



Comments on *Obesity*

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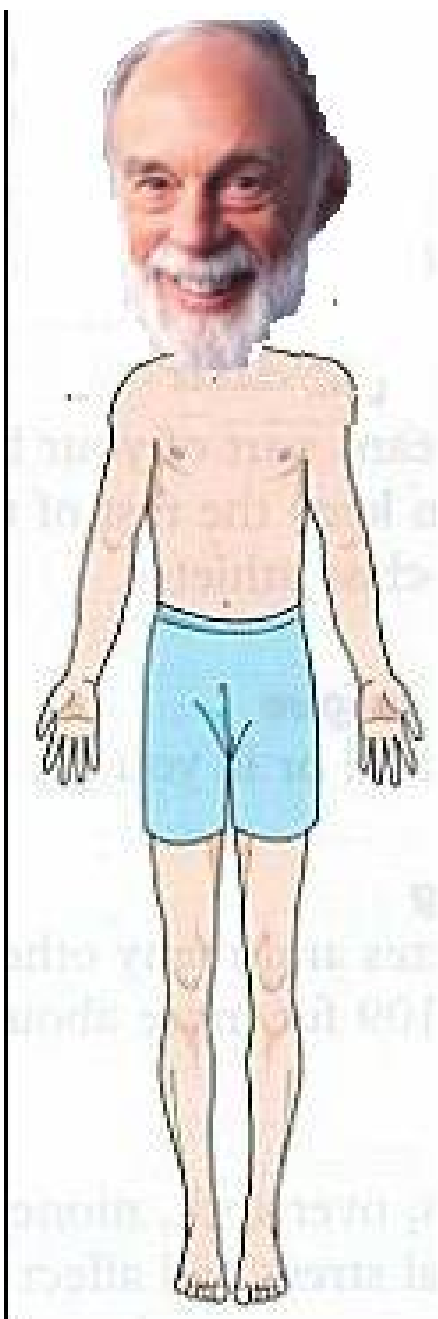
University of Florida

SICS

SUMMER INSTITUTE IN COMPETITIVE STRATEGY

Haas School of Business

University of California, Berkeley



Outline

- Joke: fat economist on desert island
- Say something nice
- Say something not so nice
- Propose changes making everything intractable
- Ambiguous -- more can be done

The WRONG discussant!! Free Market guy!

- Vegetarian – food critic for steak house / Motion sick - review roller coaster ride
- Taxes Bad / Fed Intervention Bad / Freedom of Speech / Everyone worse off

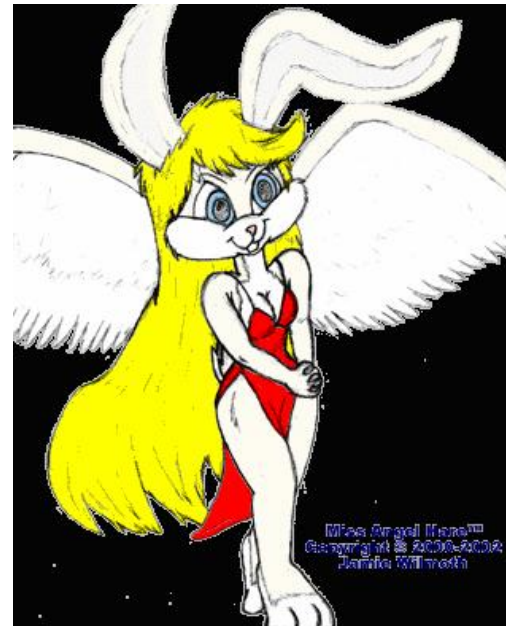


Cooling off

- Author Develop Great Creative Useful Technology
 - Validity (external, internal) for methodology
 - Qualitative Evidence for methodology
 - Quantitative Evidence for methodology
 - Robustness of methodology
 - Cleverly add BDT Effects into Conjoint (Analogous to Game Theory)
 - reverse Wansink
 - Usefulness, etc.
 - BEST SOLUTION: Cafe standards (best of very bad options)



OR

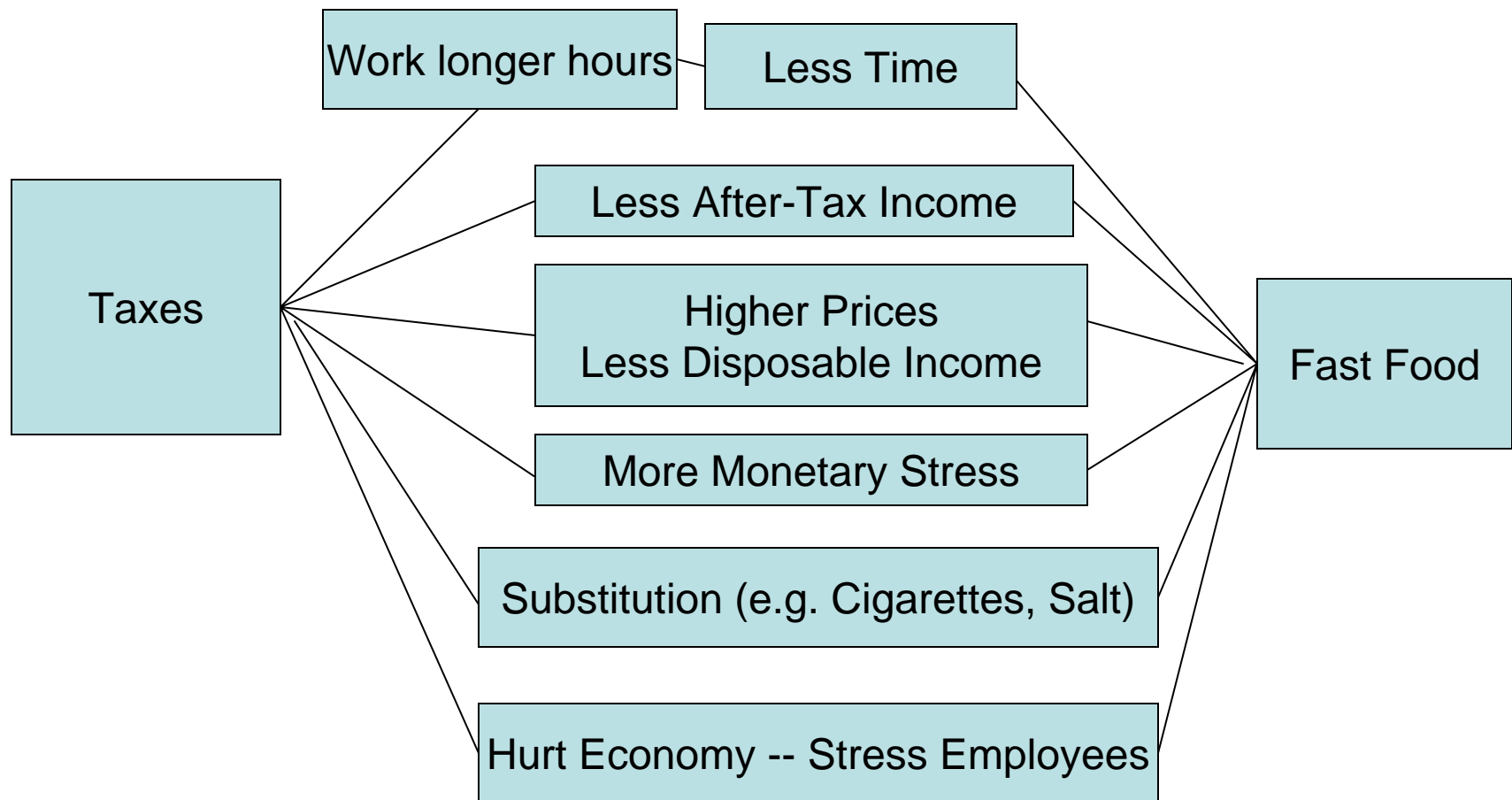


Obesity = Soft Drinks?



My Theory

Taxes Causes Obesity



Outlaw

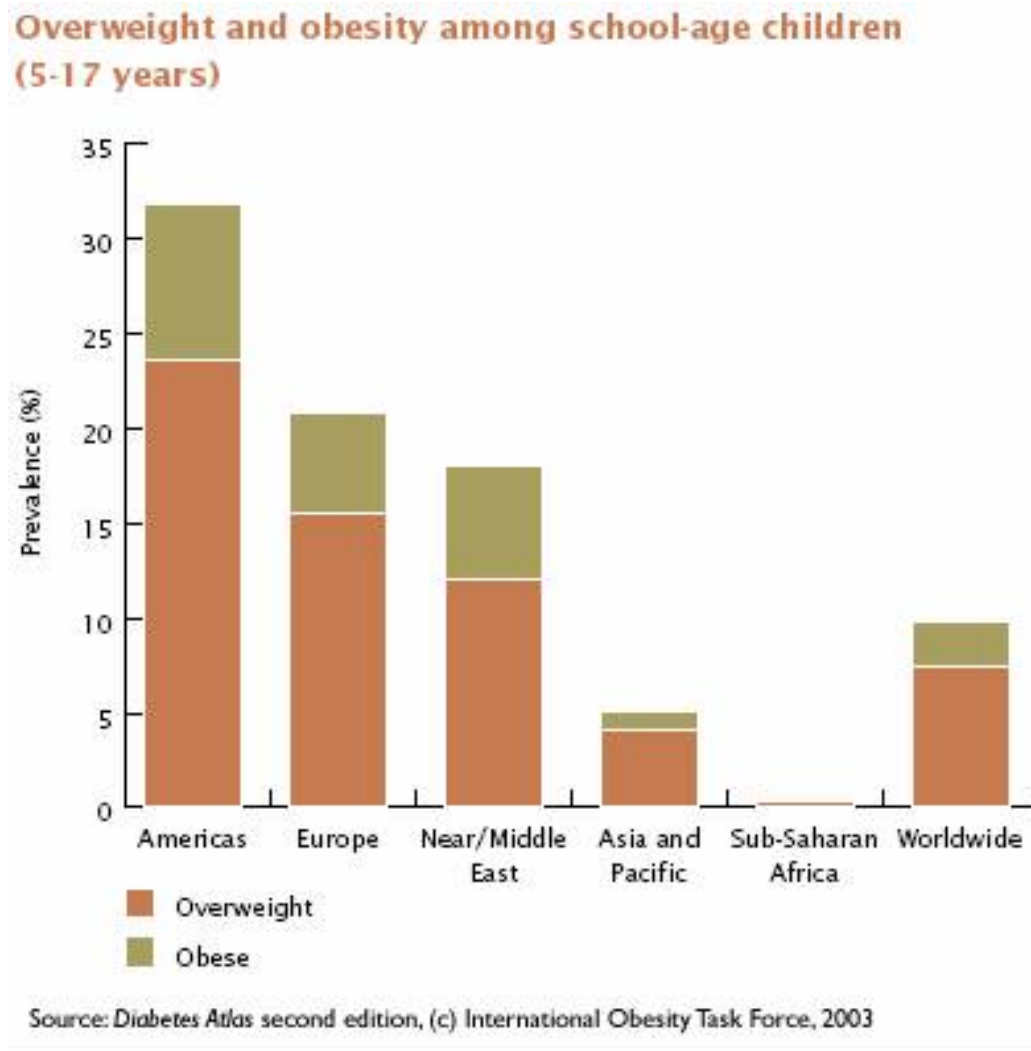


Bob decides to take the stairs.



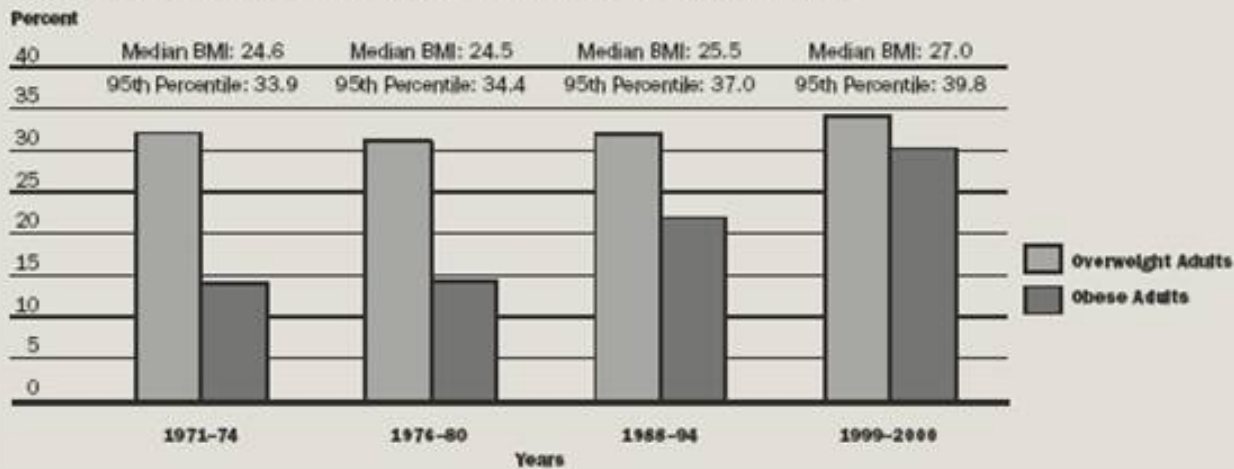
Is Africa Ideal?

Calorific consumption not monotonic!
Similar to automobile speed, gas mileage ...



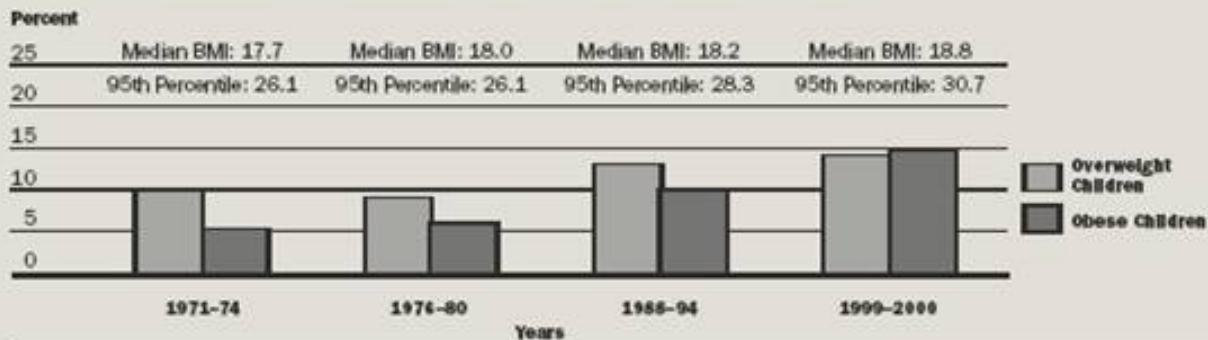
Obesity Up, not Overweight

Figure 3. Percentage of Adults Who Are Overweight or Obese



Source: Authors' calculations from National Health and Nutrition Examination Surveys (NHANES).

Figure 4. Percentage of Children Who Are Overweight or Obese



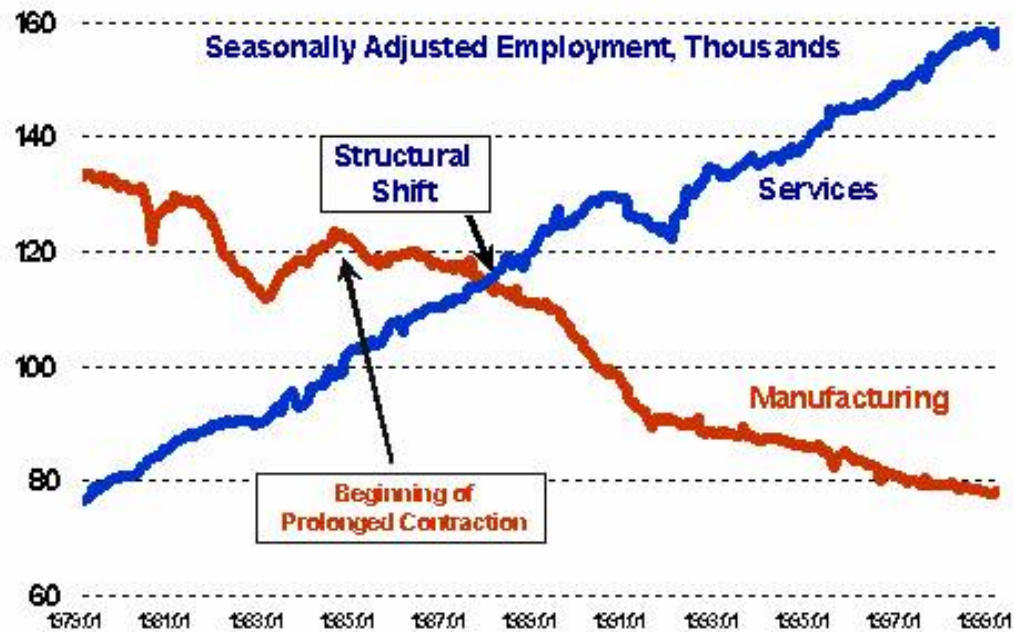
Source: Authors' calculations from National Health and Nutrition Examination Surveys (NHANES).

Reasons for Obesity

- *Big Two* explanations (Manufacturing & Marketing)
- reduced physical activity (reduced school-based physical education)
- increased availability of fast-food
- less sleep
- Ambient Temperature Decreases (air-conditioning breakdown, restaurant sales drop)
- southern US -- highest obesity rates, air conditioning increased from 37% to 70%
- Decreased Smoking (Nicotine has both thermogenic and appetite suppressant)
- Pharmaceutical Iatrogenesis (e.g., psychotropic medications – dramatic increase)
- Changes in Distribution of Ethnicity and Age (Marked Differences between European-Americans)
- Increasing Gravida Age (older mother loss of brown adipose)
- Intrauterine and Intergenerational Effects (maternal obesity & diabetes)
- reproductive yielding selection for obesity-predisposing genotypes
- assortative mating and floor effects

Wansink's Book

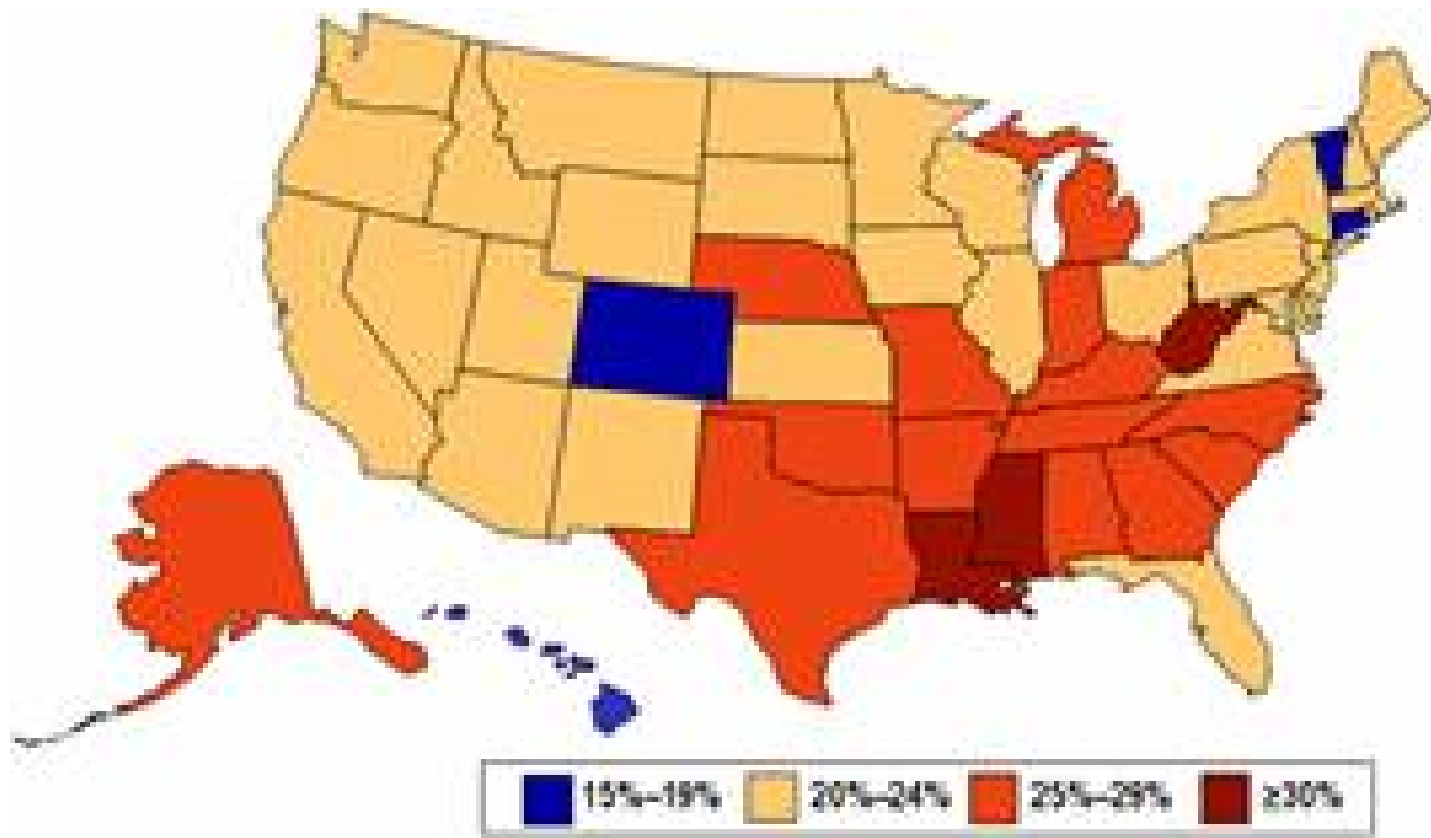
Rhode Island Became A Service-Based Economy in Late 1987



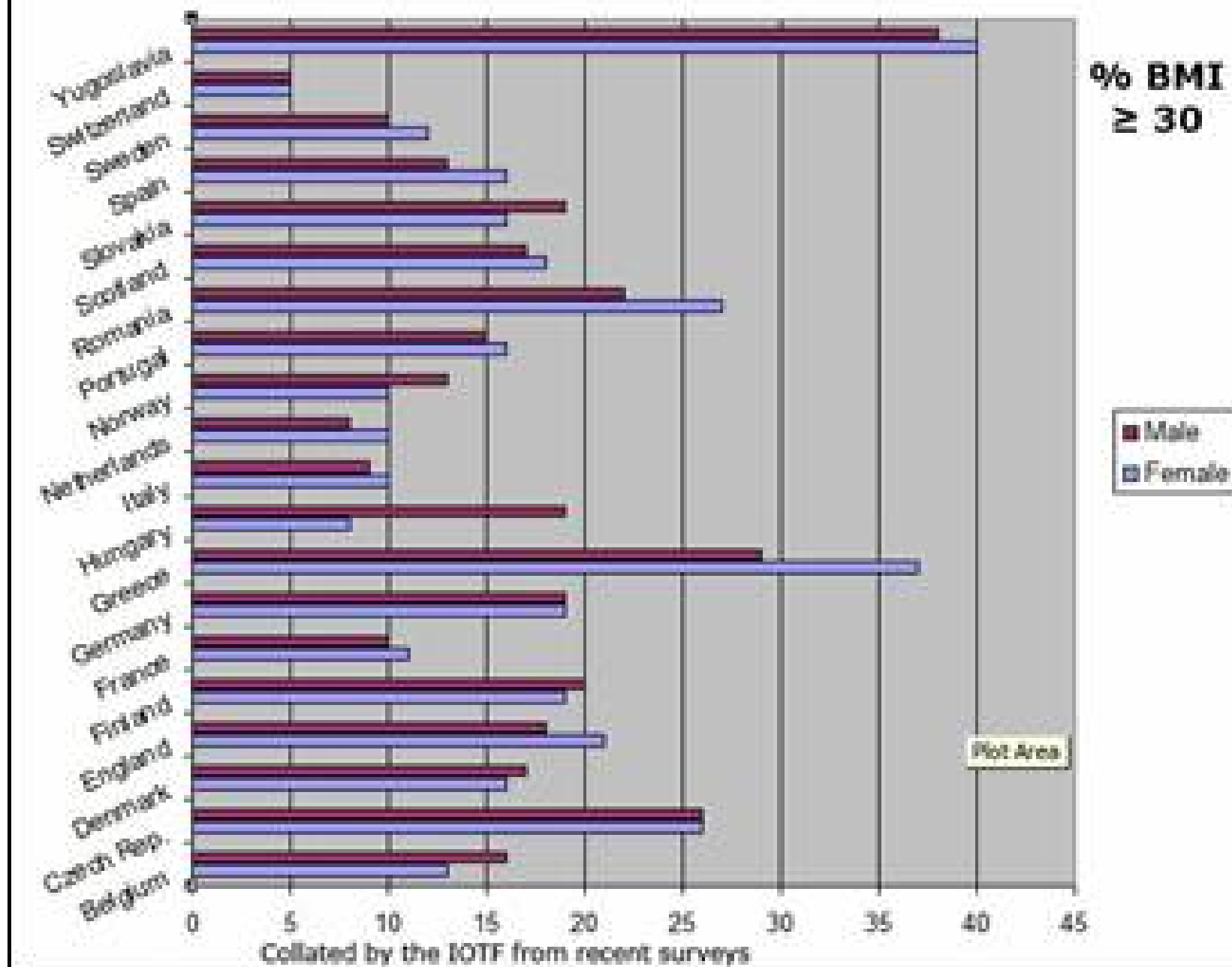
Leonard Lardaro URIMEEP



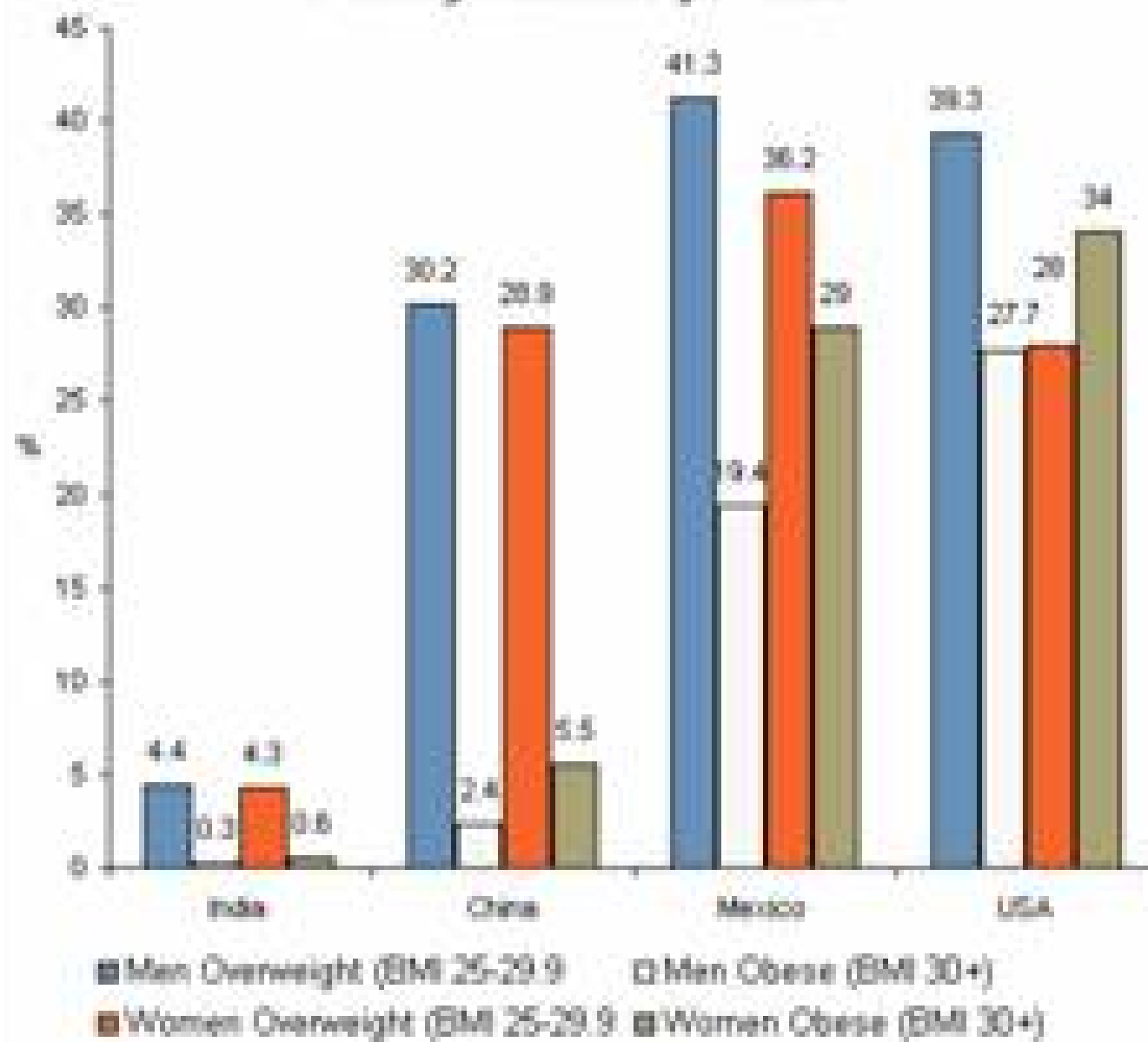
Variability to Explain



Male and female obesity levels in selected European countries



Overweight and Obesity in Adults



Birger Wernerfelt

A rational reconstruction of the compromise effect

- Bad Decision
- Suppose with Full Information
- Chooses B from {A, B, C}
- How can we help the consumer by forcing another choice when B is the full-information choice... by definition everyone is worse-off
- Need a theory for why we help the decision-maker by decreasing their utility

Mandated Gas mileage – Unintended Consequences

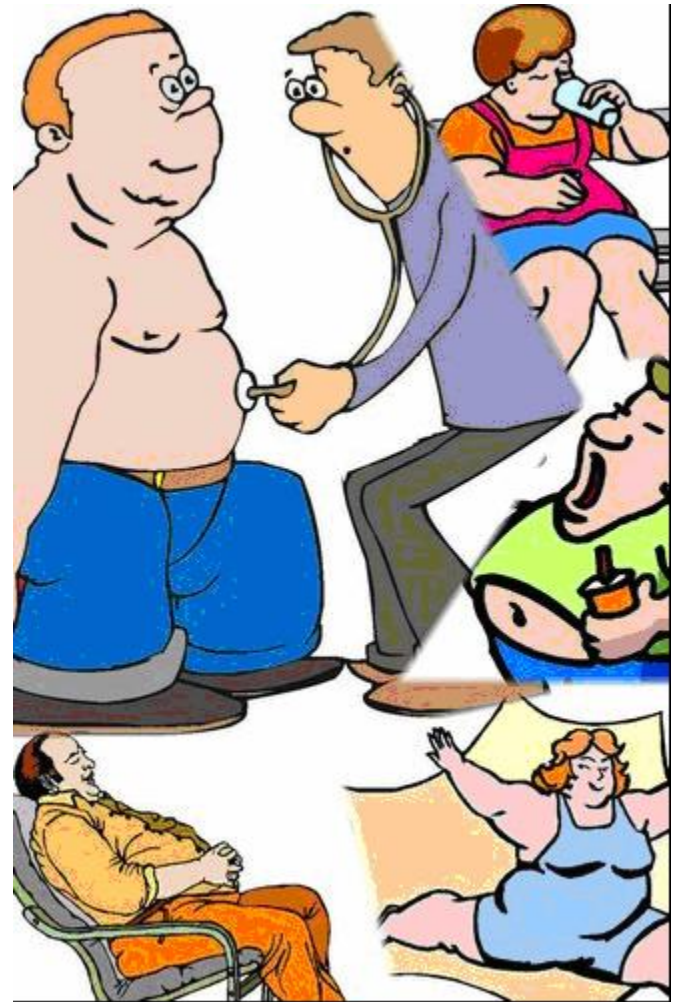
- Drive More (raised fixed cost, lower variables cost) Save Gas?? Money??
- Lighter Cars – Less Safe (MDX)
- More pollutants
- Higher Prices – Keep Older Cars on Road
- Lower Income People hurt Most
- Simply has not worked – if reduced gasoline consumption is the goal

Unintended Consequences

- **Free Refills** (already everywhere in Florida except Wendy's)
- **Can detach soft-drinks** (unlike gas engines)
- **Shift to diet additives**
- **Justifies Deceptive Practices** (more ice, mislabel container)
- **No profit in Decreased Context Demand**
- **Only profitable to raise price**

Dangerous Activities

- Hockey
- Football
- Lacrosse
- Bicycling
- Cheerleading
- Racing (Running)
- Horseback Riding
 - Horses kill more people than any other animal
- Gymnastics
- Soccer
- Paintball
- Skateboarding
- Skiing (Allenby)



Advice for Authors

- New Abstract
- Careful with insignificant results
- Focus on Take-away
- Better Method
- Turn from the Dark Side
- Optimize Attributes of Irrelevant Alternative
- Optimize Set Composition

