Relevance Has a Shelf Life

Financial Communications and the Value of Brand

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THE TANTALUS GROUP

WHITE PAPER

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The way we value companies has changed dramatically.

Fifty years ago, most of the value of an S&P 500 company was in tangible assets you could see and count: factories, equipment, inventory, and other physical assets. In 1975, those tangible assets represented an estimated 83% of S&P 500 market value. By the end of 2025, that relationship had essentially reversed, with intangible assets accounting for approximately 92%.[*]

Those intangibles include intellectual property, software, data, customer relationships, organizational capabilities, brand, and reputation. They are very different assets, yet many share one important characteristic: their value isn't always readily apparent from a company's financial statements.

Investors recognize the gap. A 2025 CFA Institute survey found that more than 70% of investment professionals believe that, for many companies, their most valuable assets do not appear on the balance sheet and that unrecognized intangibles contribute significantly to the difference between book and market value. More than 80% want better disclosure about intangible assets.[**]

That raises an interesting question. If so much of a company's value isn't readily apparent in the numbers, how do investors and other stakeholders understand it?

Being Known Isn't Enough

The brand world began wrestling with a version of that question decades ago.

In the 1980s, Young & Rubicam, in partnership with investment bank Bear Stearns, pioneered BrandAsset Valuator (BAV), an ambitious effort to understand what made some brands stronger than others. Its original framework assessed brands across four measures: Differentiation, Relevance, Esteem, and Knowledge. The idea behind it was deceptively simple: being well known isn't the same as being valuable.

During my time at Y&R, I applied BAV with clients to understand where their brands were strong, where they were vulnerable, where there was opportunity, and why it mattered to them. The framework was especially useful because it moved the conversation beyond awareness. A strong brand needed to be differentiated and relevant, but it also needed to be understood and held in high regard. A brand could have enormous recognition and still be losing strength if audiences no longer understood why it mattered.

Subsequent research using BAV data reinforced the financial importance of those perceptions. Researchers found that brand Relevance provided information beyond traditional accounting measures in explaining stock returns, while changes in Differentiation were associated with future financial performance.***

Think about AOL or Yahoo. Both were once formidable brands and essential gateways to the internet. Their names didn't suddenly become unfamiliar. What changed was their relevance. Technology evolved, consumer behavior shifted, and new competitors changed both the market and audience expectations.

There is a broader lesson here: relevance has a shelf life.

What differentiates an organization today can become commonplace tomorrow. Markets change. Competitors catch up. New technologies create new expectations. AI is accelerating that cycle across industries, making it easier to replicate capabilities, produce content, and make claims that may once have seemed distinctive.

Strong brands must continually make the case for why they matter.

Where Financial Communications Fits

Making that case starts with the business itself. Brand positioning needs to be grounded in what an organization actually does: its strategy, performance, competitive strengths, investments, and ability to deliver.

Financial communications help make those connections visible. Working closely with Investor Relations, FC puts financial performance and business strategy in context, linking the numbers to a clear, credible narrative that explains where the organization is headed, what differentiates it, and why that matters to the audiences it serves.

The numbers show what has happened. The narrative explains what they mean and why they matter.

That narrative also helps shape market perception. When it is clear, consistent, and supported by performance, financial communications can strengthen positioning by aligning what the brand promises with what the business delivers. Because those perceptions are formed by more than investors alone, that same context helps employees, customers, the media, and other stakeholders understand the organization and its value.

This is where the BAV principles remain so relevant. Differentiation and relevance cannot be asserted. Esteem cannot be demanded. They must be supported by what an organization does and reinforced by how clearly and credibly it communicates.

Relevance Has to Be Earned

Maintaining a strong market position is becoming harder. Organizations compete for attention in an environment shaped by economic and geopolitical uncertainty, fragmented audiences, heightened stakeholder expectations, and an extraordinary abundance of information. AI is adding another dimension, dramatically increasing the volume of content audiences encounter while raising new questions about authenticity and credibility.

Strong brands continually earn their relevance.

At Tantalus Group, our experts help communicators understand how clear, consistent, and credible communication strengthens brand positioning and builds trust. We help them put business and financial information into meaningful context for different audiences and develop narratives that clearly articulate what differentiates their organization and why it matters.

Sources

* Ocean Tomo, 2025 Intangible Asset Market Value Study.

** Sandra J. Peters and Matthew P. Winters, CFA Institute Research and Policy Center, Investor Perspectives: Intangible Assets, 2025.

*** Natalie Mizik and Robert Jacobson, “The Financial Value Impact of Perceptual Brand Attributes,” Journal of Marketing Research, Vol. 45, No. 1, 2008.

About Tantalus Financial Communications Consultant Trina Foster

Trina Foster is a consultant with The Tantalus Group, where she focuses on financial communications — helping organizations connect financial performance and business strategy to a clear, credible narrative for investors, employees, and other stakeholders.

Put the talented team of Tantalus management and communications consultants to work for you. Our unique networked structure provides our clients access to the latest strategies from around the world and the ability to leverage experience in wide-ranging industries and markets.

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