

Entrepreneur's Tide Comes in with Beach Souvenirs



The little souvenir bottle filled with seashells and sand that you brought back to Milwaukee from Sanibel Island may have made a round trip. That's because your keepsake, which evokes memories of golden days on the beach, could have been made by Visionary Products, a Glendale company that does a million-dollar business in beach bubble ornaments, starfish-wearing sunglasses and trinket boxes topped with mermaids.

"We brought some of the creativity of the gift industry to souvenirs," said owner Peter Engel, who started the company in 1991. Engel sells beach souvenirs to shops in resort towns across the United States and the Virgin Islands. Major cruise lines and Las Vegas casinos also are on the customer list.

Engel and his staff of eight work in an office/warehouse complex on N. Sidney Place, which serves as a headquarters and production facility for the business. Workers dye tiny seashells and then mix them with other trinkets, which are combined with sand to make tiny beach scenes in bottles or clear plastic bubbles. Other workers then print names of vacation destinations and cruise lines on the finished product.



In addition to the full-time staff, Engel employs others who work at home on a piecework basis to hand-print sculpted resin items — frames, small boxes — that are imported from China. He pays 20 cents for each hand-lettered name that goes on the tchotchkes.

The business is doing well despite the sluggish economy because his products are inexpensive yet permanent remembrances, Engel said. “People may not buy more expensive items, but they’ll buy \$5 to \$10 items,” he said. In addition, the devaluation of the U.S. dollar has boosted his sales to souvenir shops overseas.

The total market for souvenirs is fragmented and difficult to quantify. Hoovers estimates the gift and souvenir industry, at retail, at \$13 billion. Scott Borowsky, executive editor of *Souvenir Gifts and Novelties*, an industry trade publication, said there are many new entrants to the business at retail because of the low start-up costs. No supplier dominates the industry, Borowsky said.

Entrepreneur’s Dreams

Engel did a stint in product development at Del Monte Corp. in San Francisco before starting his own company. “I always wanted to be an entrepreneur,” Engel said.

He invented his first product in the 1980s as part of his course work at the Kellogg School of Management at Northwestern University, where he earned a master’s degree in business administration.

It was a souvenir: Windy City Wind, which consisted of an aerosol can filled with compressed air.



Engel tired of the bureaucracy that was part of his job at Del Monte, and he began working on product ideas in his spare time. After visiting a Christmas shop at Fisherman’s Wharf, he came up with the idea that launched his current business: thought bubbles.

A thought bubble is a transparent globe that carries a custom message. The bubble opens at the bottom to allow the message to be inserted. It can stand on a base as a party favor, or it can hang on a tree as an ornament.

Engel took his thought bubbles to a gift trade show, and the business took off. “It was huge success at the (National) Stationery Show in New York,” Engel said. “Everybody was crowding around the display.”

With \$100,000 worth of orders in hand, Engel signed a lease on the office–warehouse space in Glendale. By then, he had left his job at Del Monte to follow his wife to Milwaukee, where she had a job.

“I put everything into thought bubbles,” Engel recalled. He borrowed money from friends and family and negotiated extended–payment terms with his suppliers to get the business going.

But he hit a wall when he found that gift shops weren’t reordering thought bubbles. He learned that gift shop customers return often but want to see new merchandise. To keep selling to those shops, he would need a constant stream of new products.

The business struggled for nearly four years until Engel hit on the idea of turning the thought bubbles into beach bubbles that could be sold as souvenirs. It was the kind of hurdle that many new businesses fail to overcome, Engel said.

“You come up with this big idea and put everything into it, but if you don’t have the ideas to sustain yourself, you go out of business,” he said.



Selling Online

By converting his idea to serve the souvenir market, Engel eliminated the constant need for new products because souvenir shops have an ever-changing stream of customers. Even so, he continues to come up with new ideas.

A few years ago, he created an album for displaying tickets, aimed at people who save them as mementos of concerts and other events they’ve attended. He advertises the albums in Rolling Stone magazine and sells them online.

His next big idea: peace sign merchandise. It sounds like a throwback to the 1960s, but Engel believes there’s a market for high-quality products such as clothing and jewelry with the peace sign.

As for the original thought bubbles, he’s sold 2.5 million to date. These days, he sells most of them to funeral homes, particularly in California. The funeral directors use the bubbles, with inspirational

messages, for holiday ceremonies for recently bereaved families.

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