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## Reputations of Pharmaceutical and Health Insurance Companies Continue Their Downward Slide

Our latest annual measures of how 15 different industries are rated in terms of “serving their customers” are not good news for the health care industry. The ratings of both the pharmaceutical and the health insurance industry have declined further this year, continuing a downward slide, which we’ve seen almost every year since we first started asking this series of questions seven years ago in 1997.

In this year’s survey, 44% of all adults think the **pharmaceutical companies** are doing a good job for their consumers (and 48% think they are doing a bad job). In 1997, fully 79% thought the industry was doing a good job. This fell to 73% in 1998, 66% in 1999 and 59% in 2000. It remained virtually unchanged in 2001 and 2002 before plunging again to 49% in 2003 and 44% in 2004. In total, those who see the pharmaceutical companies as doing a good job for their consumers have fallen 35 percentage points over the last seven years.

**Health insurance companies** were never as popular, during the last seven years, as pharmaceutical companies, but in 1997 a 55% majority believed they were doing a good job for their consumers. After falling a further four percentage points this year, only 36% now give them good marks – 19 points lower than seven years ago.

Some members of the public see a difference between **managed care** and health insurance companies, even though virtually all insurance companies now sell managed care, and it really is just one industry. Only 30% of the public give managed care companies good marks, unchanged from last year, but 21 points lower than the 51% majority who gave them good marks in 1997. For the last two years, managed care has been tied for last place with tobacco companies.

**Hospitals** continue to be well regarded by most people, with 70% of all adults giving them good marks, down marginally from 73% in the two previous years. It is interesting to note that the huge increase in hospital costs in the last two years has produced virtually no backlash when (we believe) the principal reason for growth in hostility toward the pharmaceutical companies is the big increase in the cost of drugs. One difference is that many people have experienced big increases in their out-of-pocket costs for drugs, but not for hospitals. Coverage makes a huge difference in public attitudes.

Another difference is that the media have given a great deal of coverage to drug prices and relatively little to hospital prices, even though increased hospital costs account for a far larger share of total health care cost increases. It seems that the consumer is scarcely aware of this.

These data come from a nationwide Harris Interactive survey of 979 adults surveyed by telephone between April 8 and 15, 2004.

**TABLE 1**

**Industries Doing Good/Bad Job Of Serving Their Industries**

“And now some questions about different industries. Do you think (READ EACH ITEM) generally do a good or bad job of serving their consumers?”

Base: All Adults

RANK ORDER		Good Job	Bad Job	Not Sure/Refused
		%	%	%
1	Supermarkets	87	8	5
2	Packaged food companies	77	15	9
3	Airlines	74	13	12
4	Computer hardware companies	73	9	18
5	Banks	73	21	6
6	Computer software companies	72	10	19
<b>7</b>	<b>Hospitals</b>	<b>70</b>	<b>21</b>	<b>9</b>
8	Car manufacturers	68	24	8
9	Telephone companies	56	39	4
10	Life insurance companies	55	28	18
<b>11</b>	<b>Pharmaceutical and drug companies</b>	<b>44</b>	<b>48</b>	<b>8</b>
<b>12</b>	<b>Health insurance companies</b>	<b>36</b>	<b>56</b>	<b>9</b>
13	Oil companies	32	57	11
<b>14</b>	<b>Managed care companies such as HMOs</b>	<b>30</b>	<b>53</b>	<b>18</b>
15	Tobacco companies	30	60	10

**TABLE 2**

**Industries Doing Good Job Of Serving Their Consumers - Trends**

“Do you think (READ EACH ITEM) generally do a good or bad job of serving their consumers?” (Those saying “good job”)

Base: All Adults

									Percentage Changes	
	1997	1998	1999	2000	2001	2002	2003	2004	2003 - 2004	1997 - 2004
	%	%	%	%	%	%	%	%		
Supermarkets	N/A	N/A	N/A	N/A	N/A	N/A	85	87	+2	N/A
Packaged food companies	N/A	N/A	N/A	N/A	N/A	N/A	75	77	+2	N/A
Airlines	N/A	78	71	66	51	63	64	74	+10	-4**
Computer hardware companies	80*	78	80	76	78	59	71	73	+2	-7
Banks	75	72	68	73	71	74	72	73	+1	-2
Computer software companies	80*	77	80	78	80	60	70	72	+2	-8
Hospitals	77	73	71	72	67	73	73	70	-3	-7
Car manufacturers	70	69	70	67	67	64	64	68	+4	-2
Telephone companies	80	76	67	64	61	58	57	56	-1	-24
Life insurance	64	63	61	62	60	55	56	55	-1	-9
Pharmaceutical and drug companies	79	73	66	59	57	59	49	44	-5	-35
Health insurance companies	55	48	41	39	38	51	40	36	-4	-19
Oil companies	59	64	55	39	27	38	42	32	-10	-27
Managed care companies	51	45	34	29	29	33	30	30	-	-21
Tobacco companies	34	32	31	28	28	25	30	30	-	-4

**NOTE:**

N/A (industry not measured in those years)

\*In 1997 “computer companies” were rated together (i.e., hardware and software companies were not measured separately).

\*\*Because airlines were not included in 1997, the trend for airlines is from 1998 to 2004.

## Methodology

This research is based on a Harris Interactive survey conducted by telephone within the United States between April 8 and 15, 2004 among a nationwide cross-section of 979 adults (ages 18+). Figures for age, sex, race, education, number of adults, number of voice/telephone lines in the household, region and size of place were weighted where necessary to align them with their actual proportions in the population.

In theory, with a probability sample of this size, one could say with 95 percent certainty that the results have a sampling error of  $\pm 3$  percentage points of what they would be if the entire adult population had been polled with complete accuracy. Unfortunately, there are several other possible sources of error in all polls or surveys that are probably more serious than theoretical calculations of sampling error. They include refusals to be interviewed (nonresponse), question wording and question order, and weighting by demographic control data and screening (e.g., for likely voters). It is impossible to quantify the errors that may result from these factors.

*These statements conform to the principles of disclosure of the National Council on Public Polls.*

## About Harris Interactive

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