TALLINN UNIVERSITY OF TECHNOLOGY

School of Business and Governance

Darja Liping

VALUE CREATION IN THE RETAIL REAL ESTATE SECTOR: STAKEHOLDERS' RELATIONSHIP VALUE DRIVERS

Master's thesis

Programme International Business Administration, specialisation Marketing and Sales Management

Supervisor: René Arvola, PhD

Tallinn 2023

I hereby declare that I have compiled the thesis independently
and all works, important standpoints and data by other authors
have been properly referenced and the same paper
has not been previously presented for grading.

The document length is 14 666 words from the introduction to the end of the conclusion.

Darja Liping……………………………
                    (signature, date)

TABLE OF CONTENTS

ABSTRACT

The concept of Value in the real estate was investigated value creation according to the one-dimension price-based theory and focused mainly on the shareholder value (Appraisal institute, 2008). Based on this concept value is usually considered as incomes from the expectation of future returns. Over the past years, researchers started to explore change of value creation in real estate from one - dimensional financial value to multidimensional relationship value creation orientation. Coenen et al. (2013) propose Facility Management Value Network model where Landlord, tenants and visitors are no longer seen as separate but rather as an integrated economic system to co-create value. Therefore, the research problem is defined as following: relationship value context in retail real estate value creation is still unclear and there is a gap in existing knowledge. Considering that facility management is a comprehensive process to improve the efficiency of a commercial property, in this research real estate and facility management are considerate as an interchangeable objective. During this study, author wants to answer the question: How the key stakeholders and retail real estate create relationship value? This master thesis aim is integrating the relationship value creation concept from the marketing literature into retail real estate to explore relationship value creation from the perspective of the main drivers between shopping centre and landlord, visitors, facility management and tenants. In this research author used qualitative approaches to collect the data. The qualitative information was collected through the observation of the shopping webpage and documents available on the open sources and 535 reviews available on Google. In addition, qualitative information was received from the semi-structured interviews with real estate experts. During the research author of this paper found that shopping centre relationship value is a complex process which has two dimensions: quantitative and qualitative. Quantitative dimension is driven by footfall, turnover, costs, and cash flow. Qualitative – location, shopping centre image, tenant mix, experience, and design. For the future research author suggest focusing more on the quantitative approach to investigate the drivers' correlation.

Keywords: Value Creation, Retailing, Relationship Value, Real Estate, Valuer Drivers

INTRODUCTION

Understanding the value creation in retail real estate is still a challenge. In the Real Estate value creation is based on the idea that value means the property's ability to satisfy human needs. According to the several studies the real estate scholars investigate value creation based on the modern valuation theory proposed by Alfred Marchall (Appraisal institute, 2008). Based on this, one of the main principles of value creation is principle of anticipation. Value is usually considered as incomes from the expectation of future returns. Considering that value is economic thought real estate appraisals define value through the many its equivalents or other precisely described financial terms – financial value (Kask 2002, Kinnisvara rahandus). According to several studies, value is determined by the product itself, whether it meets the customer needs and wants, and the usefulness of the products. The latest research explorer the trigger factors of value creation are cash flow from operating activities and economic added value (Siburian&Yohanes, 2019). These studies have investigated separate components like „ the rate of return of real estate investment into cash flow, tax shelter. ..." (Roulac et al., 2006). However, this study presents lack of knowledge and examination how relationship value is created in retail real estate. Many real estate scholars considered value creation only from the shareholder sides – the owners of the immovable property.

Over the past years, researchers started to explore change of value creation in real estate from financial value to relationship value creation orientation. Coenen et al. (2013) proposes a Facility Management Value Network model there, landlord, tenants, and customers are no longer seen as separate but rather as an integrated economic system to co-create value. Author argues that value is multidimensional, extends beyond financial value and considering as use vale; social value; relationship value; environmental value. As stated above, real estate researchers have their focus mainly on the financial value rather to investigate the role of value dimensions on the key stakeholders' relationship value creation.

In retail sector we can considerate real estate property as an open system of relationship which includes facility management, investors, tenants, and visitors. The relationships that create value

are complex, and value changes as the factors influencing it changing. According to the Anderson (1995) the value creation is a reason why customer-supplier relationships are existing. At this point author of the thesis wants to identify the research problem. The retail real estate property also can be considered as a product with final users represented by tenants, visitors, owning company and driven by customer – suppler relationship. However, as can be seen from the literature review in the real estate value creation is mainly investigated from the financial perspective, taking price-based theory as starting point. Considering that retail estate sector in Estonia is oversupplied and has high competition it is a right moment to investigate value creation from the customer – suppler relationship side which is remain unclear and underestimated. Therefore, the research problem of the current thesis is defined as following: relationship value context in retail real estate value creation remains unclear and there is a gap in existing knowledge. The research gap lies in the stakeholder's drivers which contribute to the relationship value creation with retail real estate. Considering above mention information, the aim of this master thesis to integrate the relationship value creation concept from the marketing literature into retail real estate filed of activity to explore it from the perspective: How the key stakeholders and retail real estate create relationship value? The topicality of the research is come from the Estonian retail real estate sector, there the property owners faced with a problem to attract a new customer. Considering that in retail real estate value creation process involved four stakeholders, the understanding of the drivers for the relationship creation is the better option for the value construction. In conditions of high competition, the usual methods stop working and the value creation must go beyond the financial value.

The research contributes to provides new information regarding relationship value creation drivers in the retail real estate for its better understanding. This thesis can bring managerial benefits to help to real estate property owners' line up relationship strategy for added value or investigate the weak points. During the analysis of the data, the insides recited form the semis-structured internee with real estate experts and shopping centre web pages were studied. The author contribution is the consideration retail real estate value creation beyond the financial value and provide insights about relationship value. In addition, attention is paid not only on the firm-centric (property owner), but on all stakeholders as a one integrated system.

The first chapter of the thesis consists of the theoretical background and the literature review. Author explores theoretical foundation of real estate and multidimensional value creation. In

addition, in this chapter author provided different value definitions and justify the worthiness of the research problem.

The second chapter of the thesis deeply describes the methodology used in the research. In this research author used qualitative approaches to collect data. In addition, qualitative information was collected thru the observation of the shopping webpage, documents available on the open sources and semi-structured intervenes with experts from the real estate field of activity.

The last chapter of the thesis refers to the authors findings and conclusion on the research question Conclusion part will provide information about limitation and discussion for the further research.

1. THEORETICAL BACKGROUND

The literature review is an important part of the master thesis and is an introduction to the research topic. Literature review contains and gives the most accurate information of the theoretical foundations considering during the master's thesis writing. The aim of the literature review is to bring enough evidence which emphasises the importance of research.

Real estate can be considered as an investment's asset which supports the economic growth. As a rule, real estate constitutes up to 50% of the capital investment (Kask, 2002). According to the Estonian Valuation Standards (EVS) real estate market consists of five main classifications: residential; commercial; industrial; agricultural and other special use real estate. In the current paper author will be focused on the commercial real estate, especially retail sector. The reason for choosing this sector is that the real estate market has a limited amount of information available due to confidentiality. At the same time retail sector is a good example of the Business-to-Business-to-Customer (B2B2C) management environment (Coenen et al., 2013). The previous research suggests the model there the main stakeholders of value in real estate are Landlord, tenants and visitors, who give author an opportunity to investigate the value creation from the visitor's side and collect information from the market.

1.1. Concept of value creation in the economics and marketing

The problem of the valuer creation in the economic and marketing field of activity has attracted a lot of interest in recent years. At the same time economics and marketing researchers does not lead to the one common understanding of the value creation processes. Adherents of the traditional value creation theory see the company as the main value creator. Studied that for the value creation companies must implement not only well functional operation activities, but also pay attention to well-built strategic decisions (Bannister & Ravin, 1997; Treacy&Wiersema, 1993).

In the marketing literature the concept of the value is quite broad. For example, Kotler (2001) define value as a proportion between benefits - the emotions and functions which can be provided

by service during the process of purchasing and cost of the customer. The other part of the value is that customer gives like money, time, energy, and physic (Ibid, 2000). The other researcher, determinate value as "… a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations" (Woodruff, 1997). Although if the above definitions of value were presented by the academics at the different time frame can be concluded that all of them emphasise the important of the relationships as well as product opportunity to satisfy needs and sacrifice.

Bannister and Ravin (1997) suggest a concept of the shareholder value. In this concept value is clustered around the statement that every company goal is to „...maximize shareholder value "(Bannister& Ravin, 1997). According to the authors the value creation components are returned on invested capital, net income growth nor cashflow. However, this drivers should be compared to the market benchmarks depending on the company's field of activity(Payne et al., 2000). The author of this thesis notice that the shareholder value can be appealed to the real estate's due this concept require the collection of market information and are reflected in financial instruments. Based on the previous literature review the researchers are seeking on the value which delivered to the legal owners of shares of corporation (Payne et al., 2000).

The importance of the company value creation was also investigated by Porter and formed by him Value Chain (SYSPRO, 2018). Porter's value chain describes the operations of the firm into two groups. The first group is the primary activities passing through which a product or service value creation increases and the other group is the secondary activities who play the role of support through cost optimisation and margin minimisation. Based on this can be concluded that organisation express value in a monetary term. However, to add value within organisation should be well-organised communication scheme between different departments which is positively associated with more productive firm performance.

Similar approach for more firm intrinsic value creation models can be found on other management and marketing literature. Costumer value determination shift from the product or service quality and price to the purchase satisfaction and further support and communication led organisational to re-evaluate the way of the value distribution (Treacy&Wiersema,1993). Treacy and Wiersema

(1993) argue that to stay competitive during the new market paradigm organisations should integrate into everyday operations activity at least one of the following values.

1. Operational excellence value – the objective of it is to minimise the companies' overhead costs and optimisation of the operation process. Such approach allows companies to provide for the customers a product or service at a competitive and more advantage price level. At the same time organisation can keep the purchase satisfaction. (Ibid, 1993).
2. Customer intimacy value – the objective of this discipline is sustainable analyse of the customer preferences continually "…tailor and shape products and services…" in order to achieve customers' loyalty (Treacy&Wiersema,1993).
3. Product leadership value - the value can be considered as epistemic value. According to the Sheith et al. (1991) epistemic value states the novelty of the product or service. In order to distribute the leadership value, the organisations operating processes are time saving oriented (Treacy&Wiersema,1993).

It has become clear that with the expansion of the customers value determination organizations had to rethink models of the operational activities. Continuous increase in competition and the struggle for the attention of the customers inspired marketing researchers to examine consumer value creation approach. Grönroos (2008) investigate the process of value creation from the customers perspective. Author points out that value is created by costumers thru the usage of the service, while the organization is its supplier. The literature is focused on the context that customers required not a purchase of specific good rather a value-in-use which can be received from the services (Ibid, 2008). The value of a service may differ for different consumers. This is due to the fact that each consumer has their own individual needs, expectations and preferences. For example, for one consumer, the value of a service may lie in the quick and efficient task completion, and for another, in high-quality communication and a personal approach. As a result, all different aspects should be considered, because they are influences on the value creation. Hence, it is not a surprise that many marketing scholars supports the value-in-use concept.

The gap in the above-mentioned models is coming from the fact that during everyday business activity there is a constant communication with customers as well as constant service development together with value-in-use improving and not either one concept considers all of them at the same time. Later Grönroos (2009) elaborate and update the concept of customer value-in-use there the

organisation represents as a value co-creator. However, the concept of value co-creation is not new in the marketing literature. Payne et al. (2000) introduces the model of the relationship value management. Based on this concept in the value creation involves three main stakeholders: customers, organisation, and external stakeholders (Ibid, 2000). The paper confirms that the value creation is a difficult multidimensional study and represents a challenge for the marketing researcher. Consideration of value creation at different dimensional levels contributes to a better understanding of how stakeholders' considerate the value of a product or service as well as what they are driven by. If previous authors have stated that value is firm-centric and created only from the one site of the business-to-client relationships, Payne et al. (2000) argue that employee value, customer value and shareholder value must be considered together. Therefore, can be concluded that customer value of customer-supplier relationships also can be considered from the following value dimensions: quantitative form in term of profit receiving; or quantitative level customer loyalty, customers' needs satisfaction and of course the relationship. For the shareholder value Payne et al. (2000) was chosen the investment value and loyalty dimensions. The employee value in the marketing literature gives a narrow picture, however the value that employee disrepute to the organisation is important. An employee who performs his duties efficiently and on time increases the efficiency of the entire team and the organization which lead to the cost's reduction. From the other side, feels loyalty to the organization and is motivated to achieve common goals, is a valuable resource for the company and is able to increase its effectiveness and increases the level of consumer confidence into the organization and its products (Sheridam, 1992, as cited in Payne et al., 2000, p.261).

Considering literature review can be concluded that the value is created during the co-creation process in which involves all kay stakeholders. In addition, the marketing academics explore the value co-creation via monetary, customer loyalty, relationship and needs satisfaction. Nevertheless, there is still little empirical evidence to consider all three stakeholders together.

Literature review shows that marketing academics explore a value from the two theoretical backgrounds (Haddadi et al., 2016). In some studies authors argued that value can be measured by single independent indicator or one-dimensional value. The marketing academics started to investigate the price-quality relationship argue that value is a "trade-off between of quality and costs" (Cronin et al., 1997). For example, Dodds et al. (1991) purpose a conceptual model there customer value perception is driven by price, store, and brand name. In the value creation process,

price can be considered as a positive and a negative factor. For example, a high price may indicate a product's high quality and uniqueness, making it more valuable to consumers. However, if the price is too high, it can alienate consumers and reduce the value of the product (Yoon et al., 2014). Several authors (Kerin et al.,1992; Bolton et al., 1991) investigate the value from the main-end theory proposed by Zeithaml (1988). The academic contributed and expanded price-quality concept added a new objection as value. According to the Zeithaml (1988) customers determinate value in different way: some products may have a high price but low quality, while others may have a low price but high quality, therefore consumers can rate products based on various criteria, including brand, packaging, design, and more. Such diversity in the value differentiation also consistence with literature review. Academic also detrimental a customer value via the price-quality relationship. In addition, Zeithaml (1988) purpose a hierarchy approach and argue that some objectives are more valuable compared to other. Therefore, in the value creation process, it is necessary to take into account not only price and quality indicators, but also factors that are characterised potential consumers.

However, one-dimensional approach provides only narrow understanding of the value creation. As was already noticed contested measure value by one attribute like relationship between price and quality or brand and quality. Of course, academics investigator cases there single-denomination value can be a result of the different factors precede to each other (Dodds et al., 1991). Hence, that such approach underestimates the hugeness of the value as well as simplifies the process of value creation due to this concept excludes the opportunity to investigate the joint effect of all objectives of the value creation process.

As was stated above marketing academics considerate value in different dimension like financial value, use value, nor relationship value. Therefore, the other part of the researchers explores a value creation from the multi-dimensional model point of view. One of these academics is Woodruff (1997). His study describes a concept which gives an opportunity to understand a value creation in three dimensions. In addition, should be noticed that Woodruff (Ibid, 2007) argue that value is that customer desire and preserved. Proposed model characterising the customer's value through the hierarchy system at the first level of which is the investigation of the product and product's attribute performance from the customer perception. The second level explores the consequences, like emotions or desires, which occurs during use or purchase of the product or service. On the last, third level investigates the customers focus on the goals and needs satisfaction

based on their experience (Ibid). Compare to the one-dimension approach this concept allowed understand exactly how costumers evaluate the products, their goal, and emotions. In addition, academic argue that consumption is a result of the utilitarian and hedonic value (Babin et al., 1994; Babin&Kim, 2001; Lee&Overby, 2004 as cited in Sánchez-Fernández&Iniesta-Bonillo, 2007). Consumers choose products that can meet their needs and desires in the most efficient and convenient way. They evaluate products on such criteria as performance, reliability, or durability, in other words utilitarian value of the product (Dhar&Wertenbroch, 2000, Sánchez-Fernández&Iniesta-Bonillo, 2007). From the other hand, Dhar and Wertenborch (2000) explain that the value of a product or service to the consumer is associated with emotional and aesthetic satisfaction, such as design, style, colour, smell, taste and enjoyment.

Sheth et al. (1991) explain what guides consumers to choose a particular product. Academics argue that consumers are affected by functional value, social value, emotional value, epistemic value and conditional value. Functional value responsible the utilitarian nor physical attitude of which consumers resaved from the usage of the product (Ibid, 1991). Social value can be described as usage of the product and its association with social group. Emotional value is determined by the ability of a product or service to irritate feelings and emotions (Sánchez-Fernández&Iniesta-Bonillo, 2007). Epistemic value is express in the novelty of the product of the and condition value is referred to the situation which prevails at the moment of choosing a product or service (Sheth et al., 1991). In addition, Talware et al. (2019) explore that all this dimensions or value are positively related to costumer intention for the purchase the product where the highest influence on decision-making have functional and conditional values.

Literature review show that one-dimensional models does not investigate the emotional concept in the value creation process and mostly focusing on utilitarian and price relation values. Based on this can be assumed that these models are less attractive compared to the multi-dimensional. Firstly, should be noticed that multidimensional values allowed to evaluate a complexity of the product or services (Talwar et al., 2019). Secondly, this models are helping to determine the whole range of factors that are involved in the value creation process of a product or service. Hence, considering the high-level competition on the market consumers looking more for emotions and not the product or service. Price is no longer the deciding factor when choosing one or the other product. Dhar and Wertenbroch (2000) provided evidence that consumers are less likely to decline

from the product's hedonic attribute, which indicates the need to evaluate value creation from a multi- dimensional perspective.

1.2. Concept of value creation in the commercial real estate

The real estate market is highly segregated and includes commercial, residential, social and even special purpose properties. At the same time commercial real estate divide into different sectors: retail, office and industrial/ warehouse. This thesis aim to investigate the drivers for the relationship value creation in the retail real estate, which is a part of the commercial real estate. Therefore, describing the concept of value creation in the commercial real estate, also implies retail real estate. In other words, commercial real estate equal to the retail real estate. In the real estate value is usually considered as an economic concept which is not an attribute of the specific product or service. Instead of this academic proceed from the idea that value is created in the minds of the persons forming the market (Appraisal Institute, 2008). Since in real estate value is based on the main theory of value and "…means the property's ability to satisfy human needs" (Kask, 2002, p.27). Kask (2002) argue that value is affected by external factors like location, quality, right of use and scarcity. The choice of these factors is since the constitutive condition for the value creation in real estate is considered to be the existence of needs. This can be an indication that value is a subjective term and has a different meaning depending on what and in what form needs to be satisfied. Due to value is investigated from the economic perspective, real estate scholars' determinate value of a property, service, or product in monetary value. By identifying a value, the real estate property price should be indicated. The price is the amount of money which market participants are willing to pay for the property with its higher and best usage. As elaborated by Estonian Valuation Standards (2015) the Value is created by four factors: utility, scarcity, desire and effective purchasing power. Under the utility is meant functionality and extra sleeps, in other words the ability of the property to satisfy human needs and desire; scarcity is considering as competitive and limited supply compared to the demand; desire is what buyer needs and wants; effective purchasing power – the persons opportunity to participate in the market (Kask, 2002). Appraisal Institute (2008) investigate that value is related with four factors: social trends, economic conditions, legal regulation and environmental conditions as follows.

1. The social factor includes demographic characteristics like education.

2. Economic factor examines main economy indicators like Gross Domestic Product (GDP), industrial development, the labour market and income factors.

3. Legal regulation is a factor which related with regional and fiscal policy of the state and municipality like taxation.

4. Environmental conditions related with ability of water sources, its quality, as well as climate and relief.

Considering the complexity of value definition as well as its ambiguity the main attention is paid to the market value of the real estate property. Enever et al. (2010) stated that market value is a price which parricidal investor will be willing to pay at the date of valuation. Also, this price excludes any special added values which can lead to the over-willing buyer (Ibid). Author of the thesis finds one more definition of the market value provided by International Valuation Standard Council (IVSC,2021). Considering this reference market value is the amount for which the asset must change ownership through the conclusion of a transaction. In addition, among real estate researchers there is such a concept as a fair value. During the time were elaborated the numbers of different definition of fair value. As stated by International Accounting Standard Board (IAS - 16, 2021) "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." At the same time International Financial Reporting Standards (IFRS-13) define fair value as an amount which is received or paid during the transaction at the specific date.

Edwards and Bell suggest three value dimensions that should be considered in the real estate value creation (Edwards&Bell, 1961, as cited in Alexander, 2007). As examined by researchers during the value evaluations should be considered asset form and place which are includes asset's location and its initial form; date of price which can be expressed in the past, current and future; market condition which investigate the possibilities to buy or sell an asset (Ibid). Such analysing allowed to determinate the value of the assets in the monetary terms. Considering the huge number of the value definition in the real estate, literature review shows that value is considered mostly in forms of financial instruments and estimate in money or their equivalents. At the same time, some researchers characterised that value can be considered from the point of view of social value, utilitarian value, relationship value and other value conceptions (Kask, 2002)

As was discussed earlier in the commercial real estate value is usually expressed in terms of money. Compared to the marketing literature review can be concluded that real estate academics investigate value creation according to the price-based theories. According to the Sayce et al. (2006) for the value estimation usually utilising one of three methods: sales-comparison approach, income approach and residual approach. Sales-comparison method is used in the situation when the market has a transaction with a comparable property which has a similar attribute as valued one (Kask, 2002). As a rule, and according to the Estonian valuation standards this method is applicable for the residential properties or land evaluation. For the commercial properties this approach can be considered as supportive and used to find a market benchmark. Income approach is the most common method to finding the value of commercial real estate. According to the Tacas et al. (2020) the value could be expressed as a future cash flow of the property adjustment to the today's term. The discounting yields are based on the resent transactions with comparable properties (Sayce et al., 2006). The last one, residual approach is used to determinate a value of the development project, as well as income approach the residual method also taking into account future cashflows generated by property, but also added costs related with development.

Literature show that in commercial real estate suggested models of the value determinate mostly on the shareholder value. According to the Siburian and Yohanes (2019) the main factors for the Shareholder value creation are cash flow from the operations and return on assets. In addition, apart from economic metrics some academics are argue that main driver for the value creation is a facility management. Lynch (2002) gives an example how shareholder value could be maximised via planning, budgeting, and timely capital expenditure. Nourse and Roulac (1993) also explore that strategic is positively associated with added value for the real estate. However, the research was conducted between real estate developing and operating companies who considerate value from the economic perspective. The case study provided by Cant (2005) show the impotence of the improvement of the facility management. Nevertheless, case study was focused on the cash flow income increase. Because of increased interest in environmental issues and real estate academic start to pay attention on sustainability and its relationship with value. Robinson (2005) find that in environment sustainable development buildings asking rent rate can be higher by 5% – 10% compared to the properties without this attitude (Maguire & Robinson, 2000, as cited in Robertson, 2005). As well as already mentioned in the previous literature to investigate the sustainability effect on the value academic was also used physic income, rent and capital growth (Robinson, 2005). One more hot topic for the discussion in the real estate is an availability of the

green building certificates like Leadership in Energy and Environment Design (LEED) and its role in the value creation. Muldavin (2008) study provide interesting insides how properties green certification influencing on the demand and has a positive influence on the sale price. However, even if academics investigate the different value attributes the main focus of the main focus of all research is directed to the investigate the pricing of the property rather to discuss value creation and it's added value objectives. Nevertheless, real estate academics are agreed that one of the added value creation factor is a facility management (Lindholm et al., 2006; Jensen 2010; Green&Jack, 2004).

However, despite the popularity of the price-based value approaches in the commercial real estate, literature review shows increased interest to more relationship and added value approaches. Green and Jack (2004) introduce a multi-stakeholder "value mapping" model. Academics argue that for the successful business performances companies should not only focused on the internal operation processes and cost optimisation but also satisfy and meet the needs and wants of the key stakeholders. Value mapping model determinate four main stakeholders' groups in the facility management as customers, employees, investors, and society (Green&Jack, 2004). Balance of the groups needs as well as combination of tangible and intangible drivers generate value outcome and value can be described as „ ... to consider of worth or importance." (Ibid). An increase in interest and a shift in focus towards business-client relationships was also noted by Lindholm et al. (2006). Academics describes how balanced scorecard method could be used to explore an added value of the real estate strategy. In the process of the determination- of the added value four dimensions like financial, customer, internal and organisation learning should be considered (Kaplan and Norton's (1996, 2000, 2004), as cited in Lindholm et al.,2006). As can be remarked that in addition to the common approach of value creation, where the centric perspective is financial indicators, balanced scored method shows the importance of the customer value and understanding how customers define it. It should be noted that academics also are interested in exchange value. Jensen (2010) determinate exchange value as a relationship between the sources that go into and the result of the process of creation service or product as well as considering cost arising in an operation process, as well as added value can be occurred via the optimisation of the production operation which leads to the cost reduction. As was already discussed the usage value of the product or service can measured by satisfaction which is considered as an important factor of the value creation. Thus, Jensen (2010) pay attention that added value could be created in the condition that the cost reduction does not exceed the lower standard of the product satisfaction

below the level set by the consumer. From the other side, companies should understand that in today highly competitive market customers are not only a product or service consumers.

As can be seems, value creation as a discipline have gained increase of the interest in the past decades. Hence, that with such a saturated market and the speed of information exchange, not only companies are developing, but also consumers which lead to situation where consumers make choices towards products that suit them in term of ethics and context; relationship between company and customers is make place on the communication and interaction levels to evaluate benefits and sacrifices which can be collaborative in the value creation (Prahalad&Ramaswamy, 2004). As can be seems, value creation as a discipline have gained increase of the interest in the past decades. However, the literature review shows a different definition of the value not only in the marketing literature, but also in the real estate field of activity. Creating value in commercial real estate is about preserving real estate and it is necessary to create attractive offers that correspond to the market, choose the right location, provide a high level of service and maintenance as well as create attractive conditions for tenants and ensure high occupancy (Jensen et al., 2012). In general, value creation in commercial real estate is related to the key stakeholders' needs satisfaction , providing a high level of service and return on investment thru the maintaining competitiveness on the market.

While reviewing the different academics articles related with value, value creation, added value in marketing and real estate literature, author has found that the studies about relationship value context in retail real estate value creation remains unclear and there is a gap in existing knowledge. However, some academics (Haddadi et al., (2016); Coenen et al., (2013); Jensen (2010)) start to investigate real estate value creation more deeply. Academics try to explore and provide empirical evidence about how value could be created and who are the main stakeholders in the real estate. Jensen (2010) takes for the starting point a stagey mapping and started to research how facility management could create value. Academic introduce facility management value map and developed most important outcomes on who are the main collaboratives of the value are society, customers, staff, and owners and how they are connected.

Value map represents a two-level system: the first level includes resources like real estate, technology, facilities and cetera, inputs needed to support organization activities.; second level is divided on the quality circle process and outputs that are represents a key business activities like

space, service, development, basic products, relations or additional offerings (Jensen,2010). The focused of this model is that core business activities, which represent a combination of inputs and outputs, are aimed at satisfaction and meeting the needs of all owners. Based on Jensen (2010) findings Haddadi et al. (2015) introduce the concept of the value creation in development real estate projects. Perceived value is considered thru the examination between stakeholder relationship. The final stakeholder of the construction project is user whose needs should be satisfied, therefore Haddadi et al. (2015) considerate that users will be satisfied by fulfilling hedonic and utilitarian values. The two other stockholders are suppliers and owner, which activities are required to satisfy the user's needs, while users are satisfying owner's profit orientated values. Hence, the understanding relationship between key roles in the real estate development project are required for the success (Ibid).

Coenen et al. (2013) have already developed a concept of the main stakeholders in facility management and how they connect with each other and considered as a business-to-business area of activity, however the another one important business activity is serving visitors, especially in the retail sector. Therefore, academics intercept four main stakeholders of value in real estate, which are considering facility management as discipline which compounds not only business to business, but also a business to customers relationships. The key value stakeholders in the facility management are clients (firm which purchase facility management); customer (organisation that deliver facility management) and end user (resaving facility service) (Coenen et al., 2013). In addition, Reikli (2013) determinate the main actors of the retail real estate are creators, users, beneficiaries, and consumers. In order to findings will be comparable with Coenen et al. (2013) facility management value network retail key stakeholders can be differentiated as following:

1. Creators – facility management company
2. Beneficiaries - investors, in other words company or organization which act as a provider of the capital and purchase facility management.
3. Users – organizations that are receiving facility service, in terms of retail it is tenants.
4. Consumers – are visitors and can be considered as tenets service receivers.

Nevertheless, literature review shows a lack of insights or further investigation on what are the value drivers of the key stakeholders in the retile real estate. Thus, considering value exploration regarding facility management value map and key stakeholders of the retail real estate author of

this research paper take based on current research model introduced by Coenen et al. (2013) and adjust its with Reikli's (2013) findings. The Figure 1 depicts Coenen et al. (2013) facility management value map, adjusted by author.
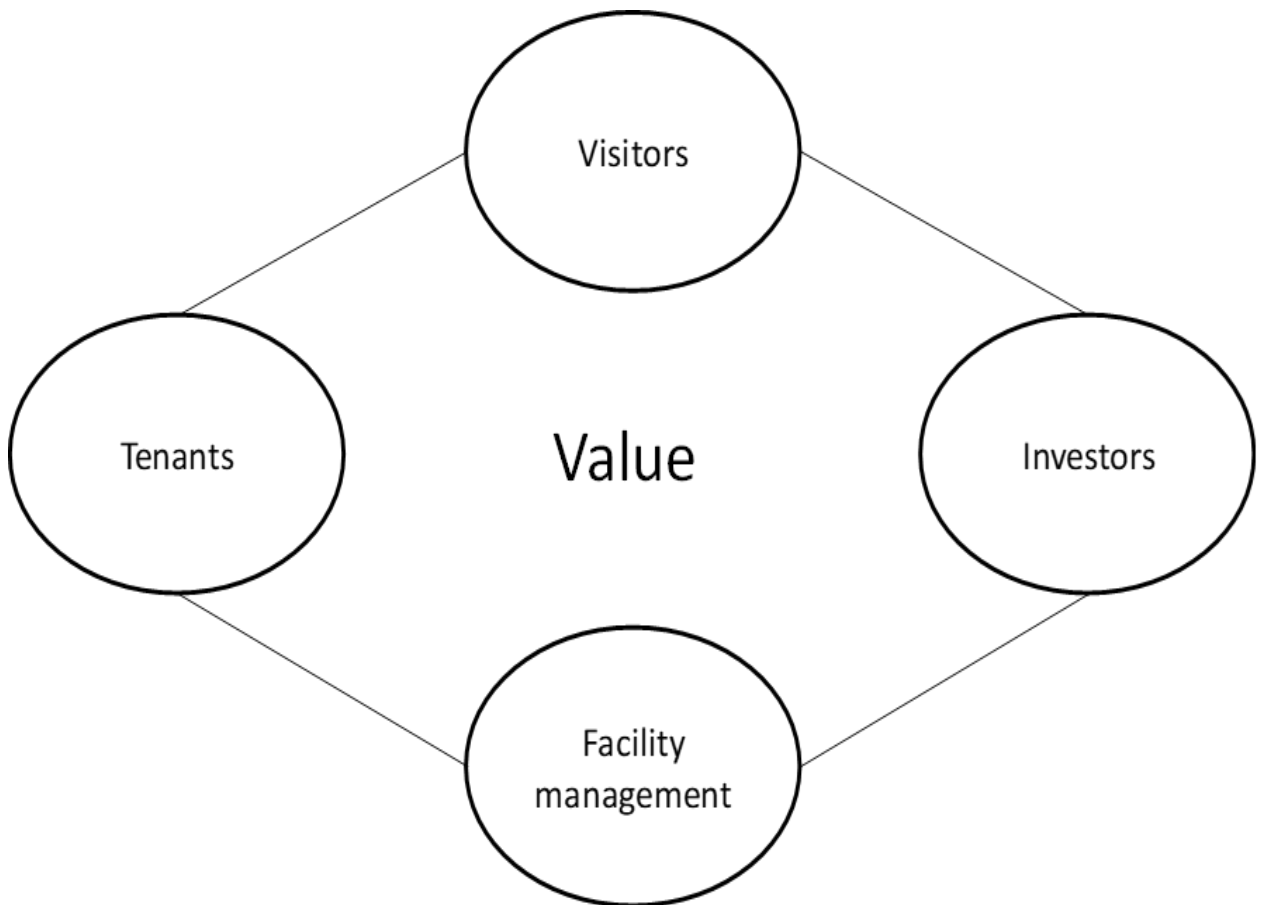

Figure 1. Retail real estate value map, adjusted by author
Source: Coenen et al. (2013)

As was already discussed real estate represents a diversified discipline which includes commercial, residential, agricultural, and special purpose properties. In its turn commercial real estate divided by office, industrial and retail sectors. Historically, retail has a lower, up to zero vacancy rates compare to the other commercial real estate properties (Colliers, 2021) and generate up to the 20% of whole commercial stocks in Estonia. According to the Energy Economics Group project Estonia has a higher shopping centre gross leasable area per 1000 capita as 279 m^2 compared to other Baltic State countries (Energy Economics Group, Shopping centre GLA per 1000 capita). The average retail property (regional shopping centre) fair value in Estonia vary between 100 – 300 million of euro and can be considered as a sector which required high capitalisation (e-Äriregister; Reikli, 2013).

The real estate market can be characterised as closed and confidential environment with limited access to the internal data. However, retail sector is considered much more open in terms of collecting information, especially with regarded to the occupant mix. Retail real estate is "property that is used primarily as a retail shopping centre, …" (Low Insider, 2023). Therefore, the author assumes that retail properties can be applicable in terms of investigating more about value creation in the commercial real estate, especially contribute the key stakeholders' drivers.

2. RESEARCH METHODOLOGY

The second chapter of the academic paper introduces the research object and describes methodology used by the author. As was already described on the previous chapter real estate researchers have interested their focus mainly on the financial value rather to investigate the role of value dimensions on the kay stakeholders value creation. In retail sector we can consider real estate property as an open system of relationship which includes facility management, investors, tenants, and visitors. In addition, this chapter will explain the selection of the research object, sampling and the way of the information collection and analysing. Thru the used methods author is planned to investigate the relationship value creation the retail real estate property.

2.1. Methodology of the research design

This master thesis aim is integrating the relationship value creation concept from the marketing literature into retail real estate to explore relationship value creation from the perspective of the main drivers between shopping centre and landlord, visitors, facility management and tenants to fill the gap in the existing knowledge. As can be seen from the literature rewire the nature of the value creation, especially in the real estate discipline was not deeply studied and available information is narrow. Therefore, author can conclude that value determination between main actors in the retail real estate remains unclear and requires future investigation and analysis. During this study, author wants to answer the question: How the key stakeholders and retail real estate create relationship value? For the main research question author use "How" question due to literature review suggest it as a suitable approach to examine the relationship between stakeholders and described the phenomena (Jelonek et al., 2022). Qualitative methods are an appealing methodology for the studies the data regarding research topic insufficient and academics are interested into explore of important findings (Leedy et al., 2021). Therefore, this approach helped to understand in-deep a value creation of the retail real estate in natural surroundings. Considering the limited amount of available information as well as study answers "How" question, exploratory

research approach is used. Commonly exploratory research proposes a general overview of the phenomena. Retail real estate considered to be a multi cross discipline which takes in both economics and marketing elements, especially due to the complicated relationship network which includes not only facility management, investors, and tenants, but also shopping centre visitors. The relationship value of the last ones is buoyancy discussed in the marketing literature while the value of the first free mentioned stakeholders remained unclear. Therefore, author argues that exploratory research is the most advisable to investigate a stakeholders' value determination in the retail real estate. On the grounds of this, as an initial point for the exploratory research a case study design was selected to investigate the phenomena and find the answer on the paper's research question. Case study is used to acquire a knowledge of investigated phenomena and characteristics or standings that are poorly investigated (Leedy et al., 2021). To find the answer to the research question and be provided with exploratory findings, authors should conduct several research tasks. First of all, before determining what are the value drivers for the real estate stakeholders, main shopping centres in Tallinn and visitors' reviews were analysed (Reikli,2013) thru the observation. After that, author conducts six semi-structed interviews with commercial real estate advisory experts in Estonia. This master thesis aim is to the investigate the relationship value creation drivers between shopping centre and landlord, visitors, facility management and tenants, as well as to fulfil the gap in the existing knowledge. The main research question is following:

How the key stakeholders and retail real estate create relationship value?

The author pays attention to the main focus of this research paper which is to describe the nature of the phenomena (Leedy et al., 2021). Therefore, in this research author does not use the survey as an instrument to collect the date. The meaning of the questions offered by prepared and formalized surveys may not match whit the categorise, that the respondent means, and they can freely express opinion only in an informal setting, where they are not limited within the framework of the questionnaire (Клюева, 2016). More detailed overview about qualitative data collection methods are described in the next subchapter. In addition, next subchapter provides more insights regarding how shopping centres and semi-structured interviewers ware selected.

2.2. Sample profile

Considering that author chooses exploratory method the non-probability purposive sampling is used to select respondents and shopping centres for the further analyses. Purposive sampling is the most usable sampling approach in qualitative researches and allows to choose "…individuals or objects that will yield the most information about the topic under investigation. "(Leedy et al., 2021).

To receive more insights about shopping centre resources and operation activities that could be a possible objective of stakeholders' value creation main shopping centres in Tallinn were analysed. To examinate the comparable information the shopping centres in Tallinn were selected according to the shopping centres classification introduced by Guy (1998) who argue that shopping centres can be divided by local, neighbourhood and regional depends on physical characteristics and catchment area. The smallest one is the local centre which has one up to ten tenants, with catchment area up to 5,000 inhabitants and approximately up to 3,000 m^2 of gross leasable area (GLA); neighbourhood - up to 10,000 inhabitants with lower size limit 10,000 m^2 GLA and regional that is determinate as largest shopping centre which can serve whole town with minimum GLA of 30,000 m^2 and over 100 tenants and retailers. According to this classification four main Tallinn regional shopping centres, located in different districts, were selected: Ülemiste, Kristiine, Rocca al Mare and T1 shopping centres (SC). Relevant entire content, actions and resources were searched out and later applied for the semi-structured interview and survey questionnaire.

Respondents for the semi-structured interview were chosen to receive more reliable data and insights of retail real estate. For the interview was selected experts from the real estate sectored who in their daily work are engaged in consulting on investments in commercial real estate (including retail) brokerage and facility management services. In addition, author sends an intervention to the real estate investors, however the offers were turned down due to confidentiality reasons. Choose of the respondents keeping in mind that real estate agency is an intermediate link that brings together investors, potential tenants and has an insight about their needs as well as objectives, guided by the retail real estate stakeholders.

According to the common market practise in Estonia, search for new tenants, potential real estate for investment and strategic development plans take place with direct participation and advisory from the expert's site. The Table 1 shows the respondent's profile.

Table 1: Semi-structure interview sample description

Interviewee	Duration, min	Experience	Advisory service	Key clients
Interviewee A	43:13	15 years	Analytics	Viru Shopping Centre, Linstow AS, Swedbank
Interviewee B	58:57	25 years	Investment	East Capital, Eften, Linstow AS
Interviewee C	41:05	20 years	Retail brokerage	H&M, Pepco, Sportland
Interviewee D	40:51	6 years	Retail brokerage	Stockmann, Prisma, Weekend
Interviewee E	41:13	15 years	Investment	Linstow AS, T1 shopping centre, Eften
Interviewee F	42:22	20 years	Investment	Astri Grupp, Microsoft, Eften,

Source: Author's table

Considering that research paper represents an exploratory study, in total was selected six experts, two of whom have information regarding drivers of the real estate facility management and tenants.

2.3. Data collection and analysis

As was already noticed the data for the shopping centres analyses is collected thru the observation of the secondary data comes from the centres' homepages, official annual reports, social network pages and Google reviews. The annual reports were extracted from the e-Business Register - a portal, which management by the Estonian state and provide information about all companies which are registered in Estonia. During the observation author of this paper scrape together historical operation activity, layout, main tenants, and its number. In addition, author is interested in the tenant mix structure which is positively related with productivity and visitors' satisfaction (Shun-Te You et al., 2007). As a starting point for the further analysis author selected the Ülemiste shopping centre due to hight variety and availability of the open data as well as numbers of brands and services offered compared to the other competitors. Even if shopping centre was constructed in 2004 it has a reputation as a leader in offering convenient family shopping. Such attitude is related to the fact that during the last eight years Ülemiste centre was expanded and maintained four times. After the last expansion, the shopping centre was enabled to provide not only fashion

brands, but also entertainment, sport as well as food and beverage, in total 225 tenants. The main anchor tents are grocery store which is followed by international well known fashion brands like Zara, H&M, Reserved, and New Yorker. In addition, relatively large area is occupied by sportswear retailers: Sports Direct and Sportland. The entertainment sector is represented via cinema, trampoline complex and gym. However, analysis of the shopping centre layout and floors pales shows that in general tenants are grouped based on the categories to produce higher synergy. Also shopping centre has a classical, two-storey, layout which is commonly used for the comparable regional shopping centres. The entrances are located thru the different sides, guarantees the pedestrian flow not only from the side of the parking lots, but also from the side of public transport, as well as Ülemiste City. In addition, management report pay attention on the modern and high-quality goods which are offered to the visitors. Considering, that shopping centre owner is a Norwegian real estate company Linstow AS a special attention is paid to sustainable development and usage of the renewable energy sources. In addition, Ülemiste centre has the BREEAM certificate which is used for the environmentally sustainable real estate investments evaluation.

The second shopping centre to be analysed was Kristiine SC. The same approach was applied, and author explores the same sources. However, analysis does not investigate any significant changes. Kristiine SC together with Ülemiste SC select grocery as the main anchor tenant with the representation of the world-wide brands (H&M, New Yorker, Sportland, Reserverd) and has 124 tenants. However, in addition to the classic tenant mix structure, in the year 2022 Kristiine SC was expanded during which health services was added. After the analyses author figures out that the owner is Citycon OYj a Finnish real estate company, which also owned one more shopping centre in Tallinn – Rocca al Mare SC. In fact, Rocca al Mare has a relatively lower various of the tenant mix categories and focused mainly on the fashion goods nor food and beverage services. The sipping centre occupied by 138 tenants. T1 shopping centre, the last one mall which was analyzed, is significantly different from the above-mentioned shopping centres. Firstly, T1 SC is a newly in 2018 year constructed mall which has a 4-storey layout. The developer was a Pro Kapital an Estonian company which idea was to introduce a new concept of SC which included new brands that had not previously been presented in Estonia (Intimissimi, Calzedonia). The main anchor tenants are cinema, Skypark and grocery store, nevertheless during the opening the shopping centre was occupied approximately by 50%, with significantly lower number of tenants, only 91, compared to the other selected regional shopping centres. However, in year 2021 the shopping centre was sold through an auction due to bankruptcy proceedings. Today T1 shopping centre is

operated by Lintgen Adjacent Investments and during the year 2022 the three new stores, with well-known brands, were opened: Sportland, Rademar and Denim Dream outlets. The is an example of the failed shopping centre due to the lack of the well-known and strong brands and anchor tenants, whose role is to attract visitors and generate a stable footfall. In addition, developer managed to lease only ca 50% of potential leasable area which negatively affected on the shopping centre image. The summary of the selected shopping centres is provided below in Table 2.

Table 2: Selected shopping centres

Name	T1 shopping centre
Location	Lasnamäe
GBA, m^2	119, 733 m^2
Anchor tenants	Selver, Hot Lips, Sportalnd, OnOff, Rademar, Skypark, Cinamon
Tenant mix	Grocery, Entertainment, Fashion Outlet, Electronics, Food, and beverage

Name	Ülemiste shopping centre
Location	Lasnamäe
GBA, m^2	120, 140.5 m^2
Anchor tenants	Zara, Jysk, Reserved, Sportland, Rimi, H&M, Apollo group, Euronics, New Yorker, Sports Direct, GYM!
Tenant mix	Grocery, Entertainment, Fashion, Electronics, Food and beverage, Sport, Furniture

Name	Kristiine shopping centre
Location	Kristiine
GBA, m^2	61,590.5 m^2
Anchor tenants	Rademar, Soortland, H&M, New Yorker, Sports Direct, MyFitness, Prisma, Jysk, Euronics, Apollo group, Reserved
Tenant mix	Grocery, Entertainment, Fashion, Electronics, Food and beverage, Sport, Furniture

Name	Rocca al Mare shopping centre
Location	Haabesrsti
GBA, m^2	68,787 m^2
Anchor tenants	Prisma, H&M, New Yorker, Reserved, Euronics, Rademar, Sportland, Apollo group, Home4you
Tenant mix	Grocery, Fashion, Electronics, Food and beverage, Furniture

Source: Author's table

Over and above that the visitors review on the social networks (Google review) of the four selected shopping centres was investigated. In total were explored 535 reviews about Ülemiste SC, T1 SC, Kristiine and Rocca al Mare SC. To ensure the data diversity, the reviews were sorted by most relevant and then randomly selected, on average 120 – 150 reviews were used from each shopping centre. The visitor's relationship value is hardly measurable; however, Google review tool uses a

5-star rating scale, which made it possible to determine the value creation drivers. Hence, Google review is showing the level of the satisfaction and service quality which is positively related with customers loyalty (Wong&Sohal, 2003). In over words the higher is the level of the service or product quality, the better relationship is built between customers and organisation. All revies were read several times and after all decoded for the first sub-level classification to identify value drivers. After the first round decoded classifications were grouped into broader relationship value main codes. Author of this thesis examinate 5 relationship value drivers: tenant mix, location, shopping centre image, experience and design which are described in the Table 3.

Table 3: Lists of codes

Main codes	Sub-codes			
Tenant mix	Food and beverage	Grocery	Fashion	Entertainments
Location	Parking	Access/Public transport	Notable objects	
Shopping centre image	Physical vacancy	Quality	Positive word of mouth	
Experience	Trend prediction	Brand awareness	Collaboration	
Design	Atmosphere	Layout	Maintenance level	

Source: Author's findings

Author wants to pay attention that the main purpose of the secondary data analyse is not to describe the performance of each shopping centre; rather to find an attributes regarding relationship value creation drivers in the retail real estate.

As a source of the primarily data semi-structured interviews were selected. This approach was selected due to semi-structured interviews represent the conversation where research has a number of pre-prepared questions, but also has a possibility to deviate from the list and to ask additional questions (Miles&Gilberd, 2005). In addition, questions are designed in open-end format which can allow to restive more reliable insights information, especially if research topic is not well investigated (Ibid). Due to interviews mainly consisted of the open questions, structure was not scripted, whoever the interview guide can be divided into two parts. In the first part, experts were asked to interpret the meaning of value. However, the second part was aimed to stimulate participants for the value creation process discussion, especially how they consider a relationship between stakeholders and which drivers are considering for the further collaboration. In order to navigate the respondents, author asked to bring an example and described inquiries received from clients related to the search for new retail space or tenants. Particular attention was paid to the

discussion of the choice of shopping centre alternatives. The interview was held in the simple face-to-face conversation and took place in the authors office, closed meeting room. The interviews duration was approximately 40 – 60 minutes. In total was distributed 15 inventions to participate in the semi-structed interview, however only six experts were agreed. The response rate was 40% which can be considered as relatively high, especially due to high confidentiality and limited access to the data on the real estate. The most common reason for the refusal was the lack of free time or confidentiality purposes. In addition, author didn't get feedback from two experts. With the permission of the participants, the interviews were recorded on the phone. To obtain the most reliable and qualitative information, before the start of the interview the author of the current research paper is briefly introduce the topic of discussion. In total six recorded interviews were transcribed by author. The internes were transcribed by means of Microsoft Office 365 and Tekstiks (Olev&Alumäe, 2022). To reduce the bias and to ensure accuracy, the transcription was compared with records two times (Rosenthal, 2016). Before to the content analyses author translate the transcription of the interviews, which were performed mainly on Estonian or Russian languages, into English. However, author want to pay an attention that due to cultural and language differences as well as possibility of the interviewee massage misunderstanding can lead to the interpretation bias. In addition, there is still a risk of the interviews interpretation due to author could be influenced by the interviewees. However, interviews transcriptions translate have been made independently by the author which is decreased probability of the translation bias.

Analysis of the semi-structured interviews and observation is based on the common practices of the case study analysis method: coding and categorized the information in order of common theme via content analysing (Leedy et al., 2021). The semi structured interviews content analysis shows the in the majority cases the real estate experts and clients revises on the Google have the same codes. However, interviews provide an insight which give the author to construct one more main code - financial indicators, which was not mentioned by customers. More detail information about financial indicator's sub-codes provided in the Appendix 3. The aim of the analysis is to explore the collaborative tenant-visitor-investor-facility management relationship value and possible drivers for its creation, based on the Coenen et al. (2013) real estate value map. Therefore, to find the answer on the research question, the author has attempted to receive insides from all four sides.

3. RESEARCH ANALYSIS AND RESULT

After the analysing of the customers review and interviews with commercial real estate professionals two levels of value creation in shopping centre relationship are emerged. Firstly, author want to conclude that study confirmed that value is co-created by four stakeholders: visitors, tenants, facility management and investors. The Figure 2 illustrate and summarized author fundings about relationship value drivers in the retail real estate, which may beneficially effect on the relationship value creation.
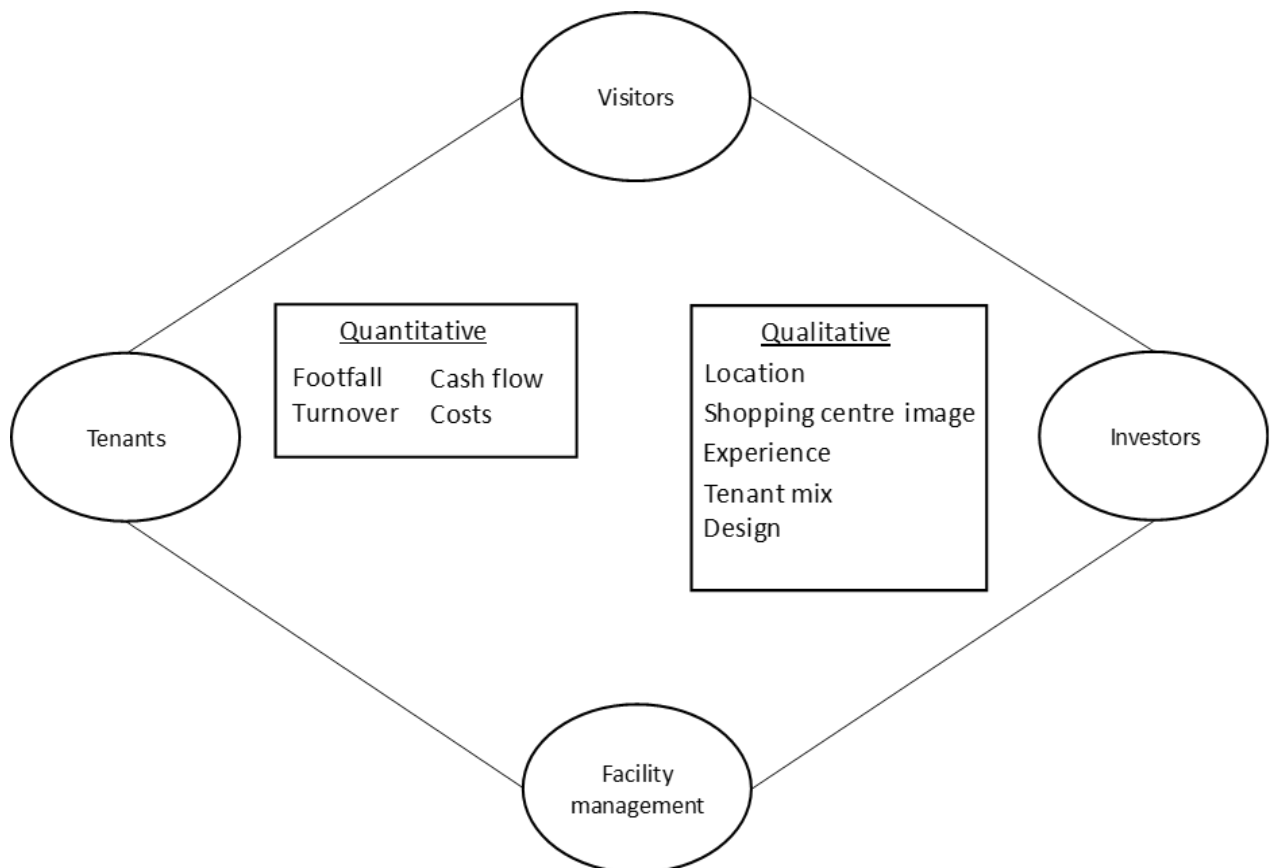

Figure 2. Relationship value drivers in the retail real estate
Source: Coenen et al. (2013) supplemented by Author's findings

However, in Tallinn market facility management and investors usually are interrelated parties. The findings show that value creation is considered both from on the qualitative and quantitative levels. Quantitative level expressed in such financial indicators like footfall, turnover, cashflow and costs. However qualitative level response for the value creation relationship between all stockholders and can be expressed thru the five drivers. This chapter will be described all these drivers in more detailed way.

3.1. Quantitative relationship value dimension

Considering that a major part of the retail stakeholders are juridical persons and companies which everyday business activities are focused on the income generation, the financial aspects cannot be ignored in the relationship value creation. All six interviewee are agreed and explain the importance of the financial indicators in the relationship value creation, especially for the investors and tenants. Tenant and investors are expecting the highest income with the lowest cost. Hence, they are looking for the cash flow and how much income can be generated. Cash flow and income: "For investors, in any case, it is only money, cash flow… (interviewee A)." "Let's say quantitatively, of course, an investor looks in one direction very specifically, like money numbers, if I put in a certain amount of money, then I have certain expectations regarding the yield and I want to receive some kind of amount from there, either annually or during a certain period, like then back, from there is as a return (interviewee B)." To have a stable income, investors looking for the existing tenants, how much is a rent. The quality of the lessee agreement age also important: "…for example, are they still on break for some time, the longer the stronger [lease agreement] … (interviewee B)"

The next importance drivers, which are considered for the relationship creations is a shopping centra footfall and turnover. The real estate experts argue that tenants and investors express and evaluate the value of the shopping centre thru these two drivers. Footfall and turnover is a statistical indicators that show how good shopping centre is performed, and the higher is the number the better it is. "I still think that, above all, footfall, that it is ultimately what, so to speak, you can turn into turnover (interviewee D)." In addition, the annual shopping centre footfall affects the choice and the opportunity to create relationships between the centre and the tenant. International brands, due to corporate conditions, put footfall as of the main driver: they have a lower limit, below which

they did not fall and if the shopping centre does not meet these criteria, it will be excluded from the list.

The analysis of the interview emigrates the importance of the cost, especially for the tenants. The amount of operating expenses in the shopping centre affects the calculation of the conditions under which they can afford to enter the particular shopping centre. To create a relationship, tenants usually analyse how their business model will work and amount of operations cost is an important contract criterion which is used for the further negotiations. „Yes, they [tenants] may say that you have too much [high operating costs], but we like the centre. If the tenant is interesting, they [owners/investors] will say, well, okay, if we have two euro more than the neighbour, okay, then we'll just take these two euro off from the rent (interviewee C)." As we can see, the amount of costs represent the evaluation importance of the investor's final product price – shopping centre. With equal initial data, but significant disadvantage in the cost structure, discount can be applied to stay competitive on the market.

To summarise the research found that in the tenant-investor-shopping centre value quantitative dimension pay an important role for the future relationship construction and driven by four main factors: footfall, turnover, costs and cash flow. Both stakeholders are looking for the prime properties, whether it be rent or operating expenses – is a complex process which indicate a shopping centre performance. Not enough footfall can be negative displayed on the turnover of tenants, which in turn will reduce their potential for paying stable rent. Higher than market benchmark operating costs decrease the retail property ability to compete and attractiveness for potential investors and tenants. Hence, that quantitative dimension is a core that keeps tenants and investors together, giving the opportunity to create a product, in the form of a shopping centre, to the final user - visitors. The research shows, that quantitative dimension involve only two stakeholders: tenants and investors. However, shopping centre relationship value cannot exist without the second level – qualitative dimension, which combine all four stakeholders.

3.2. Qualitative relationship value dimension

In additional to the purely pragmatic and countable quantitative dimension, author of this research paper found that relationship value of retail real estate properties is also affected by qualitative dimension which is driven by five main drivers: location, shopping centre image, tenant mix,

experience, and design. Corporate to the core dimensions, in this level all four stakeholders are involved into the value creation process.

According to the real estate value creation concept the location or accessibility of the property play an important role in the value creation process (Kask, 2002). Thru the location stakeholders are evaluate the success of the business or risk reduction. The location of the shopping centre is a synergy which arises from the surrounding centres, catchment area, infrastructure, roads and aceesability. In addition, location is considered in term of the future trend and area development potential: construction of new residential buildings roads or public transports. Study found that depends on the stakeholder group the benefit from the location is different. For the tenants, the catchment area is important. Before to create relationship with shopping centre, tenants looking at the catchment area, its demographic composition - choose the best and most suitable location. „If we are talking about food and beverage, for example, and let's say they want to open 5 new spots. They need to cover whole city because a big part of the concept is delivery and if we arrange the zones, then Kristiine shopping centre zone may turn out to be overlapping. Although Kristiine SC is top 3, but geographically it turns out that in any case you need to be in the city centre and in Mustamäe districts, because in terms of population Mustamäe is on the 2nd place. Hence, that Kristiine SC will be out of list (interviewee C). "

The analysis of the visitor's review investigates that accessibility and the availability of free and ample parking near the shopping centre are beneficial while the selection of the shopping centre. The real estate experts also agreed, that the ability of the comfortable parking possibilities is positively related with footfall:" Visitors don't go there, the fact is that it is perhaps inconvenient for the parking solution because there is not a, like just a convenient parking lot in front of the house [shopping centre] (interviewee C) ." The availability of free parking is appreciated among the visitors, especially possible to easily and quickly find free parking place during holidays and weekends. In addition, some interviewees provide an inside information, that some tenants indicate enough parking spaces as one of the drivers for the subsequent signing of a lease agreements. The secondly mention is availability of the public transport, 36 times. The presence of public transport is associated among the shopping centre visitors to quickly and easily option to arrive. The analysis of the review is shown that visitors find a beneficial to have such characteristics like variety of transport, timetable frequency and distance to the nearest public transport stop.

To summarize, stakeholders are shown a different meaning of the location and its potential for the value creation. From the one hand we have visitors, whose relationship driver, based on the easy access to the shopping centre. From the other hand investors and tenants, who take a more strategic approach. Stakeholders looking for not only for the prime or central location, but as a complex solution of catchment area, accessibility, and area development potential.

Shopping centre image has a high influence on the relationship value creation, especially from the visitor's point of view. Often, consumers are guided by the reputation of the shopping centre for further visits (Wijaya, 2013). The analyses of the customers review, especially related with T1 SC, show that the visual vacancy of the shopping centre is considered in value creation. Visitors mention the physical vacancy of the shopping centre. In the majority cases the presence of many vacant areas caused negative associations among visitors: "Not fully occupied - a lot of empty storefronts and "opening soon" signs - you can't trust that you can actually do decent shopping there (Google review)."

The other factor which can be considered as a part of the shopping centre image is quality of the product or services. The analysis of the review is shown that visitors of the shopping centre do not have a line between tenants located in the shopping centre and the shopping centre itself. For them, it is one product and the negative experience gained when visiting a particular store is immediately projected onto the entire shopping centre, or vice versa:" Best shopping centre in Tallinn, where you can find almost all of brand and quality stores and shops (Google review)."

In addition, the interview of the real estate expert, provided the evidence that one of the relationship creation beneficial factors between tenant and shopping centre is a positivise word of mouth. One of the characteristics of the retail market in Tallinn is its size - it is limited. Therefore "... that is, when they all [tenants] communicate with each other and share information that I'm doing well there (interviewee C) … "each shopping centre has a "glory," which is usually based on the footfall and turnover numbers. To conclude, the shopping centre image is a second relationship value driver. The stakeholders value creation can be driven according to the reputation which can be distributed in visual way like vacancy or verbal – word of mouth nor even physical – product quality. Depending on which factor, positive or negative, is more dominated – the powerful is the shopping centre image in the stakeholder minds.

Both, the analysis of the visitor's reviews and interviewees are investigating the third relationship value driver – tenant mix. In general, during the research author found that stakeholders are depends on the shopping centre concept. From the visitors site, especially for the regional shopping centres, it is valuable if SC is family oriented, has everything you need under the roof, regardless of age. The analyses of the rewires provide evidence that visitors are interested in food and beverage, grocery, entertainment, and fashion. For the visitors concept is driven by the satisfaction of the shopping goals. This is the part where the investor is also involved because it is a stakeholder who design and elaborate the shopping centre concept, the most important thing is why visitors go there "… but from the side of the owner it is always like a concept. What should work in this place, what community of tenants will shoot and give the desired result (interviewee C)." The participants in argue that the core of the concept is a this is the presence of anchor tenants, however, which category - opinions differed. Some respondents argue the necessity of the grocery store. The other, was in appoint that today, food and beverage is the main magnet for the visitors. In addition, the overall shopping centre concert effects on the tenant mix selection: „Viru SC initially didn't want H&M because it's not their contingent (interview A) "or "Some malls just say we have a family centre concept … IQOS (electronic cigarette), as a separate brand, they do not want to go to their shopping centre (interview D)." To the tenant, concept "… rather, it could be viewed in such a way that the tenant must know the customer for whom he offers his goods (interviewee F)." Also, some tenants are looking for the "right neighbours" as well as there are brands that, in principle, want to have only one store in the city. Here the concept of not only the shopping centre is already important, but also the brand that plans to enter the market.

Visitors pay attention, that good tenant mix is represented through the particle number of the international and awareness brands. The analysis of the shopping centre web pages shows that in Tallinn we have approximately 7 brands which are represented in every regional shopping centre: H&M, Zara, Reserved, Jysk, Euronics, New Yorker and Sportland. In addition, each SC has at least one grocery chain. The same pattern shows the analyses of the reviews "… (Zara, TH, Nike, Adidas, Sportland, Sportsdirect, J&J, H&M, Rademar and so on) (Google review)." However, brand awareness is a factor for the relationship value creation not only for the visitors, but also a tenants. Some tenants want to be in particular shopping centre, just beacons it is already occupied by Reserved or H&M: "…when it came to the market, other clothing stores wanted to be there from the H&M centre as well, … you have, there will be interest in your centre both from the tenants' side and from the visitors' side (interviewee B)." Such attitude is forced due to fact that this synergy of Reserved or H&M this is a guaranteed availability of footfall and turnover. Finally,

diversity of the product and services is also a task for the investors, especially to find an ideal proportion. Visitors express at the same time satisfaction and dissatisfaction of the service diversity. The presence of monotonous tenants and the absence of the „new brand names" has the same effect on relationship creation as presence of „no names ". However, investors should be accurate and considering the Tallinn's market is a small with limited liquidity where each shopping centre is always trying to find something new, thing that visitor is coming for.

In summary, tenant mix added value starting from the concept which first at all should satisfy not only visitors but also tenants needs. After that, anchor and brand awareness tenants are implemented to attract higher footfall. Lastly is a product diversity what visitors are going for extra in the shopping centre. As was already discussed the shopping centre core tenant-inventorship relationship is a quantitative indicator especially footfall and turnover. Therefor for the relationship value creation is important to collaborate with professionals. Investors are responses for the surveys and data collection, to evaluate a shopping centre performance as well as to find a solution of the problem solving. One of the experts noticed, that even with good numbers of footfall, some shopping centres have a problem with conversion rates and "…watch trends, where the market is, what are the needs of who works, who needs to be dragged (interview A)." In addition, one more factor of the professional collaboration is that investors and tenants are jointly engaged in the process of creating value. „You must work very hard with your tenants. Because this case, when your tenant covers everything with halogens lamps, which emit a huge amount of heat, and then you have to turn on the ventilation to cool it, all this spreads to everyone (interview A)." The professionals is an ability to convey, explain sometimes even train tenants. For example, Ülemiste SC every year organizes events for its tenants, where they talk about the shopping operations, the state of the retail market in general, and future trends as well as best tenants are awarded. From the other side the professionalism on the tenants also considered in value creation. A good example is a H&M, it's no secret that the brand has a large analytical team, and the final choice of location is always weighted. Research participants are agreed, that even with all the inconveniences related with retract lease agreement conditions, having H&M gives other tenants a sense of security and enhances the professionalism of the mall. Also, in term of smaller or local tenants' professionality is determined according to "…who are the best people house [firms] in this field in Estonia (interviewee F)."

In addition to professionalism, reliability was also highlighted. From the investors point of view the reliability of the tenants and relationship creation is driven that tenant can pay long-term and

stable rent or can offer the best concept to the visitors or he knows the visitors and what they want. From the other side, for the tenants the reliability if the investors are related with their speed of adaptation to new trends, especially in crisis situations. The interviewee C highlights that on the Tallinn retail market tenants speak well of the head of Ülemiste SC Guido Pärnits. Among the renters, he has the glory of a reliable and professional partner due to quick decisions making. In addition, tenants value the personal approach, opportunity to negotiate, human relationship and loyalty for the long-term relationships.

In summary, the participants agreed that the value creation thru the experience is a complex process which combine the reliability and professionalism. It can be highlights, that the understanding the partner needs, personal approach and joint work can be a benefit for the future value creation.

The visitors review shoe that the atmosphere is also a benefit for the value creation. Speaking about the atmosphere, we mean the general impression of the building, its design, cleanliness, fresh air even music:" This centre is fantastic, I personally love the ambient music in the halls, it makes everybody relaxed (Google review)." On the example of the T1 SC can be illustrated how the high vacancy is negatively and inaccurate facility management influence on the overall building atmosphere:" Empty and therefore a little creepy… [rate point 1] (Google review)." Interviewee agreed that the atmosphere of the shopping centre is a benefit and can be related with emotional aspects. Research investigates that atmosphere is a qualitative factor which is driven by visitors' attitude - it's nice to be here. In other words, it's clean, everything is working, there's no wear or worn flooring, everything looks very good and tidy.

The layout and convenience of using the building also leads to several benefits. The logical internal navigation and cluster system will make the purchase process more pleasant or even increase the footfall volume: „ I know that there are visitors who do not visit the mall if, for them, the anchor tenant is, according to their understanding, far from the entrance (interviewee D) ". It led that visitors calculate the time and try to optimize it. From the other hand, in Tallinn all regional shopping centres came at least 2-3 stages of expansion and to create an internal logistics without dead ends is very difficult. The respondent also pays an attention, that the illogical layout also influences on the tenants' value creation, long walking along the corridors disorients them not knowing where they are.

The last but not least is an overall shopping centre maintenance level. For the visitors it is mostly beneficial in term of visual appearance - feeling of a modern building. For the investors from the one hand, it is possibility to show a professionality and the ability to follow the trend, as well as to make the centre more prominent. Also due to the high flow of visitors, the depreciation of the building is faster, which has an effect of the overall atmosphere. „Then shopping centres must renew themselves every five years. Every five years, we must come and say that we made something more beautiful (interviewee F) ". When deciding on cooperation tenants, of course, looking for the maintenance level or when was the last renovation done. For them, it is more related with economic benefit. Shopping centres have many public spaces, such as corridors and recreation areas, according to common practice, tenants also pay utility bills from these premises. Therefore, it is important for the tenant that the building is energy efficient and, if possible, equipped with the latest technology and corresponds to the newest standards.

In summary, design is a complex activity which includes atmosphere, layout, and maintenance level. A well-thought-out design can be useful not only with a qualitative approach, but also with a quantitative one - helping to optimize costs. In addition, design the only driver involved both facility management and other four stakeholders. However, to construct successful relationship value, providing a wide range of products and services to meet the needs of different consumer groups, could be beneficial. Also, it is worth paying attention to creating a unique atmosphere and design to attract visitors and create a memorable image of the shopping center. And of course, the development of cooperation between tenants and the management company or Landlord to create favourable conditions for all parties.

CONCLUSION

For the last five years the retail rector in Estonia experienced many upheavals starting from the COVID epidemic to the hyperinflation in year 2022. The example of T1 shopping centres show that in the current realities, the usual approach no longer works. Investors cannot, as it was 20 years ago, just build a retail property, sign contracts with tenants and expect that the shopping centre will work. Today, the Estonian society is developed, and consumers do not experience a shortage of goods and the choice of retailers becomes more and more conscious. The shopping centres are located now of transition to new paradigm. Therefore, the stakeholders, especially tenants and investors needs new insights regarding shopping centre value creation processes and its drivers.

The exploratory research provides evidence that the retail real restate is a complex process. Real estate experts agree that the concept depends on the location and is an important factor in creating shopping centre relationship value. The author believes that in order to increase relationship value, a retail property location analysis should be carried out. Factors such as population density, age structure and proximity to transport hubs as well as the location of the notable objects should be considered. The study has shown that the initial concept of the shopping centre is determined by above mentioned factors. Depending on the location, the tenant mix of the retail space, its diversity and its price segment is dedicated in other words, the marketing concept of the shopping centre positioning. The study has shown that the concept of a shopping centre and its consistency with the appearance of a customer's lifestyle is regarded by visitors as a benefit. Location is also affecting the design of the appearance as well as the internal logistics. During the research author found out that an efficient and well-thought-out internal logistics layout of a shopping centre ensures an optimal flow of customers. Comfortable navigation, the correct location of the anchor tenants, as well as the elevators and escalators installed in convenient place are viewed by the visitors and tenants of the shopping malls as a benefit for establishing a relationship. In order to construct relationship value, all the elements listed above must be interlinked. In general relationship value is created in two dimensions. The fists one is a quantitative which is driven by

four factors: footfall, turnover, costs, and cash flow. On this level are involved two (tenants and investors) out of four stakeholders. This dimension is the core and the magnet around which the second dimension is built.

Author of this research has an opinion that the reason behind that the quantitative demotion is a core element in the value creation, come from the fact that shopping centre, as a product, has a complex network of the final users. It is generally accepted that a product or service has one final consumer. Hence shopping centre has a three: investor - wants to get a return on investment in financial term; tenants - uses the shopping centre as a place of business and is interested in high turnover; and visitors - want to satisfy needs and sacrifices in more hedonic form. From this we can conclude that 2 out of 3 end users are more interested in financial or quantitative factors rather that qualitative one. However, research show that value is also created in the qualitative dimension, which is driven by location, shopping centre image, tenant mix, experience, and design. Author assumed it is important to pay an attention, that even if these drivers are issued separately, they should be considered in a complex way. For example, the shopping centre image is influenced by visual vacancy and at the same, this visual image influences the whole shopping centre atmosphere which is a part of the design driver. If look even deeper, the presence of a high vacancy can be a disadvantage and send a signal about non-professionalism of the shopping centre operation company (investors). Training tenants or analysing the behaviour of visitors, as well as maintaining contact with them through social networks could be beneficial in term to forecast the trends and make the shopping centre more valuable. Shopping centre value cannot be created only in term of one dimension. Focus solely on financial performance as well as only on the qualitative drives does not represent the source of the value creation. The findings give an inside that in the retail real estate value is complex and co-cocreated by all four stakeholders. For the better result, the value creation process should be collaborative. The study confirmed that in retail real estate the value is created by four stakeholders. Increased competition and demand in the real estate market has led to a shift of value from financial to suppliers – customers relationship. To construct a successful relationship, a set of competitive advantages should be identified for all stakeholders of the retail real estate property. The shopping centre should seek to achieve a positive attitude towards the retail facility in the minds of its stakeholders which enable to identified retail real estate property among competitors.

This master thesis aim is to integrate the relationship value creation concept from the marketing literature into retail real estate filed of activity to explore it from the perspective: How the key

stakeholders and retail real estate create relationship value? The research gap lies in the stakeholder's drivers which contribute to the relationship value creation with retail real estate remain unclear and underestimated. During this study author want to fill the gap in the existing knowledge. In the current paper's author was focused on the commercial real estate, especially retail sector. The reason for choosing this sector is that the real estate market has a limited amount of information available due to confidentiality, but in the retail sector it is possible to collect data from the open sources, especially about tenant mix.

Considering the huge number of the value definition in the real estate, literature review shows that value creation in the real estate is considered mostly in forms of financial instruments and estimate in money or their equivalents. At the same time economics and marketing research cannot lead to the one common understanding of the value creation. In the marketing literature the concept of the value is quite broad. Academic suggest considering a value as a difference between the product benefit and price which was paid for it. Also, it will be concluded that value creation is a complex process which involves numbers of stakeholders. Hence, value is co-created and can explore the value co-creation via monetary, customer loyalty, relationship and needs satisfaction. In general, value can be constituted form the one- or multi-dimensional approaches. However, one-dimensional approach provides only narrow understanding of the value creation and considered only one attribute like price or quality. Therefore, the other part of the researchers explores a value creation from the multi-dimensional model point of view. In general, multi-dimensional concepts of value creation allow to investigate the value in a complex way, explore not only the financial aspects but also the motive, purpose, or emotion evoked by the consumption of a good or service. Compare to the marketing literature review can be concluded that real estate academics investigate value creation according to the price-based theory and determinate mostly on the shareholder value. However, over the past years, researchers started to explore change of value creation in real estate from one - dimensional financial value to multidimensional value creation orientation. Basis for the multidomain approach was a stakeholder theory and shift for more hedonic, relationship drivers. Nevertheless, literature review shows a lack of insights or further investigation on how value creation process is carried out in the real estate especially in the retail sector. Therefore, the author assumes that retail properties can be applicable in term to investigate more about value creation in the commercial real estate, especially contribute the key stakeholders' drivers.

This master thesis aim is integrating the relationship value creation concept from the marketing literature into retail real estate to explore relationship value creation from the perspective of the

main drivers between shopping centre and landlord, visitors, facility management and tenants to fill the gap in the existing knowledge. The author pay attention to the focus of this research paper is describe the nature of the phenomena and therefore for this research author choose qualitative design. An initial point for the exploratory research a case study design was selected to investigate the phenomena and find the answer on the paper's research question. The non-probability purposive sampling is used to select respondents and shopping centres for the further analyses. The data was resewed from the public data bases, Google review and semi-structed interviews with real estate experts.

The exploratory research provides evidence that the retail real restate is a complex process. In general value is created in two dimensions. The fists one is a quantitative which is driven by four factors: footfall, turnover, costs, and cash flow. The second one is qualitative demotion which is driven by location, shopping centre image, tenant mix, experience, and design. Author discovered that in the retail real estate value is complex and co-cocreated by all four stakeholders.

The present research investigated the relationship value creation in the retail real estate sector and was designed as empirical study. Therefore, the presented study cannot be considered without some limitations. Firstly, there is a limited number of qualitive sources about the shopping centres in Tallinn due to confidentiality issues, which is typical for the commercial real estate market. Considering such issue, the second source data was collected from the open public resources and rely on its' accuracy, especially in Google reviews their information is not verified, but checked for the fabrication. Secondly, the semi-structured interviewees are selected from the one commercial real estate advisory company, therefore research findings cannot be generalised for the whole market and beyond the real estate experts that participated in the interviews. The another limiting factor has been occurred due to majority of the interviews were held in Estonian language as well as subsequent translation into English, both of which are the author's 2nd languages. During the translation, errors in interpretation or loss of information could be occurred. Also, author was limited in time and resource availability. Due to the strict timeline the research was conducted for only 3 months. Finally, the present study explored relationship value drivers in the retail real estate sector. However, should be noticed that research focused only on the Tallinn's regional shopping centres under the operational phase. The relationship value creation of the other commercial properties like offices, hotels or warehouses is not investigated.

Author suggests that the present study can be used as an initial point for the further research in investigation of the value creation process of the real estate in Estonia with more quantitative approach. The findings provided in current research could be used to determine and measure the most important and valuable driver for each stakeholder. Also, author will be intrusted in how relationship value creation drivers are correlated with each other. The study could be used to identify relationship value drivers on the different stages of the shopping centre lifetime: development; operation; exit. Also, author suggest for the further research to investigate relationship value creation of the offices, hotels, and warehouses properties. Studies of the relationship value creation in the real estate should be also conducted thru the more representative and diversify samples. Further researchers can implement more quantitative approaches and larger samples to make more generalised findings.

LIST OF REFERENCES

Alexander, D. (2007). *Recent History of Fair Value*. In Walton P.J. (Ed.) The Routledge Companion to Fair Value and Financial Reporting, pp. 71 - 90. Routledge

Anderson, J. C. (1995). *Relationships in business markets: exchange episodes, value creation, and their empirical assessment*. Journal of the academy of marketing science, 23 (4), pp.346-350.

Babin, B. J., Darden, W. R., & Griffin, M. (1994). *Work and/or fun: measuring hedonic and utilitarian shopping value.* Journal of consumer research, 20(4), pp.644-656.

Bannister R.J., & Ravin J.(1997).*Theory in Action: Is Your Company Ready for Value-Based Management?* Journal of Business Strategy, 18 (2), pp. 12-15.

Bolton, R. N., & Drew, J. H. (1991). *A multistage model of customers' assessments of service quality and value.* Journal of consumer research, 17(4), pp.375-384.

Cant, M. (2005). *Collaboration in infrastructure services in regional retail centres: Value-added contribution of facilities management at the Birmingham Bullring*. Journal of Facilities Management, 3(3), pp. 215-225.

Centre of registers and Information Systems (2023). e-Business Register [E-database]. Retrieved April 02, 2023, from https://ariregister.rik.ee/eng

Coenen, C., Alexander, K., & Kok, H. (2013). *Facility management value dimensions from a demand perspective.* Journal of Facilities Management, pp.339-359.

Colliers (2021). ExCEEding borders. Alive & Kicking CEE-16 on the radar of discounters. Retrieved March 29, 2023 from https://www.colliers.com/en-lv/research/exceeding-borders-retail-report-2021

Cronin, J. J., Brady, M. K., Brand, R. R., Hightower Jr, R., & Shemwell, D. J. (1997). *A cross-sectional test of the effect and conceptualization of service value.* Journal of services Marketing, 11(6), pp.375-391.

Dhar, R., & Wertenbroch, K. (2000). *Consumer choice between hedonic and utilitarian goods.* Journal of marketing research, 37(1), pp.60-71.

Dodds, W. B., Monroe, K. B., & Grewal, D. (1991). *Effects of price, brand, and store information on buyers' product evaluations*. Journal of marketing research, 28(3), pp.307-319.

Eesti standardikeskus.(2015).Vara hindamine. *Osa 1: Hindamise mõisted ja põhimõtted: Eesti standard EVS 875-1:2015*. Tallinn: Eesti standardikeskus.

Energy Economics Group. (2017). Data Mapper - Shopping centre GLA per 1000 capita. Retrieved April 02, 2023 from https://eeg.tuwien.ac.at/commonenergy/gla-per-capita-shopping-center

Enever N., Isaac D. & Daley M. (2010). The Valuation of Property Investments 7th ed. Elsevier Ltd.

Google (2023). T1 Centre Google review. Retrieved February 07, 2023 from https://www.google.com/search?q=t1keksus&rlz

Google (2023). Ülemiste Centre Google review. Retrieved February 07, 2023 from https://www.google.com/search?q=%C3%BClemiste+keksus&rlz

Google (2023). Rocca Al Mare Mall Google review. Retrieved February 07, 2023 from https://www.google.com/search?gs_ssp=eJzj4tLP1T

Green, A. N., & Jack, A. (2004). *Creating stakeholder value by consistently aligning the support environment with stakeholder needs*. Facilities, 22(13/14), pp.359-363.

Grubbe F.H., Atuel H., Shea-Joyce S., McKinley M., Ruzich E., & Landis M. (2008). The appraisal of real estate, 13th ed. Appraisal Institute

Grönroos, C. (2008). *Service logic revisited: who creates value? And who co-creates?* European business review, 20(4), pp.298-314.

Grönroos, C. (2011). *A service perspective on business relationships: The value creation, interaction and marketing interface*. Industrial marketing management, 40(2), pp.240-247.

Guy, C. M. (1998). *Classifications of retail stores and shopping centres: some methodological issues*. GeoJournal, 45, pp.255-264.

Haddadi, A., Temeljotov-Salaj, A., Foss, M., & Klakegg, O. J. (2016). *The Concept of Value for Owners and Users of Buildings–A literature study of value in different contexts*. Procedia-social and behavioral sciences, 226, pp.381-389.

International Accounting Standards Committee (2020). IAS 16 — Property, Plant and Equipment. Retrieved March 06, 2023 from https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards

International Valuation Standards Committee. (2013). International valuation standards 2013. London: International Valuation Standards Council.

Jensen, P. A. (2010). *The facilities management value map: a conceptual framework*. Facilities, 28(3/4), pp.175-188.

Jensen, P. A., van der Voordt, T., Coenen, C., von Felten, D., Lindholm, A. L., Balslev Nielsen, S., & Pfenninger, M. (2012). *In search for the added value of FM: what we know and what we need to learn.* Facilities, 30(5/6), pp.199-217.

Kask K. (2003). Kinnisvara rahandus. Tartu Ülikooli Kirjastus

Kerin, R. A., Jain, A., & Howard, D. J. (1992). *Store shopping experience and consumer price-quality-value perceptions.* Journal of retailing, 68(4), pp.376-397

Kotler, P. (2001). Marketing management, millennium edition. Prentice-Hall, Inc.

Leedy P. D., Ormrod J. E. & Johnson L. R. (2021). Practical Research: Planning and Design, Global Edition, 12th edition. Pearson Education Limited

Lindholm, A. L., Gibler, K., & Leväinen, K. (2006*). Modelling the value-adding attributes of real estate to the wealth maximization of the firm.* Journal of real estate research, 28(4), pp.445-476.

Low Insider (2023). Retail Property definition. Retrieved April 02, 2023 from https://www.lawinsider.com/dictionary/retail-property

Lynch, B. (2002). *Maximising FM's contribution to shareholder value. Part 1: Can the capital expenditure process for fixed assets be improved?* Journal of Facilities Management, 1(1), pp.48-56.

Maguire, P., & Robinson, J. (2000). Building evaluation by prospective lessees. CIB W70 2000.

Miles, J., & Gilbert, P. (Eds.). (2005). A handbook of research methods for clinical and health psychology. Oxford University Press on Demand.

Muldavin, S. (2008). Quantifying "green" value: Assessing the applicability of the CoStar studies. Green Building Finance Consortium, California.

Nourse, H., & Roulac, S. (1993). *Linking real estate decisions to corporate strategy.* Journal of real estate research, 8(4), pp.475-494.

Olev, Aivo; Alumäe, Tanel. "Estonian Speech Recognition and Transcription Editing Service". Baltic J. Modern Computing, Vol. 10 (2022), No. 3, pp. 409–421 https://doi.org/10.22364/bjmc.2022.10.3.14

Payne, A., Holt, S., & Frow, P. (2000). *Integrating employee, customer and shareholder value through an enterprise performance model: an opportunity for financial services.* International Journal of Bank Marketing, 18(6), pp.258-273.

Prahalad, C. K., & Ramaswamy, V. (2004). *Co-creation experiences: The next practice in value creation*. Journal of interactive marketing, 18(3), 5-14.

Reikli, M. (2013). *Value creation or value destruction in the shopping centre industry? The Rise and Fall of Shopping Centers in Romania*. International Journal of Management Cases, 15(4), pp.274-286.

Robinson, J. (2005, January). Property valuation and analysis applied to environmentally sustainable development. In PRRES, 11th Pacific Rim Estate Society Conference 2005, Melbourne, 23 (Vol. 27).

Rosenthal, M. (2016). Qualitative research methods: *Why, when, and how to conduct interviews and focus groups in pharmacy research.* Currents in pharmacy teaching and learning, 8(4), pp.509-516.

Roulac, S., Adair, A., McGreal, S., Berry, J., & Allen, S. (2006). *Real estate value: creation and destruction*. Journal of Property Investment & Finance, 24(6), pp.474-489.

Sánchez-Fernández, R., & Iniesta-Bonillo, M. Á. (2007). *The concept of perceived value: a systematic review of the research.* Marketing theory, 7(4), pp.427-451.

Sayce, S., Smith, J., Cooper, R., & Venmore-Rowland, P. (2009). Real estate appraisal: from value to worth. Blackwell Publishing Ltd

Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). *Why we buy what we buy: A theory of consumption values*. Journal of business research, 22(2), pp.159-170.

Shun-Te Yuo, T., Lin, C. Y., & Lin, Y. W. (2007). An analysis of the Retail Property Market in Taiwan: Competition between Department Stores and Shopping Centres. European Real Estate Society 2007 Conference, London (1-30). UK

Siburian, E., & Yohanes, A. (2019, July). Shareholder Value Creation Measurement Analysis in Healthcare, Materials, and Real Estate Industry in Indonesia. In Asia Pacific Business and Economics Conference (APBEC 2018) (pp. 380-387). Atlantis Press.

Syspro. (2018). A Guide to Understanding The Porter's Value Chain and ERP. Retrieved on March 15, 2023 from https://www.syspro.com/dl/WP/SYSPRO-Understanding-The-Porters-Chain-Guide.pdf

Takács, A., Ulbert, J., & Fodor, A. (2020). *Have investors learned from the crisis? An analysis of post-crisis pricing errors and market corrections in US stock markets based on the reverse DCF model.* Applied Economics, 52(20), 2208-2218.

Talwar, S., Dhir, A., Kaur, P., & Mäntymäki, M. (2020). *Why do people purchase from online travel agencies (OTAs)? A consumption values perspective*. International Journal of Hospitality Management, 88, 102534.

The International Financial Reporting Standards Foundation (2011). IFRS 12 -Fair Value measurement. Retrieved March 06, 2023 from https://www.ifrs.org/content/dam/ifrs/publications/

Treacy, M., & Wiersema, F. (1993). *Customer intimacy and other value disciplines*. Harvard business review, 71(1), pp.84-93.

Wijaya, B. S. (2013). *Dimensions of brand image: A conceptual review from the perspective of brand communication.* European Journal of Business and Management, 5(31), pp.55 -65

Wong, A., & Sohal, A. (2003). *Service quality and customer loyalty perspectives on two levels of retail relationships*. Journal of services marketing, 17(5), pp.495-513.

Woodruff, R. B. (1997). *Customer value: the next source for competitive advantage*. Journal of the academy of marketing science, 25, pp.139-153.

Yoon, S., Oh, S., Song, S., Kim, K. K., & Kim, Y. (2014). *Higher quality or lower price? How value-increasing promotions affect retailer reputation via perceived value*. Journal of Business Research, 67(10), 2088-2096.

Zeithaml, V. A. (1988). *Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence.* Journal of marketing, 52(3), pp.2-22.

Клюева, Н. В. (2016). *Качественные методы исследования: учебно-методическое пособие.* Ярославль: ЯрГУ, 26

APPENDICES

Appendix 1. Interview questions guide

Q1	What is value?
Q2	What is a driver/driver for the relationship creation?
Q3	Does tenant mix is considered in the relationship creation?
Q4	Does visitors is considered in the relationship creation?
Q5	Which tenants should be present in the shopping centre to build a relationship?
Q6	How do tenants create value for the centre?
Q7	How do facility management create value for the centre?
Q8	How do visitors create value for the centre?
Q9	How do investors create value for the centre?
Q10	Would you like to add something of your own?

Link to interview transcribes:

https://docs.google.com/document/d/1FJS7e6B8arsKEVI8Qvef1yosAzEvooTrzxCfcCupV3M/edit?usp=sharing

Appendix 2. Google review examples

J P
Local Guide · 80 reviews · 1,512 photos
★★☆☆☆ 5 years ago

Useless products with high price

Jan de Vries
Local Guide · 276 reviews · 2,222 photos
★☆☆☆☆ 3 years ago

very unfriendly and like many other shopping centers too big. There are better shopping center in Tallinn. Also the connection to the road is terrible. Prisma inside is one of the most expensive super markets in Tallinn.

👍 1

Andreas Mavrikios
Local Guide · 42 reviews · 151 photos
★★★★★ 3 months ago

I recently visited the Ulemiste centre in Tallinn, Estonia and I was extremely impressed with the shopping, dining, and entertainment options available. The centre is modern, clean, and well-maintained.

One of the standout features of the Ulemiste centre is the variety of stores and restaurants. There are so many different options to choose from, ranging from high-end fashion brands to local boutiques, and from fast food to gourmet dining. Whether you're looking to shop for gifts or treat yourself, you'll be sure to find something that suits your taste and budget.

The entertainment offerings at the Ulemiste centre are also top-notch. There's a cinema, a gym, and a children's play area, all of which are well-maintained and fun to visit. I especially enjoyed the cinema, which had a great selection of movies and comfortable seating.

Overall, I had a fantastic experience at the Ulemiste centre and I would highly recommend it to anyone visiting Tallinn. It's a great place to spend a day shopping, dining, and relaxing, and it's definitely worth a visit if you're in the area.

👍 Like

kishor chukka

3 reviews · 4 photos

⋮

★★★★★ 10 months ago

This shopping center has good collection of shops. But I had an interesting experience at one of the shop 'New Yorker'. The display price of the item is €9.99 but I got charged €12.99. I asked why did you charge me more and the reply was that "the price changed, they didn't have enough time to change the display". Also the shopping center advertised 20% discount which was not offered by this shop as "they can't offer discount to everyone!!".

👍 Like

Source: Google review

Appendix 3. Overview of the codes

Main code	Sub-codes			
Tenant mix	Food and beverage	Grocery	Fashion	Entertainments
Location	Parking	Access/Public transport		Notable objects
Shopping centre image	Physical vacancy	Quality		Positive word of mouth
Experience	Trend prediction	Brand awareness		Collaboration
Design	Atmosphere	Layout		Maintenance level
Financial indicators	Turnover	Footfall	Cash flow	Cost

Source: Author findings

Appendix 4. Non-exclusive licence

A non-exclusive licence for reproduction and publication of a graduation thesis[1]

I Darja Liping

1. Grant Tallinn University of Technology free licence (non-exclusive licence) for my thesis

VALUE CREATION IN THE RETAIL REAL ESTATE SECTOR:
STAKEHOLDERS' RELATIONSHIP VALUE DRIVERS,

supervised by René Arvola,

1.1   to be reproduced for the purposes of preservation and electronic publication of the graduation thesis, incl. to be entered in the digital collection of the library of Tallinn University of Technology until expiry of the term of copyright.

1.2   to be published via the web of Tallinn University of Technology, incl. to be entered in the digital collection of the library of Tallinn University of Technology until expiry of the term of copyright.

2. I am aware that the author also retains the rights specified in clause 1 of the non-exclusive licence.

3. I confirm that granting the non-exclusive licence does not infringe other persons' intellectual property rights, the rights arising from the Personal Data Protection Act or rights arising from other legislation.

_____ (date)

---

[1] *The non-exclusive licence is not valid during the validity of access restriction indicated in the student's application for restriction on access to the graduation thesis that has been signed by the school's dean, except in case of the university's right to reproduce the thesis for preservation purposes only. If a graduation thesis is based on the joint creative activity of two or more persons and the co-author(s) has/have not granted, by the set deadline, the student defending his/her graduation thesis consent to reproduce and publish the graduation thesis in compliance with clauses 1.1 and 1.2 of the non-exclusive licence, the non-exclusive license shall not be valid for the period*