously, there's going to be varying degrees of confidence out there in terms of international travel. But what I see ultimately is a huge opportunity for the business, is the ability to gift an experience in the U.S. is still a rather clunky process. When you think of sort of gifting a gift card, most people think of a gift card that you put into a birthday card or a thank-you card, and you maybe buy that at a Walgreens or a local grocery store, sort of nearly anywhere in the country. And, in order for us to deliver that

experience as a gift card, it's quite a challenging process for these big, gift card companies to deliver. And so, I think that the propensity for people to, instead of gifting, say, a dining gift card and sort of being able to gift a private, exclusive, say, open experience, is something that we see the start of something that demand uptake on and really, that's what we are looking to pivot our business towards and we're starting to see traction where people don't necessarily want to make a booking, but they are looking to make a gifting experience. And, as we go into the holidays, we think we're really well-positioned based on the fact that everything can be delivered digitally and obviously the biggest gifting period is going to be the end of the year as we get towards the holidays.

**Hall T Martin:** [00:11:06] Well, very good. Well, in the last few minutes that we have here, what else should we cover that we haven't?

**Brendan Nugent:** [00:11:11] Yeah, it's interesting when it comes to gifting experiences, and I picked this up from my time at iFLY, is that we ultimately see that when it comes to gifting an experience, a lot of consumers want to be able to gift a complete experience or a prescribed experience, not necessarily a dollar amount. And so, one of the big opportunities we see is, Adrenaline can fill that gap in the market because it does package everything up as either a bookable experience or a gift, and isn't necessarily tied to a dollar amount, instead of the classic gift card being a \$50 or a \$100 denomination. So, it's going to be an interesting position to be in that allows us to be able to capitalize on being able to package up the complete experience, so, whether you are gifting a family or a loved one a skydiving experience, or a driving experience, giving them the whole experience so they're not having to work out how much it costs, is, I think, a really compelling thing and being able to do that digitally is going to be the sort of icing on the top.

**Hall T Martin:** [00:12:17] Well, great. Well, appreciate you sharing that with us today. How best for listeners to get back in touch with you?

**Brendan Nugent:** [00:12:22] Yeah, easily found on LinkedIn, Brendan Nugent and Adrenaline, but [brendan.nugent@adrenaline.com](mailto:brendan.nugent@adrenaline.com) is my email address and I'm happy to answer any questions that people may have.

**Hall T Martin:** [00:12:33] Great. Well, I appreciate you joining us today and hope to have you back for a follow-up soon.

**Brendan Nugent:** [00:12:38] Cool. Thanks Hall.

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