

**Design Districts**

**Forthcoming in Design Issues. Please, do not uote.**

Ilpo Koskinen  
Prof., Dr.Soc.Sci.  
School of Design  
University of Art and Design Helsinki  
Hämeentie 135 C  
00560 Helsinki  
[ilpo.koskinen@taik.fi](mailto:ilpo.koskinen@taik.fi)  
<http://www.taik.fi/~ikoskine/>

**Acknowledgements.** 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 of the session for comments and ideas. Also, I want to thank Erik Modin, Alexander Stettinski and Aino Vepsäläinen for their time.

## **Design Districts**

### **Abstract**

Design districts have appeared in several cities under various names during the last 20 years. These districts specialize in selling and manufacturing goods whose retail value is based on their semiotic qualities. These neighborhoods are easily distinguishable in cities due to their business population: most shops specialize in furniture, art, design, and similar goods, and many people who work there are involved in the design industries. This paper looks at how these signs are created, construed, and maintained by associations which typically charge businesses a small fee, and in exchange take care of branding these districts, thus creating businesses value. How are these districts constructed and maintained? This paper builds on three case studies: the Avenues of Art and Design in Los Angeles, the Design District in Helsinki, and SoFo, South of Folkungagatan in Stockholm.

**Key words:** design, art, city, consumption, design districts

## ***1. From Semiotic Neighborhoods to Design Districts***

Design districts have appeared in several cities under various names during the last 20 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,<sup>1</sup> and only some on consumption in these districts.<sup>2</sup> 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.<sup>3</sup> How do these organizations function?

Downtown areas have dominated consumption for much of the 20<sup>th</sup> century.<sup>4</sup> 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.<sup>5</sup> In contrast, exclusive goods have traditionally been available for the rich in streets like Paris's Rue de la Paix and London's New Bond Street, which have existed for centuries.<sup>6</sup> However, after the post-war reconstruction period, another type of high-end district began appearing. Targetting 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 watches and jewelry only. In smaller and slightly less luxurious scale, several other districts have followed suit, specializing in high-end goods, if not exactly luxury. Such streets and neighborhoods flourish throughout Europe, ranging

from Passeig de Gràcia in Barcelona<sup>7</sup> through Paris' 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 of selling goods and services whose value is mostly based on their sign value.<sup>8</sup> When people and the media begin to recognize an area as a semiotic neighborhood, the area gets a reputation. Circulated in media and folklore, it directs 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, 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, in which some neighborhoods come to be characterized by the design trade.<sup>9</sup>

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 (Picture 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.<sup>10</sup> 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 can also 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.

**-- Take Picture 1 in around here --**

## ***2. 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 West Hollywood (WeHo), 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 was originally 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. In the 1980s, 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 is primarily 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.<sup>11</sup> 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 non-profit association in 2005 as one of the activities of the national Design Year. Its membership fees vary between 120€ for smaller, 350€ for bigger businesses, and 550€ for supporting members. Originally, the district had about 60 members, but by early 2007, it had grown to about 170 members, all located on the rim of the central business district. Although the Design District is a non-profit 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 was previously residential. The neighborhood began to change about 10 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 first as an ironic designation, with New York’s SoHo as an obvious model. Today, SoFo has about 90 members, each paying 1000 SEK (about 110€) annually (originally, the fee was 300 SEK, or about 33€), but it is growing rapidly, and has already 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 made. 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. Third, 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.

### ***3. Creating Identity***

The three organization create design-based identities for the districts through many means. All three organizations maintain Web sites and a street presence that make the districts recognizable on the street and on the Internet alike. 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 district used 35,000€ for creating a marketing strategy for the district, and took 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.

**-- Take Picture 2 in around here --**

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 like H&M or GAP can easily threaten the identity built around classy design.

To manage these threats to the public good, all districts use fairly similar means. None of these districts 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 for 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 5000 businesses in the four neighborhoods in which the district lies, currently only 2-3% are a part of the association, while a few hundred more are design-intensive. In SoFo, the figure is still 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 Web site, trying to attract businesses that support its identity.

#### ***4. Performing the Identity***

Design districts organize various activities to push themselves into the public eye. In particular, shopping maps provide detailed help for consumers interested in navigating the neighborhoods. District web sites provide directories of shops and other businesses, making searching for specific types of shops easy (Picture 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 the Web site with new activities. At present, SoFo aims to publish a map four times a year, and updates the Web once in a while as needed.

**-- Take Picture 3 in around here --**

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

All districts organize several activities to increase awareness of what is in these districts. For example, they educate journalists by organizing tours in the districts and giving promotion material to them. Similarly, walking tours and late night shopping events are organized for the public (Picture 4). The Avenues of Art and Design, for example, organize an Art and Design Walk in June. During the Walk, the Avenues become a big open house in which about 100-150 businesses participate. During the walk, the Avenues BID arranges exhibits and other social activities outside the stores, while the stores provide wine and food, and organize other program to entertain the participants. One of the centers of global art world, 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.

**-- Take Picture 4 in around here --**

The Helsinki District organizes design walks twice a week in the summer, and on order in winter, and promotes the district for journalists just as its cousin in LA. 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 are open until 9 pm and Christmas markets. Unlike its Californian counterpart, the two Scandinavian districts have less to do with elites who convene around venues other than art and design.

## ***5. Design Districts and the Environment***

When successfully established, these organizations provide the district with many benefits. Businesses need to advertise less. Small businesses do not have to invest in marketing. 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 the success story. These districts may thus 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 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.<sup>12</sup> This strain works in two directions. On the other hand, for a city like West Hollywood, art and design are handy devices for branding. Internationally, the

best-known place in West Hollywood is Sunset Strip, LA's traditional nightspot, while Santa Monica Boulevard is primarily known for its ethnic mix and nightspots. In contrast to these, The Avenues provides West Hollywood more sophisticated means for branding. On the other hand, the Avenues have to compete with other players in the city. In interior design, the Avenues are still the undeniable leader of high-end shopping in Los Angeles. In terms of art galleries, the Avenues are still strong with dozens of high-end galleries. However, recently the art world of LA has moved away from the Avenues. Culver City, Downtown LA, and Santa Monica have attracted a significant number of galleries, and smaller concentrations of art galleries exist in several other places. 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 are 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, the District in Helsinki works in the middle of other kinds of environmental pressures. Design District Helsinki is integrated into a lively design culture that is partly based on private, partly on public supply, demand, and promotion. That the district is parented by Design Forum Finland keeps the District anchored partly in the commercial world of its home neighborhood, 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, part of the control of the District lies in the hands of Design Forum, and that way, in 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 international brands and luxury goods typical to Östermalm's main shopping streets. When compared to Helsinki, SoFo leads a significantly more tranquil life, free of policy pressures.

## **7. Discussion**

What the sociologists Scott Lash and John Urry once called the “economy of sign and space”<sup>13</sup> has changed the face of some neighborhoods in many cities in many ways.<sup>14</sup> 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 are juridical persons that provide means for local businesses to identify common interests, create strategies for promoting the districts, and pool resources to realize these strategies while avoiding problems typical of creating and delivering common goods.<sup>15</sup>

The focus of this paper has been on how these organizations function in organizing design into the cityscape. Many 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 a district organization exists, and is able to organize activities, Web sites, and shopping maps, these districts attract certain types of customers and businesses, pushing development in an

increasingly more artistic and design-oriented direction. If successful, these districts become like 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 easy for media to puff 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 to traditional design objects rather than complex systems and more high-paying specialties of design. 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, 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, connection to policy may in fact be enriching. Paradoxically, through involvement in design policy, the District also has to push the more industrial and system-based end of design to attention through events like industrial design awards and exhibitions.

There is a growing literature that focuses on how Lash and Urry's economy of signs and space changes the face of cities.<sup>16</sup> 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, this paper shows that design is a real phenomenon in the semiotics of the city. It contributes not just to the city economy, but also to its look and feel - perhaps not everywhere, but at least in some parts of the urban landscape.

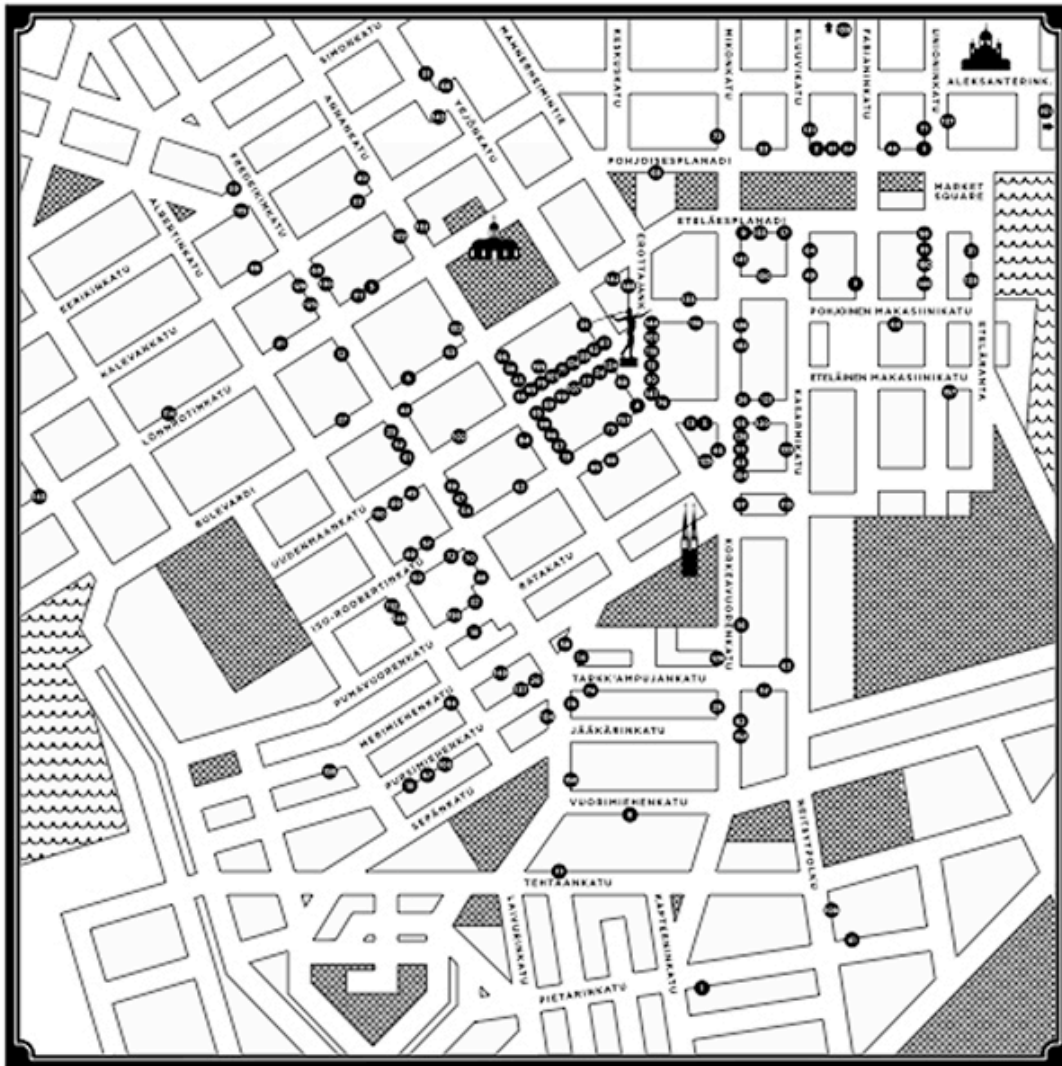


**Picture 1.** Example of a logo: The Avenues of Art and Design, West Hollywood. Logo courtesy of Alexander Stettinski.





**Picture 2.** Example of the street image of the districts. Los Angeles. Note that this is the Avenues' old identity. Picture by IK, October 2006.



**Picture 3.** Example of a Shopping Map from Design District Helsinki. May 2008.





**Picture 4.** Example of a Design District Activity, SoFo, Stockholm. Translation: SoFo evening. All SoFo shops are open until 9pm every last Thursday of the month. Picture by IK, May 2007.

## Notes

---

<sup>1</sup> For Los Angeles and Paris, see Scott, A. J., *The Cultural Economy of Cities* (Thousand Oaks: Sage, 2000); for London, Evans, G., “Cultural Industry Quarters: From Pre-Industrial to Post-Industrial Production.” In Bell, David and Mark Jayne (eds.) *City of Quarters. Urban Villages in the Contemporary City* (London: Ashgate 2004); for Berlin, Mundelius, M., *The Reliance of Berlin’s Creative Industries on Milieus. An Organisational and Spatial Analysis*. Dissertation zur Erlangung des akademischen Grades des Doktors der Naturwissenschaften eingereicht am Fachbereich Geowissenschaften der Freien Universität. Berlin, 2007).

<sup>2</sup> Koskinen, I., Kulttuurikorttelit. *Yhteiskuntasuunnittelu* 39 (2001), 9-28. [Culture Blocks, in Finnish]; Koskinen, I., Semiotic Neighborhoods. *Design Issues* 21(2) (2005), 13-27.

<sup>3</sup> See pp. 117-143 in Julier, G. *The Culture of Design*. (Sage: London, 2000), and Moore, L. *The Rise of Brands*. (Berg: London, 2007).

<sup>4</sup> Johns, M., *Moment of Grace. The American City in the 1950s*. (Berkeley: The University of California Press, 2003).

<sup>5</sup> McCracken, G., *Culture and Consumption. New Approaches to Symbolic Character of Consumer Goods and Activities* (Bloomington: Indiana University Press, 1988); Sennett, R., *The Fall of the Public Man. On the Social Psychology of Capitalism* (New York: Vintage, 1978); Miller, M. B., *The Bon Marché. Bourgeois*

---

*Culture and the Department Store, 1869-1920*. (London: Allen & Unwin, 1981); Zukin, S., *The Cultures of Cities* (Malden, MA: Blackwell, 1999).

<sup>6</sup> Mumford, L., *Kaupunkikulttuuri* (Porvoo: WSOY, 1949), 214. Original: *The Culture of Cities*. For how commerce and traditional *haute bourgeoisie* are connected, not always without problems, in Paris, see Pinçon, M., and M. Pinçon-Charlot, *Quartiers bourgeois, quartiers d'affaires*. (Paris: Éditions Payot, 1992).

<sup>7</sup> Narotzky, V., A Different and New Refinement. Design in Barcelona, 1960-1990. *Journal of Design History* 13 (2000): 227-43.

<sup>8</sup> Koskinen, 2005.

<sup>9</sup> For a view that grants agency to inanimate objects like maps, see Latour, B., "Drawing Things Together." In Lynch, Michael and Steve Woolgar (eds.) *Representation in Scientific Practice* (Cambridge, Mass.: The MIT Press, 1991).

<sup>10</sup> See, for example, Olson, M., *The Logic of Collective Action. Public Goods and the Theory of Groups*. (Cambridge, MA: Harvard University Press, 1965).

<sup>11</sup> Original figures for the Avenues are \$85,000 and \$250,000. I have transformed currencies into Euros using December 7, 2007 as a baseline (\$1=0.69€, 1SEK=0.11€).

<sup>12</sup> Soja, E.W., *Postmetropolis* (Oxford: Blackwell, 2000).

<sup>13</sup> Lash, S. and J. Urry, *Economies of Sign and Space* (London: Sage, 1994).

<sup>14</sup> Mundelius, *op cit.*; Evans, *ibid.*; Koskinen, 2001, 2005.

<sup>15</sup> See Olson, *op. cit.*

<sup>16</sup> Lash and Urry, *op. cit.*