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STATE OF THE 2018 RODENT MARKET »

MORE MARKET INSIGHTS INSIDE

What's Driving Market Expansion?

Key Trends in Rodent Control

Roof Rats on the Rise

Tips for Reducing Callbacks

Year-Round Marketing Pays Dividends

KEEPING YOUR BUSINESS SUCCESSFUL

Most would agree that to achieve continued business success, it is important to surround yourself with partners who understand your business and provide tools that help you to achieve sustained success. At Bell, we strive to be that partner, and continuously look for value-add solutions.


In fact, it is this philosophy that drives much of the strategy behind the research and development initiatives at Bell. The more proven solutions Bell can make available to a PMP, the more successful they will ultimately be. And the more valuable that partnership becomes.

Bell backs PMP's through a wide array of product, development and support platforms. Just a few examples of these include:

- Formulating, registering and continuously supporting products using the widest range of active ingredients to make sure you always have a choice.
- Working closely with national and state associations to help preserve and protect industry rights, and to expand label usages.
- Providing soft bait solutions that complement our widely-used bait blox formulations.
- Introducing products that focus on saving PMP's time and effort.

Soon, Bell expects to help PMP's become more knowledgeable experts about the accounts they service. We envision products that will enable PMP's to quickly and easily gather robust, actionable information in the palms of their hands. This, in turn, will dramatically improve their success and increase their productivity with rodent control accounts. Expect to see these products in 2019.



We hope you have had a prosperous 2018. As you look forward to the new year, rest assured that at Bell we'll be working on new ways of *Keeping Your Business Successful*. 

Steve Levy
President and CEO
Bell Laboratories



Contrac Soft Bait

STATE OF THE RODENT MARKET

The rodent market is continuing to grow nicely, driven by mild winters, suburban sprawl, underfunded rat eradication programs in America's cities, and a year-round need for rodent control services.

There has never been a better time to be in the rodent control business due to a combination of environmental and economic factors that have resulted in a rapid expansion of the marketplace in recent years. And no factor has played a more critical role in the growth of the market than the weather.

Rodent breeding typically slows during the cold winter months, but with the series of mild winters the United States has experienced in recent years, PMPs find themselves in the middle of a rodent "baby boom" in both urban and rural settings. (Editor's note: Even one additional litter per year can have a dramatic impact on rodent populations.)

As a result of suburban sprawl, a growing number of Americans are encroaching on areas where deer mice, meadow voles and other rodents are prevalent, prompting the phone to ring at pest control offices across the United States. And as more people move from rural America to cities, rodents find an ample supply of food, water and shelter in the aging infrastructure of our urban centers, where rodent eradication programs have been historically underfunded.

As a result of these and other trends, 61 percent of PMPs surveyed said rodent control has become a more significant part of their businesses over the past five years, with house mice and



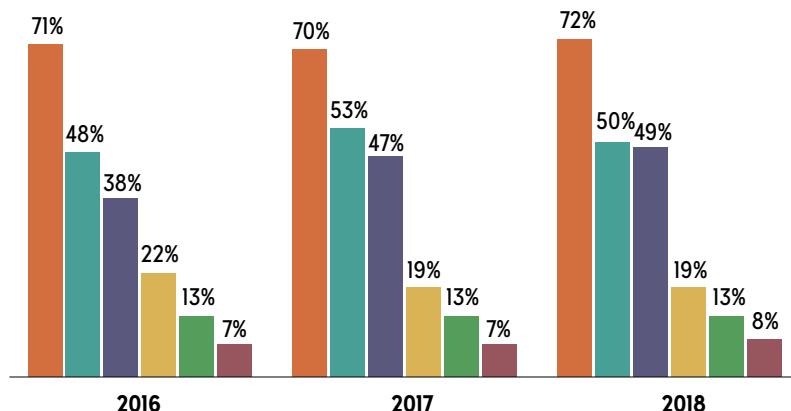
ABOUT THIS SURVEY. This special report presents data from the 2018 State of the Rodent Control Market survey, conducted in August by Readex Research and sponsored by Bell Laboratories. The survey results are based on 341 total responses to a survey delivered to 8,262 PCT readers, representing a 4 percent response rate. Nineteen respondents indicated their company does not offer rodent control services. The margin of error based on 322 respondents whose company offers rodent control services is plus or minus 5.3 percent at the 95 percent confidence level.

MOST PROBLEMATIC RODENT SPECIES (2016-2018)

What rodent species tend to be problematic in your market area?

RODENT SPECIES

house mice Norway rats roof rats
deer mice meadow voles pack rats



Source: Readex Research; Number of responses: 322 (2018); 382 (2017); 336 (2016)

Norway rats generating the most calls. In recent years, PMPs also have seen a spike in roof rat calls as this rodent species has expanded its range.

“Rodent control has gradually increased in Las Vegas over the past 20 years,” said Derby Schafer, owner, A Access Denied Pest Control, Las Vegas, Nev. And from the Northeast, Jeff Davis, owner of Nukingstreet Pest & Wildlife Control, Enfield, Conn., reports that “house mice ‘perpetually’ tend to be the most problematic rodent” with voles scurrying right behind. They’ve also seen an increase in Norway rats.

“When I started in the business 20 years ago, the main problem was mice,” said Ed Prine, owner/president, Sonic Services Termite & Pest Control, Cumming, Ga., serving the metro-Atlanta and north Georgia area. “In the past five or six years, the biggest problem has become rats. We’re also starting to see more roof rats in the area, both urban and suburban.”

“The number one rodent we deal with in Chicago is Norway rats,” said Curtis Rand, vice president of operations, Rose Pest Solutions, Chicago. The company serves customers in Illinois, Indiana, Kentucky, Michigan and Wisconsin. In addition to Norway rats’ in downtown Chicago, “we’ve also seen the reintroduction of roof rats,” he says. “The radius of rat pressure has increased drastically and is now expanding into suburban areas.” In areas such as Indianapolis or Louisville, they’re seeing more house mice and deer mice.

Ernest Anderson, owner, Anderson Pest Pros, Tampa, Fla., indicated roof rats are “by far” the most problematic rodent in the area. “Nine of every 10 rodent calls are going to be for roof rats.”

“I definitely see an increase in the roof rat population,” They’re not necessarily just an urban problem,” reported Joe Cantu, vice president and director of operations, The Bug Master, Austin, Texas. “We have rural areas where we’re getting roof rat work. It used to be mostly in the city and now they’re everywhere.”

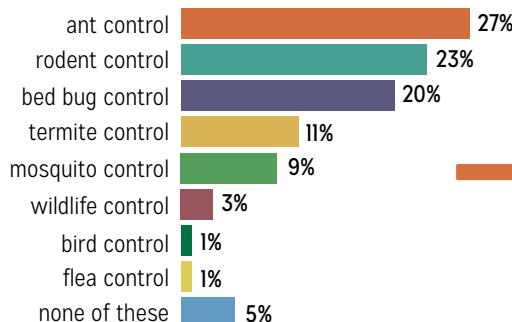
ADVERTORIAL

RODENT CONTROL MARKET DRIVES INDUSTRY GROWTH

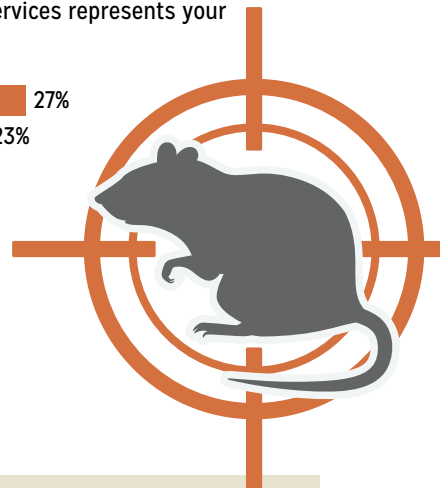
DON’T LOOK NOW, but one of the hottest markets in the pest control industry is rodent control, overtaking bed bug control as the service offering representing the industry’s largest growth market this past year, according to the PCT State of the Rodent Market survey. Finishing at the top of the list was the ant control market with 27 percent of PMPs reporting it as their location’s largest growth market.

KEY GROWTH MARKETS: RODENT CONTROL ON THE RISE

Which of the following pest management services represents your location’s largest growth market?



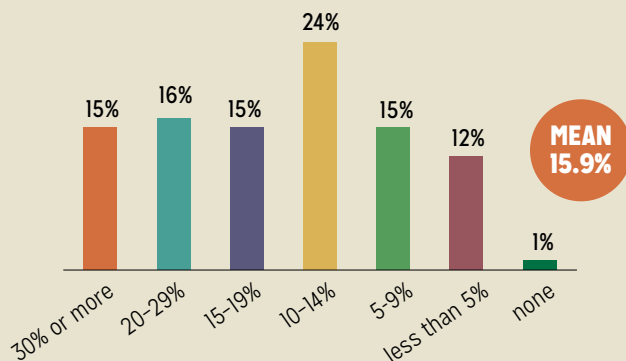
Source: Readex Research; Number of responses: 341



The revenue from rodent control services was fairly evenly distributed from less than 5% of revenue to 30%, with 24% of PMPs indicating 10-14% of revenue resulting from rodent control services.

PERCENTAGE OF REVENUE FROM RODENT CONTROL SERVICES

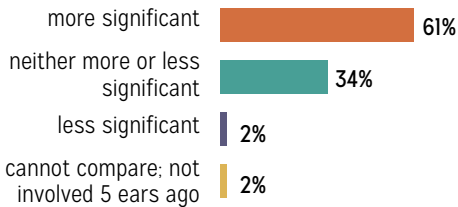
What percentage of your location’s overall 2017 service revenue was generated by rodent control services?



Source: Readex Research; Number of responses: 322

RODENT CONTROL BECOMING INCREASINGLY SIGNIFICANT TO PMPS

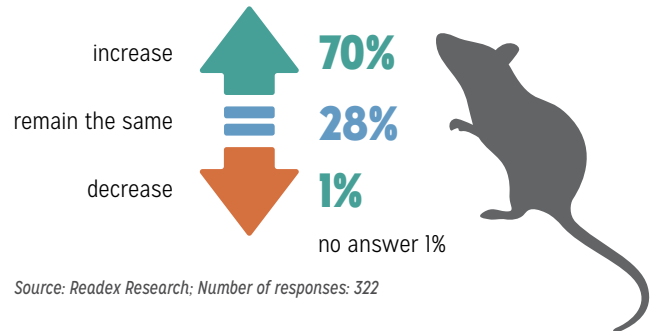
In the past five years, has rodent control become a more significant, less significant, or neither more or less significant portion of your location's business?



Source: Readex Research; Number of responses: 322

PMPs OPTIMISTIC ABOUT GROWTH PROSPECTS

Compared with 2017, how do you expect the percentage of revenue generated from your location's rodent control services to change in 2018?



Source: Readex Research; Number of responses: 322

You'll find money in homes, just not under the mattress. In fact, more than 9 of 10 PMPs offer rodent control services to the residential market, with a smaller percentage servicing the commercial market, and even fewer serving the government sector. Therefore, it's no surprise that when asked what market generates the most income for their business, more than two-thirds said the residential market.

RODENT CONTROL MARKETS SERVED

In what markets does your location provide rodent control services?



RESIDENTIAL
93%

commercial: non-food	71%
commercial: food	65%
government	28%
other	4%

Source: Readex Research; Number of responses: 322

RESIDENTIAL MARKET DRIVES THE LARGEST AMOUNT OF INCOME

What rodent control market generates the most income for your location?



RESIDENTIAL
66%

commercial: food	16%
commercial: non-food	13%
government	2%
other	1%

Source: Readex Research; Number of responses: 322

RODENTS: A YEAR-ROUND PROBLEM?

There's a growing consensus among PMPs that rodent infestations are becoming a year-round problem and changing weather patterns are a factor.

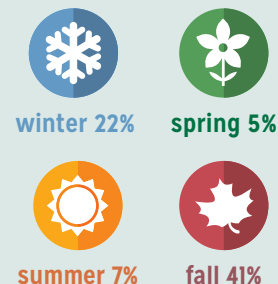
"We've been busy with rodents all year," observes Steve Leisring, vice president, Exterminating Co., Cincinnati, Ohio. "We used to think that when it gets a little cooler it would pick up. It's steady from January through October."

Curtis Rand, vice president of operations, Rose Pest Solutions, Chicago, agrees that rodent infestations in the Midwest are "now equalized across the year. There really isn't a season anymore."

"In the last five to 10 years, I've seen an increase in roof rat calls in summer, which is surprising because it's so hot," says Ernest Anderson, Anderson Pest Pros, Tampa, Fla. "I deal with roof rats year-round now."

A QUARTER OF PMPs REPORT NO SEASONAL DIFFERENCES

What season tends to be the busiest for your location providing rodent control services?



NO SEASONAL DIFFERENCE
24%

Source: Readex Research; Number of responses: 322

COSTLY CALLBACKS

Reducing your company's callback rate can be the difference between a profitable and unprofitable rodent control service.




As rodent populations climb and rodent control becomes a larger portion of a company's overall service revenue, limiting callbacks is essential. That's because callbacks cost a company both time and money.

"I think the primary reason for callbacks is not doing a proper inspection in the first place or understanding the extent of the problem," said Jeff Davis, Owner, Nukingstreet Pest & Wildlife Control, LLC, Enfield, Conn. "They kind of force you to either put in the time during the initial inspection or during the callback. Use your time wisely and do a proper inspection the first time."

How PMPs are compensated also may contribute to callbacks. "We pay technicians on commission the first time they do a job, which has a 30-day warranty," explained Chad Betts, owner/general manager, Betts Pest Control Inc., Wichita, Kan. "If they have to go for a callback within the 30 days, they get no additional commission." PMPs paid hourly may not be as motivated to get the job done right the first time. They still get paid for callbacks.

Reviewing and standardizing rodent control protocols can help reduce callbacks. "Across the board, mouse and rat activity has increased noticeably. The number of callbacks we used to get was out of line," said Steve Leisring, vice president, ACE Exterminating Co., Cincinnati, Ohio. "About three years ago, we looked at it and totally changed our procedures and protocols for rodent control and we've had great success. We increased our services and give customers a better explanation of what we're doing so they understand. We've been able to reduce our rodent control callbacks by about 60%."

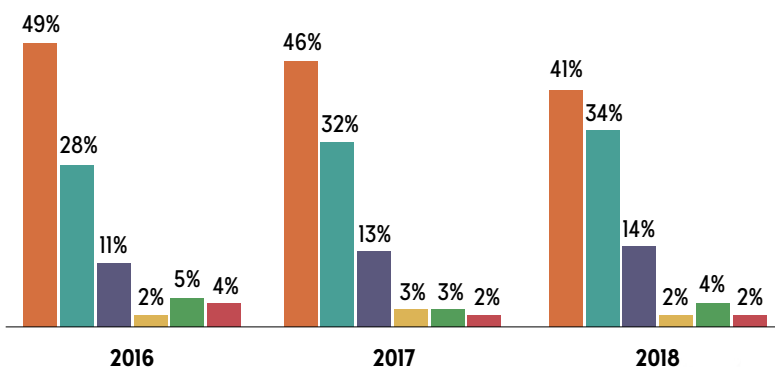
Betts believes customer education can also reduce callbacks. "The biggest part of doing a good job is educating clients. You have to get people to comply before you can get control." 

RODENT SPECIES REPRESENTING THE LARGEST PERCENTAGE OF SERVICE CALLS

What rodent species represented the largest percentage of your location's service calls in the past year?

RODENT SPECIES

- house mice
- roof rats
- Norway rats
- pack rats
- deer mice
- meadow voles

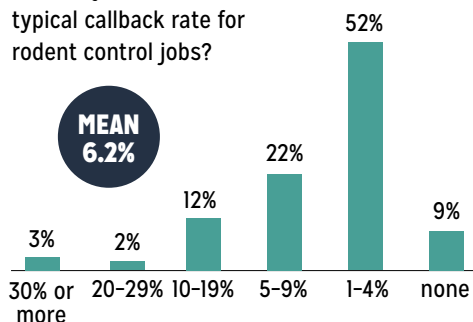


Source: Readex Research; Number of responses: 322 (2018); 382 (2017); 336 (2016)



TYPICAL CALLBACK RATE

What is your location's typical callback rate for rodent control jobs?



Source: Readex Research; Number of responses: 322

RESISTANCE & ROTATION

While rodenticide resistance doesn't appear to be a major concern, PMPs should still embrace resistance management strategies to ensure it doesn't become a problem in the future.

Rodenticides continue to be the treatment option of choice for many PMPs, but it doesn't mean they are using these products indiscriminately, resulting in the increased threat of rodenticide resistance. That's good news for the industry and bad news for rodents.

While 33 percent of PMPs surveyed in the PCT State of the Rodent Market report say they are more dependent on rodenticide use than they were five years ago, industry consultants and product suppliers serving this growing market have done a solid job of educating PMPs about the importance of incorporating resistance management strategies into their treatment protocols.

By maximizing the use of non-chemical control techniques such as rodent proofing, sanitation and intensive trapping, while also utilizing rodenticides and formulations where resistance doesn't or rarely develops, the industry has been able to keep resistance issues at bay in most cases.

Ernest Anderson, owner of Anderson Pest Pros, says on occasion he has experienced difficulty controlling rodents, but he doesn't necessarily attribute it to resistance. "I've had some rodents not go for the bait, but eating and not dying? I don't know. I have no way to tell," he says.

Anderson's experience is typical of many, with 60 percent of those surveyed by PCT saying they don't feel rodenticide resistance is occurring in their accounts. Nonetheless, it's good practice to rotate baits periodically to make sure rodenticide resistance doesn't develop, with 54 percent of PMPs reporting

they rotate rodenticide products used for individual client accounts one to two times every year to ensure it doesn't become a problem. **E**

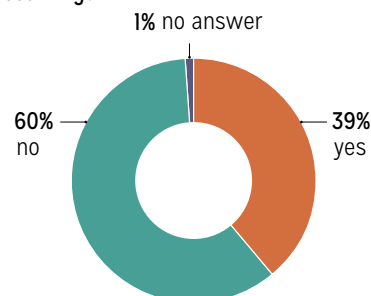
DOES YOUR LOCATION OFFER ELECTRONIC RODENT MONITORING SERVICES?

YES: 9%
NO: 91%

Source: Readex Research
Number of responses: 322

PROPORTION OF PMPs WHO FEEL RESISTANCE IS AN ISSUE

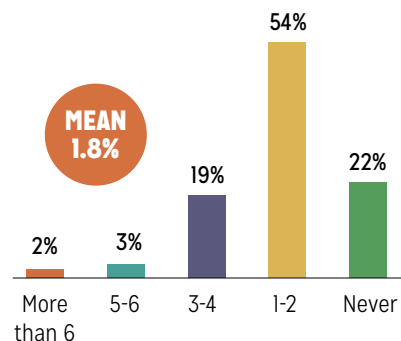
Do you feel rodenticide resistance is occurring?



Source: Readex Research; Number of responses: 322

NUMBER OF TIMES PMPs ROTATE PRODUCTS IN A TYPICAL YEAR

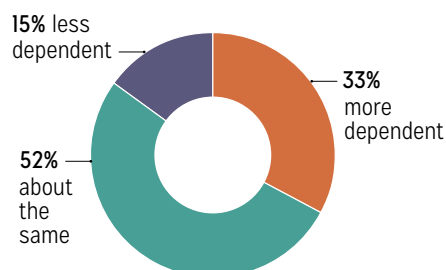
How many times does your location rotate rodenticide products used for individual client accounts in a typical year?



Source: Readex Research; Number of responses: 322

RODENTICIDES REMAIN A POPULAR TREATMENT OPTION FOR THE INDUSTRY

Are your location's rodent control services more or less dependent on rodenticide use today than they were five years ago?



Source: Readex Research; Number of responses: 322



QUALITY IS MADE HERE. DEPEND ON US.

For nearly 45 years, Bell Laboratories has developed a complete line of products including rodenticides, tamper-resistant bait stations, non-poisonous glue boards and mechanical traps of uncompromising quality to help control rodents in any situation. From research and development to quality assurance and manufacturing to customer service, we control every step of product development right here in Madison, WI. We are continuously committed to delivering you with the most dependable, reliable and highest quality rodent control products on the market—*proudly made in America.*



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