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Behavior Change — Easier Said Than Done

LOSE 10 POUNDS, EAT HEALTHIER, EXERCISE MORE, REDUCE STRESS, TAKE OUR MEDICATION AS DIRECTED, ETC.

Knowing what to do is the easy part. Doing what we are supposed to do is a whole lot harder. Let's face it, it's much easier to be noncompliant, and the healthcare industry understands that humans are, well, human. We may be living a lot longer, in fact in just the last 200 years, hu-

mans have doubled life expectancy - a measure that had barely budged



in the previous 5,000 years. According to EY, this happened because of two key developments. First, better sanitation and hygiene contributed to an enormous increase in longevity. Second, the introduction of modern medicines and better nutrition, starting in the early 20th century, created the next big wave of improvements in health and life spans. But then progress stopped. Recent studies suggest that we may be the first generation in 200 years to not outlive our parents. EY questioned what changed. It's no surprise that a big part of the an-

swer is that unhealthy behaviors - such as smoking, weight gain, poor diets, and stress - are exacting an increasing toll on health outcomes and human longevity.

Companies of all shapes and sizes are looking at how to improve health outcomes and change behavior by understanding behavior science and behavior modification. Companies that crack the code will not only create abnormal growth opportunities but also positively contribute to society in disproportionate ways.

Behavioral change is a complex process requiring significant personal responsibility and the right balance between paternalism and individual management of health and lifestyle choices, according to EY.

PwC's Tom Weakland has advocated the use of behavioral economics (BE) to address poor consumer choices that lead to unhealthy outcomes and unnecessary and high care costs. BE is the application of neoclassical economics and psychology in combination to explain irrational behavior. He defined BE as consisting of four broad categories: decision short cuts; value assessments; social impacts; and emotional impacts. Some of the examples highlighted by Mr. Weakland are a reliance on defaults and framing to make decisions faster; how people are drawn to things that are free; how social norms impact choices; and how loss aversion and hot emotional states create very powerful decision motivators.

Mr. Weakland has noted that there are a number of ways that BE can be leveraged in healthcare related activities.

"BE can be used to steer patients to specific treatment regimens in a better way than we do today," he says. "It can be employed to influence personal choice. We've seen that in other consumer markets for years and now we have to get smarter about applying that in healthcare."

The bottom line is that to take on the next big challenge of changing patients' behaviors, EY says companies will need to change their own behaviors as well. More than ever, life-sciences firms will need to look outside their walls for new ideas and different approaches - and behavioral economists and customer-centric models from other industries can provide a useful starting points.

Regards, Much Taren Grom

Editor

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) Their Word...

DENISE MYSHKO



The pharmaceutical industry is a global one, but globalization has put many pressures on both industry and regulators to keep pace.

ROBIN ROBINSON



The industry is starting to use the principals of behavioral economics to improve messaging to both physicians and patients.

KIM RIBBINK



Strong growth, a large and aging population and continued investment in R&D by

local companies are all making South Korea an attractive proposition for global pharma companies, although challenges such as forced lowering of drug prices do create constraints.

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3