

COLEY
PORTER
BELL

SECTOR PERSPECTIVES

The Energy Transition



July 2024

Some movements are so big they change everything. The orientation towards lifestyles that are more in tune with nature is one of these rare shifts. This philosophy has impacted choices in many categories. Responsible for wheatgrass smoothies, the inexorable rise of yoga pants and a rainforest's worth of woolly purpose statements, sustainability is an era-defining force no brand should ignore.

One of the categories most directly affected by sustainability is energy. At the absolute heart of modern living and central to the economy, investment and attention are highly focused on this category. Energy has suffered a category 'shock' where the very product itself came into question. A fundamental change that has hit like an asteroid, undermining assumptions, business plans, perceptions...and brands. It demands a complete rethink on how brands in the category work – what they do, what they say and what they look like.

Unfortunately, it's not a change that's immediately amenable to traditional marketing and branding techniques. Branding is founded on the relationship between offer and acceptance – the proposition in branding lingo. It seeks out needs and finds ways to fulfil them. Are you hungry? We've got just the solution tailored for you in this tasty oat bar.

But this touchingly simple story of cause and effect may be of little application in a complicated category where both needs and solutions are unsettled and contested.

The energy transition is a category that's contradictory, uncomfortable and confusing for brands attempting to connect with their audiences. Every category has its challenges, but this messy space is unusually beset with them.



(MANY) ISSUES AND DIFFICULTIES

The trouble with words

The first issue is definitions. If you're a doctor describing a patient's affliction, you don't want to have to explain what a gooey foot is and why the oozing might be seen as a bad sign. You just want to use the word 'gangrene' and get back to tending your patients.

The language of the energy transition does not have this clarity. The word that provides the brackets for the edge of the category is 'sustainability'. You might think that there would be a universally agreed definition of such a fundamental word. Alas, not so. Let's plunge into a lexicographer's fever dream. 'Sustainability' is used by brands in at least two ways. The first is a catch-all way of saying that a thing is good for another thing – possibly people, more likely the planet, maybe both. But the other use of the word – and this does appear in the language of energy brands – is as a definition of an ongoing and profitable business that adds 'sustainable value' to shareholders.

Some might describe this as a tad contradictory. Others might accuse brands of deliberate obfuscation by dragging a word down a dark alley and mugging it of its meaning. One thing that is certain: stretching a word like this is not an aid to clarity.

A related problem is the blurring of boundaries between sustainability, ESG, the energy transition, purpose, net zero, development goals, diversity and inclusion, and more. These practices and their terms are used by brands generally trying to make things better. That 'better' can be small – an individual's rights – or enormous – saving the world. The problem for brands is that in recent times these words have become a linguistic mush.

Sustainability. Stretching a word like this is not an aid to clarity.

The debate about one word influences the debate about another, descending into a fuzzy mizzle of claim and counterclaim that does well-intentioned brands no favours by blunting the edge of their promise.

The language issue is often compounded by brand statements that have been proudly penned by Messrs Smoke & Mirror of the Legal Department. Brands do have to be especially careful about their claims in this category.

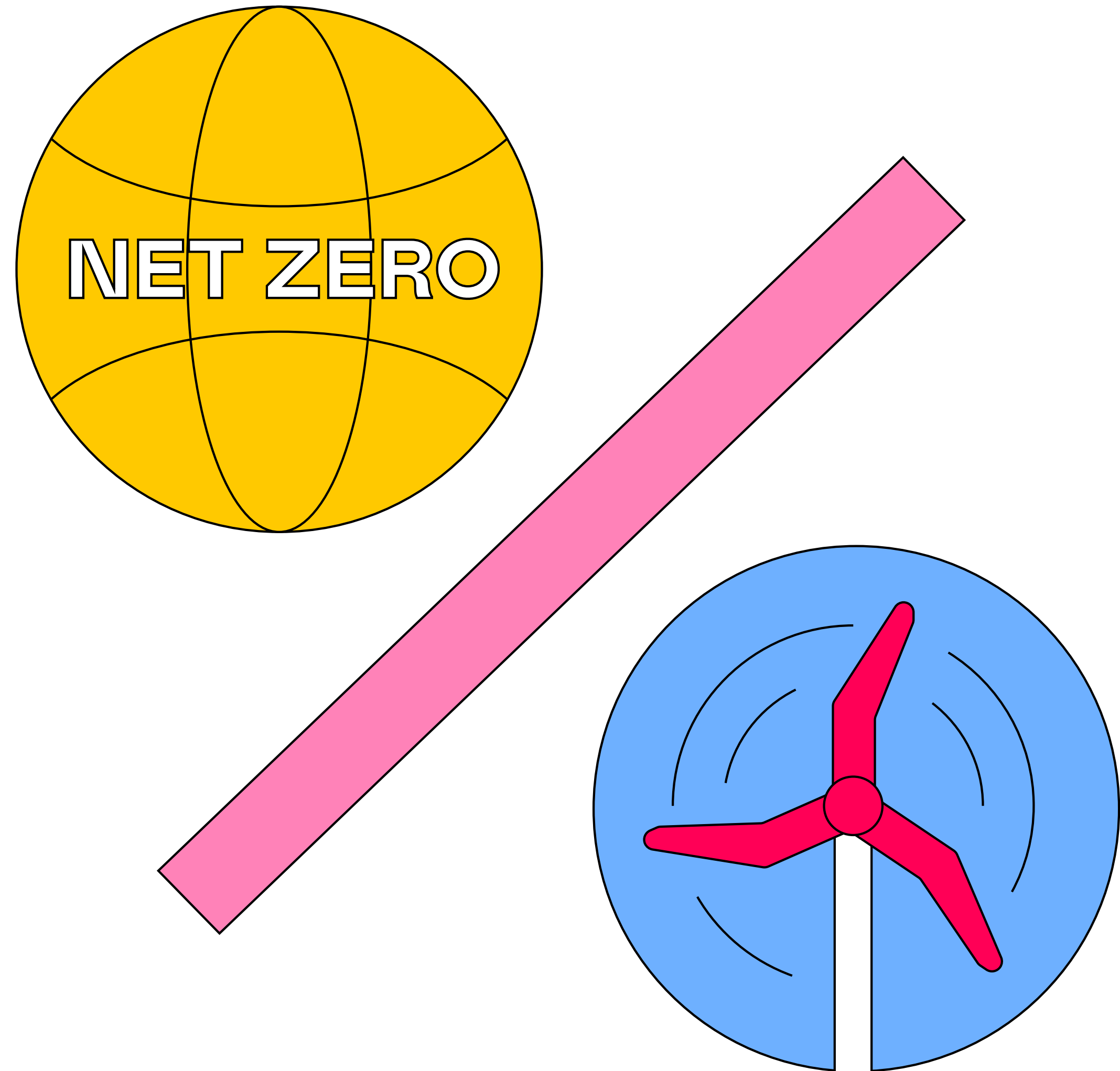


This sensitivity is entirely understandable, but it can lead to brands sounding like they're hiding behind technicalities. When you're trying to understand a brand's attitude to eco issues, the sentence: *"our approach to reporting is designed to meet regulatory requirements and is in line with our approach to transparency"* is not one that will fill you with the warm balm of reassurance. The more legalese a brand spouts, the more trust in the brand ebbs. Brand language needs to be clear and easy to understand.

...and
statistics

The words 'net-zero' attract particular ire. And this is partly because it's a number. Numbers generally play a positive role in the brand world. They're seen as the honest, objective, dependable one in the family – the elder sibling that brushes his teeth and stands up straight. Nothing like their highly persuasive but weaselly wordsmith little brother. So brands often use them to buttress their claims – sure you might have 10 scientists working on the future of skincare, but we've got 50. And 73% of them are Swiss!

But in this category, numbers have been dragged down into the gutter where the words play. In such a suspicious atmosphere, numbers are subject to constant interpretation and interrogation. 1.5 degrees. \$1.8 trillion investment. 46 petajoules added. 106 million barrels a day. A blizzard of numbers that makes it hard for brands to deploy them to cut through and unambiguously support their story. Brands need to be sparing in their use of statistics. One or two key numbers should be used to support the brand's story, rather than being thrust out onto the stage alone. Numbers should be a brand's chorus, not its star.



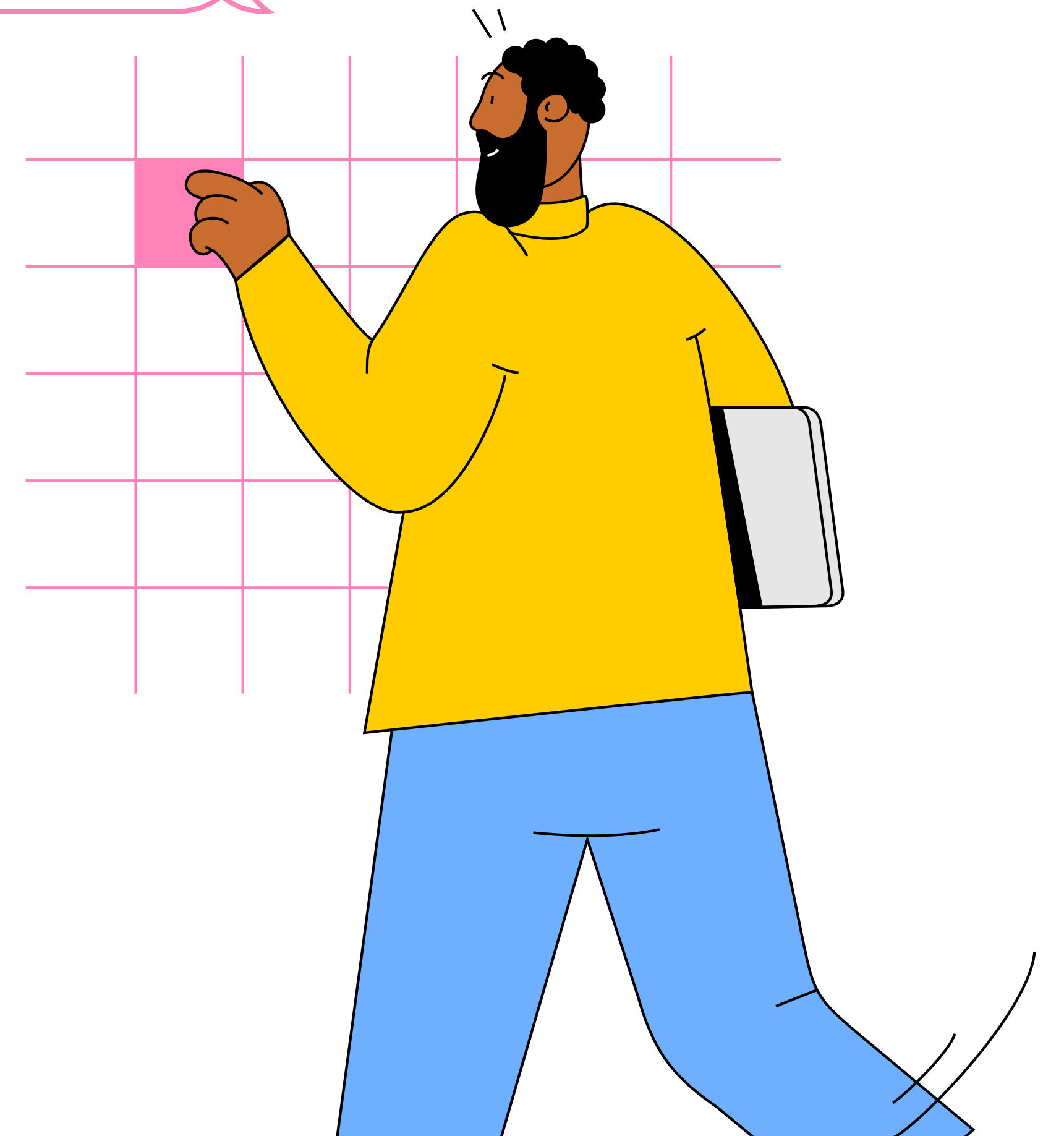
Who wants to know

Getting your message clear is hard. And the problem is compounded by trying to figure out whom you're trying to tell. In our aforementioned example with the oat bar aficionado, a simple consumer profile can be compiled. Age, gender, lifestyle, attitudes and spending power can be rationalised and planned around. In the new energy space, the potential audience is... everyone.

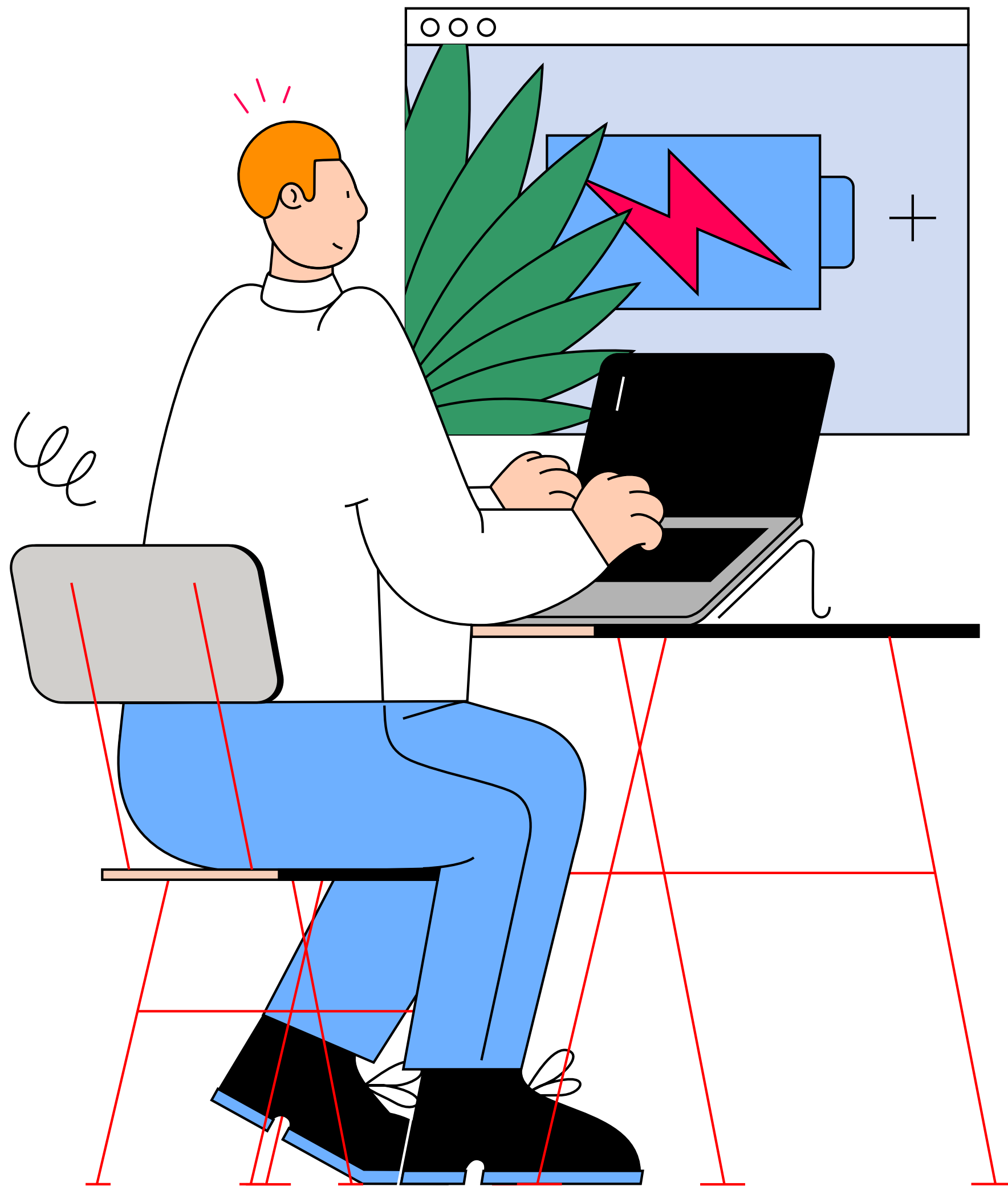
This could include: direct and indirect consumers, business partners, governments (both local and worldwide), the media, NGOs, white-collar employees, blue-collar employees, ex-employees with company pensions, young potential recruits, 'the general public', other brands in the space, current and potential investors, local communities, potential romantic partners, and penguins (representing the views of all other living things).

It's an extremely complex picture requiring multiple possible messages, increasing the chances of contradicting – or at least woolly-fying – your message. Rather than that direct 1-2-1 oat-to-eater focus, brands need to think about their audiences as a matrix. They need to be very clear on who their audiences are, how they're related, which are the priorities, and what they're trying to say.

In the new energy space,
the potential audience
is... everyone.



How are you
feeling?



Brands are faced with communicating objective truths to an emotional world.

This is a highly emotional debate, featuring everyone from angry eco-warriors complaining that brands are responding too slowly, to angry investors complaining that this is not the business of *their* business, to an angry public complaining that everything is now too expensive or asking why isn't there more investment?

And yet the brand solutions are – and must be – highly rational. New battery technology must last X% longer than before, carbon sequestration must take Y tonnes of carbon from the atmosphere, fusion technology must provide Z volts of energy. Brands are faced with communicating objective truths to an emotional world. Brands need to show clear links between their rational solution and the audience's emotional benefit.

Awash with green

Finally, we need to talk about green. Yes, it's the colour of nature. Yes, just looking at it calms the mind. Yes, it's what leaves are made of. It's the gestalt, the shorthand, the very icon of eco-care. But it is not – and this is important for brands – even a tiny bit differentiating. *I'm green, you're green, every brand is green.* With maybe a delightful splash of light blue for sky and sea references. We're not advocating a toasty red and black motif, just some creative thinking around brand expression. If a brand's objective is distinctiveness – and it always should be - then this needs to extend to how a brand visually expresses itself.

...pouring that molten insight into your Unordinary idea.

Slippery language, unreliable numbers, complex audiences, highly emotional debates, and an overabundance of visual clichés. What can you do if you're a brand hoping to show the world how you're making a difference?

You fuse your product, your purpose, and the category together, pouring that molten insight into your Unordinary Idea. This is a brand's unique definition and creative expression. It provides the differentiation that will get your brand noticed, your point of view understood, and your audience motivated. How you develop your version depends on your brand's positioning in the new energy space.

POSITIONING IN THE NEW ENERGY SPACE

New Energy brand types

All energy brands are – to a greater or lesser effect – in new energy. The brands can be divided into three broad types. Legacy Brands, Pioneers and New Solutions. Legacy Brands are those that have been in energy for a long time, like BP, Exxon and Aramco.

New Solutions brands are those offering a wide variety of transition-related products like Northvolt, Enphase Energy and Nyobolt. The Pioneer space is for brands like Greentown Labs and Breakthrough Energy that are researching completely new approaches – nuclear fusion for example – that don't even exist yet.

Legacy Brands

The Legacy Brands are in a difficult position. These are brands that can be perceived as the problem *and* solution – at the same time. They have employees, customers, pension funds and investors that need the existing fossil business to stay strong. But they must also acknowledge and prepare for new energy solutions, both for the sake of the planet, and for when the – finite – resource their business is founded on runs out. The brands have employed a variety of methods to deal with this.

Some brands have embraced the transition, investing heavily in new energy. Others have used brand architecture solutions to split the legacy and emerging parts of the business. A different approach is buying transition brands – and their expertise – and incorporating them into the legacy core, like Exxon's acquisition of Denbury in the US Gulf Coast.

This Pushmi-Pullyu-inspired brand strategy can result in some rather stretched messaging.

These brands can find themselves trying to brand both their legacy products and their future investments at the same time. This Pushmi-Pullyu-inspired brand strategy can result in some rather stretched messaging. In having to explain why both old and new energy exist in the same brand, a lot of heavy work is required from small and simple words like 'while' and 'and'. *We're doing one. And we're doing the other. We still need to do this. And we need to do that.*

Legacy brands have a traditional and corporate tone to their brand expression which befits big, serious global businesses. But it's not been especially creative.

Some of the brands in this area have been around for a long time, and they've gradually updated their brand identity to reflect the category's evolution. Shell's famous Pecten has changed from a literal drawing of a shell, to a graphic icon, to an animated energy symbol fit for the digital world.

BP's Helios logo was launched in 2000 – nearly a quarter of a century ago. That's the same year as the flash drive was launched. Used one of those lately? But no Legacy Brand has done anything so bold since to communicate sustainability. It's time to ditch the over-caution and match product innovation with brand evolution.

Imagery is one area where genericism reigns. There's a surfeit of hard hats 'n' high vis, with employees striding purposefully around big machines clutching iPads, interspersed with heartwarming snaps of toothsome kids. 'Hand drawn' pencil scribbles intended to humanise the brand can give these identities a rather retro 90s feel.

New energy is about the future. And that's a challenge for brands that are often older than countries. They need to express optimism, positivity – and do so with ownable imagery and words. Being certain of their point of view, then stating it proudly in clear and simple language, is the best way to clear the clouds of doubt that can hover over them.



Pioneers

All categories develop their signature visual language. Brands in that category then need to balance between using these recognisable mental shortcuts with stretching their identity into more contemporary and original areas. This is true of both specific categories (insurance), and conceptual categories – like ‘the future’. The Pioneer space is explicitly about finding the future, so brands reach for those visual cues.

And what the future looks like? The past. Specifically, 1950s America. The concept of ‘the future’ is seemingly permanently associated with the NASA-inspired optimism of postwar USA. Minimal, technological, metallic silver, optimistic – this visual language has been adopted by future-positioned brands ever since. Apple is the exemplar in lifestyle technology, and now Tesla has donned the same cloak for EV energy.

Pioneer brands can also incorporate the language of academia. Many of the brands in this space are either researching new technologies, or acting in an advisory remit, providing numbers to guide decision-making. The result is a brand language of cool and neutral objectivity with lots of green pastels, prominent use of numbers, and positive language around collaboration and support.

Delightfully calming and giving off the ‘niceness’ vibe of cucumber sandwiches on the lawn, the downside to this brand language is that it can feel timid. Brands in this area are in danger of crossing over into the gentle language of charity and social support. The challenge is urgent. The brands are responding. But sharp minds deserve sharper brands. Their brands should be as original as their ideas.

Brands in this area are in danger of crossing over into the gentle language of charity and social support.

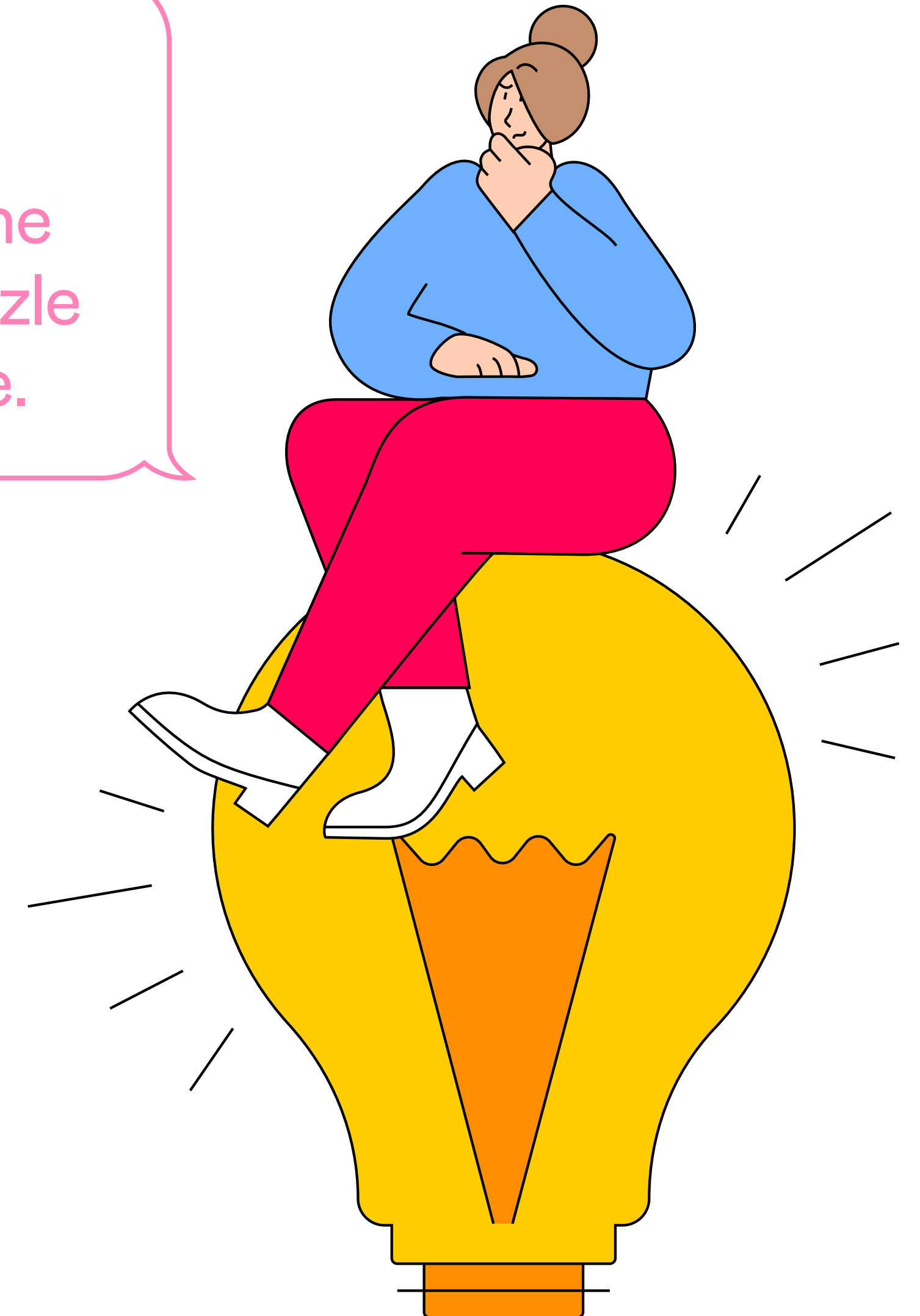
New solutions

In New Solutions, we move into branding 'The Thing'. What is the thing that the brand is offering for new energy? Young brands in any category tend to focus on their product or service. After all, it is what they are developing. It's what they spend all day thinking about, tinkering with, and hiring for. It's the offer. It's their Thing. They're excited. They're proud. They should be.

They want to tell people about what they've developed. But 'The Thing' is not the benefit. Brands need to communicate both function and benefit – the proverbial marketing sizzle rather than the sausage. And in a category as big, important, and earth moving as new energy, it's the benefit that really matters to us all.

New Solution brands' counterpoint to the white noise in the Pioneer area is the Blade Runner/Tron approach of dark, moody colours and neon. This is another version of the future, but this time a techno-dystopian one from 1982. Most commonly seen in the batteries and electric areas, this system serves the practical purpose that it makes it easier to visualise electricity. It's also an attempt to look cool and futuristic, but once again, it leans on the visual codes of the past.

Brands need to communicate both the function and benefit - the proverbial marketing sizzle rather than the sausage.



Alternatively, New Solution brands can have a spiritual and visual connection with the hipster-garage-complex. This is a branding style that draws inspiration from California's start-up tech world, with its legends of Jobs's garage and maverick genius dropouts made good. It favours lots of full-bleed pictures, scrolling text, and candid portraits of founders.

This use of start-up language signals that they are the change the category needs. It's yet another future language. But the wholesale adoption of hipsterism means that they can all look the same. Sometimes you can't see the wood for all the lumberjack shirts.

But the biggest issue is that New Solution brands often mimic the visual language of the Legacy Brands. This is an understandable effort to look like credible members of the category, but the result is that their disruptor edge has been blunted.

To be perceived as innovators, these brands need to distance themselves from this traditional language, expressing their vision of the future in their own distinct way. Brands must not be slavish to historically derived visions of the future – you can't use the visual language of yesterday to paint a convincing vision of the future.

This is the branding style that draws inspiration from California's start-up tech world.

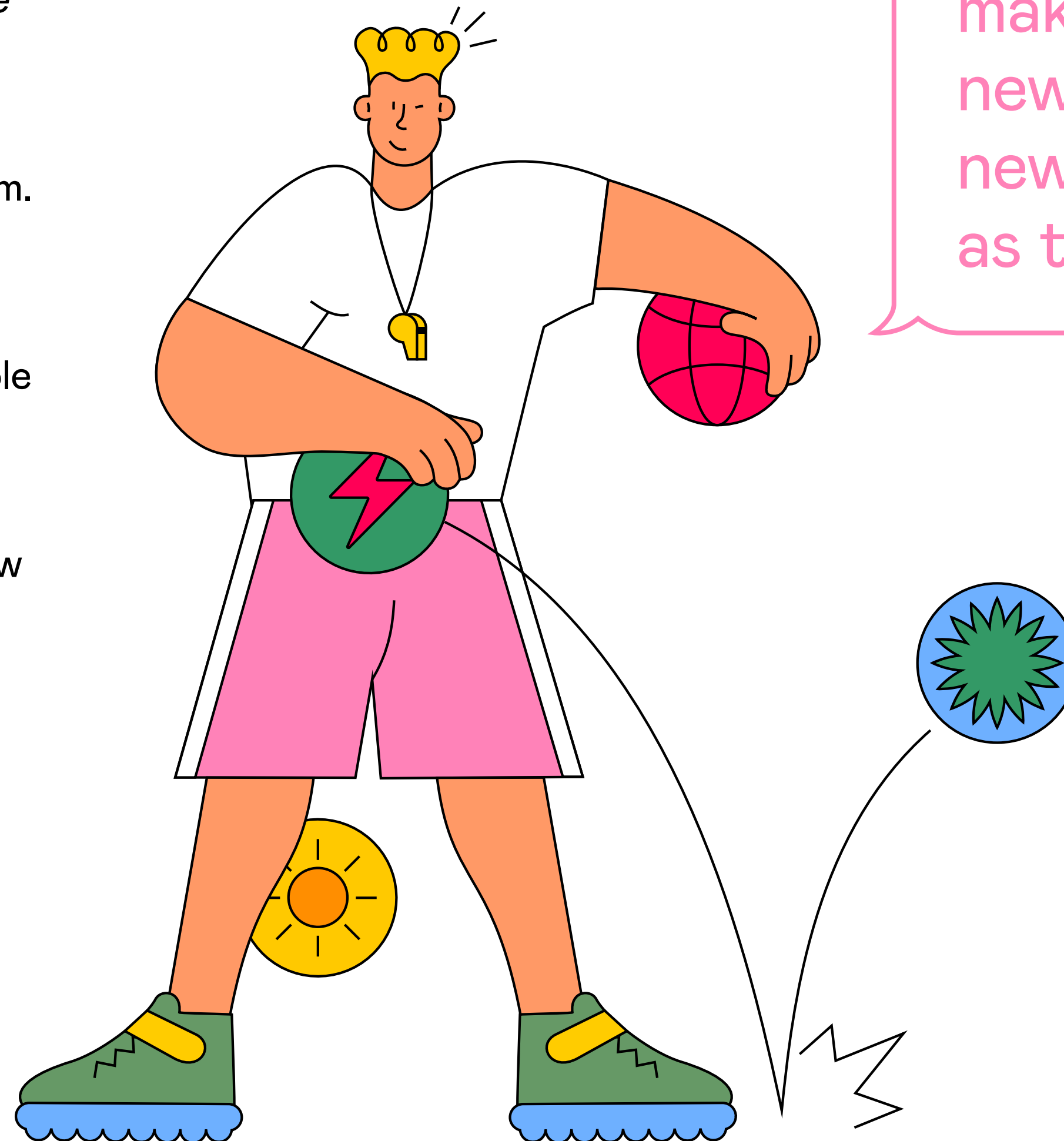
UNORDINARY IDEAS FOR AN ENERGY TRANSITION

New Energy branding is in a muddle, with all its shifting definitions, number blizzards, complicated audience management, strong emotions, and unsettled visual language. With all this noise, brands need to be even *more* sure about who they are, what they stand for, and why it matters – their Unordinary Idea.

It's complicated. It's confusing. It's branding in a sandstorm. But it's also of existential importance. These brands are heroes. They are working hard every day to make a difference to all of us. Giant legacy brands, visionary researchers, dynamic new solutions - all of them have a role in new energy. They are the agents of transition, the vanguard of tomorrow.

To inspire, to teach, *and* to make the changes needed, new energy brands need identities as ambitious as their business. They need to harness the power of branding to stand up, stand out, and find the voice which will carry us all forward with them.

To inspire, to teach, and to make the changes needed, new energy brands need new identities as ambitious as their business.



LinkedIn
Instagram
X

Thank you.

COLEY
PORTER
BELL

coleyporterbell.com