



Case Study

Nautical Antiques

Jonesport, Maine
Bernard Sund, Owner

This case study of Nautical Antiques demonstrates the potential of e-commerce to serve as the primary marketing vehicle for a rural business. It also shows how this business, in turn, provides a way for a lifestyle entrepreneur to live and grow his business in rural coastal Maine. While Sund has been able to grow his online antiques business by identifying a niche market, nautical antiques, and working to keep his site high on the search engine rankings, he is now facing increased online competition that will require taking his Web site, and his e-commerce capability, to the next level.

Profile

Nautical Antiques is owned and operated by Bernard Sund, who moved to rural Maine, a place that had been a vacation destination for his family in the past. Nautical Antiques has a small retail space in Jonesport, Maine, Sund's home and a coastal community in Downeast Maine. Nautical Antiques sells nautical antiques and other gifts purchased from Denmark, South Korea, India and other countries. Sund buys products from major distributors and sells throughout the U.S. and internationally. Online sales account for 95 percent of his business, with the other 5 percent coming from seasonal sales at his small retail space – opened to give his Internet business more legitimacy through an actual physical location.

History

Sund started an online antiques business in 1996 in Massachusetts. He had no business training prior to creating the business, having been an employee most of his career, and his computer knowledge came from coursework in college. He had to develop a new set of skills to build this business. He did, however, have a passion for sailing that continues to the present. Facing competition in the online antiques market, he identified a niche for nautical antiques and focused the business in this direction. In 1999, he and his business moved to Jonesport, Maine. This relocation was predominantly a lifestyle choice and not a business decision.

The initial Web site was set up with the help of his daughter, a computer engineer. In Maine, Sund took e-commerce classes

offered by Maine's Women's Business Center at Coastal Enterprises, Inc. and participated in the Incubator Without Walls (now Coastal Business Institute) programs offered initially by the Eastern Maine Development Corporation. These classes were very useful in terms of providing information and giving him an opportunity to overcome his isolation and interact with other business owners.

Business Location

In the past, Jonesport, Maine was the bustling location for a number of sardine factories. Those factories are now a thing of the past and Jonesport remains highly dependent on tourists who populate coastal Maine from May through October. However, the number of tourists is relatively small, creating a situation where many in Jonesport must work several jobs in order to make a living. This small community (2000 population, 1,408) is located in nonmetropolitan Washington County (2000 population, 33,941), referred to as the "sunrise county" since it is the easternmost county in the U.S. It might also be called the "blueberry county" since 25 percent of all blueberries in the U.S. are grown in Washington County. Jonesport's character has been shaped by its isolation, being located 160 miles from the state capitol of Augusta and 211 miles from the major metropolitan area of Portland.

Role of e-Commerce

Nautical Antiques is a business that is fully dependent on Internet sales for its success. It is not a business that could be operated in rural Jonesport, Maine relying solely on retail sales through its store. Retail sales are limited by the tourist trade in the region, generally concentrated in July

Year online: 1996

Area Population: 1,408

Web site:

www.nauticalantiques.com



through early October. At present, the Nautical Antiques Web site serves several functions. It provides information about the antiques sold by Nautical Antiques, including pictures and detailed information about each product. The site also has e-commerce services, allowing online ordering and payment processing through a secure order form. Visitors to the Web site are also given the option of ordering through a toll-free phone number or via e-mail.

While Sund has been successful in growing his business through the Web site – about a 20 percent increase in receipts per year – he is now facing more competition on the Internet, and his sales did not increase as much last year. To meet this challenge, the business is at a point where major changes need to be made to the Web site to upgrade and fully automate the Web site. These changes will require a major investment of time and resources but are needed to keep ahead of the competition.

Challenges and Lessons for Rural Entrepreneurs

Nautical Antiques has faced a number of challenges associated with the relatively isolated location of Jonesport and increased competition from other online businesses:

- One of the biggest challenges that Sund has faced in developing his e-commerce business has been finding qualified service providers in the local area – Web site developers and designers, IT specialists and photographers. His experience has been that people do not have the appropriate skills or that the cost of the service is too high. For example, his Web site is hosted by a company located in North Carolina rather than in Maine. Sund remarked that it is important to have someone who is not trying to sell services or otherwise make money (from the business) help new businesses with e-commerce related issues. The classes offered through CEI and the incubator program provided some of those services.
- Another challenge created by the isolation of his community is the lack of opportunities to network with other business owners. One reason for taking classes offered by the Women’s Business Center and others was to have an opportunity to network with others in the class, and to share ideas and challenges.
- While Sund states that he could not operate his business without the Internet, he also recognizes that having a Web site does not eliminate the need for marketing. To continue to be competitive on the Web, he has to work to keep up his Google rankings and to use the right keywords to position the business prominently on other search engines. Having the

skills to do this search engine optimization is very important to the success of an online business.

- One final lesson was offered for other rural entrepreneurs who are seeking to use e-commerce to start and grow their business – find an online business owner who will coach you during the development process. Effectively using e-commerce is so much more than simply having a Web site. A coach, someone who has “been there, done that” could guide an entrepreneur who is new to e-commerce and perhaps reduce the time and frustration associated with becoming an e-commerce business.

From e-Commerce as a Strategy for Improving Business Vitality: Lessons Learned from Small Businesses by Deborah M. Markley, David L. Barkley, and R. David Lamie

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