

# USING NARRATIVES FOR ADVANTAGE

## What Are Narratives—and Why Are They Important?

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**We all use narratives to understand the world.** Whether we're conscious of it or not, we hold beliefs, make assumptions, and tell ourselves stories about other people, countries, organizations, and products—basically, about everything we encounter. These narratives shape how we perceive and interact with the world.

Narratives have a profound impact on organizations, too.

Any organization whose strategy is governed in part by public perception is—consciously or not—moving through a narrative landscape. Google and Facebook confront narratives around privacy versus convenience; Coca-Cola and McDonald's face narratives around health and obesity; and Goldman Sachs and Bank of America contend with narratives around inequality and the American Dream.

The question for leaders is whether they are simply drifting through that landscape of critical narratives, or actively shaping it for strategic advantage. Leaders need to understand what the narrative questions affecting their companies are and seek out answers that are rooted in analysis, not just intuition. Then they can decide which narratives to align with, which to fight, which to ignore, or whether to create new narratives of their own.



# What is Narrative Analytics?

After studying the way narratives operate in 40 countries and in multiple industries and domains around the world, we at Monitor 360 have learned how such discourse motivates people in different ways. We call it “Narrative Analytics”—a way to systematically understand underlying beliefs at scale.

## The Multi-Level Discourse Model

In the social media-driven world, where the volume and velocity of conversations have grown exponentially, Narrative Analytics allows you to know when something is “just news” or when it transcends into narrative. In any broad public discussion of a company, industry, product, or issue, there are three levels of discourse operating at the same time. Take a look at these levels in the diagram below.

### THE MULTI-LEVEL DISCOURSE MODEL



# The Narrative Analytics Process

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## Step 1: Begin with the Focal Question

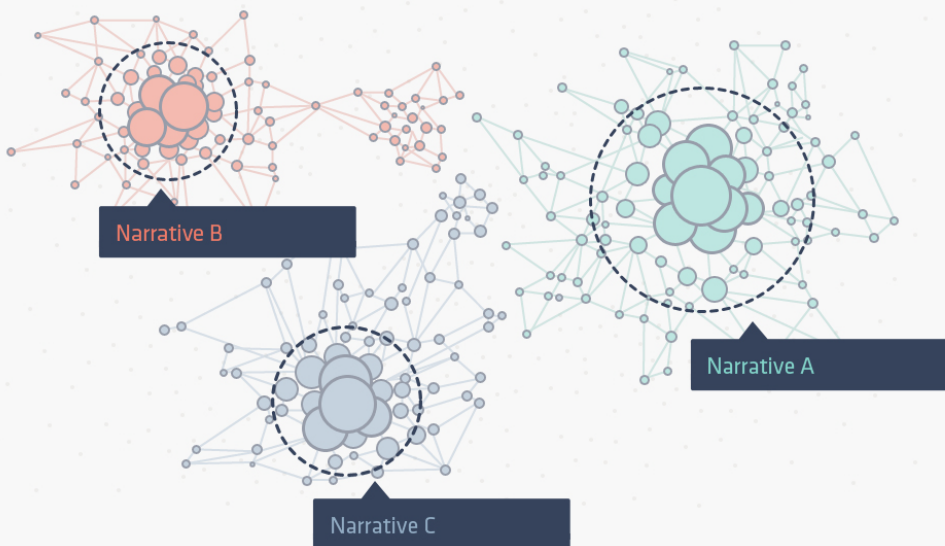
The first step in the Narrative Analytics process is to articulate the focal question. Many research methods require starting with a tightly honed hypothesis, such as “What do women between the ages of 18 and 25 think about Facebook’s new privacy policy?” This pre-supposes the connection between the data and a solution. With Narrative Analytics, you start with a focal question that gets you to reflect on an issue and identify where and why perceptions, beliefs, and narratives matter for your organization.

For example, a social media company might ask, “What are the full set of narratives about privacy, and what risks and opportunities do these narratives pose for our business?” A broad focal question, connected substantively to the company’s strategy, allows for a discovery-oriented and exploratory approach, which leads to more strategic and useful insights.

## Step 2: Map the Narratives

Once the focal question has been articulated, the second step is to map out the various levels of discourse relevant to your issue, industry, or company. To do this, Monitor 360 rapidly synthesizes tens of thousands of traditional and social media sources, clustering the important conversations that drive perceptions among key audiences. These various narratives can be captured in what we call a “narrative landscape,” a visual map of the underlying attitudes, beliefs, and assumptions.

### NARRATIVE LANDSCAPE



### Step 3: Measure the Narratives

Once you identify the narrative landscape, the next step is to start measuring it. This step enables you to determine which narratives are in flux or stable, which are favorable or unfavorable, and which are widely understood or emerging:

- What is the relative impact of the current narratives on the conversation?
- How have these narratives changed over time, and what's driving the change?
- Who supports, influences, and amplifies the narratives?
- What are the emerging narratives that aren't on the radar?

### Step 4: Develop your Narrative Strategy

Having identified and measured the narrative landscape, how can a company then proceed for competitive advantage? There are three fundamental strategies: "attach," "reframe," and "create." Take a look at the chart below.

## NARRATIVE STRATEGIES



#### **ATTACH**

*an existing narrative that your company can leverage.*

A major financial services company identified a powerful narrative connecting early financial literacy to later financial health. They were able to attach to this narrative as an anchor for their programs and campaigns, supporting an authentic brand around financial well-being.



#### **REFRAME**

*a narrative to support your objectives, often undermining a competitive narrative.*

A foundation focused on positively reforming K-12 education saw a narrative landscape dominated by the evaluation of teachers and students as the answer to fix the system. The foundation reframed these narratives to focus less on assessment and more on providing support for these critical stakeholders.



#### **CREATE**

*a new narrative within white space in the narrative landscape.*

An enterprise software company looked at the driving narratives in healthcare and saw dominant themes of strain and uncertainty, as well as widespread skepticism of technology as a panacea. They created a new message focused on using technology as a support, allowing doctors to operate "at the top of their license" by reducing administrative activities.

## Step 5: Monitor the Impact and Adjust

Once you are using narratives to understand the beliefs and assumptions that matter, you can track how they shift over time and refine your decision making as events unfold. For example, with the narrative landscape around privacy identified, Facebook can track which narrative is dominating: “You Need to Pay for Convenience” or “The Incessant Invasion of Privacy.” It can link the shifts in public perception to its own actions and the actions of others. By connecting cause and effect through narratives, Facebook can hone its strategy with advertisers, its policies with consumers, and its new product or feature launches to reflect what’s resonating with the public.

## Application of Narrative Analytics

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Companies can now frame their understanding of customers around narratives. Doing so gives a clearer and more actionable sense of what’s driving customer behavior. Monitor 360 helps clients apply the Narrative Analytics process to solve significant issues and create revenue-generating opportunities, including:

- **New Market Entry:** How can you enter a new market with a firm understanding of the consumer beliefs that matter? Entry into a new geography or market is plagued with pitfalls and potential narrative snafus. Decision-makers who are operating in uncharted territory need to be discovery-oriented, approaching audiences on their terms and with their existing narratives in mind.
- **Reputation Management:** How can you navigate through a crisis where your reputation is at stake? In crisis communications, new narratives can spring to life seemingly from nowhere to cast you as the villain, and the news moves more quickly than humans can process. Decision-makers need real-time metrics, a strategic and comprehensive view of unfolding events, and clear options that think several steps ahead to avoid being caught in a reactive and defensive cycle.
- **Brand Positioning:** How can you create the right brand position that will resonate with the target audience? Whether you’re a business or an NGO, you have one shot to establish new positioning, so getting it right the first time is essential. But it can be challenging to find the brand position that both resonates with customers and is uniquely differentiating. To do this properly, decision-makers should understand a consumer’s deeply held beliefs about the product, about their use of it, and of the competition.

- **Stakeholder Engagement:** How can I engage successfully in a critical debate that is shaping the future of my business? Debates draw their energy from conflicting narratives, and so understanding where that debate is trending and how to engage requires a deep understanding and analysis of those conflicting beliefs. Decision makers need to understand the underlying drivers of the narratives, determine what actions and messages will be credible and will resonate within the narrative landscape, and anticipate how other actors are likely to respond.

## Conclusion

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Narratives are powerful because they are part of what makes us human; we are storytelling creatures. Once we began viewing the world through narratives, we start to understand better why people make the choices they do. All of a sudden biases, deviant behavior, and alternative beliefs become understandable and often more predictable. Narrative Analytics is a simple method for turning strategic planning inside-out, providing a new structure for understanding and shaping the beliefs that have a profound impact on all organizations.

## About Monitor 360

**Monitor 360 brings clarity to complex, cross-disciplinary global strategic and analytical challenges.** We developed Narrative Analytics in working with the intelligence community over the last decade and are now applying it to leading companies and NGOs. We help organizations understand underlying beliefs at scale and use that insight to launch new products and new markets, manage brand and corporate reputations, and create break through strategic plans. We can't tell you about everything we do, but if it's a hard, fast-moving problem, we're probably working on it (in 40+ countries) whether it's for a major foundation, corporation, or the White House.

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