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JCDecaux as an Indicator of Globalization

By Andrea Gaffney

Abstract

Jean Claude Decaux's claim to inventing street furniture is not his to make. What did happen in 1964 is that he lobbied the French government to allow his company to install bus shelters across France. He provides bus shelters as a "public service amenity" in return for control of their integrated advertising panels. As such, the JCDecaux brand has transcended into an indicator of globalization in both the "space of place" and the "space of flows." The company's ubiquity both mimics and drives the growing reach of a globalized cultural economy, in which corporate advertising imagery becomes the backdrop of urban life. Decaux's true contribution—a model of public-private partnership which calculates the demand of corporate advertising into accounting for transit service – is now part of decision-making processes which determine the level of service in neighborhoods around the globe.

Figure 1. Clipped images from JCDecaux Japan website video

On the Japanese website of JCDecaux, a video flashes images of the myriad advertising platforms which the company employs around the

world. A young British spokeswoman speaks confidently over a techno-electronic music soundtrack (Figure 1). As the sounds and images pulsate rapidly, she begins with:

> JCDecaux, while you may have seen our name you may not realize that we touch your life everyday. We started out in France in 1964 when our founder Jean Claude Decaux invented the concept of street furniture, giving birth to a new mass medium for advertising. The idea was simple yet powerful: to provide cities with elegantly designed bus shelters and an efficient maintenance service financed by the sale of advertising space incorporated into the street furniture (MCDecaux 2007).

She concludes the five and a half minute video by saying, "JCDecaux, showcasing the world." This is the creation myth of the global advertising giant JCDecaux, whose business extends to more than 3500 cities in over 48 countries (JCDecaux 2009). The street furniture, to which the spokeswoman refers, consists of transit shelters, news kiosks, way-finding towers, public toilets, ad kiosks, billboards, and more. Company profits are continually reinvested into new media-format and market expansion, an indication of strong growth potential.

Alas, Jean Claude Decaux's claim to inventing the concept of street furniture is not his to make. What did happen in 1964 is that Jean Claude Decaux lobbied the French government to allow his company to install bus shelters across France (JCDecaux 2007a). He would provide the bus shelters, free of charge to the municipalities, as a "public service amenity" in return for control of the advertising panels integrated into the shelter design. On the eve of the destruction of the welfare state, one could argue this as a foreshadowing of the privatization to come, but the reality is that this practice of locating advertising furnishings in the urban public realm, negotiated through public-private partnership, traces its roots back to the 19th century in France. The main motivation behind Decaux's idea for bus shelters paired with advertising was a government crack-down on unregulated bill-posting in the public realm. Interestingly, bill-posting was Jean Claude Decaux's occupation at the time (Corporate Design Foundation 2007).

Yet JCDecaux remains critical as an indicator of globalization in both the "space of place" and the "space of flows," (Castells 2000). Its sheer ubiquity both mimics and drives the growing reach of a globalized cultural economy, one in which advertising and corporate imagery are the backdrop of urban life. Moreover, Decaux's true invention – a model of public-private partnership which insinuates the demand of corporate advertising accounting into the provision of transit-related service – is

now part of decision-making processes which determine the level of service in neighborhoods around the globe.

A Brief History of Street Furnisihings With Advertisements

19th century Belle Epoque Paris, not 1960's version, was the true epicenter for the development of advertising street furnishings (LeMoine 1998). Niche advertising grew into a substantial business during the mid-century, with agencies gathering and analyzing demographics to sell marketing strategies to their clients (Hahn 1997). This era of Haussmannization commanded strict control over the types of activities allowed in the public realm (Hahn 1997). Hawkers were removed from the streets while advertising formalized its presence through incorporation into centralized planning. The thousands of pieces of street furnishings installed on the streets of Paris during this period brought the city millions of Francs in revenue (Hahn 1997).

These furnishings flourished through the city under the aegis of the Public Works department. Individual advertising agencies controlled the advertising spaces on the furnishings in which businesses seeking to advertise would pay the agencies. The agents could offer their clients "targeted audience" furnishing locations throughout the city based on mappings of demographics, housing tenure and locations of furnishings. The agencies would, in turn, pay fees to the city for the use of the furnishings (Hahn 1997). The revenues generated from the advertising paid to the city undoubtedly financed the expansion of such networks of furnishings across Paris. It was a trend that would soon spread to other cities such as London and New York, with Paris always in the forefront (Hahn 1997).

The novelty of the JCDecaux deal lies in the details of its initial contract with the French government. The JCDecaux agreement could be the first contract where the advertising agency retained ownership of the furnishings and agreed to maintain the furnishings. Another first, but far be it from invention, is the term of the contract connecting the form of the bus shelter with advertising. With the exception of the urinal column, the majority of the 19th century street furnishings that allowed for advertising space primarily displayed consumption-related media, and did not provide any other form of non-commodified public service. In this respect, recognizing the bus shelter as a form of commodified public service amenity was a brilliant business strategy, and what JCDecaux accomplished in 1964 was to "consolidate a company's network and financial operations" by providing a "free" public service in the form of bus shelters. Yves-Alain Bois writes in his 1986 article The Antidote, "Everyone has by now forgotten this polemic; the Decaux operation has

been entirely naturalized and a number of new items have been added to it over the years without ever being noticed," (Bois 1986, 143). Now, it's hard not to notice: "JCDecaux. Showcasing the World."

Connecting the Global to the Local Through "Public" Amenties

The following image is a snapshot of the variety of furnishings offered by JCDecaux that can be found around the world (Figure 2). In addition to its furnishings-based advertising, JCDecaux also has contracts for transit-based advertising, placing ads on buses, trains and bicycles as well as in airports. JCDecaux ranks number one in worldwide coverage for street furniture, "city" bicycle rental and airport contracts, and is second only to Clear Channel Outdoor for billboard contracts (JCDecaux 2007c).
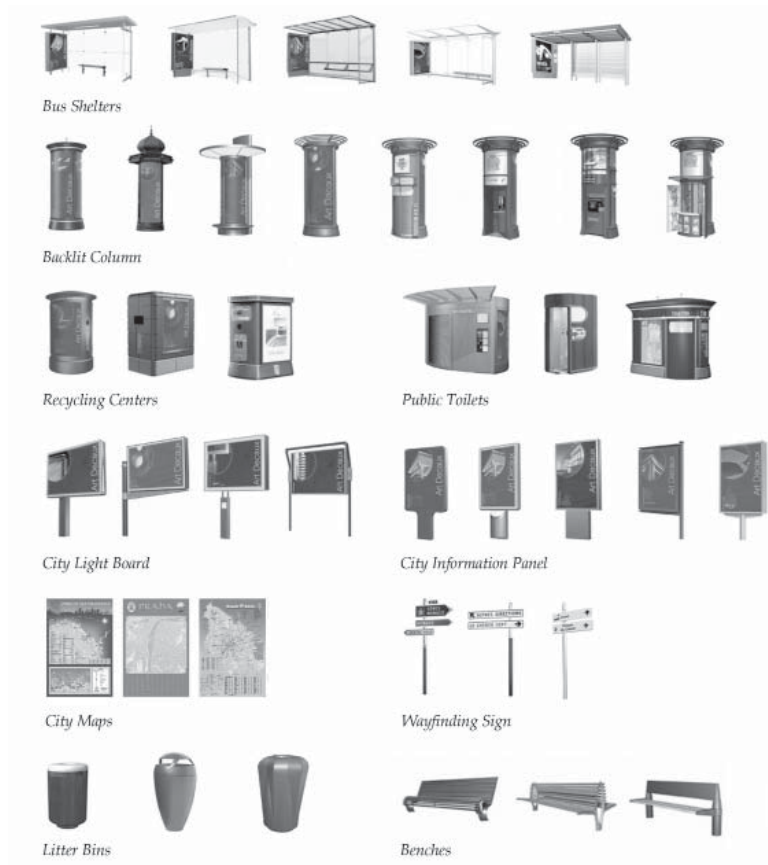

Figure 2. A selection of JCDecaux street furnishings.

Key figures as of April 2009 show that JCDecaux's market reach with street furniture representing 378,000 panels in 42 countries, billboards representing 228,500 panels in 29 countries, and transport advertising holding 288,000 panels in 165 airports spanning 30 countries (JCDecaux 2009).

While most of the holdings are held by a group of companies under the JCDecaux corporation, this fragmentation of legal corporate ownership does not extend to its corporate branding policy: the "JCDecaux" name is the most pervasive element of the business, emblazoned on every object it places in the public and not-so-public realms (Figure 3).

Figure 3. Author's global map of JCDecaux contract cities based on information from JCDecaux websites.

Like Clear Channel Communications and Cemusa, fellow giants in the street furniture advertising industry which operate on a global level, JCDecaux promotes its business to municipal governments under the guise of providing high-quality, maintenance-free public-service amenities. Many of the JCDecaux contracts with municipalities rely on local advertising agency partnerships. Creating a global network with local partnerships is a common practice when multi-national corporations enter into new markets. Most non-European JCDecaux expansion has occurred since 2000. A local partner is particularly useful in the advertising business because it has access to readily available marketing research. The local companies either partner with JCDecaux or are purchased by JCDecaux based on the understanding that the relationship brings increased audience reach, increased reputation in service and access to global corporate clients. The advertising clients recognize the global ubiquity of JCDecaux style and consistency of audience reach, which puts the company at the center of the global out-of-home advertising

industry. Companies may also perceive a benefit from public association with a company that claims to provide public service amenities for cities.[1] The self-reinforcing mechanism of brand recognition and reputation is what propels JCDecaux's continued expansion into emerging markets of capitalist commodity production.

In addition to the multi-platform advertising contract, the visual connections created through consistency of the JCDecaux brand, materiality and style tie together the advertising structures and the "public service amenities" in cities across the world. This unification of commodities through the use of style creates the corporation's perceptual ubiquity in the global metropolitan landscape. Castells succinctly describes this phenomenon and its contribution to the creation of the network society:

> Thus, the space of flows includes the symbolic connection of homogenous architecture in the places that constitute the nodes of each network across the world, so that architecture escapes from the history and culture of each society and becomes captured into the new imaginary, wonderland world of unlimited possibilities that underlies the logic transmitted by multimedia…The enclosure of architecture into an historical abstraction is the formal frontier of the space of flows (Castells 2000, 448).

Castells' description of architecture as contributing to the process of the global city should include the JCDecaux street furnishings in its definition of 'homogenous architecture.' As the company is quick to point out, world-renowned architects have designed most of the JCDecaux furniture lines.[2] The greatest intensities of these furnishings are found in specific zones of cities where there are the greatest concentrations of production and consumption of capital: Special Economic Zones, Business Improvement Districts, Commercial Districts and Entertainment Districts.

As Francois Mouly notes, "in the 1980's, towns, their residents and their elected representatives were seeking a sense of identity and the appropriate service providers," (Mouly 1998, 57). He points to economic revitalization through creation of a unique identity, as a primary goal of many municipal governments at the time, and still is in most places. Identity is viewed as a marketable commodity that can be purchased from the appropriate vendor. Providing a consistent, well-designed set

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[1] The Clear Channel contract recently signed with San Francisco provides revenue for public art campaigns and public service announcements. Accessible public toilets are also highly regarded as a significant contribution to society.
[2] Some of the architects who have participated in the JCDecaux production: Norman Foster, Philippe Stark, Jean-Michel Wilmotte, Porsche Design, Martin Szekely, Christopher Pillet, Renzo Piano (Mouly 1998).

of street furnishings for the public realm of your city's central business district is a superb way to psychologically bolster economic revitalization. In addition to their presence in the public realm of streetscapes and transit facilities, both Clear Channel and JCDecaux provide advertising services in shopping malls, which provide further consumer reach for their advert clients. The street furnishings-advertising connection between the public realm and the realm of consumption is noted by Anne Cronin, "In effect, advertising contributes to the generation and maintenance of an ambiguous sense of familiarity with the structure, look, and feel of urban spaces," (Cronin 2006, 623).

Similar to the manner in which Castells' (2000) questions the prominence of clock time in his theory of the space of flows, Virilio argues that, "people occupy transportation and transmission time instead of inhabiting space," (Virilio 1991, 14). It is precisely these two concepts of time that explain the simultaneity of movement and place that make JCDecaux's advertising strategies so effective, an utter ubiquity within a zone of consumption. Since transit systems typically flow towards the spaces of capital production, the transit shelter is the ideal interface between the public realm and the space of commodity production and consumption.

Zones of Exception and Inclusion

The ubiquity of JCDecaux and its counterparts is both overwhelming and uneven. Driven by bottom-line concerns, the company seeks out only those places where its products can generate revenue – hence the concentration of advertising is typically located in 'zones of exception' known as redevelopment areas, business improvement districts, etc., where economic development is the primary decision-making factor in planning. Subsidizing a public amenity with private advertising is a system that can lead to inequities when there are location disparities between the catchment areas for transit users and the advertising audience.

Los Angeles is a paradigmatic case study for the argument that the linkage between advertising revenue and the provision of public amenities can produce unequal access to the latter - advertising revenue competes with ridership equity. Los Angeles' 1981 contract with the service provider, Shelter Media, was meant to reinvigorate the declining transit system by providing new shelters and increased revenue generated by the advertising. The county's transit system had fallen into an abysmal state, with an astonishingly low ridership for the population and percentage of low-income individuals living in the city (Law 1999).

Criteria for Shelter Selection. Source: Los Angeles Bureau of Engineering

Maximum Points	City Considerations	
	Points	Factors
26	5	Senior Citizens/Hospital
		Council District number of shelters
	15	(points awarded on a sliding scale)
	6	Council District recommendation
	Bus Service Considerations (Daily boardings from MTA)	
	Points	Boardings
25	4	0-50
	5	50-100
	12	100-200
	16	200-300
	20	300-400
	25	400-above
	Transit Shelter Contractor's Considerations	
49	NR* = AR-(IC + MC)	
	NR = net annual advertising revenue	
	AR = gross annual advertising revenue	
	IC = installation cost (annual payment to amortize capital cost)	
	MC = maintenance cost (annual cost)	
	*The value of NR is not expressed in monetary units but rather as a relative value used to determine the profitability of the shelter locations being considered.	

Figure 4. Point System for determining bus shelter location for Los Angeles MTA in 1999.

The contract utilizes a point system to determine bus shelter locations (Figure 4). The point system illustrates the inequity and inefficiency of the contract, where advertising considerations are given almost twice as much importance as the number of riders at a stop (expressed in daily boardings). As revenue generation potential is the primary factor in the location decision for bus shelters, the bus shelter as a public service amenity becomes secondary to its advertising function. Ostensibly, this means the city has sold or, leased off a portion of the public realm for additional revenue. A simple cost-benefit analysis might show this decision as problematic for the city's transit system, where loss in rider-ship could far outweigh the advertising revenues, especially given the low percentage of revenues (maximum 13%) the city recoups (Law 1999). If bus shelters are the primary interface between the public and the transit system and they are not serving the majority of the public, then there is a negativity associated with the shelters and, by extension, the transit system. The point system undermines evidence that "innovative and strategic bus shelter placement and design can tap into this (economic development) activity to create a thriving area that can promote neighborhood revitalization," and that "the presence of a shelter, as well as the physical condition of the shelter, can significantly affect the use of public transit," (Law 1999, 9). The point system not only creates transit rider inequity, it prioritizes global-corporate revenue generation over local economic revitalization potential.

Returning to Bois' noted concern of the 1960's when the Decaux contract with France initiated the idea for providing free public service amenities

in exchange for advertising revenue, Law comments on the situation in Los Angeles in the late 1990's:

> Political leaders, researchers and the media have raised concerns that the current method in which a private contractor constructs and locates shelters has allowed priorities to shift from a focus on transit users to a focus on advertising revenue, (Law 1999, 6).

It seems that Bois' comment about the "forgotten polemic" has returned to social consciousness, illustrating a condition where the global processes of capital accumulation have bypassed local concerns for transit user equity.[3]

The LA example is particularly vexing considering the rapid expansion of urban transit systems throughout the world, in particular China. In China, where economic growth and urbanization are greater than they have ever been anywhere in the world, there are conditions which could create similar situations to the contract negotiations and trade offs that occurred in Los Angeles. In Hong Kong, where "bus service recorded the highest patronage among all transit modes," at a reported daily boardings of more than three million riders, there is room to negotiate for equity and revenue (Wang and Chan 2007, 183). The question, with regards to transit shelter contracts with private companies, is whether liberalizing, emerging economies are regulating for rider equity, or are they merely emulating trends in other liberalized economies? Looking at mainland China's economic zones of Beijing, Shanghai and Guangzhou, the modeshare has changed dramatically in the past twenty years. Data in the past two decades show that walking and biking are overwhelmingly important means of travel for many Chinese urban residents, but the shares of these modes are starting to decline. Public transportation has been the next most important travel mode, and its share has decreased as well. Private cares are starting to gain importance as a viable commuting mode as car ownership increases (Peng and Zhu 2007, 153).

The incredible economic growth in China is reflected in the change in consumption patterns, which is clearly evidenced through advertising.

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[3]   Although JCDecaux did not initiate the terms of the Los Angeles contract, it did participate in the 20-year contract through a partnership with CBS Outdoor, which ended up with the contract after a series of corporate company buyouts and takeovers. In 1988, Gannett Transit bought out Shelter Media, and continued service on the Los Angeles contract. In 1996, Outdoor Systems Incorporated bought out Gannett Transit; and again, the contract was honored. In 1999, on the eve of the expiration of the Los Angeles bus shelter contract, CBS Outdoor bought up Outdoor Systems Incorporated (Outdoor Systems, Inc., "Company History" 2007). CBS Outdoor then partnered with JCDecaux to "win" the contract for the Los Angeles bus shelter program. (Marketplace, "Infinity-Outdoor Systems Deal Approved," *New York Times*, December 7, 1999.

"The mass media in China, especially the advertising industry, has made car ownership a status symbol," (Peng and Zhu 2007, 155). The combination of the increased car ownership and expansion of transportation infrastructure signifies a shift towards more costly, and exclusionary forms of transit (Peng and Zhu 2007). JCDecaux is flexible enough to accommodate new forms of transit, but the transit rider who cannot afford the new system is not flexible and will become by-passed.

Conclusions

When it comes to negotiating contracts for the provision of transit services, there are examples, as in San Francisco, where equity concerns were not made completely subservient to the demands of advertising revenue (SFMTA website 2007). Yet the overall trend of infrastructure privatization across the globe supports Estache's (1999) argument that more attention needs to be paid to the development of the initial contract and not simply to contract enforcement.

Even with a balanced contract, the commodification of the public realm becomes the lynchpin for the success of the transit shelter contracts in meeting the needs of the advertising company revenue demands, the municipal transit authority budget and operating requirements, and achieving rider equity. In the post-JCDecaux world, the question becomes not how much of the public realm to commodify, but how much we are going to be able to get for it. Cities in the U.S. and elsewhere have commodified and sold off their public realm in order to subsidize capital projects, which were cut due to budget reductions from the evaporation of federal monies. David Harvey writes about this phenomenon with respect to a larger trend that began in the 1970's, "The corporatization, commodification, and privatization of hitherto public assets has been a signal feature of the neoliberal project. Its primary aim has been to open up new fields for capital accumulation in domains hitherto regarded off-limits to the calculus of profitability," (Harvey 2007, 160).

JCDecaux's commitment to style has elevated the designs of all of the major outdoor advertising companies vying for municipal "public service amenity" contracts, and they are to be commended for this accomplishment because it signifies a greater attention to the street furnishings placed in the public realm. However, the use of a creation myth creates a platform for entitlement, which would not necessarily be viewed as appropriate without the sense of justification based on authorship of invention. The ongoing and past legal disputes over the nature of how JCDecaux won certain contracts in lieu of its competitors could indicate a form of coercion through the demand of tribute to the

inventor created through a sense of entitlement, which is naturalized and reinforced by the creation myth.

Furthermore, JCDecaux's production of space for generating revenue and promoting consumption within municipalities' public realms works through a global-scaled uniformization. This pattern of public realm commodification is coupled with quotidian activities, such as commuting on mass transit, and imprints a new conception of space in our consciousness, a new set of rhythms for understanding the city (Cronin 2006). These rhythms generate new mappings and zones of the city, which are then tied to a global construct of space.

Therefore, the venue of commodity production in the "space of place" reinforces the "space of flows" through global ubiquity and uniformity of style created through brand identity; this is the essence of the JCDecaux production, in which the fluidity of global information exchange becomes materialized in the JCDecaux production of interchangeable furnishings. So how can we begin to negotiate this exchange within a global dialogue to produce an increased net value of equity that is implicit in municipalities' provisions of mass transportation systems? The contracts for the street furnishings between JCDecaux and the municipalities exist within the "space of place", but the related discourse on equity can move into the "space of flows." In other words, this author asks for further analysis on ways in which planning can find a way to negotiate equity in the global-local city, situated within the market of the neoliberal economy.

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