

Design Districts

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Footnotes for this article begin on page 12

From Semiotic Neighborhoods to Design Districts

Design districts have appeared in several cities under various names during the last twenty years. These districts specialize in selling and manufacturing goods whose retail value is based on their semiotic qualities. These areas are easily distinguishable in cities due to their business population: in these areas, most shops specialize in furniture, art, design, and similar goods; and many people who work there are involved in the art and design industries. Most research has focused on production,¹ and only some on consumption in these districts.² This paper looks at how these districts are organized, that is, how they are created, construed, and maintained by organizations that typically charge neighborhood businesses a small fee and, in exchange, take care of branding these neighborhoods.³ How do these organizations function?

Downtown areas have dominated consumption for much of the twentieth century.⁴ Typically catering to the middle classes, department stores offer a wide range of goods and services, some of higher quality than others, but overall, their business is geared towards the middle-income customer.⁵ In contrast, exclusive goods have traditionally been available for the rich in streets such as Paris's Rue de la Paix and London's New Bond Street, which have existed for centuries.⁶ However, after the postwar reconstruction period, another type of high-end district began appearing. Targeting the new upper-middle classes rather than the traditional upper classes, these districts focused on high-end clothing and fashion, accessories, and cosmetics rather than only watches and jewelry. On a smaller and slightly less luxurious scale, several other districts have followed suit, specializing in high-end goods, if not exactly luxuries. Such streets and neighborhoods flourish throughout Europe, ranging from Passeig de Gràcia in Barcelona⁷ to Paris's left bank, to SoFo in Stockholm and the Design District in Helsinki.

In previous work, these areas have been called "semiotic neighborhoods," and they have been described as centers for selling goods and services whose value is mostly based on their sign value.⁸ When people and the media begin to recognize an area as a semiotic neighborhood, the area gains an enviable reputation. Circulated in media and folklore, it attracts people to these neighborhoods to browse goods and services, and to enjoy the atmosphere. These cultural constructs shape the cityscape, and direct entrepreneurs' location decisions, as well as consumer behavior. In some cases,



Figure 1 (above)
Example of a logo: The Avenues of Art and Design, West Hollywood. Logo courtesy of Alexander Stettinski.

a virtuous cycle develops. Merchants locate in the neighborhood because they know that consumers go there for design. Consumers, on the other hand, go to the neighborhood because they know there are design shops they can browse in. Representations such as shopping maps are essential elements in this process through which some neighborhoods come to be characterized by the design trade.⁹

However, in some cities, the process has taken a further step and semiotic neighborhoods have come to be managed by organizations established for marketing and running them as specific design districts. These organizations exist in several cities (Figure 1). For merchants, these organizations provide several benefits. First, they provide discussion forums for identifying common interests. Second, for individual shops and merchants, it would not be profitable to promote such an image without facing dilemmas typical of collective action.¹⁰ For a relatively small entry fee, these organizations provide the benefits associated with the design district without burdening any particular business too much. As long as the entry fee is relatively small, the organization can withstand a relatively high degree of free-riding. Third, as juridical persons, the organizations also can make contracts and, for example, take bank loans to fund their campaigns. Fourth, these organizations try to exert a degree of social control over the cityscape. Fifth, they function as pressure groups towards the city and other policy makers. In all, these organizations provide a frame, focus, and leadership; as well as pool resources for creating, running, and maintaining design as a core element in the district's identity.

Three Districts

This paper describes how three art and design districts are organized and how they function. The first district is The Avenues of Art and Design, which is located around Robertson Boulevard between Santa Monica and Beverly Boulevards in the West Hollywood (WeHo) section of Los Angeles. When Pacific Design Center, a huge mall specializing in interior design, was erected in 1975, the neighborhood became the main shopping area for high-end furniture, interior design, and art within the Los Angeles basin. The neighborhood originally was known as an expensive district aimed at the wealthy. For a long time, only accredited designers were able to shop there. Since the 1980s, merchants have expanded their businesses outside the Pacific Design Center into the surrounding streets. Art galleries started to arrive as the neighborhood gained the reputation of being "funky" and affordable. In 1996, a BID—shorthand for Business Improvement District—called "The Avenues of Art and Design" was established in the City of West Hollywood. The initiative came from the merchants. The Avenues primarily is a marketing tool: its main aim is to promote the District. Today, it has about 300 members. Initially, its budget was 60,000€, but it grew to about 175,000€ by 2006.¹¹

The board of The Avenues consists of merchants who have shops in the neighborhood.

The second example in this paper is the Design District Helsinki which, like its Californian counterpart, promotes interiors and furniture, but also fashion, the antique trade, art galleries, design jewelry, and restaurants. The District was established as a nonprofit association in 2005 as one of the activities of the national Design Year. Its membership fees vary from 120€ for smaller businesses to 350€ for bigger establishments, and 550€ for supporting members. Originally, the District had about 60 members but, by early 2007, it had grown to approximately 170 members; all located on the rim of the central business district. Although the Design District is a nonprofit association, its coordinator gets a part of her salary from Design Forum, a national design promotion organization. Currently, the District gathers about 40,000€ annually through membership fees. The original initiative came from Design Forum Finland. The Design District has received a measure of success not only in terms of its membership, but also in promoting the four south Helsinki neighborhoods in which it is located as a choice location for a variety of design businesses.

The third example is SoFo, "South of Folkungagatan," located in Södermalm, Stockholm's southern island, which was established in 2002 in a neighborhood that previously was residential. The neighborhood began to change about ten years ago, when it first got a row of restaurants, and then became the hub of independent fashion in Stockholm. A local graffiti artist, Per Holm, coined the name "SoFo" in 2003 initially as an ironic designation, with New York's SoHo as an obvious model. Today, SoFo has about ninety members, each paying 1000 SEK (about 110€) annually (originally, the fee was 300 SEK, or about 33€), but it is growing rapidly, and already has created a profile as the place to go for independent fashion, art, and design in Stockholm.

Data for this paper comes from several sources. First, three expert interviews were done. SoFo's semi-official spokesman, Erik Modin, was interviewed in his studio in Stockholm on May 29, 2007; Alexander Stettinski, Executive Director, The Avenues of Art & Design, was interviewed in West Hollywood, Los Angeles on November 30, 2006; and Aino Vepsäläinen, Project Manager for Design District Helsinki was interviewed on May 15, 2007, in Design Forum Finland. Project Manager Eija Taljavaara provided updated information to me on January 17, 2008. Second, before and during these interviews, I collected brochures, marketing materials, press coverage, action plans, and also the rules of the organizations if such documents existed and were accessible. Simultaneously, I analyzed the Web pages of the organizations. Finally, I spent time walking around in these three neighborhoods, talking to shop owners and customers, and photographing shops, streetscapes, and organizational signs on the streets.

Creating Identity

The three organizations create design-based identities for the districts through many means. All three maintain websites and a street presence that make the districts recognizable both on the street and on the Internet. When you arrive at The Avenues of Art and Design, you see banners on lamp posts telling you where you are. On the Web, searching for design in Los Angeles inevitably leads to the main page of The Avenues. In the case of Helsinki, you can see the Design District's round logo in many shops throughout the District's home neighborhoods. The logo is sometimes integrated into other types of marketing campaigns including Helsinki Design Week, the Design Year, and Design Forum campaigns and marketing. In SoFo, the organization is more informal. Shop owners can freely use the name, provided that Per Holm, who invented the acronym, accepts them.

The organizations provide merchants with a forum for exchanging opinions and finding common interests among the districts' design businesses. Based on these common interests, districts can be given identities; strategies can be created to shape these identities; and resources can be pooled to make the strategy real. For example, in 2006, Helsinki's Design District spent 35,000€ to create a marketing strategy, and took out a bank loan of 18,000€ in order to fund the campaign. It is not in the interest of any individual design business owner to devote such sums to promoting the common good: a design district uses collective action to solve this problem. Identity management extends to the media, street, and virtual presence. In designing the district identities, one of the main drivers has been to make them discreet enough not to disturb the visual face of shops.

Figure 2

Example of the street image of the districts: Los Angeles. Note that this is The Avenues's old identity. Picture by IK, October 2006.



The dilemma of the districts is that a popular neighborhood with rising property values and rents also attracts shops and activities that do not fit in the design ideal being promulgated by these organizations. A few rowdy sports bars, porn shops, or even worse—high street retailers such as H&M or The Gap—can easily threaten the identity built around classy design.

All of the districts use fairly similar means to manage these threats to the common good. None of them has any formal control on who can do business in the neighborhood. Instead, they exercise more sophisticated forms of control over entry. In The Avenues, anyone can come to the district, but as soon as the BID learns about a newcomer, it educates property owners and merchants about the nature of the district and its value to them. The gist of the argument is that, since the merchants in the neighborhood benefit from its reputation which could be ruined unless it is maintained, everyone has to participate in the identity making.

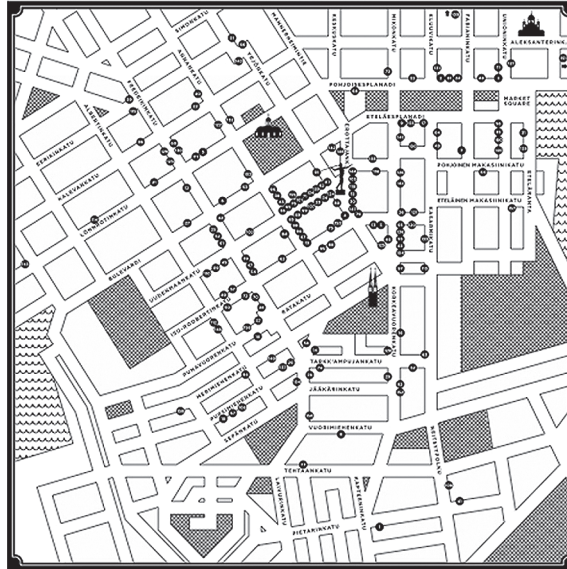
In Helsinki, the process focuses on informing interested businesses about free locations in the District, which is still in the making. Out of about five-thousand businesses in the four neighborhoods comprising the District, currently only two to three percent are a part of the association; while a few hundred more are design-intensive. In SoFo, the figure is even smaller. Still, all organizations try to influence who gets into the district by giving advice to property owners who might not understand the value of the design district identity. At least SoFo includes information about free business premises on its website, trying to attract businesses that support its identity.

Performing the Identity

Design districts organize various activities to propel themselves into the public's eye. In particular, shopping maps provide detailed help for consumers interested in navigating the neighborhoods. District websites provide directories of shops and other businesses, making searching for specific types of shops easy (Figure 3). Brochures provide information about activities within these districts. For example, Design District Helsinki produces a new shopping map twice a year, and constantly updates its website with new activities. At present, SoFo aims to publish a map four times a year, and updates its website informally as needed.

In addition, all districts participate in developing the physical environment of the neighborhood. For example, Design District Helsinki has participated in the City of Helsinki's planning processes in improving street lighting and in developing plans for the Diana Park quarter in the heart of the District. In West Hollywood, The Avenues supports a pedestrian-friendly policy promoting wide sidewalks and pushing parking away from the streets. In what is perhaps the ultimate car culture in the world, this is a radical policy.

Figure 3
 Example of a shopping map from Design
 District Helsinki. May 2008.



Lacking the stable, well-off membership of The Avenues and semi-government backing of Design District Helsinki, SoFo is still in the process of creating an identity for the neighborhood and growing its membership base.

All districts organize activities to increase awareness of what is in these districts. For example, they educate journalists by organizing tours in the districts, and giving them promotional material. Similarly, walking tours and late-night shopping events are organized for the public (Figure 4). The Avenues of Art and Design, for example, sponsors the “Art and Design Walk” in June. During the Walk, the district becomes a big open house in which about 100 to 150 businesses participate. During the Walk, The Avenues’ BID arranges exhibits and other social activities outside the stores; while individual stores provide wine and food, and organize other events to entertain visitors. One of the centers of global art world,

Figure 4
 Example of a design district activity, SoFo,
 Stockholm. Translation: “SoFo evening. All
 SoFo shops are open until 9 p.m. every last
 Thursday of the month.” Picture by IK, May
 2007.



The Avenues also gets a lot of media attention from art, fashion, and media world events that include charity auctions, Art Walk VIP tents, and help in organizing such media events as *Vanity Fair's* and Elton John's Oscar parties.

The Helsinki District sponsors design walks twice a week during the summer and upon request in winter, and promotes the District among journalists just like its cousin in L.A. In addition, the District participates in the "Night of the Arts" organized annually in August by the City of Helsinki, when the city center and its neighboring districts gather hundreds of artistic activities and performances. Also, the District participates in the annual Helsinki Design Week. The association also promotes the District whenever there are public events within its boundaries, such as the opening of the refurbished Diana Park in the very heart of the District. SoFo, in turn, organizes monthly shopping nights, when the shops stay open until 9 p.m., and Christmas markets. Unlike its counterpart in California, the two Scandinavian districts have less to do with elites who convene around venues other than art and design.

Design Districts and the Environment

When successfully established, these organizations provide their districts many benefits. Businesses need to advertise less. Small businesses do not have to invest in costly marketing campaigns. And consumers have to invest less time in locating the goods they are interested in. But there are snakes in paradise. If these neighborhoods are successfully transformed into design districts, other areas in the city may want to emulate their success story. Thus, these districts may fall victim to their own success not just by attracting the wrong kinds of companies, but also externally by inviting competition. At least two kinds of environmental factors play a part in the districts analyzed here.

First, design districts face urban competition. In particular, this is the case in The Avenues of Art and Design, which exists in the middle of a vast, rapidly growing metropolis.¹² This strain works in two directions. On the other hand, for a community such as West Hollywood, art and design are handy devices for branding. Internationally, the best-known place in West Hollywood is "Sunset Strip," L.A.'s traditional nightspot; while Santa Monica Boulevard is primarily known for its diverse ethnic mix and nightspots. In contrast to these, The Avenues provides West Hollywood more sophisticated means for branding, but has to compete with other players in the City. In interior design, The Avenues is still the undeniable leader of high-end shopping in Los Angeles. In terms of art galleries, it is strong with dozens of upscale galleries. However, the art world of L.A. has moved away from The Avenues in recent times. Culver City, downtown L.A., and Santa Monica have attracted an impressive number of galleries, and smaller concentrations of art galleries exist in several other places throughout the area. However,

even though The Avenues may have lost ground in the art world, it is winning on another front: fashion. The Avenues of Art and Design is attracting companies that earlier located in Beverly Hills and also younger designers from Melrose Avenue.

Second, organizational environment shapes the districts. Ten times smaller than Los Angeles, Design District Helsinki works in the middle of other kinds of environmental pressures. The District is integrated into a lively design culture that is partly based on private, and partly on public, supply, demand, and promotion. Being parented by Design Forum Finland keeps the District anchored partly in the commercial world of its home neighborhood, and partly in public design programs. The District is networked with Helsinki Design Week, Design Year 2005, and naturally its host, Design Forum Finland. Still, in many ways, this is quasi-competition. Since the District is only partially funded by membership fees, control of the District is partly in the hands of Design Forum Finland, and thus in the design policy makers' hands.

Unlike Helsinki, Stockholm has a traditional upper-class shopping district in the Östermalm neighborhood that caters to the CITY'S rich. This district is located slightly over two kilometers north of SoFo. SoFo attracts an alternative, "hip" culture rather than the international brands and luxury goods typical of Östermalm's main-shopping streets. When compared to Helsinki, SoFo leads a significantly more tranquil life; free of policy pressures.

Discussion

What the sociologists Scott Lash and John Urry once called the "economy of sign and space"¹³ has changed the face of some neighborhoods in many cities in many ways.¹⁴ In this paper, my focus has been on how this economy is organized and made visible in the cityscape by one specific category of formal organizations: design districts established to promote certain neighborhoods through design. These organizations provide the means for local businesses to identify common interests, create strategies for promoting the districts; and pool resources to implement these strategies, while avoiding problems typical of creating and delivering common goods.¹⁵

The focus of this paper has been on how these organizations function in organizing design into the cityscape. Many of the things the organizations do are familiar from branding more generally. For example, all districts studied in this paper have logos that create an identity for them. However, the process of husbanding the districts extends beyond marketing. All three districts try to educate the business population about the value of maintaining the district. Once district organizations are established and able to organize activities, websites, and shopping maps, they begin to attract certain types of customers and businesses; pushing development in an increasingly more artistic and design-oriented direction.

If successful, these districts become virtually self-fulfilling prophecies.

What kinds of consequences do design districts have for design? On the positive side, they provide exposure to design, and make it easier for the media to publicize design, creating markets for design and services around design. They certainly improve the images of their host cities. However, there are problems, too. For example, the district works against many interests of the design community, focusing attention on traditional design objects rather than complex systems and the more higher-paying design specialties. As this conjuncture suggests, design districts may be relevant players in design. A look at Helsinki is informative. As mentioned above, the District was established by Design Forum Finland, a semi-public design promotion organization, which still coordinates it. However, the District's policy connections are informal rather than direct. Most notably, this is the case of the former head of Design Forum Finland, who was the first chairman of the District and also held several expert roles in design policy. However, the members of the District's board are largely business owners, moving its control away from government policy. Thus, a safe inference is that political visions and agendas are no doubt taken into account in its activities. In terms of what kind of image of design the District articulates, its connection to design policy may in fact be enriching. Paradoxically, through involvement in design policy, the District also has to promote the more industrial and system-based end of design through events such as industrial design awards and exhibitions.

There is a growing literature that focuses on how Lash and Urry's economy of signs and space has changed the faces of cities.¹⁶ This paper has focused on one of its more recent developments; namely, how formal organizations have been created to manage this economy in the cityscape. The analysis has been descriptive rather than analytic. However, it shows that design is a real phenomenon in the semiotics of the city. It contributes not just to a city's economy, but also to its look and feel—perhaps not everywhere, but at least in some parts of the urban landscape.

Acknowledgments

This paper was originally presented at The International Association for Semiotic Studies—IASS-AIS World Congress, Helsinki/Imatra, June 11 to 16, 2007 as a part of the Round Table "Understanding Cities: Aesthetic Representation and Experience" organized by Peter Allingham and Kirsten Marie Raahauge. I want to thank the participants at this session for comments and ideas. Also, I want to thank Erik Modin, Alexander Stettinski, and Aino Vepsäläinen for their time.

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- 3 See G. Julier, *The Culture of Design* (London: Sage, 2000), 117–143; and L. Moore, *The Rise of Brands* (London: Berg, 2007).
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- 9 For a view that grants agency to inanimate objects such as maps, see B. Latour, "Drawing Things Together" in *Representation in Scientific Practice*, Michael Lynch and Steve Woolgar, eds. (Cambridge, MA: The MIT Press, 1991).
- 10 See, for example, M. Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Cambridge, MA: Harvard University Press, 1965).
- 11 Original figures for the Avenues were \$85,000 and \$250,000, respectively. I have converted currencies into euros using December 7, 2007, as a baseline (\$1=0.69€, 1SEK=0.11€).
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- 15 See Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups*.
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