The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

29-Year-Old Strikes Gold With Trendy Berry

By Andrew Squire

July 18, 2011



“First you create the demand, then you negotiate the terms,” Lobova says.

Three months ago, there was not an acai berry to be found in Russia. But thanks to Maria Lobova, that has changed.

What started as an informal pitch by a friend has transformed into a fast-growing business for Lobova, who started the company Acailosophy to import and distribute the fruit in Russia. Acai has become popular in the United States and elsewhere in the past decade and is touted for its antioxidants and other health benefits.

"The investment involved was really peanuts. It was mostly fun," Lobova said.

The business took off in April when Lobova negotiated a contract with the Shokoladnitsa cafe chain, which began using acai in one of its smoothies.

"I was sweating liters when I was trying to make the contract with Shokoladnitsa," Lobova

said.

But after making the deal, Shokoladnitsa, which has more than 200 outlets in Russia, burned through Lobova's entire initial supply of the berries, which she imports from Brazil, in just one month.

Since then, things have been "moving at the speed of light," Lobova said.

In May, she started a web site to sell acai in freeze-dried powder form directly to consumers, and last month she hired two people to help with business operations. Since the Shokoladnitsa deal, more than 30 cafes, bars and restaurants have started using Lobova's acai berries in cocktails, mocktails and smoothies. The company's monthly turnover is about 2 million rubles ($71,000).

"The only guy who's complaining about this business is my boyfriend," Lobova joked, saying he regularly falls victim to her preoccupation with her work.

But Lobova is more serious than her playful tone lets on. After spending two years searching for an entrepreneurial idea that would catch on in Russia, she seems to have struck gold as the exclusive importer of a trendy product to a country that tends to take fashions to the extreme. In addition to the berries from South America, Lobova has managed to transport something from North America as well: the "Stanford" lifestyle of Silicon Valley, which is appealing to a growing breed of young Russian entrepreneurs.

"Russia's economy is primed for rampant growth," said Jonathan Manzi, an American entrepreneur and Stanford University student who made millions of dollars by age 18 through an Internet advertising company. Manzi has teamed up with Lobova to create a separate distribution company to sell an acai "fitness" drink.

Lobova and Manzi initially connected over "hookah, food and good conversation" at an anniversary party for a Russian web company, Manzi wrote in an e-mail. Manzi, who is developing his own line of energy drinks and hoping to bring them to Russia, said he was "instantly attracted to [Lobova's] vision, local market expertise and passion."

Lobova hopes to have the acai "fitness" drink market-ready in three months.

Her more immediate plans include hiring two more full-time employees and upgrading Acailosophy's web site to handle increased traffic.

"The niche is empty," Lobova said of her berries. "We don't want to go to big retailers now, but in half a year, a year, they will come to us."

Starting From Scratch

Lobova latched onto the idea of selling acai when a friend approached her with a small pack of acai berries that she had "smuggled" from Brazil and made "a very poor" sales pitch, as a smiling Lobova put it. When the friend did not follow up on her proposal for more than a month, Lobova decided to pursue the project on her own.

Understanding business in Russia has been central to her success in overcoming initial

hurdles. She has yet to bring acai to supermarkets and large distributors because, she said, they are "very dull and not very enthusiastic" about new products. "They are very difficult to talk with, because they set whatever terms they want" for a relatively untested product, she said.

Lobova herself is far from dull, and her energetic personality brims with the same qualities she professes her berries to promote. But her lighthearted attitude and apparent surprise at her own success belie a keen business sense.

She has been able to go around the unwieldy, larger distributors by negotiating with cafes and bars, and hoping more competitors will follow suit.

Lobova said the demand is here; it just has to be fully tapped. She markets her product as tied to a healthy, energetic and environmentally conscious lifestyle, a strategy she says is largely copied from the American market.

"First you create the demand, then you negotiate the terms," she said. "Soon distributors will have to think differently."

Shokoladnitsa said it was attracted to Lobova's sales pitch because it wanted to be on the forefront of the acai craze. "We always try to be aware of world trends of useful and healthy food, and acai became very popular around the world recently," Shokoladnitsa assistant general manager Maria Pryazhentseva said by e-mail. "That is why we were determined to sign a contract to include acai in our menu."

In addition to the marketing strategy, Lobova's business ethos also feeds off U.S. entrepreneurship. Lobova and her employees work out of her apartment on Malaya Nikitskaya Ulitsa, where her burgeoning business has consumed her living space as well as "100 percent" of her time. She likened her own situation to the "Stanford" lifestyle, where "people are making millions out of their apartments."

"It's cool, but not too many people in Moscow would understand that," she said.

While Lobova has recently moved in with her boyfriend and expects to find new office space soon, she and her employees still sleep at the office sometimes when they have been working late. "We like to say that it's a family business," she said.

But Lobova insists that the "lifestyle" aspect resonates with a generation of Russians, too. "In Moscow, everything is natural, everything is organic, everything is green," she said. "Even Shokoladnitsa asked me, 'Is [acai] kosher?'"

Lobova is marketing acai to restaurants with "cheerful," "fun" ideas like sushi rice with acai mixed in to give it a purple color, or acai-flavored hookah tobacco. ("You can't have a 100 percent healthy lifestyle," she said.)

Lobova's earlier entrepreneurial pursuits followed a similar vein. Before taking up the acai idea, she spent a year and a half trying to market a "light" brand of wine with an alcohol content of 8 percent to 10 percent and a more environmentally friendly plastic bottle, but was stalled because "the barrier for entering the business is much higher" in the alcohol market. Lobova said the project is moving forward now and the wine will be available soon.

But Lobova does not consider the lifestyle she advertises to be simply a marketing ploy. "Two years ago, I completely changed my lifestyle here in Moscow," she said. She told the story of an epiphany she had while sitting in her 1998 Jaguar stuck in Moscow traffic when she realized how much time and money she was wasting. "I sold my car and moved to the Patriarshy area, so now I can walk everywhere I need to go," she said.

Finding a Mentor

Lobova, 29, was born in Neftekamsk, a city of about 120,000 in Bashkortostan. Both her parents worked in management at Bashneft, the local oil company, and Maria was expected to continue in the family business. But after receiving a scholarship she chose to study at the Herzen State Pedagogical University of Russia in St. Petersburg. While enrolled there, she spent a year studying abroad in Chile. After that, it was off to Sweden for Lobova, who graduated from a specialized entrepreneurship MBA program at the Stockholm School of Economics in 2008.

While the young entrepreneur's success has been rapid, she would be the first to say she had help. Lobova has taken advantage of the mentoring program at the U.S. Russia Center for Entrepreneurship, which supports entrepreneurs in Russia. "These big guys really do help the young entrepreneurs, and the access is free," she said.

Lobova praised her own mentor, Velle founder and CEO Sergei Vykhodtsev, as a "self-made entrepreneur and social activist" who is "inspiring people deciding between starting their own business and working for Gazprom."

"He's not someone who's just sitting on the oil streams," she said.

Vykhodtsev has been traveling for the past two weeks and was unavailable for comment.

Lobova noted that not everything is perfect for entrepreneurs in Russia, though, citing bureaucracy and the prevalence of poor business practices.

"When you first import a product here, you have to wait for Mr. Onishchenko," Lobova said, referring to Gennady Onishchenko, head of the Federal Consumer Protection Service.

Lobova also expressed frustration with the poor responsiveness of many Russian companies. "It's like a national secret," she said about the difficulty of reaching potential buyers.

But ultimately, Lobova was optimistic about entrepreneurship in Russia. "It's not like wild money, like in petroleum or something, but you can make money here," she said. "I cannot imagine what other place would give me so many opportunities."

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