

Ozon.ru Targets \$1Bln Sales in Amazon's Place

By [The Moscow Times](#)

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NEW YORK — Ozon.ru, a company aiming to be the Amazon.com of Russia, expects to increase sales more than fivefold to \$1 billion within five years as the online retailer expands its distribution network.

Revenue will grow more than 35 percent in 2011, up from \$140 million in 2010, chief executive Maelle Gavet said in an interview in New York last week. "We expect our revenue to reach \$1 billion in three to five years," she said.

Ozon raised \$100 million in September from investors, including the Baring Vostok Private Equity Fund and Rakuten, the largest e-commerce company in Japan. The Moscow-based company is using the money to build its own delivery network because the local postal service is slow and shoppers prefer to pay cash when they receive goods, Gavet said.

The challenge is reaching consumers in a nation spanning 17 million square kilometers, more

than any other country. Ozon plans to add 3,000 sites where customers can pick up orders by the end of 2013, reaching every Russian city with more than 50,000 residents. The company currently has 1,100 pickup points and an 8,000-square-foot shipping center in Tver, between Moscow and St. Petersburg.

Most competitors in the online-shopping market are fellow Russian companies, including food retailer Utkonos.ru and Holodilnik.ru, a consumer-electronics site. KupiVIP.ru, a Moscow-based shopping site for discount fashion brands, raised \$55 million this April from investors including Accel Partners and Russia Partners.

Amazon.com, the world's largest Internet retailer, hasn't established a Russian-language site.

"All the big online retailers are looking at how to enter the Russian market," Gavet said. She declined to discuss whether Amazon had talked with Ozon about a partnership or acquisition.

The Internet penetration rate is relatively low in Russia, and the market will keep growing, Gavet said. Only 15 percent to 20 percent of Russian Internet users have made an online purchase.

"Within Internet users, you have a big chunk of people who can convert to online shopping," she said.

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