

**UNIVERSITY OF ECONOMICS – VARNA**  
**FACULTY OF ECONOMICS**  
**DEPARTMENT OF BUSINESS, INVESTMENTS, REAL ESTATE**

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**Yavor Nikolaev Nikolov**

**ASSESSMENT OF SERVICE QUALITY**  
**IN REAL ESTATE AGENCIES IN BULGARIA**

**A B S T R A C T**

**of a draft doctoral dissertation**

**for the award of the educational and scientific degree of "Doctor" in  
professional field 3.8 "Economics", doctoral programme "Economics and  
Management (Construction and Real Estate)"**

**Varna**

**2026**

The doctoral dissertation consists of XXX pages, including:

- Introduction – X pages;
- Main text (three chapters) – XXX pages;
- Conclusion – X pages;
- List of references – XXX titles;
- List of electronic sources (websites) – XX;
- Tables – XX;
- Figures – XX.

The defence of the doctoral dissertation will take place on XX.XX.XXXX at XX:XX in Hall XXX of the University of Economics – Varna, at a meeting of the Scientific Jury appointed by Order No. RD-XXXX of XX.XX.XXXX of the Rector of the University of Economics – Varna.

The defence materials are available to interested parties on the website of the University of Economics – Varna, [www.ue-varna.bg](http://www.ue-varna.bg).

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**SCIENTIFIC SUPERVISOR:**

**Assoc. Prof. Todor Stoyanov Raychev, PhD**

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The doctoral dissertation has been discussed and referred for defence by the Department of Business, Investments, Real Estate at the University of Economics – Varna.

The author is a doctoral student at the Department of Business, Investments, Real Estate at the University of Economics – Varna. The research and development were carried out at the same university.

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# I. GENERAL CHARACTERISTICS OF THE DOCTORAL DISSERTATION

## 1. Relevance of the topic

The relevance of the present study stems from the growing role of real estate agencies as key intermediaries in transactions of high value and complexity, where service quality directly affects consumer trust and protection. In addition, the specific institutional environment in Bulgaria – the absence of a specialised law regulating brokerage activity – creates preconditions for unfair competition and the existence of a “grey sector”, making the question of measuring and ensuring service quality particularly important. A further catalyst is the macroeconomic dynamics (inflationary processes, changes in credit conditions and structural changes in the investment environment related to the country’s accession to the eurozone), which raises the financial stakes for participants and demands impeccable professional expertise. Last but not least, the rapid digital transformation of the sector (PropTech, artificial intelligence) is changing traditional business models and imposing new standards for transparency and speed. The conditions of intensified competition between agencies and heightened consumer expectations make service quality a leading factor for trust, satisfaction and sustainable market positioning. In this context, the development of a model and methodology for quality assessment, adapted to Bulgarian conditions, represents a pragmatic approach with a scientifically and practically significant contribution to service management and the enhancement of professional standards in the sector.

In this regard, the present doctoral dissertation is aimed at developing a model and methodology for assessing service quality in real estate agencies in Bulgaria, which take into account the specifics of intermediation and the key prerequisites of trust, transparency and process reliability. The scientific significance of the study derives from the endeavour to integrate the classical theoretical frameworks for service quality with a sector-oriented toolkit that enables measurement, comparability and managerial application. The practical significance is related to the possibility that the results may assist real estate agencies in identifying critical areas for improvement, as well as

professional and institutional stakeholders in formulating standards and policies aimed at enhancing quality and consumer protection.

## **2. Object and subject of the study**

The object of the study is the intermediary services in residential real estate transactions provided by real estate agencies in Bulgaria.

The subject of the study is the perceived quality of intermediary services provided by real estate agencies in Bulgaria.

## **3. Aim and tasks of the study**

The aim of the doctoral dissertation is, based on a theoretical analysis and an examination of the state of the residential real estate market in Bulgaria, to develop a model and methodology for assessing service quality in real estate agencies and to formulate priority directions and innovative practices for improving customer service.

To achieve the stated aim, the following main research tasks need to be accomplished:

1. To analyse the theoretical foundations concerning the nature of service quality and the factors affecting it in the residential real estate market in Bulgaria.

2. To examine the main models for measuring service quality with a view to their applicability in real estate transactions in the country.

3. To analyse service quality in real estate agencies in Bulgaria and in leading countries of the European Union and the world.

4. To develop a conceptual model and methodology for assessing service quality in real estate agencies in Bulgaria based on a system of appropriate dimensions and indicators.

5. To formulate managerial, educational, regulatory, and innovative proposals for improving the quality of services provided by real estate agencies in Bulgaria.

## **4. Research thesis of the doctoral dissertation**

The thesis defended in the doctoral dissertation is that the unsatisfactory state of the quality of intermediary services in Bulgaria is a result of institutional and professional deficits, which can be overcome through the combined effect of professional competence, managerial decisions and the regulatory framework, jointly determining perceived quality and conditioning client satisfaction and loyalty.

The main hypothesis of the research is that the professional competence of employees, managerial decisions and regulatory measures exert a significant influence on the perceived quality of the intermediary service, which in turn increases satisfaction and the likelihood of repeat use and recommendation of the service by clients.

In order to specify and empirically verify the main hypothesis, the following sub-hypotheses are formulated:

Sub-hypothesis 1: The professional competence of employees has a positive and statistically significant influence on perceived service quality.

Sub-hypothesis 2: The operational managerial practices in real estate agencies have a positive and statistically significant influence on perceived service quality.

Sub-hypothesis 3: Regulatory frameworks have a positive influence on the perceived quality of the intermediary service.

Sub-hypothesis 4: The perceived quality of the intermediary service received has a positive and statistically significant influence on client satisfaction.

Sub-hypothesis 5: Satisfaction has a positive and statistically significant influence on client behavioural intentions (repeat use and recommendation of the service).

## **5. Research methodology**

The specificity of the research problem in the present doctoral dissertation necessitates the combined application of a broad methodological apparatus. The most appropriate methods for the purposes of the study include general scientific methods such as induction and deduction, analysis and synthesis, comparison and generalisation. Primary data collection was carried out through an empirical survey involving real clients. For subsequent data

processing and hypothesis verification, established mathematical and statistical methods were integrated, among which correlation and regression analysis played a key role in measuring and proving the causal relationships and dependencies in the object of study.

## **6. Limitations of the study**

The doctoral dissertation has been developed within the following limitations:

- Territorial scope – data for the residential real estate market in the major cities of the country were examined in order to determine the trends in intermediary services offered by real estate agencies (REAs).

- Temporal limitations – the study covers the period 2015–2025.

- Subjectivity of assessments – perceived quality is an individual interpretation and may depend on personal experience, expectations and the specific case.

- Heterogeneity of the service – the different types of transactions and agency operating models create natural variability in client assessments. The influence of this factor is examined through segmentation analyses based on key characteristics (type of transaction, prior client experience, etc.).

## **7. Approbation**

The doctoral dissertation has been discussed at meetings of the Department of Business, Investments, Real Estate. Three publications (2 articles and 1 conference paper) on its topic have been published in specialised scientific journals.

## **8. Contents of the doctoral dissertation**

### **INTRODUCTION**

#### **Chapter One**

#### **THEORETICAL FOUNDATIONS OF SERVICE QUALITY IN REAL ESTATE AGENCIES**

##### **1.1. Essential characteristics of service quality**

- 1.2. Factors affecting service quality in real estate agencies
- 1.3. Conceptual model for assessing service quality provided by real estate agencies

## **Chapter Two**

### **ANALYSIS OF SERVICE QUALITY IN REAL ESTATE AGENCIES IN BULGARIA**

- 2.1. Assessment of the state of the residential real estate market
- 2.2. Analysis of practices and quality in service provision by real estate agencies in Bulgaria
- 2.3. Comparative analysis of intermediary services of real estate agencies in leading EU and world countries

## **Chapter Three**

### **OPPORTUNITIES FOR IMPROVING SERVICE QUALITY IN REAL ESTATE AGENCIES**

- 3.1. Methodology for assessing service quality in real estate agencies in Bulgaria
- 3.2. Priority directions for improving service quality in real estate agencies
- 3.3. Innovative approaches for enhancing customer service in real estate agencies in Bulgaria

## **CONCLUSION**

## **REFERENCES**

## **APPENDICES**

# **II. BRIEF EXPOSITION OF THE DOCTORAL DISSERTATION**

## **INTRODUCTION**

The introduction substantiates the relevance of the topic. The object and subject of the study, the scientific aim, the applied research tasks and the main research thesis are defined. The research methods, the limitations in scope and the information provision are presented.

# CHAPTER ONE

## THEORETICAL FOUNDATIONS OF SERVICE QUALITY IN REAL ESTATE AGENCIES

**Chapter One of the doctoral dissertation** is devoted to the theoretical foundations of service quality in real estate agencies. It comprises three sections that sequentially build the conceptual framework of the study: the essential characteristics of service quality; the factors affecting service quality in real estate agencies; and a conceptual model for assessing service quality provided by real estate agencies. The logic of the exposition follows the principle “from the general to the specific” – from the universal theoretical propositions on service quality, through the sectoral specifics of real estate intermediation, to the development of an original conceptual model for assessment.

**The first section of Chapter One** presents critical analysis of the concepts of “service”, “quality” and “service quality”, tracing their evolution from classical economic theories to contemporary concepts. The study begins with an analysis of the structural transformation of the economy towards the dominance of the service sector. In developed countries, the share of services in gross value added consistently exceeds 70%, while in Bulgaria, according to the National Statistical Institute (NSI) data for 2024, it reaches approximately 67%. This trend substantiates the need for thorough theoretical and empirical research on service quality.

The dissertation provides a comprehensive review of definitions of the concept of “service”, starting from its etymological origin (Lat. *servitium*) and the classical propositions of Smith<sup>1</sup>, who defined services as “unproductive activities”, through the contribution of Fisher<sup>2</sup> and Clark<sup>3</sup> to the delineation of the tertiary sector, to the contemporary concepts of Grönroos<sup>4</sup>, Lovelock & Wirtz<sup>5</sup> and ISO 9004-2018. The analysis covers the

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<sup>1</sup> Smith, A. (1776). *An inquiry into the nature and causes of the wealth of nations*.

<sup>2</sup> Fisher, A. G. B. (1933). *The clash of progress and security*. London: Macmillan.

<sup>3</sup> Clark, C. (1940) *The Conditions of Economic Progress*. London: Macmillan.

<sup>4</sup> Grönroos, C. (2000) *Service Management and Marketing*. (2nd ed.). Chichester: Wiley.

<sup>5</sup> Lovelock, C., & Wirtz, J. (2016). *Services marketing* (8th ed.). New Jersey: World Scientific.

definitions of Hill<sup>6</sup>, Zarifian<sup>7</sup>, Dumoulin<sup>8</sup>, Kotler<sup>9</sup>, the OECD and the IMF, identifying three main groups of approaches: those emphasising intangibility, those emphasising the absence of ownership transfer, and those emphasising the simultaneity of production and consumption.

Particular attention is paid to the classification of services. The classification schemes of the WTO (12 main sectors), the UN International Standard Industrial Classification (ISIC), the Nice Classification (NCL), as well as the author classifications of Judd<sup>10</sup>, Rathmell<sup>11</sup> and Lovelock<sup>12</sup> (using 12 criteria in three groups) are analysed. It is established that real estate services belong to sector K under ISIC (real estate activities and business services) and to Class 36 under NCL (dealings in real estate). The conclusion is drawn that classification allows good practices from one service sector to be adapted and applied in another.

The concept of “quality” is examined from multiple perspectives: the philosophical (an inherent property), the industrial (systematic management; fitness for use; conformance to requirements), the economic (quality as value) and the marketing perspective (quality as a perceived, subjective category). Contemporary studies affirm the understanding of quality as a dynamic, relational and processual category, formed through the interaction of multiple actors.

Special attention is devoted to the concept of “service quality” as an independent analytical category. The evolution is traced from the definition of Parasuraman, Zeithaml & Berry<sup>13</sup> (the gap between expectations and perceptions), through the process approach of Grönroos<sup>14</sup> (technical and functional quality), the multidimensional construct of Brady & Cronin<sup>15</sup>

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<sup>6</sup> Hill, T. P. (1977). On goods and services. *Review of Income and Wealth*, 23(4), 315–338.

<sup>7</sup> Zarifian, P. (2001). Evenement et sens donne au travail. In *Le travail, entre l'entreprise et la cite*. Paris: Editions de l'Aube.

<sup>8</sup> Dumoulin, C., & Flipo, J. P. (1991). *Entreprise de service: 7 facteurs clés de succes*. Paris: Les Editions d'Organisation.

<sup>9</sup> Kotler, P. et al. (2016) *Marketing Management*. 15th edn. Harlow: Pearson Education.

<sup>10</sup> Judd, R. C. (1964). *The Case for Redefining Services*. *Journal of Marketing*, 28, pp 58-59. <https://doi.org/10.1177/002224296402800111>.

<sup>11</sup> Rathmell, J.M. (1974). *Marketing in the Service Sector*. Winthrop, Cambridge.

<sup>12</sup> Lovelock, C., Lamb, C., & Dunne, P. (2011). Towards a classification of services. In *Theoretical developments in marketing* (p. 72). Atlanta: Marketing Classics Press.

<sup>13</sup> Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985, 1988). *Journal of Marketing*.

<sup>14</sup> Grönroos, C. (2000). *Service management and marketing* (2nd ed.). Chichester: Wiley.

<sup>15</sup> Brady, M. K., & Cronin, J. J. (2001). *Some new thoughts on conceptualizing perceived service quality: A hierarchical approach*. *Journal of Marketing*, 65(3), 34–49.

(interaction quality, physical environment quality and outcome quality), to the latest concepts of value co-creation (Vargo & Lusch) and the overall customer experience (Becker & Jaakkola, Lemon & Verhoef). The influence of digitalisation on service quality is also analysed (Rust et al., De Keyser et al.<sup>16</sup>, McLean & Wilson<sup>17</sup>).

As the main scientific contribution of the section, an original working definition is proposed: “service quality” is defined as a dynamic process of value co-creation between the provider and the client, in which through effective communication, personalisation of service and high professional competence at every stage of service delivery, the gap between client expectations and perceptions is minimised, thereby achieving sustainable improvement of perceived quality.

**The second section of Chapter One** examines the factors that determine the quality of intermediary services, placing them in the context of the residential real estate market. The analysis begins with a characterisation of the main elements of the market – demand, supply, transactions, prices and competition. The general and specific conditions of the real estate market are examined in detail, classified according to Parvanova<sup>18</sup> and Glickman<sup>19</sup> into seven groups: spatial, economic, market-structural, informational, legal-institutional, socio-psychological and political.

It is established that the real estate market is characterised by spatial fixity of objects, high capital intensity, low elasticity of supply, heterogeneity of objects, cyclicity and information asymmetry. These specificities substantiate the need for professional intermediation and determine the requirements for service quality. The role of quality standards in practice is analysed, including ISO 9001:2008/2015 and BDS EN 15733:2010 (the Directive on the activities of real estate brokers).

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<sup>16</sup> De Keyser, A., Verleye, K., Lemon, K. N., Keiningham, T. L., & Klaus, P. (2020). *Moving the customer experience field forward*. *Journal of Service Research*, 23(1), 3–22.

<sup>17</sup> McLean, G., & Wilson, A. (2022). *Evolving the online customer experience*. *Journal of Business Research*, 140, 1–12.

<sup>18</sup> Parvanova, L. (2019). *Savremenni predizvikatelstva pred pazara na nedvizhimi imoti* [Contemporary challenges facing the real estate market]. Digital Library of the University of Economics – Svishtov. <https://dlib.uni-svishtov.bg/handle/10610/2376>

<sup>19</sup> Glickman, E. A. (2020). *An introduction to real estate finance*. Elsevier. <https://www.sciencedirect.com/topics/social-sciences/real-estate-market>

A central contribution of the section is the author's systematisation of quality factors into three main groups. The first group encompasses the internal organisational (controllable) factors, which include: strategic management and positioning; professional competence of staff; organisational structure and culture; standardised service procedures; reputation and image; digitalisation and technology; information infrastructure (CRM systems, listing platforms, cybersecurity).

The second group includes the process factors related to how the service is organised and delivered: communication as a core element in conditions of high information asymmetry; speed and flexibility of response; organisation of the intermediation process and coordination among multiple participants – sellers, buyers, notaries, banks, valuers; digitalisation of processes – virtual viewings, 3D visualisations, AI-based valuations.

The third group encompasses external (market) factors that are beyond the agency's direct control but exert significant influence: client expectations and needs, shaped by individual requirements, financial capacity and digital literacy; public reputation and online reviews; market environment dynamics and competition; the legal and institutional framework.

Based on the analysis conducted, the conclusion is drawn that service quality in the residential real estate market represents a multi-component and systemically determined category, the formation of which results from the interaction of the three groups of factors. At the strategic level, internal organisational factors build the resource and managerial foundation. At the operational level, process factors transform resource potential into actual customer experience. At the contextual level, external factors set the standards and expectations against which clients evaluate the service received. This integrative approach allows quality to be viewed as a strategically manageable process for sustainable competitive advantage.

**The third section of Chapter One** presents a review of existing models for assessing service quality and substantiates the development of an original conceptual model “PropertyQual-Agency”. The analysis begins by examining the formation of perceived quality by the consumer on the basis of their expectations, awareness and economic factors (Khromov-Borisov). It is established that service quality is a concept based on perceived quality,

which differs from objective quality and constitutes a form of attitude closely linked to client satisfaction.

Six main models for assessing service quality are analysed in detail. The first is the Lehtinen & Lehtinen model<sup>20</sup>, which views quality as a combination of physical, interactive and corporate quality. The second is the Scandinavian model of Grönroos (1984), which defines quality through technical (what clients receive) and functional (how they receive it) indicators, with image acting as a filter. The third is the GAPS model of Parasuraman, Zeithaml & Berry, which identifies five gaps between consumer and provider. The fourth is the SERVQUAL model, based on GAPS, which measures quality through the difference between expectations and perceptions across five dimensions: Reliability, Responsiveness, Assurance, Empathy and Tangibles.

The fifth model is SERVPERF by Cronin & Taylor, which measures quality solely through performance perceptions. The sixth is the Hierarchical model of Brady & Cronin, which proposes three levels of assessment: overall evaluation, three dimensions (interaction quality, physical environment quality and outcome quality) and sub-dimensions. Additionally, the RSQS model of Dabholkar, Thorp & Rentz for retail services and the E-S-QUAL model of Parasuraman, Zeithaml & Malhotra for electronic services are analysed, including the dimensions of efficiency, fulfilment, system availability, privacy, problem recovery and customer service.

The dissertation provides a critical analysis of the advantages and limitations of each model. SERVQUAL is assessed as the most widely used diagnostic framework, but with limitations in practical application due to the complexity of measuring expectations. SERVPERF is more reliable and practical but does not provide diagnostic information on gaps. The Hierarchical model of Brady & Cronin combines the idea of technical and functional quality from Grönroos with the dimensions of SERVQUAL and the perceived performance concept of SERVPERF.

The development of a conceptual model for assessing service quality in real estate agencies in Bulgaria is the logical culmination of the theoretical

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<sup>20</sup> Lehtinen, U., & Lehtinen, J. R. (1982). *Service quality: A study of quality dimensions*. Helsinki: Service Management Institute.

analysis in Chapter One. In our view, it is precisely the integration of the established universal models for service quality with a sector-oriented toolkit, taking into account the specifics of intermediary activity and the Bulgarian institutional environment, that constitutes the prerequisite for constructing a workable assessment and managerially useful model.

In the present study, we propose a model for assessing quality in real estate agencies, named “PropertyQual-Agency”, which builds upon the logic of SERVQUAL/SERVPERF (Parasuraman, Zeithaml and Berry, 1988; Cronin and Taylor, 1992) and PropertyQual (Baharum and Pitt, 2009<sup>21</sup>) and is aligned with the specificities of the “Real Estate Operations” sector in Bulgaria.

In order to achieve the transition from this theoretical framework to a practically applicable instrument, the adapted conceptual dimensions have been transformed into quantitatively measurable indicators. The main purpose of this transformation is to provide a reliable mechanism through which the perceptions of consumers specific to the Bulgarian market can be not merely identified, but objectively analysed and compared. It is precisely this applied character that transforms the study from an abstract construct into a concrete analytical apparatus.

The “PropertyQual-Agency” model enables the formation of a weighted overall assessment of the quality of intermediary services provided by real estate agencies. This assessment is based on empirical data collected through surveys (questionnaires, checklists, etc.) among actual clients – sellers and/or buyers. Quality is measured through a set of specific criteria (dimensions, indices), whose weights are determined statistically. The mathematical expression of the conceptual model for assessing the quality of intermediary services is as follows:

$$(1) IQP_{PA} = IQP_{X_1} \cdot f_1 + IQP_{X_2} \cdot f_2 + \dots + IQP_{X_n} \cdot f_j,$$

where:

- $IQP_{PA}$  – index of overall perceived quality (PropertyQual-Agency);
- $IQP_{X_1}, IQP_{X_2}, \dots, IQP_{X_j}$  – indices of individual criteria (dimensions);

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<sup>21</sup> Baharum, Z. A., & Pitt, M. (2009). Development of a service quality framework for property management. *Journal of Facilities Management*, 7(4), pp. 264–274.

–  $f_1, f_2, \dots, f_j$  – weights of each index reflecting the relative importance of each dimension.

A key advantage of the model thus defined is the approach to determining the weighting coefficients ( $f_1, f_2, \dots, f_j$ ). Unlike traditional approaches that rely on subjective expert assessments or assume a priori equality of criteria, here the weights are derived empirically on the basis of the primary data themselves. The application of the appropriate statistical toolkit (such as multiple regression analysis) ensures that the relative importance of each dimension reflects the actual weight that the clients (consumers) themselves assign to it when forming their overall quality assessment. This approach minimises researcher bias and places the focus entirely on the client's opinion. Furthermore, the model constitutes an open system. The number of dimensions (criteria) examined may vary, which endows the methodology with a high degree of flexibility and adaptability. The system of dimensions can be refined, supplemented or reduced depending on the specifics of a particular market segment, the scale of the real estate agency under study or emerging changes in consumer attitudes (such as the growing influence of the digital environment in property search).

In practical and managerial terms, the calculation of the integral index  $IQP_{PA}$  provides management teams with a reliable quantitative instrument for diagnosing the current state of service delivery. The decomposition of the overall assessment into its constituent parts  $IQP_{X_j}$  enables management to precisely identify which aspects of the intermediary service generate the highest added value for the client and which represent critical zones requiring timely improvement measures. At the same time, this approach allows tracking of quality dynamics over time through periodic repetition of measurements and analysis of emerging trends. Moreover, the model serves as a solid basis for evaluating the market positioning of a specific agency relative to competitors when comparable data from other sector organisations are available.

In this way, the “PropertyQual-Agency” model fulfils a dual function, serving simultaneously as a diagnostic and a managerial instrument. In its capacity as a diagnostic tool, it supports the identification of strengths and weaknesses in service delivery, while its managerial aspect provides the

information base necessary for the appropriate allocation of investments and the formulation of targeted strategies to enhance client loyalty.

As a result of the theoretical analysis conducted in Chapter One, the following main conclusions can be formulated:

First, scholarly opinions on the concepts of “service”, “quality” and “service quality” have been analysed, and the evolution from static, outcome-oriented definitions towards dynamic, multidimensional and relational interpretations has been traced. An original working definition of service quality as a dynamic process of value co-creation has been proposed.

Second, the quality factors in real estate agencies have been systematised into three groups – internal organisational, process and external. It is established that quality is a strategically manageable process requiring a comprehensive and systemic approach combining internal resources, effective processes and market adaptability.

Third, the evolution of quality assessment models shows a transition from conceptual description (Lehtinen & Lehtinen, Grönroos) to structured measurement frameworks (GAPS, SERVQUAL, SERVPERF, Brady & Cronin, E-S-QUAL). SERVQUAL is assessed as the most appropriate diagnostic framework, but its practical application requires sectoral adaptation.

Fourth, an original conceptual model “PropertyQual-Agency” has been developed, which integrates the established universal models with a sector-oriented toolkit accounting for the specifics of intermediary activity and the Bulgarian institutional environment. The model fulfils a dual function – diagnostic and managerial – and constitutes an open system with high flexibility and adaptability.

Fifth, the lack of consensus regarding quality measurement indicators necessitates the existence of multiple models and substantiates the need for empirical verification of the PropertyQual-Agency conceptual model through a survey among actual clients of real estate agencies in Bulgaria, which is the subject of research in Chapters Two and Three of the doctoral dissertation.

## **CHAPTER TWO**

### **ANALYSIS OF SERVICE QUALITY IN REAL ESTATE AGENCIES IN BULGARIA**

**Chapter Two of the doctoral dissertation** is devoted to analysis of service quality in real estate agencies in Bulgaria. It comprises three sections that sequentially build the analytical framework: assessment of the state of the residential real estate market, analysis of practices in service provision by real estate agencies in Bulgaria, and specifics and good practices in intermediary services by real estate agencies in leading EU and world countries. The logic of the exposition follows the principle “from the general to the specific” – from the macroeconomic environment, through the internal analysis of Bulgarian practices, to international benchmarking.

**The first section of Chapter Two** presents a systematic analysis of the state and development of the residential real estate market in Bulgaria for the period 2015–2025. The study is based on official statistical data from the National Statistical Institute (NSI), Eurostat, the Bulgarian National Bank (BNB) and the Registry Agency. The choice of this ten-year period is driven by the need to cover several complete market cycles, including the period of sustained growth (2015–2019), the COVID-19 pandemic shock (2020–2021), the subsequent recovery and the new cycle of accelerated growth (2022–2025).

The analysis of the real estate market is of essential importance for assessing the quality of intermediary services, as market dynamics directly affect: the volume and structure of intermediary activity; client requirements for broker professional competence; the competitive environment in the sector; and the need for specialised knowledge and skills. A dynamic and expensive market increases the financial risk for the consumer, which raises the requirements for the quality of intermediary services.

The House Price Index (HPI) is the main macroeconomic indicator, calculated on a quarterly basis in accordance with the harmonised European methodology (Regulation (EU) No. 93/2013). The analysis shows a sustained upward trend with three phases: moderate growth (2015–2019, 5–9% annually), a short-term COVID-19 shock (2020, +5.8%) and unprecedented

acceleration (2021–2025, double-digit growth rates). By 2025, the HPI reaches 246.7 points (base 2015=100), representing a cumulative increase of 156%. The real HPI (adjusted for the CPI) reaches 161.9 points – a real appreciation of over 60% (see Table 1).

**Table 1**

**Dynamics of the housing price index in Bulgaria (2015 – 2025)**

Year	HPI (2015=100)	Year Change (%)	CPI (2015=100)	Real HPI
2015	100.0	–	100.0	100.0
2016	107.5	7.5	98.7	108.9
2017	116.8	8.6	100.1	116.7
2018	123.5	5.7	103.0	119.9
2019	130.2	5.4	106.1	122.7
2020	137.8	5.8	107.3	128.4
2021	152.4	10.6	112.8	135.1
2022	175.3	15.0	130.4	134.5
2023	186.7	6.5	142.3	131.2
2024	217.5	16.5	145.8	149.2
2025*	246.7	13.4	152.4	161.9

*Source: NSI, House Price Statistics. \* Data for the first three quarters of 2025.*

In the European context, the Bulgarian market ranks among the most dynamic in the EU. For the period 2015–2025, Bulgaria is in third place in terms of cumulative price growth (+156%), after Hungary (+275%) and Portugal (+169%). For comparison, the average growth for EU-27 is 63.6%, and Finland is the only country with negative dynamics (–2%).

The regional analysis reveals significant polarisation. Sofia demonstrates the strongest price growth (HPI = 281.9, +182%), followed by Varna (+148%), Plovdiv (+139%), Burgas (+127%), Ruse (+112%) and Stara Zagora (+96%). The capital concentrates over 40% of market activity.

Market activity shows an upward trend – the number of transactions grew by 30% in the first half of 2025. The value of transactions consistently outpaces the growth in their number, indicating an increase in the average transaction price. Newly completed dwellings increased nearly threefold over the period, reaching over 24,000 annually. Housing affordability improved – the number of average salaries needed to purchase 1 sq.m decreased from 2.28 (2015) to 1.91 (2025). Interest rates on housing loans remain historically

low (approximately 2.5%), and the volume of mortgage loans increased sevenfold over the period.

The econometric analysis conducted in the dissertation confirms that the strongest influence on housing prices is exerted by the dynamics of household incomes, followed by the volume of mortgage lending. Interest rates have a negative effect – their reduction stimulates demand and leads to an acceleration of price growth.

Based on the analysis presented in the first section of Chapter Two, the following summary conclusions can be formulated:

1. A sustained price growth is observed – a cumulative increase of 156% over the ten-year period, third place in the EU. This growth creates significant financial stress for buyers and raises the requirements for the quality of intermediary services.

2. Regional polarisation is noted – Sofia concentrates over 40% of market activity and demonstrates the strongest price growth (+182%). This polarisation necessitates regional adaptation of intermediary strategies.

3. High market activity is evident – +30% growth in transactions in 2025, increasing average transaction price and commission revenues.

4. A trend of substantial growth in new construction is revealed – nearly threefold over the period, creating a specific market segment for off-plan sales.

5. Improved affordability driven by income growth is noted – from 2.28 to 1.91 average salaries per 1 sq.m.

6. A favourable credit environment exists – historically low interest rates (2.5%) and a sevenfold increase in mortgage lending, which increases the complexity of transactions.

**The second section of Chapter Two** examines current practices – both good and unscrupulous – in intermediary service provision by REAs in Bulgaria. The analysis is based on data from industry associations (NSNI, ARBI, NSBI), legislative initiatives, regulatory reports and the author's survey (2024–2026).

It is established that Bulgaria remains one of the few European countries without a specialised law for the brokerage profession. Activities are conducted under the general rules of the Commercial Act and the Obligations

and Contracts Act. Only about 10% of agencies are members of industry associations and accept voluntary standards of conduct. This unregulated environment creates conditions for the spread of unscrupulous practices affecting a significant proportion of clients.

The practice of publishing false listings is identified as one of the most serious systemic problems by all industry associations. It involves the publication of non-existent properties or properties with false characteristics to attract clients. Dual commissions – collecting simultaneously from both the buyer and the seller without clear disclosure – represent a conflict of interest with high frequency in the Bulgarian context (see Table 2).

**Table 2**

**Systematisation of Unscrupulous Practices in REAs**

<b>Problematic Practice</b>	<b>Description</b>	<b>% of clients</b>
<b>Hidden fees and commissions</b>	Additional fees beyond the agreed commission	40 – 43%
<b>False listings</b>	Non-existent properties or false characteristics	38 – 45%
<b>Conflict of interest</b>	Representing both parties without disclosure	35 – 38%
<b>Dual representation</b>	Simultaneously representing the buyer and the seller	35 – 38%
<b>Absence of a contract</b>	Operating without formally documented relations	31 – 35%
<b>Pressure for a quick decision</b>	Creating artificial urgency	26 – 30%

*Source: Author's own survey (2024–2026), data from NSNI, ARBI, NSBI.*

Alongside the problems, leading agencies apply good practices – codes of ethics, written contracts, professional insurance, systematic training and investment in CRM systems. However, these practices remain limited to members of industry associations.

Legislative initiatives from 2022–2025 are analysed. Initial attempts in 2022–2023 and subsequent legislative initiatives in 2024–2025 demonstrate intensified interest in regulating the industry with draft laws submitted by various political parties. A consensus has been identified among all stakeholders (NSNI, ARBI, NSBI, political parties) for the creation of a

public register of brokers as a minimum measure to enhance transparency and consumer protection.

Based on the analysis presented in the second section of Chapter Two, the following summary conclusions can be formulated:

1. Absence of regulation – Bulgaria remains without a specialised law; only 10% of agencies are members of industry associations.

2. Continued prevalence of unscrupulous practices – false listings (38–45%), hidden fees (40–43%), conflicts of interest (35–38%), absence of a contract (31–35%).

3. False listings are a systemic problem – identified by all industry associations as a primary target of proposed regulations.

4. Self-regulation is a good practice but covers a small share of market participants.

5. Intensification of legislative activity – draft laws in 2024–2025 from various political parties.

6. Consensus on the need for a public register among all stakeholders.

7. Need for a systemic approach – regulatory framework + educational requirements + quality assessment method + disciplinary accountability + consumer protection.

**The third section of Chapter Two** presents a comprehensive comparative analysis of good practices in intermediary service provision in: Singapore, Sweden, Norway, Denmark, Finland, Australia, France, Germany, the United Kingdom, the USA and Belgium. The selection of these countries is based on: (1) the existence of a developed regulatory framework; (2) proven effectiveness of consumer protection systems; (3) geographic and legal diversity; (4) the existence of innovative practices applicable in the Bulgarian context.

Four main regulatory models are identified: a strictly regulated model (Sweden, Belgium, France, Singapore) with a centralised state regulator and full powers; a licensing model with strong self-regulation (USA, Australia); hybrid regulation (United Kingdom, Germany) combining state oversight with delegated functions; and weakly regulated markets (Bulgaria, Spain, Poland).

A quality index of regulation and professionalisation (scale 1–10) has been developed, based on six criteria: licensing, continuing professional development (CPD), public register, ombudsman, code of ethics and insurance.

Special attention is devoted to the Scandinavian model. Sweden sets the highest educational requirements in the world – from 2 to 3 years of university education in real estate law, economics and construction technology. The Fastighetsmäklarinspektionen (FMI) maintains a register of 7,605 brokers and issues over 160 disciplinary decisions annually. A unique feature is the principle of the impartial intermediary – the broker advises both parties, with the exception of the price issue. Complaints reached nearly 1,000 in 2024, and AML reports increased from 38 (2023) to 92 (2024).

Norway applies a model through financial supervision (Finanstilsynet). Members of Eiendom Norge represent 98% of all residential transactions – 126,237 transactions (2023) valued at NOK 540 billion. According to the OECD, Norway has some of the lowest transaction costs in Europe. The Reklamasjonsnemnda for complaints received 277 complaints (2024), of which 81 (30%) were resolved in favour of the complainant.

Denmark offers the unique right of withdrawal (fortrydelsesret) – the buyer may withdraw from the transaction for a compensation of 1% of the purchase price within 6 working days. The United Kingdom demonstrates an effective redress system – TPO with 73,000+ annual enquiries (2024) and 38,880 members. NAR (USA) unites over 1.5 million REALTORS with a Code of Ethics from 1913 comprising 17 articles. The Nordic PropTech ecosystem with Nordic PropTech Awards is also analysed (see Table 3).

**Table 3**  
**Systematization of Best Practices in Real Estate Agencies (REAs) in the EU and Worldwide**

<b>Category</b>	<b>Best Practice</b>	<b>Countries of Implementation</b>
<b>Licensing</b>	Mandatory licensing regime	France, Belgium, Singapore, Australia
<b>Education</b>	Minimum 120 ECTS credits or specialized higher education degree	Sweden, Germany, Belgium

<b>CPD Training</b>	Mandatory continuing professional development (6–20 hours per year)	France (14 hrs), Germany (20 hrs/3 yrs), Singapore (6 hrs)
<b>Public Register</b>	Online access to brokers’ status and professional history	Sweden (FMI), Singapore (CEA@SG)
<b>Ombudsman</b>	Independent body for out-of-court dispute resolution	United Kingdom (TPO), Norway
<b>Code of Ethics</b>	Detailed ethical rules with enforcement mechanisms	USA (NAR – 17 Articles), Singapore
<b>Professional Insurance</b>	Mandatory professional indemnity insurance	France, Belgium, Singapore
<b>Escrow Accounts</b>	Client deposits held in protected trust accounts	Norway (Klientkonto), Belgium
<b>Transparency</b>	Mandatory disclosure of material information	United Kingdom (DMCCA 2024), USA

*Source: Compiled by the author based on CEPI (2022 – 2024) and national regulatory authorities.*

Based on the comparative analysis conducted in the third section of Chapter Two, the following main conclusions can be systematised:

1. Regulation is the norm, not the exception – all leading jurisdictions have some form of regulation. Bulgaria with an index of 4.3 remains an exception. The adoption of a special law is critically important.

2. The public register is a minimum standard – Singapore’s CEA@SG and Sweden’s FMI register ensure transparency and traceability.

3. CPD training is a tool for maintaining quality – from 6 hours/year (Singapore) to 20 hours/2 years (Belgium).

4. An independent ombudsman enhances trust – TPO (United Kingdom) with 73,000+ annual enquiries.

5. Strict regulation does not necessarily increase transaction costs – Norway and the Netherlands are proof.

6. A code of ethics is necessary but insufficient without enforcement mechanisms – FMI (Sweden) with 114 revoked registrations since 2017.

7. PropTech innovations improve transparency, but 80% of sales in Scandinavia remain through licensed offices.

8. An integrated approach is key – a hybrid model combining elements from different systems.

9. The Scandinavian model is the most relevant for adaptation – escrow accounts (Norway), disciplinary committee (Sweden), right of withdrawal (Denmark).

### CHAPTER THREE

#### OPPORTUNITIES FOR IMPROVING SERVICE QUALITY IN REAL ESTATE AGENCIES

**Chapter Three of the doctoral dissertation** acquires a distinctly applied character. It comprises three sections: methodology for assessing service quality in real estate agencies in Bulgaria, priority directions for improving quality, and innovative practices for developing customer service. The logic of the exposition follows the principle “from empirical analysis to applied solutions” – from the empirical verification of the model, through the identification of priorities, to specific innovative solutions.

**The first section of Chapter Three** presents the developed original methodology for quality assessment, based on the PropertyQual-Agency model. The methodology includes a 12-step algorithm, formalised through a mathematical toolkit. It is based on the “PropertyQual-Agency” model for producing a weighted, overall, average assessment based on the opinions expressed in surveys by clients (sellers and/or buyers who have actually used REA services) through the measurement of six criteria (dimensions).

The integral index IQP-PA is calculated using the following formula:

$$(2) \mathbf{IQP}_{PA} = \mathbf{IQP}_{X_1} \cdot \mathbf{f}_1 + \mathbf{IQP}_{X_2} \cdot \mathbf{f}_2 + \dots + \mathbf{IQP}_{X_n} \cdot \mathbf{f}_j$$

For verification and statistical validation, multiple regression analysis is applied:

$$(3) \mathbf{Quality} = \beta_0 + \beta_{FD} \cdot \mathbf{IQP}_{FD} + \beta_{IK} \cdot \mathbf{IQP}_{IK} + \beta_{OP} \cdot \mathbf{IQP}_{OP} + \beta_{PK} \cdot \mathbf{IQP}_{PK} + \beta_{OE} \cdot \mathbf{IQP}_{OE} + \beta_{PO} \cdot \mathbf{IQP}_{PO} + \varepsilon$$

For empirical verification, a survey was conducted among clients who had used the services of real estate agencies in Bulgaria (2024–2026), through a standardised online questionnaire (Google Forms), distributed through social networks, emails, professional contacts and direct invitations. The instrument includes 30 statements measuring 6 dimensions of perceived quality, 5 statements on satisfaction and behavioural intentions, as well as demographic

characteristics. The scale is a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree) – see Table 4.

**Table 4**

**The Six Dimensions of the PropertyQual-Agency Model**

<b>Code</b>	<b>Dimension</b>	<b>Description</b>	<b>Indicators</b>
<b>B1</b>	Physical Environment and Digital Presence	Office facilities, equipment, website, online presence	5
<b>B2</b>	Transparency and Information Quality	Accuracy of information, disclosure of terms and fees	5
<b>B3</b>	Process Reliability	Fulfilment of commitments, deadlines, documentation management	5
<b>B4</b>	Professional Competence	Market knowledge, legal expertise, advisory capacity	5
<b>B5</b>	Empathy and Personalization	Individual approach, attentiveness, flexibility	5
<b>B6</b>	Post-Sale Support and Loyalty	Post-transaction communication, assistance, feedback	5

*Source:* Developed by the author based on the PropertyQual-Agency model.

The reliability of the instrument is confirmed by Cronbach’s Alpha coefficient: all dimensions exceed 0.90, and the overall reliability is 0.985. This confirms the internal consistency of the scales and permits proceeding to the analysis of results.

The overall perceived quality of intermediary services is moderately high (M = 5.64 on a 7 – point scale), but the GAP analysis identifies significant differences between expectations and perceptions across individual dimensions.

Professional Competence (B4) shows the largest GAP = 1.70 – four of the five lowest-rated indicators belong to this dimension, with the lowest result being information about alternatives and risks (M = 5.17). Post-sale Support

(B6) has a GAP = 1.55. This confirms the need for mandatory professional training and certification.

Multiple regression analysis reveals that Post-sale Support (B6) is the strongest predictor of satisfaction ( $B = 0.477$ ,  $p < 0.001$ ), followed by Process Reliability (B3:  $B = 0.215$ ) and Professional Competence (B4:  $B = 0.178$ ).

The relationship between satisfaction and behavioural intentions is extremely strong ( $R^2 = 0.945$ ), which confirms that satisfied clients are the primary source of repeat transactions and referrals. Investment in quality has a direct return effect on the business results of agencies.

The results of the empirical testing and verification of the proposed PropertyQual-Agency methodology provide grounds for formulating the following key conclusions:

1. The PropertyQual-Agency methodology demonstrates high reliability (Cronbach's Alpha = 0.985) and validity for measuring the quality of intermediary services in real estate agencies.

2. Overall perceived quality is moderately high ( $M = 5.64/7$ ), but significant reserves for improvement exist.

3. The most critical deficit is in legal knowledge and the advisory role of brokers (B4: GAP = 1.70).

4. Post-sale Support (B6) is the strongest predictor of satisfaction ( $B = 0.477$ ,  $p < 0.001$ ) – an area in which many agencies do not invest sufficiently.

5. The satisfaction–behavioural intentions relationship is extremely strong ( $R^2 = 0.945$ ), confirming the direct return effect of quality on business results.

**The second section of Chapter Three** formulates priority directions for improving service quality, based on the empirical results and international experience. The analysis encompasses three levels of impact: macro level (regulatory), meso level (industry and education) and micro level (firm management).

At the macro level, the need for adopting a special Law on Intermediary Services in Real Estate Transactions is substantiated, including clear definitions, educational requirements, a national public register, mandatory insurance and supervision and sanction mechanisms. The European standard EN 15733:2010 provides a ready framework for minimum requirements that can be implemented in Bulgarian legislation.

The theoretical justification of the link between education and quality is based on human capital theory, according to which investments in education increase productivity and the quality of labour. Education forms competences in three dimensions, adapted to cognitive (knowledge), operational (skills) and affective (attitudes and ethics).

The survey provides empirical support – over 70% of consumers support the introduction of mandatory education and training in the field of real estate transactions.

At the micro level (firm management), five key managerial directions are defined: (1) Recruitment and competency profiling; (2) Induction and continuing professional development (CPD); (3) Standard operating procedures (SOPs) for the critical stages of the transaction; (4) Code of ethics and disciplinary mechanisms; (5) Quality measurement and feedback through instruments such as PropertyQual-Agency.

Systematic quality measurement is substantiated through KPI indicators: NPS (Net Promoter Score), satisfaction index, average response time, number of complaints. International experience (France, Sweden, Germany) confirms the effectiveness of the triad: education + register + CPD.

Based on the analysis presented in the second section of Chapter Three, the following summary conclusions can be formulated:

1. Educational requirements are a necessary but insufficient condition – their effect is maximised when combined with registration, supervision and continuing professional development (CPD).

2. Social legitimacy of professionalisation measures exists – over 70% of consumers support the introduction of educational requirements.

3. Managerial decisions at the firm level (recruitment, training, SOPs, ethics, measurement) are critical for transforming competence into quality service.

4. The absence of a special law, public register and mandatory insurance favours the entry of incompetent and disloyal participants.

5. European Standard for Requirements for the Provision of Services of Real Estate Agents EN 15733:2010 provides a ready framework for minimum requirements, applicable in Bulgarian legislation.

6. Systematic measurement through KPIs (NPS, satisfaction, deadlines, complaints) is a prerequisite for continuous improvement.

As a logical continuation of the findings, the following recommendations are made for the practical improvement of the market environment and customer service:

Recommendation 1 (to the legislator): Adoption of a special Law on Intermediary Services in Real Estate Transactions.

Recommendation 2 (to regulatory authorities): Implementation of EN 15733:2010 as a minimum standard.

Recommendation 3 (to professional organisations): CPD programmes with a minimum of 40–60 hours per three-year period.

Recommendation 4 (to real estate agencies): Implementation of a firm-level quality management system.

Recommendation 5 (to higher education institutions): Specialised educational programmes in the field of real estate.

**The third section of Chapter Three** presents innovative practices and technological solutions for developing customer service in real estate agencies. Four key directions are analysed: (1) multi-channel feedback collection; (2) automatic detection of service problems through AI and machine learning; (3) predictive analysis of client behaviour; (4) integration with CRM and other business processes.

The NPS (Net Promoter Score) indicator is presented as a key tool for assessing client loyalty, calculated using the formula:

$$(4) \text{ NPS}(\%) = \frac{\text{Препоръчители} - \text{Критици}}{\text{Общ брой анкетирани}} * 100$$

Where Promoters are clients who gave a score of 9–10 on a 10-point scale, and Detractors are those with a score of 0–6. NPS values above 50 are considered excellent, and above 70 – world class.

An algorithm for the process of predictive analysis for client behaviour has been adapted for the specific needs of real estate agencies and the dynamics of the housing market. The proposed algorithm includes the following seven main stages:

**Stage 1:** Data collection. The process begins with the aggregation of information from various contact channels – the agency’s CRM systems, enquiries from real estate portals, viewing history, email correspondence, social networks, as well as direct client feedback after meetings with brokers. This provides the necessary primary base for analyses, including critical parameters such as budget, preferred micro-districts, construction type and completion stage.

**Stage 2:** Processing and integration. The collected data sets undergo precise cleaning and standardisation of property characteristics (e.g. reconciliation of usable versus total floor area, degree of completion such as Act 14, Act 15, Act 16). The aim is to consolidate dispersed information into a single integrated database, ensuring quality, consistency and elimination of duplicate profiles (e.g. when one client is simultaneously a seller and a buyer of a new dwelling).

**Stage 3:** Analysis and modelling. In-depth client segmentation is performed on the prepared data (e.g. first-time home buyers, yield investors, families needing more space), and predictive models are applied to identify hidden patterns in demand and price sensitivity towards specific locations.

**Stage 4:** Forecasting and scenarios. Based on the developed models, specific forecasts are generated and probabilistic scenarios for future client behaviour are developed (e.g. readiness to sign an exclusive sales agreement, probability of mortgage approval, or forecasting the optimal time window for the sale of a given property).

**Stage 5:** Visualisation and monitoring. Results are tracked in real time through visual dashboards (reflecting the sales funnel – from first contact to deposit/preliminary contract) and automated alert systems, enabling rapid broker response when a new property matching the criteria of a high-readiness buyer appears, or when there is a price adjustment on a monitored listing.

**Stage 6:** Action and personalisation. Analytical insights are transformed into specific managerial decisions. Narrowly targeted communication is carried out and highly personalised property recommendations are provided (including exclusive pre-market offers matching the individual client profile

– e.g. emphasis on return on investment (ROI) for investors or proximity to schools for families).

**Stage 7:** Learning and optimisation. The cycle concludes with continuous updating of analytical models based on actually completed transactions (completion prices versus listing prices) and analysis of failed and unrealised viewings. This improves overall business strategies, increases the rate of successful transactions and ensures the sustainable development of intermediary service quality.

Consequently, the effective management of client behaviour through predictive analysis requires a systematic approach in which data collection, processing and modelling are directly linked to specific broker actions and subsequent optimisation, ensuring continuous enhancement of client satisfaction and the generation of long-term trust and referrals.

The role of CRM systems and artificial intelligence in modern real estate intermediation is analysed in detail. AI chatbots, personalised messages and communication automation free broker time for high-value activities. The construction and digital management of a detailed client profile through modern CRM systems and artificial intelligence is a determining factor for modern real estate intermediation, as it enables deep personalisation of the service, precise targeting of offers and maximisation of satisfaction.

The implementation of technologies for automatic detection of problems in customer service substantially increases the effectiveness of quality management. Through the use of text analysis algorithms, machine learning and integrated customer experience management platforms (Medallia, Qualtrics, Survicate), organisations gain the ability to timely identify problems, take adequate corrective actions and sustainably raise the level of client satisfaction.

Based on the innovative practices and the role of digital technologies examined, the following summary conclusions can be systematised:

1. Multi-channel feedback collection (email, SMS, in-app, Google Reviews, social media) is the foundation for quality management in contemporary REAs.

2. AI and ML technologies enable automatic identification of service problems at an early stage, before they lead to client loss.

3. Predictive analysis of client behaviour personalises recommendations and optimises marketing campaigns, increasing ROI.

4. CRM–feedback–predictive analysis integration creates a comprehensive client profile enabling strategic planning and process improvement.

5. The application of the formulated recommendations aims not only to enhance perceived quality but also to optimise the operational efficiency of Bulgarian REAs, bringing their activities in line with leading international standards.

## CONCLUSION

The present doctoral dissertation examines service quality in real estate agencies, with an emphasis on its essence, influencing factors, assessment methods and opportunities for improvement in the context of the contemporary economic environment. The theoretical, methodological and empirical analysis conducted allows the formulation of the following summary conclusions:

1. In theoretical terms, it was established that the service sector occupies a dominant place in the modern economy, which necessitates an in-depth study of service quality as a key factor for competitiveness. The analysis of the concept of "service" revealed its multi-layered character – as a process, an outcome and a set of interactions aimed at creating value for the client. The characteristics of services – intangibility, simultaneity of production and consumption, heterogeneity, perishability and active client participation – determine the specifics of their management and assessment.

2. The concept of "quality" has evolved from an objectively measurable category to a subjectively perceived, dynamic and relational construct, with a focus on the client. In this context, service quality is viewed as a result of the interaction between consumer expectations and perceptions, formed during the process of service delivery. This understanding substantiates the need for applying specific approaches and models for measuring quality in the service sector, distinct from those used in material production.

3. The study of the real estate market confirmed its high degree of complexity, dynamism and sensitivity to economic, social and institutional factors. The specific characteristics of real estate – high value, spatial fixity, heterogeneity and low liquidity – create conditions for information asymmetry and increased risk, which reinforces the importance of the quality of intermediary services. In this context, real estate agencies fulfil a key role as intermediaries who reduce uncertainty and support informed decision-making.

4. The analysis of the factors affecting service quality enabled their systematisation into three main groups – internal organisational, process and external. Internal organisational factors, such as professional competence, management and digitalisation, build the strategic foundation of quality. Process factors – communication, speed and coordination – exert a direct impact on the customer experience. External factors, including the market environment and the institutional framework, shape the expectations and standards for assessment. This structuring confirms that service quality constitutes a systemic phenomenon requiring an integrated managerial approach.

5. The study demonstrated that the classical models for quality assessment (such as GAPS and SERVQUAL) require specific sectoral adaptation to address the contemporary realities of real estate intermediation. Through the developed conceptual model and the defined working definition, quality was established as a dynamic process of value co-creation, in which professional competence and communication play a key role in minimising the gap between expectations and perceptions.

6. In analytical and empirical terms, the work outlined the context of a dynamic and polarised real estate market (analysed for the period 2015–2025), characterised by high price growth, credit expansion and increasing consumer demands. The applied original assessment methodology (based on the PropertyQual-Agency model) demonstrated high reliability and validity in measuring client attitudes. The results of the GAP analysis categorically identified the most acute deficits in domestic practice – the lack of in-depth legal knowledge, the underdeveloped advisory role of brokers and the

systematic underestimation of post-sale support, which proved to be the strongest determining factor for client loyalty and satisfaction.

7. As a response to the identified deficits, the dissertation proposes an integrated managerial-regulatory model encompassing all levels of impact:

- At the macro level (regulatory): The acute need for adopting a special Law on Intermediary Services, creating a public register and introducing mandatory educational requirements and insurance, in line with the European Standard for Requirements for the Provision of Services of Real Estate Agents EN 15733:2010, is substantiated.

- At the meso level (industry and education): The need for continuing professional development programmes and specialised university programmes is established.

- At the micro level (firm management): Innovative strategies for agencies themselves are formulated, including a transition to an advisory model of work, implementation of multi-channel feedback systems, process automation through management systems and the use of artificial intelligence for predictive analysis of client behaviour.

The implementation of the solutions proposed in the doctoral dissertation has the potential not only to enhance perceived service quality and client satisfaction, but also to bring the sector into the light, to minimise the risk of unfair practices and to establish the broker profession as that of a trusted, highly qualified and ethical consultant. Through the synergy between a strict regulatory framework, high educational standards and innovative firm management, the sustainable development of the real estate market in Bulgaria can be guaranteed.

### **III. STATEMENT OF CONTRIBUTIONS OF THE DOCTORAL DISSERTATION**

#### **I. Scientific and scientific-theoretical contributions**

1. A conceptual model (PropertyQual-Agency) for assessing perceived service quality in real estate agencies has been developed, building upon classical approaches. In inseparable connection with it, an original definition has been argued – service quality is a dynamic, relational and

multidimensional process of value co-creation, in which through effective communication, personalised service and high professional competence, the gap between consumer expectations and actual perceptions is minimised, ensuring sustainable added value for the client.

2. The thesis that the quality of intermediary services is a function of the combined effect of regulatory frameworks, the professional competence of employees and operational managerial practices at the firm level has been theoretically substantiated and empirically proven.

3. Existing theoretical approaches for the classification of services and the measurement of their quality have been systematised and critically evaluated, and the necessity of a transition from universal to sector-specific measurement frameworks has been demonstrated.

## **II. Applied contributions:**

4. A reliable methodology (with a high value of the internal consistency indicator – Cronbach's Alpha > 0.90) for the quantitative measurement of service quality has been created and empirically validated. Through its application, the critical deficits (GAP) of the Bulgarian residential real estate market have been identified – a weakly represented legal-advisory role of brokers and a lack of post-sale support, which has been established as the determining factor of client satisfaction.

5. An integrated managerial-regulatory model for development has been formulated, including macro-strategic recommendations (adoption of a special law, implementation of standard EN 15733:2010 and mandatory continuing education), combined with specific technological innovations for micro-level implementation in real estate agencies (multi-channel feedback, AI for predictive analysis and CRM automation).

6. An in-depth diagnostic analysis of the macroeconomic and sectoral dynamics of the residential real estate market in Bulgaria (2015–2025) has been conducted, on the basis of which the key trends (price growth, regional polarisation, credit expansion) shaping the new requirements for intermediary competence have been identified.

## **PUBLICATIONS ON THE DOCTORAL DISSERTATION**

### **Articles**

1. Nikolov, Y. (2025). Educational requirements – a necessary condition for improving the quality of services provided by real estate agencies in the future Law on Intermediary Services in Real Estate Transactions. *Real Estate & Business*, 9(4), pp. 217–223.

### **Conference papers**

2. Nikolov, Y. (2015). Requirements for the position of “broker” and their influence on the services offered by real estate agencies. *Construction Entrepreneurship and Real Estate: Proceedings of the 30th International Scientific-Practical Conference*, Nauka i Ikonomika, pp. 219–229.

3. Nikolov, Y. (2014). Consumer satisfaction with the quality of services offered by real estate agencies in the city of Varna. *Construction Entrepreneurship and Real Estate: Proceedings of the 29th International Scientific-Practical Conference*, Nauka i Ikonomika, pp. 166–176.