

SPONSORED CONTENT

2020 STATE OF THE BED BUG CONTROL MARKET



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A WORD FROM BAYER

This 2020 State of the Bed Bug Market report has been developed based upon survey data collected from PMPs across North America. We, at Bayer, are proud to sponsor and support this compilation of interviews, market analysis and data insights, and we thank those PMPs across the country who participated in the research, providing valuable perspective on our industry and on the unique challenges that bed bugs create. We hope that readers will use this report as a resource in the upcoming bed bug season and beyond.

As we look forward into the coming months, we can't help but reflect on 2020. This has certainly been a year of new challenges and, while much has changed, one thing that has remained constant is the grit and resilience that PMPs, and the pest management industry as a whole, continues to show. Tough pests, like bed bugs, haven't backed down, and neither have the PMPs finding new ways to treat and to protect their communities during difficult times.

Our product portfolio and digital solutions are designed to protect communities and businesses from the many threats that pests may pose. Take bed bugs, for example. Not only do these pests cause harm to people's health, but they pose a serious threat to businesses' reputations, brands, revenue and customer experience — the pillars of a business's success.

Within the Bayer Pest Management and Public Health portfolio, Temprid FX stands out as a flexible, powerful response to bed bugs — and will provide PMPs with the confidence to take on the toughest jobs. Our goal at Bayer is to do just that — to arm PMPs with the solutions to take on the next challenge, big or small, and to keep our communities safe.

For over a century, Bayer Pest Management and Public Health has proudly served as a partner to pest management professionals and has delivered the highest standard of science in the industry. We adapt and evolve our technologies and products in response to the ever-changing environment and the challenges we've faced. Just as PMPs work tirelessly to protect their customers and communities, we promise to show up day in and day out as a partner you can trust to protect what matters most. 🌱



Sincerely,

Gokhan Vergon

Gokhan Vergon

Head of U.S. Pest Management & Public Health, Bayer

INFESTATIONS ARE ➔ WORSE

According to the PCT 2020 State of the Bed Bug Control Market survey, while PMPs reported performing fewer bed bug jobs during the pandemic, the infestations they *were* called to solve were more severe. “I do think the bed bug situations that we come across might be worse because people have been putting off getting it looked at,” said Daniel Conrad, owner of Pro-Tech Termite and Pest Control in Knoxville, Tenn.

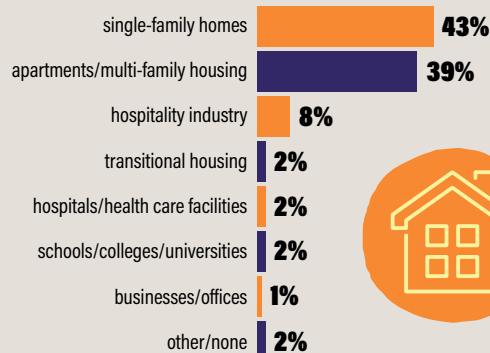
Clients may have had money concerns or feared getting COVID-19 from technicians. Regardless, spending more time at home intensified existing infestations. “The more time you spend in an area, the faster bed bug populations can grow because they’re getting blood meals any time they want,” explained Rodney O’Quinn, president of Keller’s Pest Control in Bradenton, Fla.

Tracy Rice, CEO of Rice Pest Control in Anniston, Ala., said the pests weren’t confined to specific areas like he found before the pandemic. “They seem to be more spread out in the structure,” he said. Common areas, such as the sofa and recliners, were key transfer points, he added.

While PMPs provided bed bug services to many markets, the ones that generated the largest portion of revenue were single-family homes (43 percent), apartments and multi-family housing (39 percent) and the hospitality industry (8 percent), found the PCT 2020 State of the Bed Bug Control Market survey.

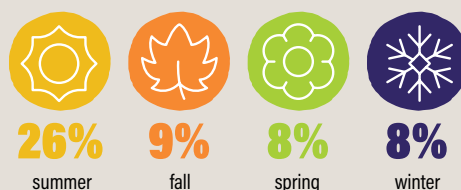
Bed bug services took place year-round. The majority of PMPs (49 percent) reported no seasonal difference when it came to controlling bed bugs, while 26 percent said summer was the busiest season for this service. 🌞

Market Representing Largest Proportion of Bed Bug Revenue in 2019



Source: Readex Research; Number of Respondents: 184

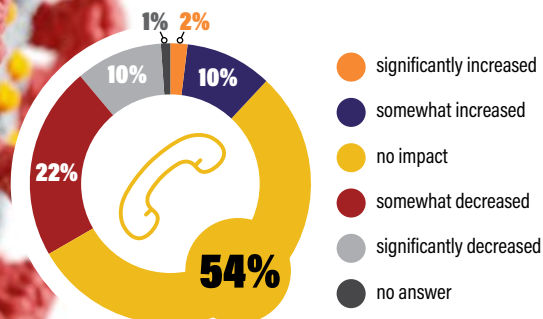
Busiest Season For Providing Bed Bug Control Services



Source: Readex Research;
Number of Respondents: 184

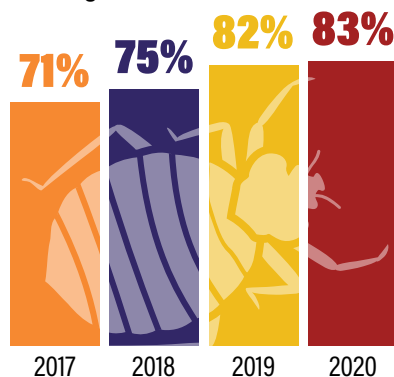
49% no seasonal difference

To What Extent Has COVID-19 Impacted Your Company Location's Volume of Bed Bug Calls?



Source: Readex Research; Number of Respondents: 184

Percentage of Companies Offering Bed Bug Services



Source: Readex Research, 2017-2020

CALLS DWINDLE DUE TO COVID-19

According to this year's survey, nearly a third (32 percent) of pest management professionals said bed bug calls decreased this year due to COVID-19.

Bed bug leads at ABC Home & Commercial Services in Austin, Texas, dropped nearly 50 percent, reported Alan Brown, an entomologist who manages this service line for the company.

With lockdowns, travel bans, and more people working and attending school remotely, the pests weren't hitchhiking to new locations like they did pre-pandemic. "It's definitely had an effect on our business," said Brown.

Bed bug revenue earned by Tom Sieminski, owner of Team Pest Control in Sayville, N.Y., also took a hit. "I'll be lucky if I get half of what I got last year," he said. He lost two hotel clients that he was servicing monthly. "They closed down, so I lost them," he said.

Brian Metzger, owner of GP Home Defense in Salina, Kan., was "really rocking and rolling and then when COVID hit our area," his work with nursing homes stalled. "I wiped out their bugs and got them on quarterly preventative treatments, which was great but then all the nursing homes went into lockdown," he explained.

Some customers refused service because they weren't comfortable letting strangers into their businesses and homes, and many clients no longer needed bed bug control since hotels, dorms, offices and retail spaces sat empty, reported PMPs in the survey.

The impact of COVID-19 will linger. "It's changed the bed bug industry," said Rodney O'Quinn, president of Keller's Pest Control. His bed bug revenue, which accounts for 10 percent of revenue overall, was down 40 to 60 percent between March and August compared to last year. He said PMPs who specialize in bed bug work are "just dead in the water." 🌊

REVENUE SLOWLY EXPECTED TO NORMALIZE

According to the PCT 2020 State of the Bed Bug Control Market survey, 42 percent PMPs said revenue from bed bug control service would increase next year. That's down from 59 percent who felt this way last year.

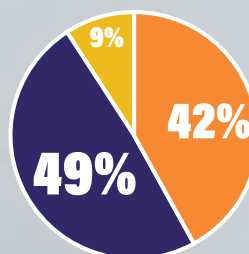
Much depends on the pandemic's end. "If this ends and we go back to normal, I think my bed bug work will go back to normal," said Tom Sieminski, Team Pest Control. He said he thinks a return to normal travel, recreation and entertainment levels may take a while. "The trepidation and the uncertainty are really paramount in people's heads right now," he said.

Daniel Conrad of Pro-Tech Termite and Pest Control said he expects the number and scope of bed bug jobs to increase. "I think the call volume will go up and I think the infestation levels are going to be higher because (people) have put off calling someone to come into their house," he said.

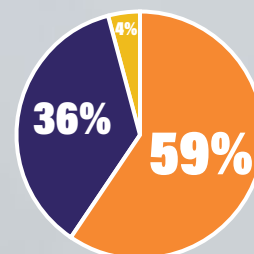
"I'm pretty happy with the bed bug market right now," added Conrad. "I'll be ready to go out there next time it really picks up again."

In the Next Year, Bed Bug Control Service Revenue Will...

2020 Responses



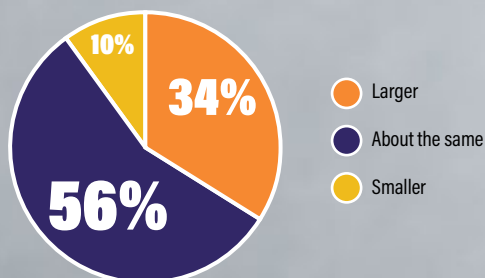
2019 Responses



● Increase ● Remain the same ● Decrease

Source: Readex Research; Number of Respondents: 184

Change in PMPs' Bed Bug Business Versus a Year Ago



Source: Readex Research; Number of Respondents: 184

ABOUT THIS SURVEY

The PCT 2020 State of the Bed Bug Control Market survey was sponsored by Bayer and compiled by Readex Research, a privately held research firm in Stillwater, Minn.

A sample of 4,258 pest control company owners, operators, executives and technical directors was systematically selected from the PCT database. Data was collected from 223 respondents — a 5 percent response rate — via online survey from Aug. 4-17. The margin of error is plus or minus 6.5 percentage points at the 95 percent confidence level. Charts may not add up to 100 percent due to rounding.

Insecticide treatment was the *primary* method of bed bug control for 71 percent of PMPs, followed by heat (15 percent), found the PCT 2020 State of the Bed Bug Control Market survey.

In follow-up interviews, most PMPs reported using a combination of treatments to control the pests. “Every strategy has a fault; there isn’t one that is better than the others. It depends on the location and the level of infestations,” said Tom Sieminski of Team Pest Control.

Mattress encasements/active mattress liners were offered by 62 percent of PMPs and vacuuming by 48 percent. Rich Schroll, owner of Garfield Pest Control in Merrimack, N.H., first used a vacuum last year for a particularly heavy infestation. It reduced the number of

bed bugs that might escape conventional treatment. “Vacuums are definitely something we’ll use on a regular basis,” he said.

The go-to treatment for Rodney O’Quinn of Keller’s Pest Control is heat, but he uses tent fumigation, offered by 12 percent of PMPs, for homes with high levels of clutter. O’Quinn has canines, offered by 16 percent of PMPs, to identify bed bug hot spots and clear homes post-treatment. “That really helps a customer with peace of mind,” he said.

All Florida Pest Control in Hollywood, Fla., combines steam and conventional treatments, said Regional Manager Pedro Alvarez. More than a quarter (26 percent) of PMPs offer steam treatment, found the PCT study.

Brian Metzger of GP Home Defense

primarily uses silica desiccant dust and a bio-pesticide. “We do a very meticulous, full top-to-bottom crack-and-crevice treatment. We’ve had phenomenal success,” he said.

PMPs said products with long-lasting residuals made it possible to offer proactive or preventive bed bug services. These deliver recurring revenue while providing clients reassurance and a better way to budget for bed bug control. Bed bug monitoring, an element of these programs, is offered by 48 percent of pest management professionals.

Proactive service appeals to frequent travelers and facilities like shelters and low-income housing where re-infestations are common, but not all clients see the value.

“We tried to do those, but people find

TREATMENTS: NOT ONE- SIZE-FITS ALL

\$892

Average charge for typical
residential bed bug treatment

Source: Readex Research





it too expensive,” said Alvarez. Others think the market for proactive service will grow, especially among small hospitality clients. “When it comes down to small outfits, reputation is everything,” said Schroll.

The charge for a typical residential bed bug treatment in 2020 was \$892. Forty-three percent of PMPs said the price of bed bug control increased in their markets over the past three years, while 45 percent said it was unchanged.

ABC Home & Commercial Services developed an extensive menu of treatment options featuring different approaches and price points. “Having that menu of services allows us the flexibility to really come up with the best treatment,” as well as address clients’ budgetary concerns, said Alan Brown. 🌱

FEWER PEOPLE ARE FREAKING OUT

Compared to last year’s PCT survey, 13 percent fewer PMPs said the public was more concerned about bed bugs compared to 10 years ago.

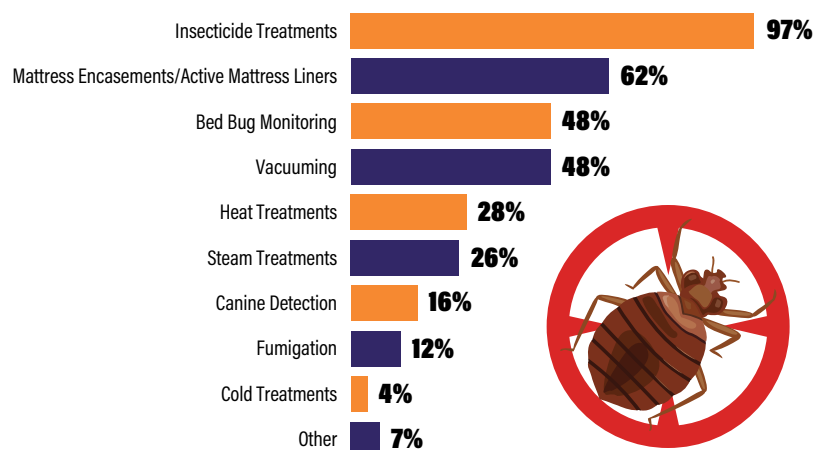
“In the beginning there was more fear than there is now,” said Team Pest Control’s Tom Sieminski, who early on spent a lot of time holding hands and playing psychologist to concerned clients. Today, “they’re not as freaked out,” and most people know someone who has had bed bugs, he said.

PMPs said consumers also are more educated about the pests and recognize when they have a problem. “People are so much more aware of bed bugs that they’re having it looked at a lot sooner and so we’re finding they’re not all over the house when we go,” said Alan Brown, ABC Home & Commercial Services.

Still, clients remain the most challenging part of bed bug control. “We can get rid of bed bugs, but we can’t get rid of bad habits,” said Tracy Rice of Rice Pest Control. This includes not following instructions to stop re-introductions, like continuing to invite the same people with bed bug issues into their homes. This is particularly challenging in multi-family housing complexes.

“You end up with a Typhoid Mary situation; you’ve got one person who is going around just spreading them. We’ve seen that happen several times over the last couple years,” he said.

What Types of Bed Bug Treatments Do You Offer?



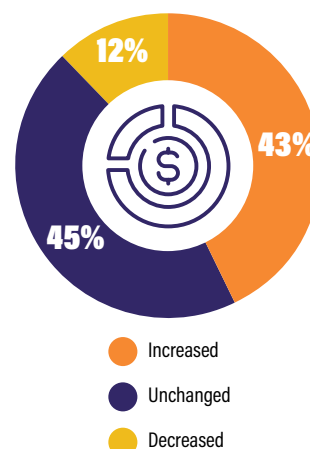
Source: Readex Research; Number of Respondents: 184; Respondents Could Select Multiple Answers

3.5%

**Average callback rate
for bed bug jobs**

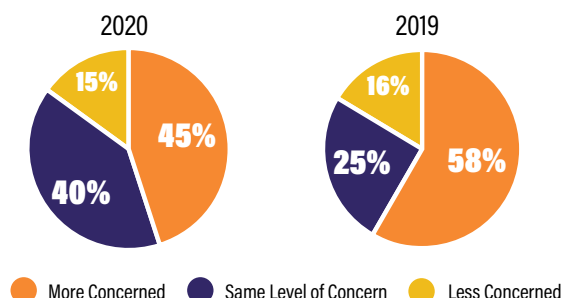
Source: Readex Research

How Has the Pricing for Bed Bug Services Changed in the Past Three Years?



Source: Readex Research; Number of Respondents: 184

Public's Concern of Bed Bugs Compared to 10 Years Ago



Source: Readex Research 2019-2020

"My favorite thing about the product is how well it works and how well it holds up to our harsh environments, especially here in Arizona."

Temprid has definitely reduced our callbacks."

– **Austin Burns**, Burns Pest Elimination, Phoenix



Temprid[®]
FX

When you're ready to ditch the callbacks, it's Time for Temprid.

It's your go-to solution for increased efficacy, ease of use, decreased callbacks, and unmatched flexibility. Its co-milled, dual active technology delivers increased power – controlling over 50 hard-to-kill pests indoors or out. If you're ready for powerful control, *it's time for Temprid.*

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