



# STATE OF THE ANT CONTROL MARKET

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# KING OF THE HILL

**IT'S UNANIMOUS. ANT CONTROL IS THE SERVICE THAT MAKES THE PHONE RING AND GENERATES THE MOST REVENUE. IT'S ALSO A PROCESS WROUGHT WITH CHALLENGES.**

In this State of the Ant Control Market report, pest management professionals share how they are growing their ant control business, dealing with difficult ant species and achieving control success, as well as where they see the market headed.

Ant control is a significant and dependable source of income given the sheer number of pest ant species. Pest management professionals are working to reduce callbacks by employing multiple treatment strategies and engaging customers. Still, fewer PMPs expect a banner year for ant control revenue in 2018. Two unknowns, the weather and the economy, could help grow this service offering.

**ANT CONTROL IS STEADY INCOME.** Ant control accounted for nearly a quarter (24.8 percent) of total service revenue on average at pest control companies in 2017, far more than rodents (16.8 percent), termites (13.6 percent) and bed bugs (10.7 percent), according to the PCT 2018 State of the Ant Control Market survey.

"Ants by far are the number one pest and represent "a higher percentage of our pest control revenue," said Paul Curtis, director of technical services, Terminix, Memphis, Tenn.

"The majority of the calls we get are for ants; that keeps our phones ringing," agreed Darren Van Steenwyk, technical director for Clark Pest Control, Lodi, Calif.

More than half (55 percent) of PMPs surveyed said ant control services have become a more significant part of their business over the last five years.

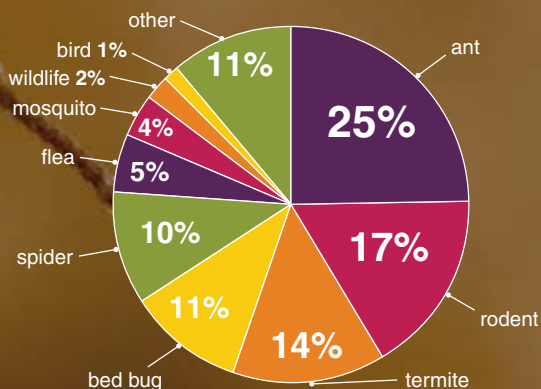
It's steady work, explained Adam Carace, operations manager at Pest-End Exterminators in Methuen, Mass. While "you might have a down year with termites, you really don't have a down year with carpenter ants. They seem to come out around the same time every year and in the same numbers every year so they're very consistent revenue for us," he said.

Allen Langley, president of H&H Pest Control & Waterproofing in Shelby, N.C., agreed: Ant control is "a pretty stable market; we can almost bank on it."

No surprise, most pest management companies (95 percent) offer ant control services, found the PCT survey. "Ants are putting my kids through college," wrote one survey respondent. "I love ants," wrote another. 🐜



**PMPs' Average Percentage of Revenue Generated from Various Services in 2017**



Source: Readex; Number of respondents offering ant control services: 241

# THE PESTS: FIVE ANTS MAKE THE PHONE RING

**F**ive species caused nearly three-quarters of ant service calls across the U.S., found the PCT 2018 State of the Ant Control Market survey. They were odorous house ants (20 percent), Argentine ants (15 percent), carpenter ants (14 percent), pavement ants (14 percent) and fire ants (10 percent). These species also were the most difficult to control with two exceptions: Pharaoh ants and little black ants pushed pavement and fire ants out of the top five.

Pest ants are “geography dependent,” said Judy Black, who heads technical services in North America for Rentokil Steritech.

In the north and central U.S., the odorous house ant rules. It’s the most

common and challenging ant that American Pest Control technicians come across in Illinois, said Residential Supervisor Douglas Hillman. The ant is distributed “more widespread around the house,” making it difficult to tell “exactly where they’re coming from,” he explained.

Another big pest in the north: carpenter ants. If they have a satellite colony indoors “then you’ve got some work to do” but usually they can be eliminated, said Ron Mocco, owner of Mocco’s Pest Elimination, Suamico, Wis.

With carpenter ants “you know where to look,” namely for moisture coming from a leaky roof, foundation or pipe, said Hillman. “Frass is a good clue, too” as you know they’re close, he added.

Pavement ants, found across the U.S. and another ant for which Mocco gets called, are more of a nuisance but harder to eliminate as they “seem to come back every year,” he said.

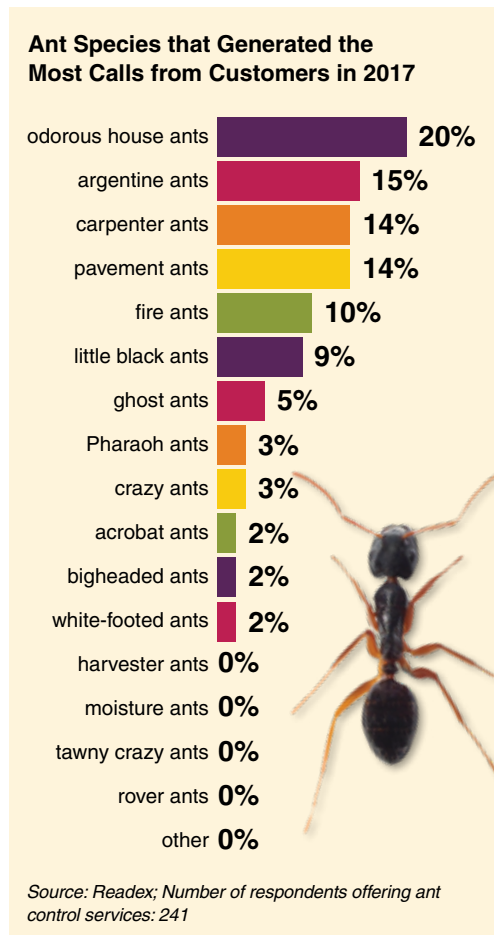
Argentine ants dominate California and the Southeast. They get “a lot of attention because they can have huge colonies,” said Paul Curtis, director of technical services, Terminix. Creating a control zone for the customer often is more realistic than trying to eliminate the colony, he said.

In the South and creeping northward, fire ants are a problem. Allen Langley, president of H&H Pest Control & Waterproofing, has seen “a very significant increase in fire ant activity” in his North Carolina market over the past four years. “A lot of people are inundated by the fire ants,” which are brought up from South Carolina in mulch and landscaping materials, he said.

In south central states, the tawny crazy ant is on PMPs’ radar. “The sizes of their colonies make them incredibly difficult — I don’t even know if ‘control’ is the word that you can use with them,” said Black. Cook’s Pest Control in Decatur, Ala., hired an entomologist to develop a control program specifically for this pest.

In Florida, where “we have everything” when it comes to ants, Julio Del Rosario said his biggest challenge is the white-footed ant. They’re “difficult to control with baits” and tend to nest up high, like in attics or under the eaves, so they often go unnoticed until colonies reach a large size, said the president of Sunbuzz Pest Control & Environmental Services, Hollywood, Fla.

Different ant species may look alike but behave differently, including how they respond to treatment. “A lot of consideration has to be given to their biology,” said Curtis. 🐜



# THE TREATMENT: MULTIPLE STRATEGIES GET THE BEST RESULT FOR PEST PROFESSIONALS

According to the PCT 2018 State of the Ant Control Market survey, PMPs use various strategies to control ants: pesticide applications (98 percent), sanitation (51 percent), exclusion (45 percent) and vacuuming (14 percent).

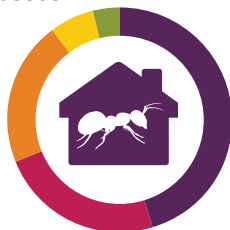
The primary control measure for most (86 percent) was pesticide applications and the top five preferred formulations used were ant gel bait (38 percent), suspension concentrates (13 percent), microencapsulated insecticides (10 percent), liquid ant baits (8 percent) and emulsifiable concentrates (8 percent).

“Bait is the best formulation,” said Julio Del Rosario, president, Sunbuzz Pest Control & Environmental Services. “It takes a little longer to control (the ants) but it controls them very well,” he said.

In follow-up interviews, PMPs reported using several different baits (to determine if the ants prefer one over another) often with a non-repellent insecticide spray applied to the structure’s perimeter and where ants were recently active.

A non-repellent insecticide used at

## Types of Control Measures Used to Manage Ants in Homes and/or Businesses



- pesticide applications (e.g.; baits, aerosols, concentrates, etc.)..... 98%
- sanitation ..... 51%
- exclusion..... 45%
- vacuuming ..... 14%
- other ..... 8%

Source: Readex; Respondents could select multiple answers; number of respondents offering ant control services: 241

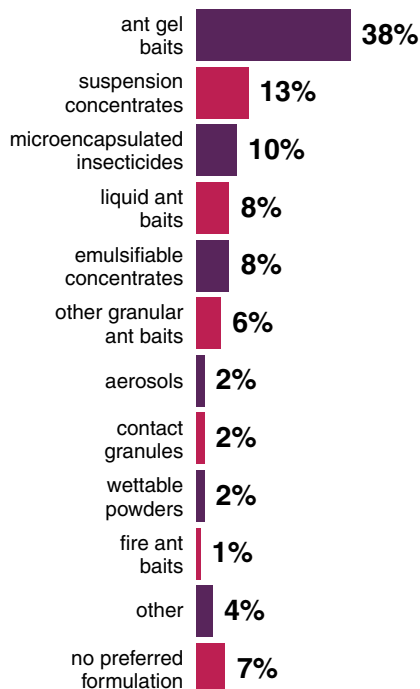
half-rate “really helped us this year” to control Argentine ants, said Stephen Gates, who heads technical services at Cook’s Pest Control, Decatur, Ala.

H&H Pest Control & Waterproofing in Shelby, N.C., has been “very successful using a granulated insecticide” to control fire ants, as it doesn’t break down in the sun like some liquid products, said Allen Langley. As such, he can guarantee his service for 9 to 12 months.

Others cited the value of insecticide dusts to treat carpenter ant nests.

Before applying product to the perimeter, Ron Mocco of Mocco’s Pest Elimination urged PMPs to first “figure out what type of soil you’ve got” by turning over a

## Preferred Formulation of Pesticide Applications for Ant Control



Source: Readex; Number of respondents who use pesticide applications to manage ants: 236

shovel or two. In his 30 years in the industry, he’s learned that a spray works best in sandy soil as it easily penetrates this ground but it’ll “stay right on top” of heavy soils, like black dirt, clay or when covered by mulch; that’s where granular products are more effective. Choose the wrong product for the soil type and “you’re probably going back,” he said.

“The products are definitely better than 20 years ago when I first got into pest control,” wrote a survey respondent. Another reminded, “The knowledge of which product to use and how to use it separates us from the uneducated competitors and Mr. Johnny Homeowner.”





# THE CALLBACK: ONE-AND-DONE SERVICE RARELY DELIVERS

“Ant control is tricky,” wrote a PMP who took the PCT 2018 State of the Ant Control Market survey.

That’s because so many of the pests exist. “There are 700 species in the United States, alone, which can make devising a single treatment difficult,” said Charlie Jones, senior vice president of operations of Arrow Exterminators in Atlanta.

No surprise, the average callback rate for ant control jobs was 6.3 percent — an increase from 5.8 percent in 2017, found the PCT survey.

The odorous house ant “drives the most callbacks of any service we provide,” said Bob Mitchell, owner of Capitol Pest Management in Boise, Idaho. At Cook’s Pest Control, it is the Argentine ant that is “our number one for callbacks,” said Stephen Gates, vice president of technical services.

Douglas Hillman of American Pest Control automatically schedules follow-up visits for first-time customers with odorous house ant problems because “in most cases you know you’re going to need to come back” to monitor the situation and possibly reapply bait products.”

Ron Mocco of Mocco’s Pest Elimination has found three to four service visits are needed to properly treat a structure, so plan for this. “If you sell a one-time thing, it’s probably not going to work out the best for you,” he said. 🐜



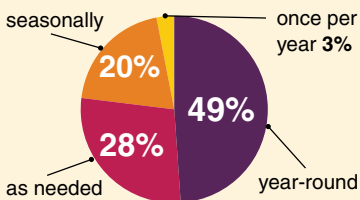
## THE OPPORTUNITY: ONE-TIME JOBS CAN BE CONVERTED TO YEARLY SERVICE

“About 50 percent of our ant jobs end up converting to a yearly plan,” said Adam Carace, operations manager, Pest-End Exterminators, Methuen, Mass. The company gives first-time carpenter ant customers a six- to nine-month warranty; then service technicians and sales reps work to sell clients on recurring service.

Julio Del Rosario of Sunbuzz Pest Control & Environmental Services, likewise encourages clients to sign up for a yearly maintenance program if they continue to have ant problems after his 30-day guarantee.

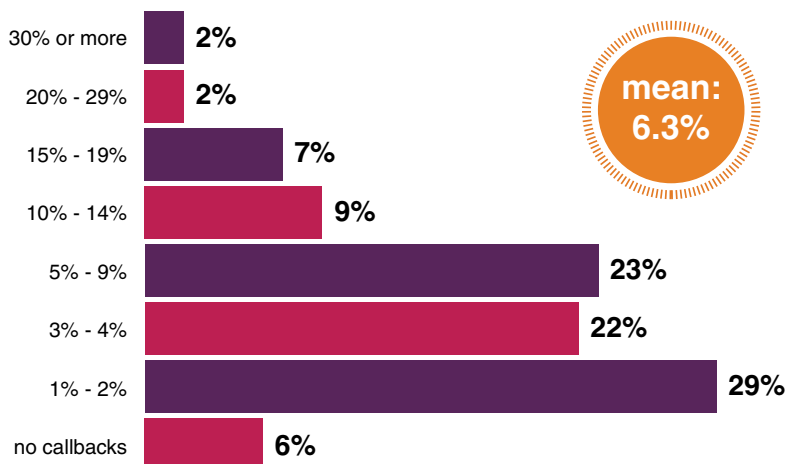
Nearly half (49 percent) of PMPs surveyed provide ant control service year round, while 28 percent provide them as needed and 20 percent do so seasonally, found the PCT 2018 State of the Ant Control Market survey. Most PMPs (47 percent) reported that summer is the busiest season for ant control, followed by spring (38 percent).

### How Often Do You Provide Ant Control Services to a Typical Client?



Source: Readex; Number of respondents offering ant control services: 241

### What is Your Location’s Typical Callback Rate for its Ant Control Jobs?



Source: Readex; Number of respondents offering ant control services: 241

# THE CUSTOMER: THE MORE ENGAGED, THE BETTER

Successful ant control requires an engaged customer. That starts with interviewing clients to learn what previous actions were taken or products applied to control the ants. “This will give us an idea if we are competing with another insecticide,” explained Bob Mitchell, owner, Capitol Pest Management.

Encouraging customers to improve sanitation is critical. It’s nearly impossible to eliminate an ant problem if the pests have “a food source that’s better than any bait we can put down,” said Douglas Hillman of American Pest Control. Get-

ting people to clean up the crumbs and spilled soda can get tricky. “Sometimes people get upset” if they feel you’re criticizing their lifestyle, Hillman admitted.

With customers increasingly cautious about products used in the home, PMPs must be ready to explain how a green product works or why a conventional treatment is the best option. “You have to have that knowledge and experience to back up what you want to do in that house because the consumer nowadays wants to know exactly what’s being put down, how’s it going to affect their family,

their pets,” said Adam Carace, operations manager, Pest-End Exterminators.

As well, PMPs must manage client expectations. Baits, for example, “work very well but they take longer to achieve the effectiveness,” according to Carace. If a customer’s biggest concern is getting rid of the ants as soon as possible, then dust and liquid pesticide is your best bet; if the customer is elderly and cannot leave the house, the gel bait is the way to go with the understanding that it may take several weeks to work, he explained.

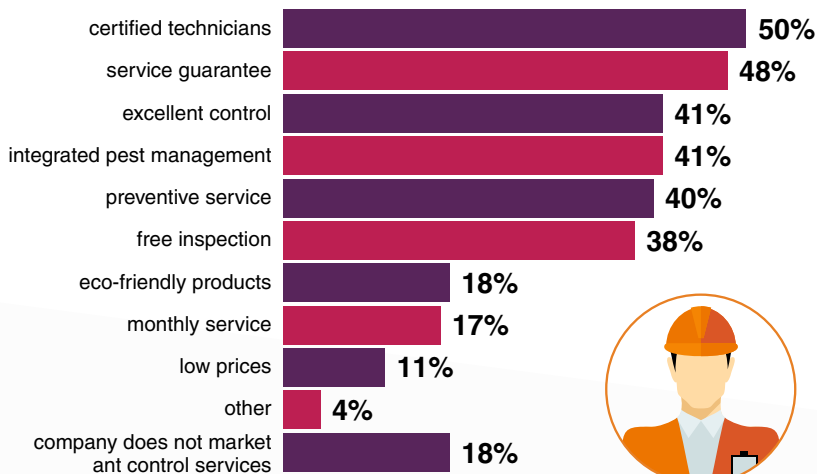
“Stress patience with the process as there are no quick fixes,” wrote a survey respondent.

And remember, an engaged and satisfied customer generates new business through word-of-mouth and referrals, both person-to-person and through social media, reminded PMPs in follow-up interviews. Most advertise ant control under the umbrella of general pest services offered by the company, but some like Allen Langley of H&H Pest Control & Waterproofing also produce ant-specific blogs and Facebook posts during ant season.

When marketing ant control service specifically, PMPs reported emphasizing their certified technicians (50 percent), service guarantee (48 percent), excellent control (41 percent), using Integrated Pest Management (41 percent), and offering preventive service (40 percent), according to the PCT 2018 State of the Ant Control Market survey.

Julio Del Rosario of Sunbuzz Pest Control & Environmental Services offers a \$50 coupon to first-time, price-sensitive customers. “There’s a lot of competition in the area where I work,” he said. 🐜

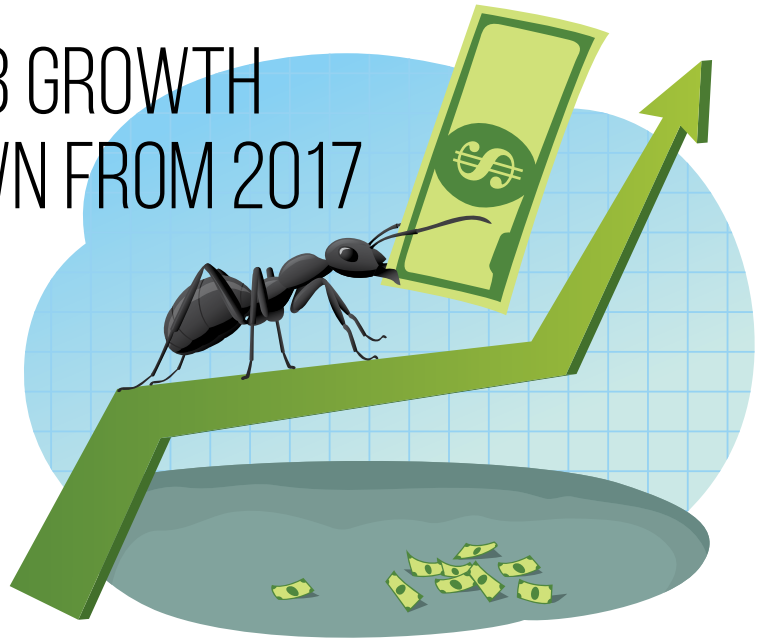
## What Aspects of Ant Control Service are Featured in Your Marketing Efforts?



Source: Readex; Respondents could select multiple answers; Number of respondents offering ant control services: 241



# THE OUTLOOK: 2018 GROWTH EXPECTED BUT DOWN FROM 2017



According to the PCT 2018 State of the Ant Control Market survey, 56 percent of PMPs expect the percentage of ant control service revenue in 2018 to increase, down from 62 percent last year. And, fewer PMPs (46 percent) reported an increase in ant infestations in their market area compared to 2017 (49 percent).

The weather may have influenced this outlook. In follow-up interviews, PMPs were unsure how wonky winter weather — freezing one day; 60 degrees the next — would impact ant populations this spring.

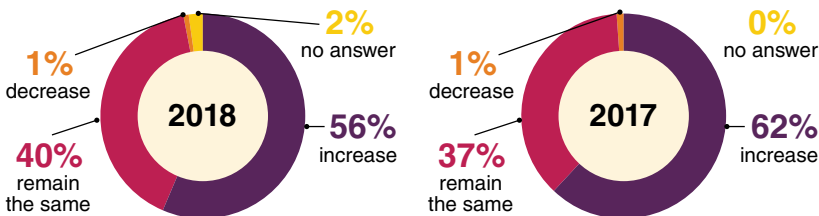
On the flip side, others said increasingly warm weather was extending their ant control season. “For the past few years, the season has started earlier and earlier,” said one survey respondent from Hancock County, Ky. Julio Del Rosario of Sun Buzz Pest Control & Environmental Services in Hollywood, Fla., agreed: “Every year is getting warmer and warmer” with ant calls ramping up in March as a result.

A better economy may be a boon to ant control. Adam Carace of Pest-End Exterminators said homeowners in years’ past would hang up when they heard carpenter ant control would cost \$300 to \$400. Today, they “don’t even bat an eye and say, ‘Yeah, no problem’” and set up the service, he said. As such, Douglas Hillman at American Pest Control has “expanded some routes so we’re ready for more sales” and can handle ant calls faster.

“I think it is going to be a great year for ants,” said Allen Langley, H&H Pest Control & Waterproofing. The pests “are going to continue to control the world” and that’s good for the industry. He’s also excited about research being done on ant odor receptors and the new products that may result from this in the long term.

“I don’t think it will be a boom year but I think it will be a good season,” added Ron Mocco of Mocco’s Pest Elimination.

## Compared to the Year Prior, How Do You Anticipate the Percentage of Revenue Generated from Ant Control Services to Change?



Source: Readex; Number of respondents offering ant control services: 241 (2018) and 235 (2017)

## How Has the Incidence of Ant Infestations Changed in Your Market Area Over the Past Year? (2015-2018)

	2018	2017	2016	2015
increased	46%	49%	43%	41%
remained the same	51%	46%	49%	50%
decreased	4%	4%	5%	8%
no answer/cannot compare; not involved a year ago	0%	1%	3%	1%

Source: Readex; Number of respondents offering ant control services: 2018: 241; 2017: 235; 2016: 324; 2015: 177

## ABOUT THE SURVEY

The PCT 2018 State of the Ant Control Market survey was sponsored by Syngenta and compiled by Readex Research, a privately held research firm based in Stillwater, Minn.

A sample of 2,870 owners, operators and executives of pest control businesses was systematically selected from the PCT database. Data was collected from 253 respondents — an 8.8 percent response rate — via online survey from Jan. 8 to 22, 2018. Twelve respondents who indicated their companies do not offer ant control services were then eliminated from the survey. The margin of error for percentages based on the remaining 241 respondents is plus or minus 6.2 percentage points at the 95 percent confidence level.

Results may not add up to 100 percent due to rounding.



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