

## **News Media as Suppliers of Narratives (and Information)**

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***Abstract :***

We present a model in which news media shape beliefs by providing information (signals about an exogenous state) and narratives (models of what determines outcomes). To amplify consumers' engagement, the media maximize their anticipatory utility. We characterize the optimal monopolistic media strategy under various classes of separable consumer preferences, and demonstrate the synergy between false narratives and biased information. Consumer heterogeneity gives rise to a novel menu-design problem due to an "equilibrium data externality" among consumers. The optimal menu features multiple narratives and creates polarized beliefs and choices. These effects also arise in a competitive media market model.