
Solar District Heating (SDH)

Branding-Strategie

March 2015



1. Introduction

Technology as a brand

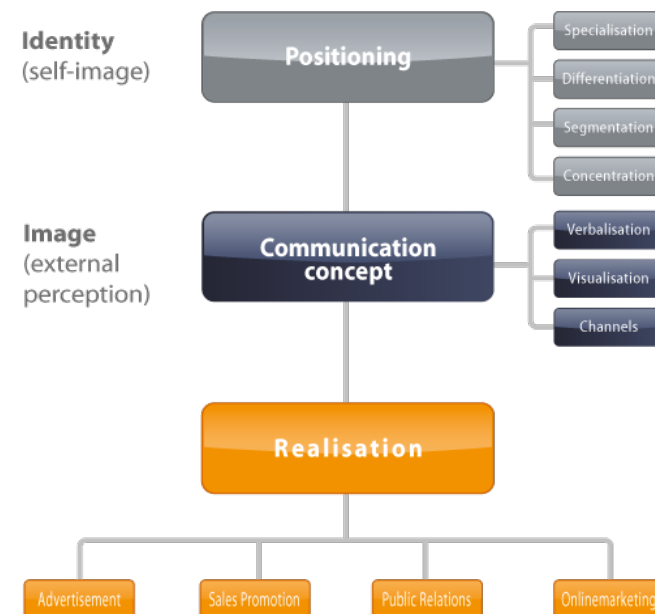
Solar thermal energy should be increasingly integrated in district heating systems delivering heat to the residential and commercial sectors, as well as public buildings. The aim is to establish solar heated villages in Germany. To achieve this, people, and especially policy makers and multipliers must be convinced of the positive impact of Solar District Heating (SDH).

The task consists in developing an effective communication strategy.

The aim of this communication strategy is to make the concept of SDH known as well as its advantages in comparison with conventional heating systems. Acceptance should be reached and interest awakened.

The main target groups are initiators, multipliers and potential end-users.

The work is based on the document „Solar Heating Villages in Germany“ from AGFW and Solites.



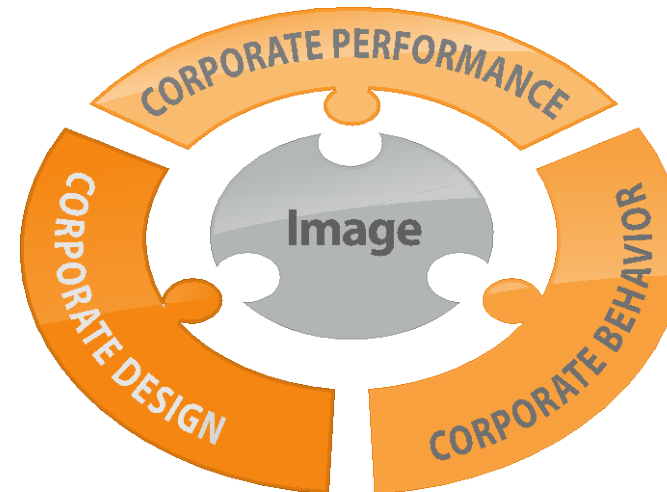
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Principles and process of brand identity

The method employed is the branding process developed by *von Lackum*.

During a one day workshop with the project leaders, the basics for a positioning strategy have been developed using four strategic variables: specialization, segmentation, differentiation, and concentration. The outcomes are gathered in a brand identity, which forms the base for a sustainable communication concept.

In the communication concept, fundamental statements will be developed as well as verbal and visual forms, and adapted communication channels will be recommended.



Criteria of the brand recognition

2. Positioning strategy

2.1. General market analysis

Solar district heating still is in an early market development step. Large solar thermal plants feeding into district heating net represent only about 1% of the installed capacity of solar thermal systems. On the long term, experts consider that solar district heating will represent 4-15 % of the total technical potential for solar thermal energy.

In Europe, Denmark is a forerunner, but also Austria, Sweden, Norway, Italy and France successfully operate Solar District Heating plants.

While the topic “Solar District Heating” (SDH) benefits from a positive image by end-users, energy suppliers and district heating operators stay reserved. Utilities often have a critical point of view, because they apprehend additional investment costs. The term *solar energy* sounds usually positive to the broad public, but is mostly associated with electricity supply.

Solar thermal energy should reach the status of established heat supply technology in the public opinion.

Strengths	Weaknesses
Sustainable solution	High initial investment
High stability regarding cost development	Dependent on areas available
Emission-free / CO2 savings	Nature-protection
Unlimited resource	High investment risk
Available everywhere	Combination with other technologies necessary
Self-sufficient	Dependent on net's availability
Local added value	Plant's quality
No funds flow from the community	Use of net is cost-intensive
Comfortable, easy maintenance	Rivalry with operators of gas nets
Space saving in buildings	Giving-up individual independence
Technological flexibility	Image of district heating (monopole)
Participation opportunities	
Community feeling for participants	
High acceptance	
Cost neutrality regarding classic solutions	
Established technology	
Change (innovation, concepts)	
Quick realization	
Independent from political imponderables	
Opportunities	Threats
Positive image (environmentally friendly)	Interests of local suppliers, trade
Growing sensibility for change and transition	Losers in opposition
Cost-effective ecological solution	Interests of gas nets operators
Independence from the political world	Interdependence of interests, lobbying
Possibility of subsidies	Reactance, group pressure by end-users
Good investment opportunities (shares)	Global reservation regarding innovation
Local partners, confidence advantage	Wrong evaluation of land sealing
Urban development, image winning	Initiators carry high responsibility
Successful reference projects	Personal and financial risk
Trend is shaping	Standing and reputation
Bioenergyvillages	Capacities and know-how necessary
Industrial interest growing	
Trend in DK, AT, IT	
Young market with growth potential	
Public relations work, mediatic presence	

Strengths and weaknesses,
Opportunities and threats in the market's context

The conventional district heating supply is currently dominated by combined heat and power (CHP) plants. The main point is hereby the production of electricity, whereas heat stays a side-product. The economical operation of CHP plants necessitates however a high number of operation hours and a corresponding mean revenue from the electricity market. This represents an opportunity for Solar District Heating, which is independent from the electricity market. As a matter of fact, a trend is developing towards a mere heat production. However, the application for corresponding subsidies has decreased significantly since 2010.

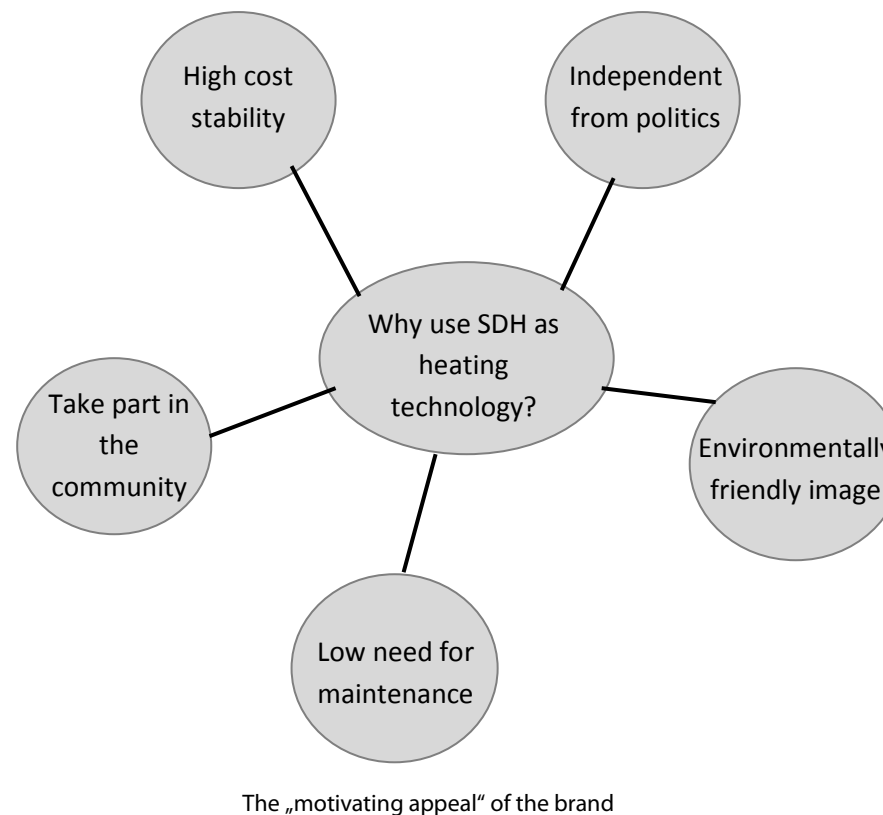
In many places, heating grids are in concurrence with gas networks. Conflicts of interests can occur between the operators of these two types of networks. The interdependence between structures and decision-makers play hereby an important role. A separate strategy and argumentation should therefore be developed.

2.2. Specialization

In the public opinion, solar district heating is not sufficiently considered as an alternative for conventional individual heating systems. Awareness-raising and clarification work should be performed, and the assets of solar thermal energy should be conveyed as well as the advantages of district heating. This occurs via diverse communication channels and several media formats.

The positive image of solar energy represents an opportunity for a general change in the public opinion, reflected also in the political will. Awareness of decision-makers should be raised to the attractive opportunities offered by this technology and the construction of district heating networks should be supported.

In general reservations exist regarding damages to the landscape and land sealing. These objections should be invalidated via demonstrative practical examples. Moreover, these aesthetical disadvantages and risks can be confronted to those of conventional heat supply systems and thereby put in perspective.



There are also reservations towards district heating, as it, in a way, limits the personal independent decision-making. Here, the opportunities for participation via shares owning or participative decision-making (co-operation) can be pointed out.

Currently, the industry reinforces the topic solar district and established market actors offer adapted solutions. This demonstrates that the awareness grows and that the market potential of solar thermal in the district heating supply is by no means exhausted.

2.3. Segmentation

Each brand has a clearly outlined target group. Target groups are persons with common needs and issues. Here, not only factual logical needs play a role, but also emotional motivating factors. The basic-needs-model shows which motivating factors exist for the target group *end users*.

Key actors of the market integration of solar district heating are initiators, multipliers, and end-users. Also energy suppliers, municipal utilities and local district heating operators play an important role.

Following key target groups have been identified:

2.3.1 Initiators and multipliers

- Mayors
- Staff members in cities or communities, environmental authorities
- Environmental associations, engaged private persons
- Energy cooperatives
- Municipal utilities
- Heat network planners and architects
- Local manufacturers, HVAC contractors
- Redactors, journalists

Characteristics of initiators

Initiators of Solar District Heating projects take over personal responsibility. Risks regarding investments and social reputation arise. To support these persons and comfort them in their decision, extensive, clearly structured communication instruments should be made available.

Characteristics of communes

Communes hold a key position thanks to their direct contact with end-users. Moreover, they can play the role of initiator or end-user.

Advantages for communes:

- Ready, established, cost-neutral module for the communal climate protection program.
- In public buildings, communes can show the example.
- Image improvement through innovation.
- The added-value stays in the commune or region and creates employment and induces taxes.
- Increase of sustainability for the commune and firms

Characteristics of architects, planners and contractors

In these professions, the technical know-how is lacking and not sufficiently available. In these groups, awareness for SDH should be raised. Moreover as potential multipliers, they must receive the necessary knowledge to further advise the decision makers.

Advantages for these groups:

- Improvement of image by initiating and planning a SDH plant
- Increased public recognition
- Advantage over competitors due to additional qualification.

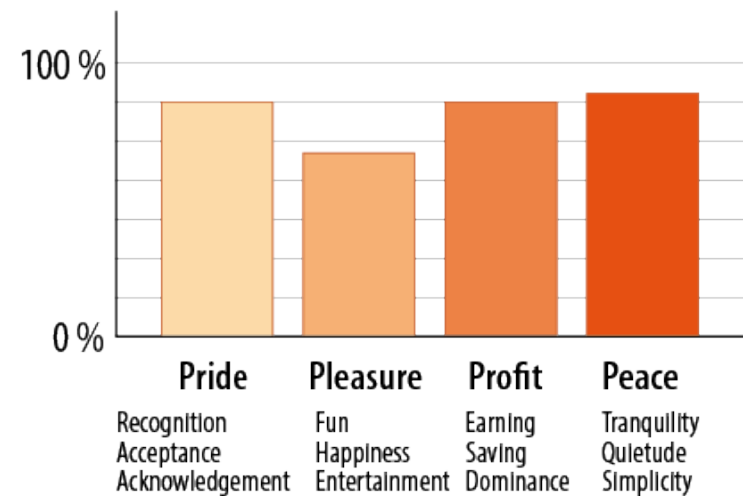
The aim is to win member of these groups as initiators and brand ambassadors.

2.3.2 End-users, house-owners, housing companies and investors

For these target groups, district heating means on the one hand comfort, on the other hand the limitation of individual self-sufficiency. Advantages for these groups are:

- Planning security regarding cost development of heat
- Independence in case of energy crisis or political imponderables
- Ecological heat supply gives oneself good conscience
- Possibility of participation via financial shares or co-operation
- Room for the individual heating system not needed
- Savings on operation and maintenance
- More comfortable and reliable operation
- The added-value stays in region

Which motivation factors influence our clients by decision making?



4 P-model: Which motivations are important for decision makers?

2.4. Differentiation

In order to increase the attractiveness of solar district heating, a clear differentiation from alternative technologies is indispensable. The positioning influences the recognition – and therefore the decision process of the target groups. The strategic positioning must be based on a credible and plausible idea.

For the external observer, it can be difficult to apprehend the advantages of solar district heating. This problem is also an opportunity: good arguments, a clear brand profile and a well-defined communication concept can lead to clarity and market rollout.

Comparison of the primary competitors

Sometimes, complementing technologies count as competitors: individual heating systems, CHP, biogas and biomass. In the following, the criteria which influence the decision-making are defined. These main aspects define a context which makes the comparison with other competitors possible.



The five forces in competition
(inspired from Michael Porters „Five Forces“)

Heat production costs

Heat production costs are the costs for production of one heat unit (kWh). Investment costs and operation costs of the plant are taken into account.

Risk regarding the evolution of prices

The level of energy prices depends on offer and demand. But also monetary variations, international crises and price policies of the supplier make it difficult to predict the future evolution of prices.

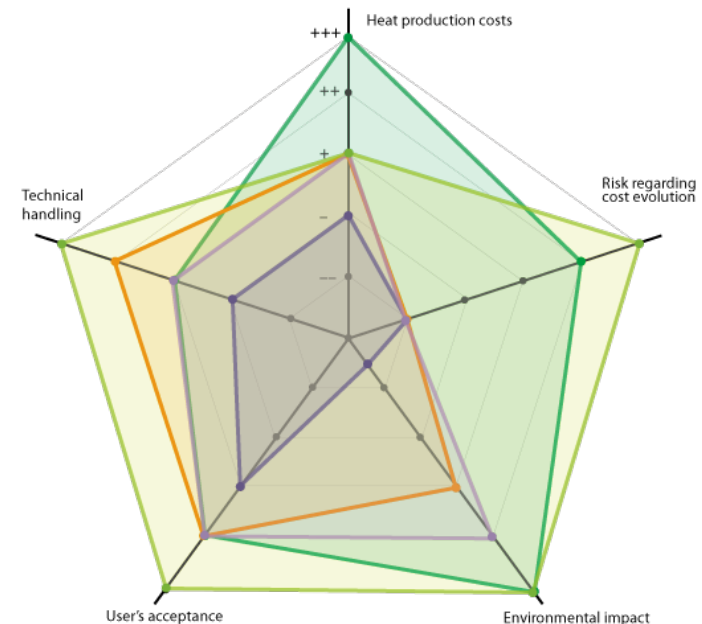
Environmental impact

A generally increasing awareness for the responsibility towards the environment is the cause for parsimonious use of resources and avoiding or reducing the ecological damages.

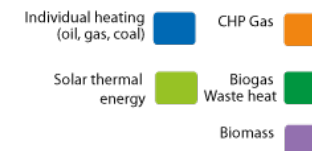
User's acceptance

As conscious users associate environmental friendliness with social friendliness, they favor an ecological harmless heat supply, as long as it is affordable. By district heating, the idea of giving up individual independence can play a role.

SDH position on the market



The diagram shows characteristics of each technology regarding the described criteria. The more on the outside of the net, the better the evaluation is. Here, the perception of the target group is a key element.



Technical handling

This point refers to operation and maintenance needs, breakdown risks and operation comfort of the heating system.

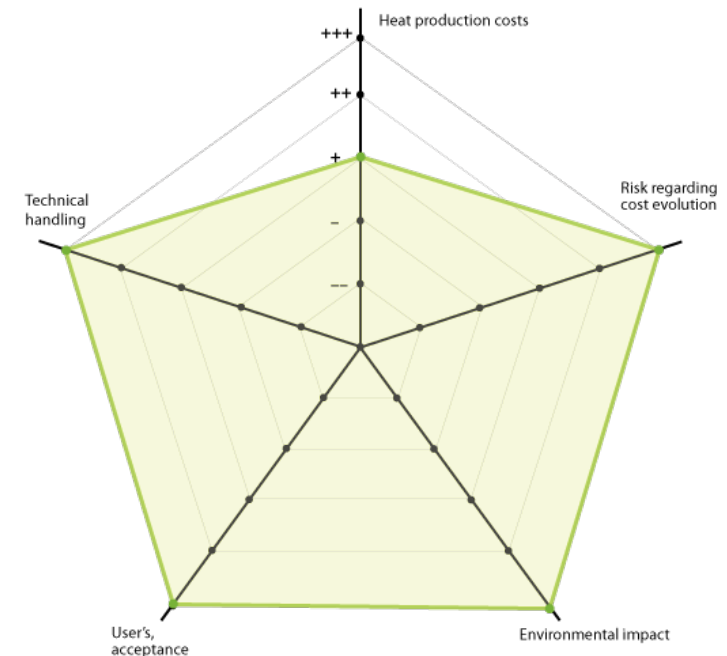
Results of the comparison

The following statement is valid for all criteria mentioned: awareness before truth. This means: at the moment of decision, the presumptions of the decision maker play the key role.

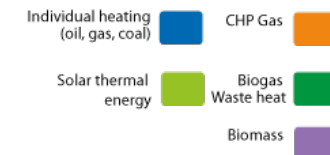
The comparison clearly shows the strongly differentiated directions on the market. All in all, solar thermal energy shows an excellent profile. Except regarding the first point, solar district heating is very convincing in all fields.

Only in the field *heat production costs* does a relative weakness appear. This criterion should be interpreted in a new way through sharper definition of the brand profile and purposefully designed communication contents.

SDH position on the market

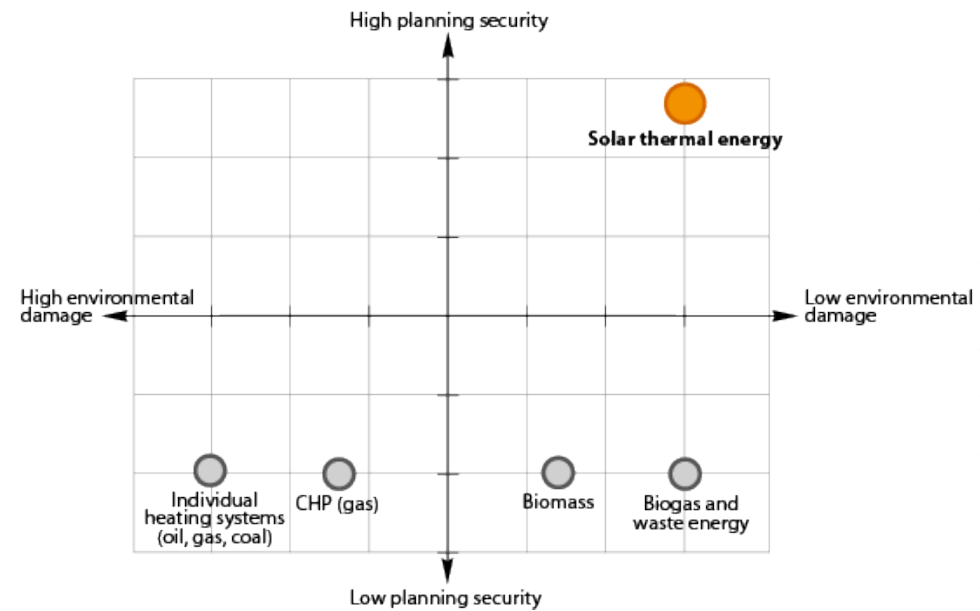


The diagram shows characteristics of each technology regarding the described criterias. The more on the outside of the net, the better the evaluation is. Here, the perception of the target group is a key element.



The positioning cross demonstrates the relation between the competitors. Through the comparison of products characteristics on the horizontal and vertical axes, properties areas appear, which can be used to visually represent the position of market participants.

The representation clearly shows that a high security in planning on the one hand and a low impact on the environment on the other hand, make solar thermal energy a clear favorite.



Comparison of market participants:
Positioning cross

2.5. Concentration

One of the main differentiation instruments are the strategic success factors. These can be already available or must be defined and reinforced. They must be true on the long-term, demonstrable, relevant for the client and difficult to reproduce. The unique selling proposition (USP) is a key aspect of the brand, which make it unique and incompa-
rable.

Some of the main strategic success factors (SSF) of Solar District Heating are:

- Available everywhere
- Emission-free
- Really sustainable
- Planning security thanks to cost stability
- Transparency regarding heat production costs
- Possibility of participation via shares or co-operation
- Independence from political imponderables

Unique selling position (USP)

The unique selling position results from the combination of three aspects: SDH is emission-free, available everywhere and offers cost-stability on the long-term. When looking for an affordable option for sustainable heat supply, solar district heating is a must.

Unique selling position

Emission-free, available everywhere and economically feasible

Strategic success factors

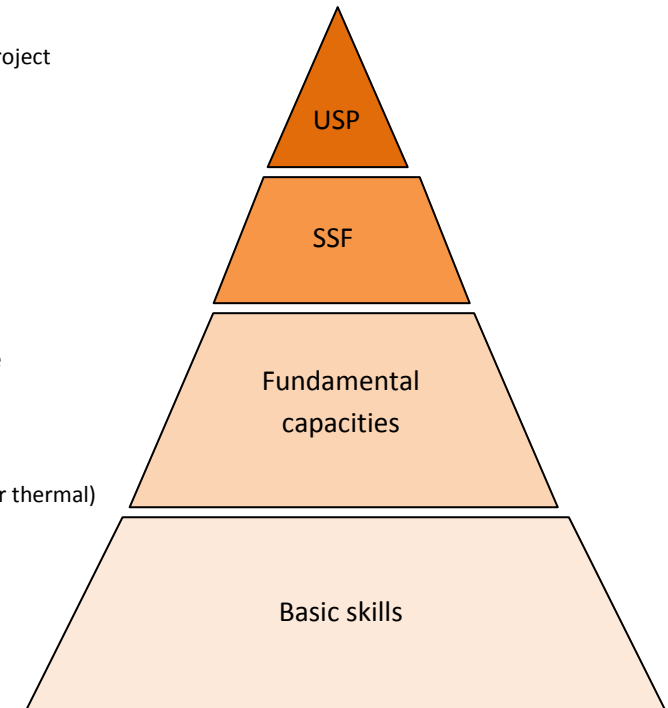
Possible participation in the project
Long-term planning security
Really renewable energy
Transparent
Emission-free
Available everywhere
Independent from politics

Fundamental capacities

Comfort and low maintenance
Affordable
Cost stable
High service quality (DH)
Environmentally-friendly (solar thermal)
Sustainable resource

Basic skills

Heat supply
Security of supply
Fair market prices



Brand-Identity

The sun has always been our most natural source of energy. It warms us and provides us with light and food, since long before fossil energies even played a role. It is still true today; the sun stands for light, heat, joy of life, summer and outdoor activities.

Why Solar District Heating?

Solar district heating (SHD) is a sustainable heating technology which combines the ecological advantage of solar energy with the comfort of district heating. The result is a sustainable and nature-conform heating technology for the residential and commercial sectors.

Solar district heating plants can be implemented everywhere and offer planning security on the long-term.

- The user benefits from the stability of costs and low maintenance needs.
- The investor benefits from sustainable heat gains and technical flexibility.
- The commune benefits from local added-value, employment and image improvement.
- We all benefit from resource neutral and emission-free heat.

When looking for a sustainable lifestyle but comfortable heat supply, solar district heating is a must

Solar District Heating – **N**atural, **S**ustainable, **E**mission-free.

3. Communication concept

To increase the awareness and the attractiveness of Solar District Heating, a coherent communication concept is needed.

According to the formula

„Content+ Format = Concept“

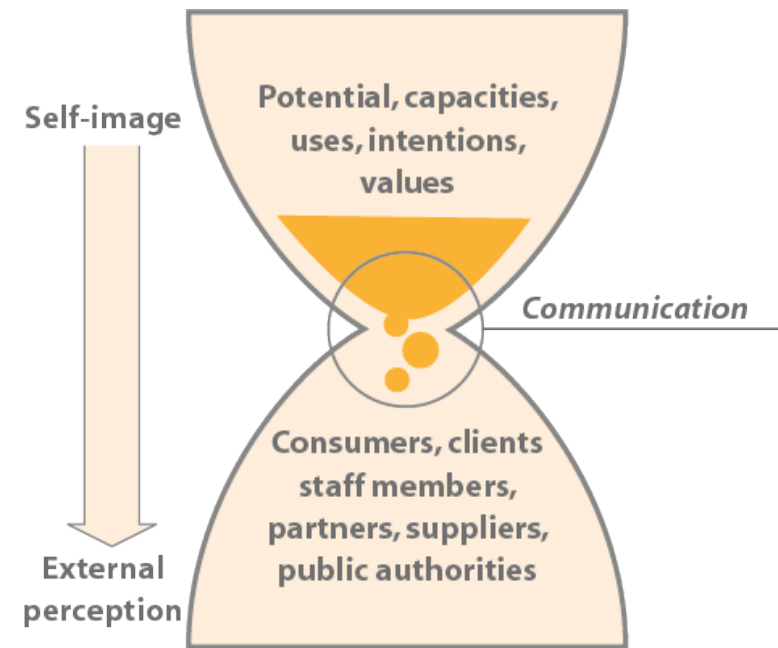
We develop a profile for our brand. Hereby, three main criteria need to be taken into account:

1. Verbalisation
2. The visualisation of,
3. The choice of adapted communication channels.

The combination of language and symbolic/iconic representations supports the awareness-winning process. The mechanisms of the multi-sensorial enhancement of the reliability facilitate this process.

Our brand communication follows the *K.I.S.S.-principle* (*Keep it simple, stupid*). This established design principle fosters the research of the simplest possible solution to problems: minimalistic and easy to understand, which is considered the optimal solution. Therefore, it is important to clearly structure communication means and not to overload.

Through consistent layout, a high self-recognition can be achieved. The brand's resonance and distinctiveness are thus increased.



The hourglass model:
Image development through aimed-focused communication

VERBALISATION

VISUALISATION

COMMUNICATION CHANNELS

Communication contents and fundamental idea

For the successful positioning of SDH on the market, the „best in the world“ principle is applied.

„Solar District Heating is a sustainable technology, combining the ecological advantages of solar energy with the comfort of district heating“

This concept reinforces the probability of use and increases the differentiation with competitors. The technology is set in a reference framework, which evaluates it and supports the plausibility of the solutions. Strong arguments are naturalness and ecological responsibility.

Practical examples and analogies simplify complex issues. Therefore, the brand representatives should dispose of a portfolio of examples, analogies, anecdotes and success stories.



3.1. The verbalisation

The aim of communication is to create mutual ground. The word "community" evokes mutuality. We use in priority words with positive meaning and image.

By our choice of words, we contribute to a barrier free understanding and limit the number of technical terms and estranged words to the minimum needed.

Our use of the language should not only convince on the technical level but also help associate the brand with emotions by using powerful terms and statements.

Descriptive terms and formulations are:

Natural, nature-conform, nature protective, emission-free, fair energy, silent, original, sustainable, purposeful, responsible, infinite resource.

Simple, strong and non contradictable arguments are for example:

„Our sun is the most instinctive and natural heat source“

„Use the power of the sun as a heat source. What is more natural?“

„The sun does not make noise“

„Our sun has been warming us for thousands of years. It is inexhaustible and non-polluting“

„The sun is fair. It doesn't know about monopole or cartels. “

„The sun is democratic. It shines for all of us. “

Brandnaming

A campaign should bring the positive meaning of SDH in the heads of the target group. Handy and phonetic melodic appellations sharpen the profile and facilitate the recognition. The name of the campaign could be:

*SUN - Sun and Net **

**Translation from German SUN – Sonne und Netz*



Claim

A claim is a short statement to position the company on the market.

The term finds its origins in the gold digging times and signals to the user the uniqueness of the products and services offered and defines a market field, like gold diggers defined their claim on which they had the rights for harvest.

Proposed claims for solar district heating:

Accronym:

Solar District Heating – **n**atural, **s**ustainable, **e**mission-free.

Call for action:

Solarize yourself !

Further variant with domain:

Solarize-yourself.com



3.2. The visualisation

Images play an important role in our communication. They carry content and meaning faster and with more impact than words. Therefore it is recommended to represent abstract concepts as meaningful images.

The combination of language and image-based symbolic improves the recognition. Therefore, the most important advantages of Solar District Heating have been represented as pictograms.

The most important characteristics of the strategic success factors (SEP) have been defined as follows:

- Available everywhere
- Emission-free
- Possibility of participating (social participation/active participation)
- Secure regarding the evolution of costs
- Renewable

Available everywhere



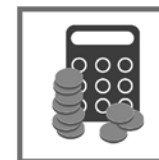
Emission-free



Co-operation



Cost stable



Sustainable, inexhaustible



Pictograms

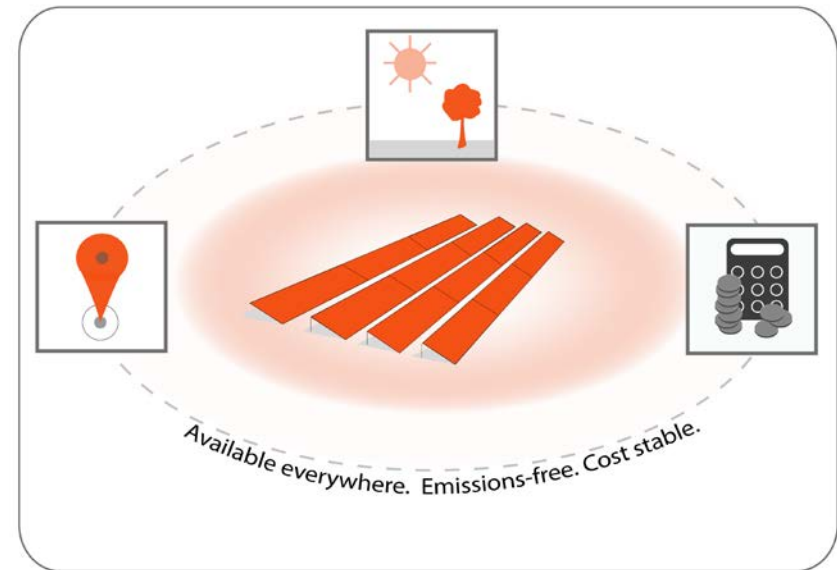
Key Visual

The Key Visual is the central element of our communication measures. Especially for the representation of immaterial services, the Key Visual is important: it serves as visual anchor of our message.

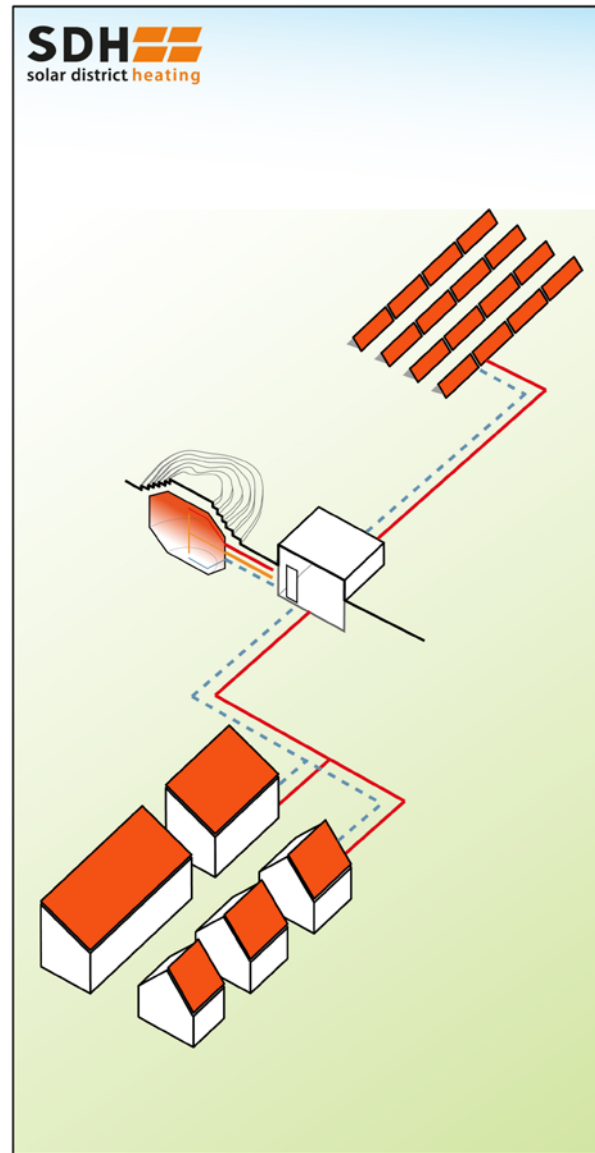
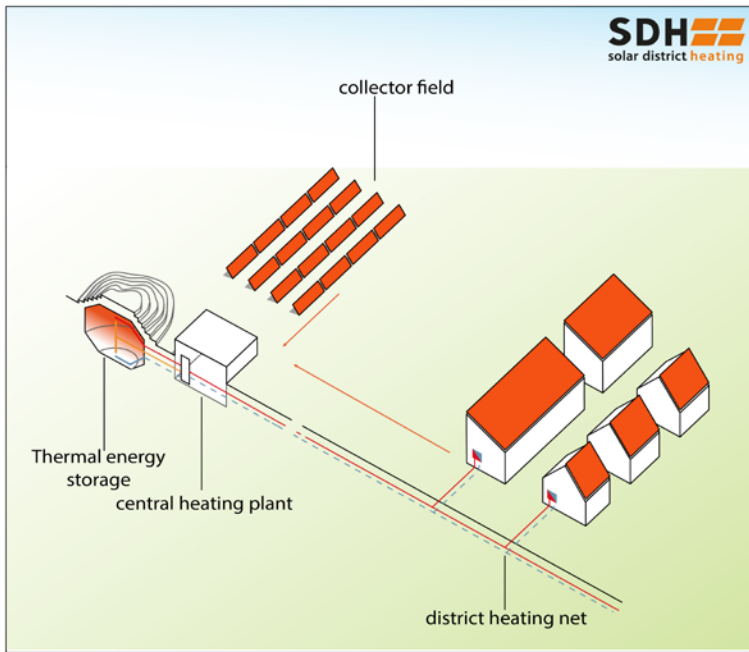
The Key Visual for Solar District Heating is an isometric representation of its functions and uses.

The realization of the Key Visual should ideally allow a flexible use, independent from the format.

The explanatory and representative impact of illustrations should be complemented by a documented and emotional graphic universe. The choice of the motives should carry the values of the brand and possess a united stylish impression.



Key Visual: visual key of the message to the market





3.3. Communication channels and management

To increase the market presence and the awareness about Solar District Heating, and to ensure the market position, an elaborate communication system is recommended. It constitutes the base for effective brand communication.

1. Systematic development of target-oriented contents.
2. Development of process for adaptable solutions with high replicability.
3. Communication management for efficient valorization of the contents in constructive formats and communication channels.

1. Development of target-specific contents

1.1 Development of basic content

Central contents like logos claim and visual elements should be produced in several formats and file formats for an efficient dissemination.

- Basis text with short profile, boilerplate
- Image motives for reports and contributions like press releases, Facebook posts and news.
- Guide on materials' use.

1.2 Design of target-oriented communication means

- Folder and flyer for different information focus and levels
- Checklists, manuals, planning tools
- Manuals on application for subsidies etc.
- Production of keynote presentations with modular key contents
- Infographics (i.e .8 Reasons for Solar District Heating, 7 facts you should know about Solar District Heating, etc.)

1.3 Production of a short video

Production of a short video which delivers the central message in 3 minutes and presents the key arguments in a target-oriented way. Such popular videos, thanks to their narrative character, are perceived more as a divertissement than a lesson and achieve acceptance. Short videos can be used universally and are adapted to sales support as well as dissemination in social networks and press platforms.



ShortCast – Ihre Idee auf den Punkt



6 Gründe für den ShortCast

2. Modelling process

2.1 Technical events

Development and organization of technical presentations about Solar District Heating

Solar District Heating – What is more natural?

These oral presentations should, in a short and visual way, deliver information, achieve understanding and motivate to action. To achieve a maximal efficiency and replicability, the technical presentation should be standardized.

The process should be entirely defined, from the invitations to the satisfaction questionnaires and follow-up. The equipment comprises scripts for speakers, presentations, roll-ups, satisfaction questionnaires and discussion guidelines. Here, a modular approach makes sense for integrating further developments. The aim of these measures is to support the work of the market ambassadors.

2.2 SDH feasibility check

A standardized process for the initiation of a SDH project, which leads to a valid outcome in five steps, brings clarity and confidence for potential initiators. The experience and know-how gained are used in future projects.

- Process : *in five steps to SUN-village*
- Visualisation of the process steps (presentations, infographics)
- Preparation of supporting tools (guidelines, checklists etc.)
- Recommendation and accompaniment by persuasion of clients, application for subsidies etc.

2.3 SDH-Award for exemplary implementation of SDH projects

A competition, organized together with the right partners and made public, achieves presence and image winning.

- Find cooperation partners and media partners and define the award
S.U.N.-village2016
- Develop quality criterias of solar villages SUN-village
- Maybe find a celebrity to endorse the symbol
- Support through consequent work with the press

3. Communication management

3.1 Website as information platform

An online platform with several target groups is the central element of the communication structure.

A password protected area for the exchange of information and materials makes the website a central element.

A team works on the editorial maintenance through the Content Management System (CMS). Form and content should be kept as simple and user-friendly as possible.

Possible intuitive and easily memorized domains could be:
solarize-yourself.eu /org

3.2 Digital newsletter

Preparation of a newsletter for information dissemination and contact with the target groups.

Creation of an address book. However, legal aspects should be taken into account (double opt-in).

The newsletter has the mission of making information available, show new developments and trends, document successful projects and offer support.

Structure and basis layout are defined, as well as the publication frequency.

3.3 Agenda-Setting through consequent public relations

In the initial phase, an online public relations platform should be used to allow a good dissemination and multiple uses of contents in an efficient way.

- Development of a press topic with boilerplate and links to relevant websites
- Creation of a media contacts database
- Use of online media portals a technology forums
- Redaction plan with key subjects, image archives etc.
- Choice of starting points and formats (interviews, manuals, events, practical reports)

3.4 Measures to increase confidence

We live in a recommendation society. Nowadays, users are more critical and rely more on statements from other users than on marketing statements from companies. This is why successes and positive feedback must be consequently documented.

- Storytelling: creation of a database for examples, analogies, anecdotes and success stories to support initiators and sales.
- Consequent documentation of successful projects and plants.
- Gathering of best practices and feedback from users.
- Standardized acquiring of references and clients' statements (questionnaires etc..)

3.5 Dress-your-Numbers - Principle

demonstrating graphic representations of positive facts, trends, economical aspects etc. should be available for universal use.

- Infographics representing facts and processes (animated?)
- Preparation of descriptive charts and metaphorical illustrations for presentations

3.6 Social Media

A presence of the brand SDH in the most important social medias is unavoidable. The contents developed must be adapted here to the different channels.

In order to ensure a regular and adapted publishing frequency, redaction process should be defined.

3.7 CrossMedia Marketing

Multimedia contents (i.e.: explaining videos, animated presentations, interviews etc.) are integrated in printed medias QR-Codes to allow information dissemination over the limits of medias. The contents should thereby be organized centrally and kept up to date to ensure availability and currentness.



Note:

This document has been produced in March 2015 based on a Branding-Workshops dealing with Solar District Heating. The drafts presented are ideas schemes and are meant to demonstrate and describe the ideas expressed. They are not publishable. The recommendations should be understood as stimulations and must be checked regarding legal conformity before any realization or application.

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