How does the placebo work?But they weren't told it was a placebo: they were told it was a painkiller.The effect of a placebo is both psychological and physical.For example, they are sometimes given for skin problems, for headaches, or for allergies.Studies have shown that placebos can really help in these cases.There may be as much improvement after a placebo as after real medicine.And there are two big advantages to a placebo.Scientists say it only works if you believe that it's real medicine.In fact, beliefs and feelings can have physical effects on your body.Scientists saw this in an experiment about pain.Then they were given a placebo.Their brains began making a natural painkilling chemical.Soon the people felt less pain.