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Retail Brand Evolution: The Case of Tallinna Kaubamaja Estonia's Department Store

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Abstract

When Estonia regained its independence in 1991 after almost a half century of forced from the forced incorporation into the Soviet Union, a number of major changes occurred. Of these changes, one of the most overt occurred in the transition from the centrally planned, poor quality or scarce inventory retail sector, to one of free markets and customer focused products. This study, by way of a case study, examines an exemplar of a retailer that successfully brokered these changes and continues to lead the retail sector in Estonia. Tallinna Kaubamaja, ("Tallinn's Department Store"), was established during Soviet times in 1960, continued to operate throughout transition, a public offering, domestic and international expansion, and into the world of e-commerce. Utilizing case study methods, this research provides an historical overview of how Tallinna Kaubamaja pursued the traditional retailing model of branch expansion, both in Estonia and internationally, and then into retailer brand extensions into a number of other retail fields, particularly the supermarket and e-commerce sectors. This research analyzes how a mid-sized retailer, in the smallest of the Baltic States, has met a number of challenges with respect to retail trade during the 21st Century. The findings were drawn from Tallinna Kaubamaja archives, annual reports, interviews by the author with former and current employees, and consumer shopping surveys. Contributions of this study focus on the interrelated roles of retail location, retail format, geography, history, and country of origin, on retailer brand success.

Keywords: Retail Brand Extension, Estonia, Historical Review.

JEL classification: L8.

Introduction

Estonia, the smallest of the Baltic countries (the others being Latvia and Lithuania), with a population of approximately 1.5 million, has experienced a history of conflict, and occupation, up until its restoration of independence with the fall of the Soviet Union in 1991. As a country that has maintained its distinct language and culture, Estonia has a history of protecting and promoting what it refers to as 'it's own' (Johnston & Snow, 1998). Modern examples include the development of the software for SKYPE, and becoming the first European country where people vote in elections online, 'i-Voting' (e-estonia, 2021). In terms of retailing, one could also consider Estonia's identity being defined by the iconic department store Tallinna Kaubamaja. The store opened in the centre of the capital city Tallinn, in 1960. Tallinna Kaubamaja (literally the 'Tallinn Trading House' in Estonian, simply 'Kaubamaja' to most Estonians, and in English, the 'Tallinn Department Store') is the oldest department store, and the largest department store, in terms of sales, in Estonia (McKenzie, 2011).

This research aims to explore two questions. The first is how Tallinna Kaubamaja, as a Soviet era retail brand has managed to not only succeed through Estonian re-independence, privatization, joining the EU, the adoption of the Euro, surviving through two major external events, the 2008 financial crisis and the Covid Pandemic, and still managed to grow and be successful. The second question presents a more in-depth analysis of Tallinna Kaubamaja's expansion success by way of a review of their first major retailer bramd extension, the supermarket chain Selver. Utilizing a content review of the Tallinna Kaubamaja annual reports from 2000 – 2020, with respect to the Selver brand, provides insight into how a subsidiary both flourished and experienced many challenges, while continuing providing benefit to the corporate brand (Balakrishnan et al., 2010).

The remainder of the paper is laid out as follows. A brief review of the founding of Tallinna Kaubamaja in 1960, through its 60th anniversary of continuous operation in 2020 is discussed. The content is drawn from the author's extensive research of the department store, including interviews with former executives and employees of the company, and longitudinal empirical consumer data as to the performance of the department store. The subsequent section begins with a brief literature view of the importance to firm success through brand extensions in general, and in the retail sector specifically. Following the literature review, the analysis of the twenty years of Tallinna Kaubamaja annual reports, with respect to the Selver brand, provides support for the role of a major retail brand extension to parent firm success over times of great turmoil and financial challenges. The paper concludes with contributions of the research, research limitations, as well as suggestions for future study.

Tallinna Kaubamaja – Tallinn's Department Store

Tallinna Kaubamaja which is part of the Tallinna Kaubamaja Grupp AS (henceforth TKG) opened in 1960 as a state enterprise. In order to showcase these changes, there was a call for the capital cities of all Soviet Republics to open a flagship Department store that would overtly signal this accomplishment (Howard, 2016). The decision for a state department store in Estonia began in 1955, and the site chosen for the store was just outside the old walled city. The location was selected as it was close to both the city and inter-city bus stations, which was important as few Estonians owned an automobile and were reliant on public transportation (Pino, 2000). The physical building took approximately five years to complete. The date chosen for its official opening was to be July 21st, 1960 (Joost, 2009). This date was specifically selected as it was to coincide with the 20th anniversary of the establishment of the Estonian Soviet Socialist Republic (or as was often stated by the Soviet authorities, to commemorate the 'celebration' of when Estonia joined the USSR.)

Tallinna Kaubamaja continued to survive during the remaining three decades of the Soviet period, and with Estonia's independence restored in August, 1991 (Estonia had an initial period of indepence between the two world wars – see Taagapera, 1993). One of the major undertakings that began after 1991, was the privatization of previously State-owned enterprises. Tallinna Kaubamaja one considered one of these prize businesses (Erlanger, 1994). Thus in 1994, the Soviet era department store was now an independent enterprise, and soon to be, a publicly traded Estonian retailer. The company, along with ten other firms, was listed on Estonia's first stock exchange, the Tallinn Stock Exchange (since 2014, named Nasdaq Tallinn) in 1996 (Luštšik, 1998).

Acquisition and Expansion

As noted, the name Tallinna Kaubamaja translates into Tallinn Department store. There also existed other "Kaubamaja's" in Estonia, but none the size of the one in Tallinn. Even prior to the opening of Tallinna Kaubamaja in 1960, there was a Tartu Kaubamaja located in Tartu, the second largest city in Estonia (although arguably the Tartu store was more like a central market rather than a traditional department store). Tartu Kaubamaja opened in 1954 (Lään, 2008), and in 1996, Tallinna Kaubamaja purchased a majority share ownership of the store.

A second area of growth for TKG was the establishment of the Selver brand of supermarkets. Although the Tallinna Kaubamaja store had a food shop in the basement of the store, there was an identified need to expand beyond the department store sector to participate in the growth of the overall retail sector in Estonia. The first store was located in the Lasnamäe area in the eastern sector of Tallinn in 1995. This heavily populated area represented one of the largest concentrations of ethnic Russians in Tallinn (the ethnic Russian population of Tallinn consists of approximately one third of the total population).

With the popularity and success of Tallinna Kaubamaja, due to growing Estonian disposable incomes, particularly for Western quality goods, and a significant influx of shoppers from much higher income neighbouring countries, Finland and Sweden, there was a decision to expand internationally (REF). Part of the interest to expand has been attributed to the fact that also in 1996 saw the entrance of Tallinna Kaubamaja's first department store competitor with the arrival of the Finnish store Stockmann (Tohver, 2009).

Perhaps to set out a position that Tallinna Kaubamaja was confident in being able to compete with Stockmann's, Helsinki Kaubamaja was opened in central Helsinki, Finland in 1997. This international foyer was historic as it was the first time a former Soviet enterprise had expanded into the west (Eesti Päevaleht, 1996). The management of Tallinna Kaubamaja believed that based on the number of Finns that shopped the store in Tallinn, and thus high brand recognition for the Kaubamaja brand, would also shop the store in Helsinki. The success of such an endeavour was short lived, as it was almost immediately evident that the reason so many Finns shopped the Tallinn store, was due to the relative low price of the goods in Estonia. Costs of operation were much higher in Helsinki, and in addition to Stockmann, department stores such as SOKOS proved to be too strong for Helsinki Kaubamaja (Heikkinen, 1998).

Since the expansion failure in Finland, TKG looked at other ways to participate in the growth of the retail sector in Estonia. Demonstrating their confidence in the future, in 2000 TKG joined the Intercontinental Group of Department Stores (IGDS), as the sole department store member in Estonia and the Baltic States, which it has continued to be today. The flagship store in Tallinn underwent a number of renovations and expansions during the 1990s and 2000s. In 2003, the Tallinn store was expanded and renovated in order to connect the store with a new shopping mall, Viru Keskus across the street (a walkway was built to connect the two structures on the second level). The department store was expanded by 1.5 times in terms of retail floor space, and a separate grocery store, Kaubamaja Toidumaailm (The World of Food) was opened, replacing the food store previously located in the basement (Tallinna Kaubamaja, 2004; Vaba Eestlane, 1963). The year 2005 saw the demolition of the original Tartu Kaubamaja and the building of a completely new store. The last two years of the decade were a challenge as the financial crises of 2008 and 2009 resulted in a hit to Estonia's economy, and the department store division of TKG experienced some of their greatest losses.

Customer Attitude Towards Tallinna Kaubamaja

One of the areas where TKG took great pride was in the respect that was shown towards the Tallinna Kaubamaja brand. The store received numerous awards as a leading Estonian brand, as well as being viewed as one of the top places for employment in Estonia (Oja, 2019). It can be argued that this was not always the case, particularly during the immediate years after re-independence and once international retailers began to enter the market.

One of the ways in which a retail brand is judged to be successful is how it is viewed in terms of customers' perceptions. In order to evaluate this performance, a summary of historical measures of Tallinna Kaubamaja customers' attitude towards the retail brand. This data is drawn from the author's work in this area, and the findings are from five rounds of customer surveys collected every five years from 1999 to 2019. Two additional questions are included that were aimed at determining how Tallinna Kaubamaja customers perceive the level "Estonianess" or support that the store provides to the community. The summary data is shown in Table 1

Table 1: Tallinna Kaubamaja Customer Perceptions: 1999-2019

Attitude to the Retail Brand	1999 (n=91)	2004 (n=137)	2009 (n-110)	2014 (n=107)	2019 (n=100)
This store has a good reputation among customers	4.38	3.20	2.34	3.08	3.06
There is something special about this store	5.33	4.48	3.13	4.23	4.06
I really admire this store	5.57	4.41	3.24	4.15	3.77
"Estonianess" of Tallinna Kaubamaja					
This Store is Strongly Estonian	3.85	3.96	4.98	3.79	3.20
This store provides the best shopping environment for the community	3.24	3.90	2.76	3.52	3.33

** customers were asked to evaluate Tallinna Kaubamaja on a 1-9 scale, with 1 "strong agree" and 9 "strongly disagree"

Source: Author

As can be seen, the overall ratings for each of the five measures was somewhat consistent over the 20-year period, although not what one may consider as impressive performance. Of special interest was in 2009 when the measure of Tallinna Kaubamaja's "Estonianess" was the lowest of the five rounds of data collection. As the only Estonian department store, one would interpret this finding that due to the challenges presented from the Economic crisis that consumers may not have felt that Tallinna Kaubamaja was doing its best for the Estonian people.

Overall, Tallinna Kaubamaja can be judged to have been a successful department store over the period of analysis. As noted, Tallinna Kaubamaja remains as one of the very few (others being TsUM and GUM in Russia) true department stores that was opened during the Soviet period, and continues to operate today. Although its Soviet origins are not something most Estonians would reflect upon fondly, that fact that Estonia has its own department store, when the other two Baltic States, Latvia and Lithuania do not, and the fact that it has had to compete directly with the much a larger foreign department store Stockmann, can be viewed as Estonians caring more about the retail brand of the present being much stronger than the retail brand of the past. The next section of the study looks at TKG's second largest retail brand, the supermarket Selver.

Brand Extensions and Success

There exists an extensive field of literature that has examined the questions as to how, and why a successful brand should undertake brand extensions (Sichtmann, & Diamantopoulos, 2013). It has been suggested that although brands can provide great value to a firm (De Asis 2001), if a brand can instill in the target consumer a sense of trust stemming from past performance and thus familiarity, then both increased revenue and more importantly in a competitive market, lower operating costs can result (Shankar et al. 2008). Early researchers in the field of brand extensions (see for example Aaker and Keller, 1990) have examined the impact that a brand extension can have on the over-all firm success.

Academic research has tended more towards understanding the risks involved to brand extensions. Examples such as poorly defined and executed brand extension implementations (Chen & Chen, 2000), and the impact that a poor brand extension strategy has on future branding efforts also provides cautionary tales for industry practice (John et al, 1998).

Retailer Brand Extensions

There exists significantly less research that has examined the question of retailer brand extensions (this is not to be confused with the Store brand extensions literature that focuses on the success/failure of store branded, or private label, products). As noted by Lei, et al. (2008), consumers perceive greater risk for retailer brand extensions that move upwards in terms of brand quality from the original brand, versus downwards brand extension. Although these perceptions may be moderated by retailer service guarantees and prior customer knowledge of the parent brand, the suggestion is that a retail brand will have should have more success with a lower image brand.

A large component of the Retailer brand extension literature has looked at cases where the extensions are somewhat more distinct than TKG's movement into the supermarket business. Literature has looked at retailer brand extensions into online retail channels (Wu, & Li, 2016) and although arguably the clicks and mortar version of a retailer can be viewed as distinct from the bricks and mortar, the fact that most leading retailers continue to incorporate their main brand in the name, if not the products, sold through their online shops.

An interesting area of retailer brand extensions has been in the growth of British supermarkets moving into the providing financial services (Martinelli, & Sparks, 2003). This practice has been growing in a number of countries, but depending upon the financial rules and regulations, a retailer may have to partner with an existing financial institution to enter this market. A final example of retailer brand extension research has looked at retailers who have expanded into completely different forms of retailing (Hanover, 1995), which can be seen as not really retailer brand extensions, but rather corporate diversification.

There appears to be a dearth of research on the study of retailer brand extension in emerging markets in Central and Eastern Europe and the former Soviet Union, such as Estonia, due to the fact that most of these countries did not have a successful transition of a retailer from the planned communist system to the free market economies. For those retailer brands that were established after the communist period, few domestic retailers to date have created new retail brands, or else they themselves had become a brand extension of foreign owned retailers. As noted, a review of an exemplar of this occurrence was the movement by TKG to the establishment of the supermarket chain Selver.

Selver – Estonia's Supermarket

The year 1995 saw the opening of the first Selver store, which as noted, is a traditional grocery store. By 2020 the number of stores had expanded to 54 as well as the development of a central fresh food distribution centre, and an online e-commerce store. In order to provide a framework for analysis of the development of Selver as the first true retailer brand extension from Tallinna Kaubamaja, a content analysis of sections in the TKG annual reports from 2000 to 2020 was made. The period was broken down into two roughly ten-year, periods, which beyond convenience, provided an opportunity to compare and contrast two very different periods in terms of the growth of the Selver brand and its operations.

As alluded to above in the discussion of the department stores, the 2000-2009 period represented a rapid period of growth of the brand, and a number of great changes to the Estonian, and European marketplace. This section will discuss Selver's role in the changing nature of the retail sector as Estonia became part of the European Union as well as the adoption of the Euro as their currency of operation. The first period ends with the immense challenges resulting from the 2008 worldwide economic crisis. This period also reviews Selver's expansion, and then retrenchment of operations from Latvia.

The second period, 2010-2020 reviews how Selver managed to re-establish a leading position within the Estonian supermarket segment while also dealing with increased competition, mainly international, and the emergence of innovation and technology in supermarket retailing, including e-commerce. Particular focus is made of how Selver, even during difficult times, had an important role to play in the overall performance of TKG. The period ends with the COVID-19 global pandemic, and how Selver has had to adapt to the new reality of supermarket retailing in Estonia.

2000-2009 – Expansion, Internationalization, Retrenchment

As noted, the first Selver supermarket store opened in Tallinn in 1995. The next Selver opened in 1998 and was the first Selver hypermarket. It is suggested that the Selver hypermarkets in comparison to the supermarkets, mainly differed in terms of size, and early hypermarkets were two to four times larger than the supermarkets. These differences blurred over time as depending upon the location/city of where the store was located, a Selver supermarket could be larger than a Selver hypermarket. By the end of 2009, there were a total of 31 stores located in Estonia.

As early as 2000, Selver was mirroring the e-Stonia brand, as the use of technology was permeating through the capital city. Selver introduced an option for customers to order the products on the Selver website and pick them up at the store (TKG, 2000). The next year presented an acknowledgement by the management of TKG that Selver would be experiencing greater competition, due to foreign entrants into Estonia (A Latvian based supermarket, Rimi, opened its first store in Estonia in 2004, and the Finnish brand Prisma opened its first store in 2000, while the major existing Estonian supermarket chain was part of ETK which was an Estonian cooperative retail chain).

The first half of the decade saw a steady growth of new Selver stores, and a focus on increasing product selection, while examining ways to improve in-store staff efficiency (TKG, 2001). In 2002, the first Selver customer loyalty card, “Partner Card”, which provided Selver customers to benefit from their shopping at both Selver and Tallinna Kaubamaja, and Tartu Kaubamaja (TK, 2002) was introduced. By the end of 2002 the number of stores had doubled to 10, and for 2003 there was an increased, overt, focus on the selling of Estonian made goods, to contrast Selver from the existing and expected foreign competitors (TKG, 2003). The following year more attention was again devoted for increased productivity, but also to increase efforts to maintain loyal customers, and attempts to contrast their often-perceived higher prices, with greater customer service, and a goal of by 2007 to double existing selling space (TKG, 2004).

In expectations of increasing market share, there was a need to open new stores, of which 9 were opened in 2005. Interestingly, in comparison to the focus on the “Estonianess” of Selver, in 2005 there was a project to partner with foreign based food suppliers, to package and ship Selver private label goods (TKG, 2005). This was a departure in the Estonian marketplace, since with re-independence there was a pent-up demand for international brands, and now Selver believed that the Selver brand was strong enough to warrant its own branded products, regardless of the fact that the food items would not be from Estonia. This could be attributed to the aforementioned entrance of Rimi into the Estonian marketplace in 2004.

With Rimi continuing to plan for growth in Estonia, a major initiative occurred in 2006, with Selver making plans to match that plan, and enter the Latvian marketplace (Larimo, 2013). A 100% owned subsidiary, Selver Latvia Sia, was established in October, with plans to open 15 stores in Latvia by 2009, and grow to be one of the top three or four supermarket chains in the country (TKG, 2006). The market share for Selver in Estonia continued to grow and plans for nine more stores by the end of 2008 was made. The number of agreements for stores to be opened in Latvia was 14, with 5 of those opening by the end of 2008, mostly in the 4th quarter (TKG, 2007). The onset of the financial crisis in 2008 had a heavy impact on Selver, as only 8 of the planned for 9 stores were opened in Estonia, and only 2 stores in Latvia (TKG, 2008).

The full impact of the financial crisis impacted Selver greatly during 2009. Not only were only a total of 5 stores finally opened in Latvia, but the complete exit from Latvia was also announced, with the last store to be closed in March of 2010 (Tere, 2009). Although revenues for Selver continued to grow, they were overshadowed by double digit financial losses (TKG, 2009). These losses were directly blamed on the economic downturn as retail prices fell, and due to the drop in customer income, the basket of goods moved to less profitable (for Selver) items. Savings for Selver did result in lower supplier prices, as well as the reduction of employee wages and the statement, "staff have been optimized according to the economic situation", referred to staff terminations (TKG, 2009).

Overall, the period from 2000-2009 saw a solid establishment of the Selver brand as, like Kaubamaja, "Estonia's Supermarket". The fact that the period ended with financial challenges, a failure to succeed in Latvia, and the slowing of new store growth, resulted in a number of questions to be addressed moving into 2010.

2010-2020 – Consolidation, Growth and E-stores

The major event to occur during 2010 was the plan for the adoption of the Euro in Estonia as of the first of January 2011. There was not universal support for the move, as the Estonian kroon was the first independent currency from the Soviet Union following its collapse in 1991 (Hansson, & Sachs, 1992), and many Estonians did not want to see the elimination of "Estonian money". There were greater concerns raised as there was widespread belief that Estonian retailers saw the switch to the Euro as an opportunity to increase prices (Meriküll, & Rõõm, 2014). This concern was lessened by the fact that retail prices in Estonian needed to continue to include prices in both Euros and Estonian Kroons. Profitability returned for Selver, as increased consumer confidence led to increased sales, better managed inventory reduces costs, and one new stores was opened, resulting in a total of 35 by the end of 2010 (TKG, 2010).

In 2011, a return to focus on customer loyalty was conveyed (TKG, 2011). An admission of the value to TKG of greater linkages to its various businesses as in addition to the department stores and supermarkets, TKG had expanded into stand-alone shoe stores, automotive dealerships, beauty supplies, and security services. Selver touted the fact that is was awarded first place in terms of service quality in the supermarkets category (Eesti Teeninduse Indeks). This award was a yearly customer survey study by the leading Estonian marketing research firm, Emor (https://www.kantaremor.ee/who-we-are/). A number of retail metrics continued to improve for Selver, as well as an increased focus on the constant work merchandising in terms of improved product assortments and inventory management (TKG, 2011).

Also, in 2011, a new store design concept was introduced, which proved to be beneficial for renovating existing stores, as well as design layouts for new stores. No new stores were opened, and one closed in Narva, the border city with Russia in eastern Estonia. This was also the final year of revenues from the Latvian operations, and the introduction of a new form of shopping technology called, SelveEkspress (Puutsa, 2016).

This system allowed Selver loyalty card customers to pick up a device that would scan products which the shopper then would put into their shopping basket or cart. Instead of going through the traditional check out, shoppers could go to the automated checkout to self-pay and collect their receipt (datalogic.com). This use of technology continued to match the focus that Estonia had on the continuous development of technology-based solutions.

New stores again opened in 2012, with three openings. Selver stores now had a presence in all parts of Estonia, except for the Narva region where the aforementioned store closed the previous year. There was a noted focus on labour efficiencies, but not in terms of the number of employees per store which existed prior to the financial crisis. The efficiencies were a result of new employee work processes and procedures and the introduction of a multifunctional job management program (TKG, 2012). Also, SelveEkspress systems continued to be rolled out to additional stores.

Expansion continued in 2013 with five new stores, and new POS (point of sale) system and software was introduced, and Selver itself established its own subsidiary, Kulinaaria OÜ, as supermarket dedicated to retailing organic food, and was Estonia's first company to market organic ready-to-eat foods and salads. By the end of 2013 Selver had 43 stores, and announced plans for a replacement store in Narva for 2014, thus completing the coverage of all of Estonia with Selver supermarkets (TKG, 2013). An interesting acknowledgement was that Selver was having difficulty finding employees with necessary skills due to an overall shortage of labour in Estonia.

The planned store for Narva did open in 2014, and there was continued voice of the challenges related to human resources. Selver stated that increased employee wages and benefits was having an impact on profitability as well as increased competition in the food sector (TKG, 2014), In addition to the aforementioned foreign supermarkets, Rimi, and Prisma, the leading Lithuania supermarket, Maxima, had opened its first store in Estoina's third largest city, Pärnu, in 2001 with one of its smaller stores Maxima X. By 2008 Maxima had also opened a XX (larger store) and a XXX (hypermarket) store in Parnu. In 2014, Maxima began plans to build a logistics and distribution centre in Estonia. By 2014, there were a total of 75 Maxima stores in Estonia (Maxima, 2015a).

The year 2015 represented the 20th anniversary of Selver (and 55th of Tallinna Kaubamaja), and there was a continued focus on the use of technology (SelveEkspress was now in use in almost half the stores) and its positive impact on financial performance and improved customer service. One new Selver hypermarket was opened and inventory efficiency increased by way of the need for fewer discount sales, and less shrinkage and write-offs (TKG, 2015). There were also stated plans for Selver to open its first e-Selver service in 2016, it was Maxima who was the first retailer in Estonia to open an e-commerce store in 2015 (Maxima, 2015b).

An increase in the average customer purchase, tied to increased Estonian spending, helped to grow Selver in 2016, despite increased competition. Three new stores were opened, but once again the store in Narva closed (TKG, 2016). The assumption was due to the vast majority of Estonians living in the Narva area were ethnic Russians, the fact that Selver was an Estonian brand was attributed for these consumers preferring to shop at Rimi and Maxima, particularly the latter as it was known to pay attention to most of the smaller cities in Estonia (Micek, 2016).

In 2017, Selver was the strongest business division of TKG, and five new stores opened. Although as noted the plan was for the first e-Selver to open in 2016, it did not begin operations until September 2017 (TKG, 2017). By year end there were 52 Selver stores plus e-Selver. There were continued discussions as to how to best manage staffing costs, but there was a stated belief that investments in technology, and in-store expenditures, would continue to drive profits. There were plans for two new stores in open in 2018 and the year was best financial year ever for TKG. There was a commitment to roll out SelveEkspress to all stores by the end of 2019 (TKG, 2018). The continued challenge in finding employees to staff the new stores resulted in Selver continuing to partner with Estonian vocational institutions in providing co-operative or internship opportunities to encourage younger Estonians to work in the retail sector (Author, Field Notes, 2015).

During 2019, the acknowledgment of increased competition for Selver was evident as the German supermarket chain Lidl was making assertions as to expansion into the Baltic region, and Estonia specifically (ERR, 2020). Although Selver put forth the suggestion that any new entrants to Estonia in the supermarket segment would face strong existing competition, and little expectation of short-term profitability due low food margins in the Baltic region, there was a stated fact that Lidl would likely only be able to gain market share from existing chains (TKG, 2019). Selver once again included the fact that in a study of Retail Chains in Estonia in 2019, that the two Estonian chains Selver and Coop (the new name for ETK) were preferred by shopper over the foreign brands. This seems to be in conflict with the published market shares for the sector. Selver planned to extend the e-Selver services to Tartu by 2020 and become the leading Estonian e-retailer in terms of the assortment of foodstuff, and servicing the greatest area (TKG, 2019). No new stores were opened in 2019.

During 2020, the effects of Covid-19 and the global pandemic, were devasting to retail sectors. Estonia was no different. There were a number of references to the impact of the pandemic on TKG performance, and the steps that were undertaken to address the challenges. There were specific points raised as to the negative impact Covid-19 on the different business units, but surprisingly there was no mention within the 2020 Annual report with respect to the supermarket sector. This may be because TKG wished to promote its purchase of the ABC Supermarket chain, and not highlight the challenge of taking on a new group of stores during a pandemic. It could also have been that it would be better to focus on other successes such as the fact that the e-Selver services would now cover 12 out of 15 counties in Estonia (TKG, 2020). Once again, there was acknowledgement of the potential impact of the entrance of Lidl, now specifically into direct competition with Selver. As in the 2019 Annual Report, these was a point made that Selver's position was strong, because Estonian shoppers have a preferences and awareness of domestic food, and thus Selver would be better positioned with respect to new entrants such as Lidl, as well as the continued competition from Rimi, and Maxima, as a domestic retailer.

In comparison to the 2000-2009 period, 2010-2020 saw continued growth in Selver stores and services, but even greater growth in competition. While still positioning themselves as "Estonia's Supermarket", this may not continue to translate into continued financial stability. With Lidl having opened a 51,000-square-meter logistics center near Riga, Latvia, which will be large enough to supply stores in both Estonia and Latvia (ERR, 2021), Selver will continue to face challenges in terms of sales, but also to attract and retain quality staff.

Conclusions, Research Limitations and Future Study

The focus of this study reviewed two related but contrasting examples of how a retailer brand can both continue to exist during very different external challenges. From being a Soviet era department store, to continue to exist and thrive though privatization, unsuccessful foreign ventures, and domestic and world-wide economic challenges, has demonstrated that "Tallinn's Department Store" can continue to be a leading brand from a small nation. Conversely, Selver as the first major retail brand extension of Tallinna Kaubamaja, provides a case study of how regardless of the history of the parent retail brand, can both benefit from that association (in this case being a domestic supermarket brand), also experience expansion failures, while still expanding and innovating in areas that are of keen interest to Estonian shoppers.

By 2020, the companies of Tallinna Kaubamaja Grupp included the department store Kaubamaja AS, the supermarket chain Selver AS, REF (Kulinaaria OU, the newly adquired ABC Supermarkets AS, the security firm Viking Security AS, Tallinna Kaubamaja Kinnisvara AS, the sister department store Tartu Kaubamaja Kinnisvara OU, and automotive dealerships in Lithuania and Latvia, as well as Estonia, UAB TKM Lietuva, SIA TKM Latvija, KIA Auto AS, AS Viking Motors, KIA Auto UAB, Forum Auto SIA, Verte Auto SIA, and TKM Auto OU, They also own the beauty chains, OU TKM Beauty, and OU TKM Beauty Eesti, plus a shoe retailing AS TKM King, and a parking lot business Ravala Parkla AS. Thus the TKG has expanded significantly sine the opening of that first store in June of 1960.

The obvious limitation of this research is that although two retail brands of TKG were reviewed, this was only one case analysis. Future study that compares and contrasts this type of research with similar retailers within and outside of Estonia may prove fruitful. A greater understanding of the history of a retailer, and for publicly traded retailers, the way in which the company chooses to communicate its successes (and challenges) through its Annual Reports can be gained. The fact that Tallinna Kaubamaja and Selver have both now continued to operate for many years, has resulted in a great deal of materials that can be examined to aid in addressing a number of questions about retailer brand success.

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