

# CORPORATE URBANISM AND SUSTAINABILITY

**New strategies of branding** Today companies shift from pure advertising into more sophisticated forms. Advertising does not generate added value or capital in the long run. So a strategy of corporate branding based on sustainability may generate (free) publicity as well as added value (goodwill) for the company. The trend is indicative of a significant shift of responsibilities from the government to the private sector.

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To date, the majority of architectural and urban projects deemed exemplary in terms of sustainability have been rated primarily according to technical criteria. But sustainable urban design implies much more than this. As architects and urban designers, we use the term sustainability more broadly, mainly to refer to design discipline – design that factors in urban and social sustainability. Several private companies have done pioneering work in promoting sustainable urban design and deserve special recognition for their efforts. Sustainability in architecture and urbanism covers a wide spectrum of technical and non-technical aspects. At the technical end, we have energy conservation, recycling, environmental management and ecology; at the non-technical end, we have factors influencing social behaviour and spatial organisation, which are obviously vital in determining the sustainability of urban concentrations. We define sustainable urban design using this formula:

$$\begin{array}{c} \text{sustainable urban design} \\ = \\ \text{urban and social sustainability} \\ + \\ \text{technological sustainability} \end{array}$$

We believe the technological side of sustainability should no longer be merely aspirational or experimental. It should be standard practice, a self-evident part of project requirements. Once sustainable technology has established itself as a given, we can focus on the second component in our formula: urban and social sustainability.

This is where corporate urbanism comes in. In recent years, the shift from advertising to branding lifestyles has not only tied consumer groups more effectively and durably to brands, it has also prompted a number of companies to intervene consciously in architecture and public spaces, urban design, and more widely in the environment – even on a global scale. Our main preoccupation is to explore whether these new marketing strategies can genuinely nourish more sensitive and sustainable behaviour towards the environment, or whether they will remain no more than commercial exploitations of the urban realm.

## **The Nike example or “going subculture”**

Nike Inc.’s involvement in sustainable urban design is particularly interesting and well documented. Originally “merely” a sportswear and accessories producer, Nike expanded its corporate development parameters to include environmental issues, urban design strategies, and a proactive policy on developing nations. This attitude reflects an ongoing search for new marketing methods and the ethical standards of Nike’s board of directors; but this move was also in no small part a response to negative publicity the company suffered when “sweatshop” working conditions in its factories in the developing world were uncovered by the press. Today, Nike’s worldwide production and distribution centres set a standard for other corporations. Housed in thoughtfully planned campuses with full amenities and exemplary working conditions, Nike’s developments are comparable to the philanthropic company towns and garden cities of the early 20th century. In Nike’s Shoe-Town in Guangzhou, China, for instance, employees are offered socially-oriented programmes and given the chance to acquire affordable housing. Nike has also developed numerous other sustainability policies. Its “3R” (reduce, reuse, recycle) strategy, for example, favours production methods that “make more with less”, use less (polluting) materials, save energy and recycle shoes and waste materials. It has also launched a product called “Nike Grind” – a covering material for sports tracks and field surfaces made from recycled trainers. Nike’s strategy of “lifestyle” branding, involving highly visible installations that are fully integrated into the urban context, is especially interesting. These flagship stores, or “Nike towns”, are designed as meeting places where promoting a “cultural product” or lifestyle has priority over profit margin. Physically though, these installations remain simple variations of traditional retail architecture. Nike’s construction of derelict sports fields and basketball courts in underprivileged neighbourhoods of Berlin and New York are much more radical. In Berlin, Nike has even sought to graft itself onto the city’s rich subcultural landscape by sponsoring temporary night clubs and activities on the fringe of legality. When designing all of these projects, Nike opts for a discreet approach. Its “swoosh” logo is barely, if at all, visible. In the Presto Lounge, for instance, a casually placed trainer is the only trace of



Nike's involvement. Through this contribution to subculture, Nike actively promotes low-cost revitalisation of neighbourhoods while securing a sustainable profit by influencing the lifestyle patterns of clients to include Nike products or "Nike Style". Nike's strategy of identifying and anticipating subculture trends ultimately allows it to initiate or steer these trends and feed its products into youth lifestyle worldwide. In this sense, Nike is continuing the symbiotic relationship between subculture and fashion that has dominated consumer markets since the 1960s.

### **Cultivate branding by cultivating culture**

Arguably one of the most important tools of contemporary corporate strategy was born when pop-art imagery was appropriated by the fashion, music and branding industries in the 1960s and 1970s. Since then, investors and property developers have also discovered the marketing potential of subculture. Initially purely commercial, this strategy has developed into a catalyst for high-quality, sustainable urban development. Along our cities' waterfronts, large-scale, mono-functional, 1970s "tabula rasa" urbanism is increasingly being superseded by a mix of renovated warehouses and new structures, housing a combination of "lowbudget /high culture" and "high-budget /low culture". These projects are explicitly "branded" by the trendsetting lifestyle of loft culture. Investors and large companies have understood that these mixed-use developments in historic or semi-historic settings produce sustainable urban centres, a more inspiring working

environment, greater profitability due to the added value of the property, and, ultimately, a respectable corporate image. This "catalyst effect" is entirely dependent on the successful blend of "low-budget /high culture" and "highbudget /low culture". The Pakhuizen project on the Oostelijke Handelskade in Amsterdam is a good example of this trend. Here, new buildings envelop old warehouses, creating a sequence of discrete spaces. While their form and texture are inspired by industrial architecture, their functions vary from social housing and living/working units for artists to luxury pent-houses and offices. Ahold, one of the world's largest food holdings, now houses its world executive headquarters in this complex. Among other things, it boasts a Jamie Oliver Restaurant. Unemployed youngsters are trained here to become gourmet chefs while waiting on the company's top management. In Berlin, MTV and Universal intentionally located their European headquarters in converted warehouses along the Spree river between the districts of Prenzlauerberg, Friedrichshain and Kreuzberg. It is in these very districts that these companies' cultural "scenes" thrive. By placing themselves in a historical urban context in the middle of their audience and in the midst of the talents and services they employ, MTV and Universal produce a kind of "corporate urbanism". We speak of corporate urbanism because these companies distinguish themselves not only through their presence as an architectural identity, but also through their behaviour as "urban catalysts". Their presence and their actions generate urban transformation.

1-3 Pakhuizen at the Oostelijke Handelskade, Amsterdam  
(Photos: Allard van der Hoek)



The Volkswagen “including context” example on an even larger scale, some companies are even shifting towards spatial interventions that may sustainably revitalise entire regions. With its *ErlebnisWelt* (Experience World), for instance, Volkswagen (VW) committed itself to regenerating the region around its headquarters in Wolfsburg, Germany. Some would say VW was obliged to do this as it was largely responsible for the severe economic crisis this area suffered in the early 1990s. VW has now made sustainability the focus of its corporate philosophy, and in 1998, it launched its *Autovision* concept in an attempt to overhaul the city’s one-dimensional, VW-dominated character and wean it off its dependence on the automobile industry. Wolfsburg AG – a joint venture between VW and the city of Wolfsburg – was founded in 1999 to realise this vision. Building on the city’s existing strengths in the field of mobility, Wolfsburg AG has stimulated new clusters of activity – recreation, information technology, health and culture – to make Wolfsburg more attractive and compensate for job losses in the car industry. The *ErlebnisWelt* – consisting of seven themed clusters (tradition and modernity, sport and recreation, *Autostadt*, discovery, shopping experience, fun and fantasy, and art and culture) – shows how positive synergies between diverse fields of activity can be. *Autostadt* links the historical Wolfsburg Castle with the city centre, thus symbolically erasing the city/factory divide. The *ErlebnisWelt* concept is explicitly associated with VW’s corporate identity. Within *Autostadt*, this is evident in the automobile museum, the company forum, and the brand pavilions in which VW is presented. The pavilions showcase the range and global diversification of VW brands like Skoda, Seat, Audi, Lamborghini and Bentley. In other parts of *ErlebnisWelt*, the VW brand is only portrayed indirectly. The core values of the company are translated into a *Lebensgefühl* or “lifestyle” (power, movement, endurance and comfort). The close relationship between VW and the population of Wolfsburg is thematically addressed in the cluster “Tradition and Modernity” which revolves around the old Wolfsburg Castle and the new museum of the city’s controversial history. High-profile architecture is the principal attribute of the “Discovery and Entertainment” cluster, featuring the Phaeno Science Centre designed by architect Zaha Hadid. Here, new urban spaces are developed that integrate various functions such as hotels, restaurants, cinemas and a designer outlet. These lead into the section called “Art and Culture” by way of the city’s pedestrian shopping zone. In this cluster, existing signature buildings, such as Alvar Aalto’s Arts Centre, the theatre designed by Hans Scharoun and the city’s main Art Museum, are enriched with new cultural and commercial amenities. The revitalisation of the city of Wolfsburg demonstrates how private capital and resources can help reverse the decline of an urban city centre and stimulate economic growth. The changes initiated by VW have effectively re-established Wolfsburg as a vital urban centre and helped to boost the city’s self-image. Volkswagen’s decision to diversify its own production strategy encouraged subcontracting companies and also had a sustainable effect on VW

itself, improving cooperation between production and development. Unemployment, which had reached more than 15%, was reduced by half through the creation of 6 500 new jobs. According to statistics, Wolfsburg is currently the most dynamic city in Germany (cf. Prognos AG 2004).

### Benetton’s “Political Agenda”

Similar strategies of corporate urbanism have been pursued for years by the Italian company Benetton, generating impressive developments on a regional scale. As early as the 1980s, Benetton attracted widespread attention by adopting a heavy socio-cultural slant in its corporate identity strategy. Through the work of controversial photographer Oliviero Toscani, the company exploited its advertising campaigns to bring serious social and political problems to the attention of the public. Initially, these campaigns depicted harmonious groups of multi-ethnic, multi-racial people, breaking radically with traditional fashion imagery of the “great white west”. This image of diversity came to symbolise the company’s catchy logo United Colours of Benetton. At the beginning of the 1990s, the campaign was extended to include more controversial themes like environmental pollution, aids, homosexuality and war. Benetton was consciously exploiting its status as an internationally prominent brand to broadcast a distinct political agenda. United Colours eventually evolved into an even more overtly political logo: “United People” In keeping with Italian fashion companies’ long tradition of investing in building design, Benetton’s headquarters are also of significant architectural interest. Located in Ponza in the Villa Minelle, they occupy a 16<sup>th</sup> century agricultural domain renovated by the Scarpa brothers. Benetton has also built a strong relationship with local communities and businesses at its Veneto headquarters north of Venice. Benetton’s network of over 200 subcontractors and its numerous investments in local industries such as agriculture, health foods, and multimedia enriched the specialised production base of a region already known for its luxury goods industry. This concentrated network of knowledge- and production-based industries created an economic and cultural support system for the Veneto area and strengthened its ability to operate on a global scale. Benetton’s corporate philosophy of reconciling the local and the global is one of the keys to its success.

The Benetton Foundation has extended its corporate philosophy into researching natural heritage and cultural landscapes. It is currently a contributing partner to REKULA, an EU project for economic, social, cultural and territorial development, that aims to redesign and rehabilitate cultural landscapes (such as disused industrial sites) that have undergone significant change or disturbance. In particular, the project seeks to devise planning tools – as well as technical solutions for managing these vulnerable areas over the long term.

### Conclusion

What can we learn from all this? Can we infer that increased consumer sensibility influences the behaviour of large com-



panies and their sustainable development strategies? Indeed, are companies moving towards sustainable corporate behaviour at all? Our answer is affirmative, but cautiously so. Given current market sensibilities, the incentives to invest in sustainable activities are compelling: necessity, research and development and, last but not least, profit. Companies shift from pure advertising into more sophisticated forms of branding for obvious reasons. Firstly, costs are enormous, and over-saturation, reduced attention spans and lower retention among consumers mean its effectiveness is diminishing. And while advertising may still be effective in stimulating consumers to buy, it does not generate added value or capital in the long run. A strategy of corporate branding based on sustainability, on the other hand, may generate (free) publicity as well as added value (goodwill) for the company. Given the huge costs of international advertising campaigns and the intelligence and creativity required to give brands a stable position in the market, it is far more advantageous to invest in strategies that simultaneously promote the company and provide it with a reputation of social engagement or sustainability. Notwithstanding this, it is questionable whether the growing presence of global corporations in all spheres of life genuinely increases public well-being. The trend is indicative of a significant shift of responsibilities from the government to the private sector. The massive injections of capital into corporate branding strategies have become an indirect substitute for public funds for everything from events and infrastructures to entire neighbourhoods and cities, and even schools and universities. Ultimately, this leads back to the current political debate over liberal economic models in the EU. We believe it is crucial to learn from these (largely privately funded) revitalisation and sustainable development projects while at the same time adapting political strategies within the appropriate governing bodies to preserve the model of public space and collective responsibility upon which post-war Europe was founded.

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