


2020 STATE OF THE RODENT MARKET REPORT



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2020: A YEAR LIKE NO OTHER

This past year has come with more than its share of unique obstacles and varied challenges. From a business perspective, normal operating procedures have been upended. Companies and organizations have had to quickly adapt to a changed environment as well as disrupted routines. Despite the disruptions and required adjustments, one thing has not changed — rodents' abilities to adapt and to thrive.

The societal dislocation as a result of COVID altered rodents' habitats and behavioral patterns. Stories of rats taking over Bourbon Street, relocating from restaurants to residential areas, and running rampant in Chicago and New York have populated the news throughout 2020. This has required pest control companies to modify their protocols: whether instituting additional safety precautions, flexing work schedules, altering communications or looking for the proper tools to assist in navigating this new environment.

We commend the efforts of the pest control industry for reacting quickly to the required operational changes of the past year. At Bell, we recognize this need, and our goal is to ensure pest management professionals (PMPs) have the tools for efficient and efficacious rodent control.

One tool we offer that meets today's need is the new line of iQ products. Powered by Bell Sensing Technologies, the iQ product range takes popular Bell rodent control devices and outfits them with customized Bluetooth sensors, recording when and where rodents are active at an account.

With iQ's automated data gathering, keeping acceptable social distance in areas of high employee traffic is achievable. PMPs no longer are checking empty devices or bait stations without activity; they are instead focusing on treating the areas where rodent activity has been timestamped and recorded.

Innovations like Bell's iQ product line are intended to help you thrive in environments like we have today. Bell promises to make every effort to provide great rodent control solutions to our customers, and continuing our work in the ongoing fight against rodents.

We appreciate your support and thank you for your business. Stay safe and be well.



Steve Levy
President and CEO
Bell Laboratories



Steve Levy



THE OPPORTUNITY AND REVENUE POTENTIAL OF RODENT WORK

We've been talking about growing opportunities in rodent control work for several years now, as PMPs across the country share success stories of how they've capitalized on growing populations. In 2020, the number of companies offering these services has edged up yet again, with 97 percent of respondents to the 2020 PCT State of the Rodent Market Report survey saying they offer rodent control services. That's up 7 percent over four years ago.

And while more than half (52 percent) say that fall and winter are their busiest seasons, 26 percent see no seasonal difference; many others report anecdotally that rodent work is increasingly becoming a year-round opportunity. Seattle's mild climate, for example, assures steady rodent business for Wesley and Chris Parker of Parker Eco Pest Control, and John Kelly of Kelly Pest Control says that Richmond, Calif., has steady roof and Norway rat activity due to its proximity to the region's deepwater ports.

Where populations are increasing, a variety of factors may be at play. Sean Stevens of Connecticut Wildlife Control attributes heightened activity in his market to large acorn crops in addition to recent mild winters. "The natural food supply supports the rodents, and the mild winters enable them to focus less on survival and more on reproduction," he explains.

Rodent Revenues Keep Climbing. How significant is rodent control to companies' overall revenues? Sixty-three percent say rodent control has become a more significant portion of their business over the past five years, compared with 58 percent saying the same in 2019. Only 1 percent say it is less significant. Rodent control represents, on average, 17.7 percent of service revenues, up from 16 percent last year.

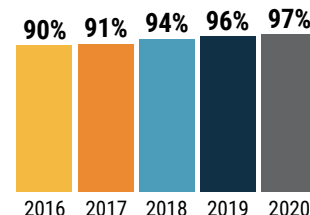
And as 2020 comes to a close, the vast majority of PMPs that offer rodent control services — 97 percent — expect to see that percentage of revenue increase (63 percent) or remain steady (34 percent) over 2019 revenues. Only 2 percent look for a decrease.

New Geographic Opportunities. Enterprising business leaders continue to identify new revenue streams. The Parkers, for example, seized on a new opportunity that has given them a strong point of differentiation in their market.

"In 2017, Seattle put a rat abatement requirement into place for developers doing demolitions," says Wesley Parker. "When a developer called to ask us if we could provide this service for them — they had called five other companies who all said 'no' — we decided to figure it out. We developed a plan and did the abatement for one location, then another and another, streamlining the process as we went. Now these programs are part of our regular services."

Adds Chris Parker, "It's different from other rodent work in that it requires a lot of office time and last-minute flexibility (paperwork must be delivered within one day of demolition). But it's a great source of revenue once you have a system in place." ■

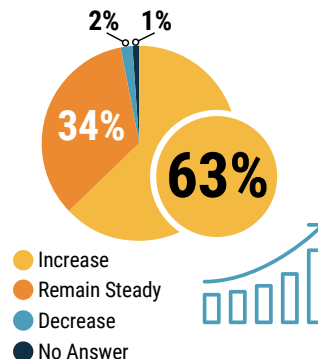
PERCENTAGE OF BUSINESSES OFFERING RODENT CONTROL SERVICES



Source: Readex Research; Number of Respondents in 2020: 266



PMPs' EXPECTED CHANGE IN PERCENTAGE OF RODENT REVENUE (2019-20)



Source: Readex Research; Number of Respondents: 257

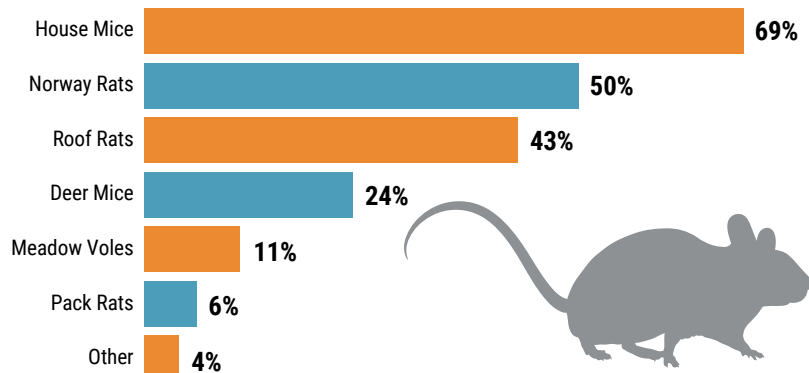


BUSIEST LOCATIONS

Rodent control services continue to lean toward the residential market, as 91 percent of operators say they provide these services to residential accounts, while 73 percent service commercial accounts. As to which market generates the most income, 71 percent say residential.

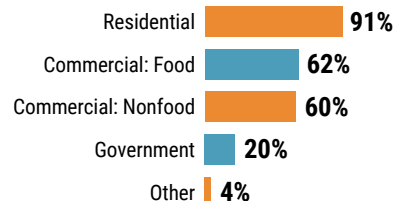
More than two-thirds (69 percent) of PMPs consider house mice problematic in their markets; half say the same for Norway rats. House mice continue to spur the most calls for about half of PMPs, too, with rats close behind. ■

WHAT RODENTS ARE MOST PROBLEMATIC IN YOUR AREA?



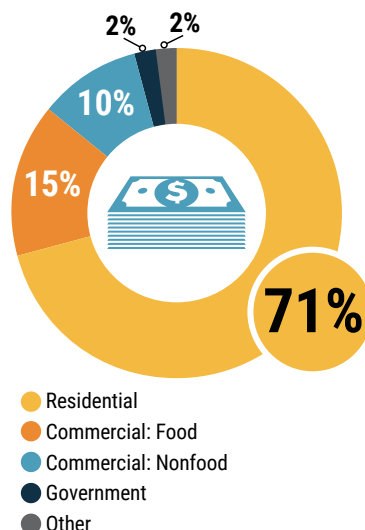
Source: Readex Research; Number of Respondents: 257; Respondents Could Select Multiple Answers

RODENT CONTROL MARKETS SERVED BY PMPs



Source: Readex Research; Number of Respondents: 257; Respondents Could Select Multiple Answers

RODENT MARKET GENERATING MOST INCOME FOR PMPs



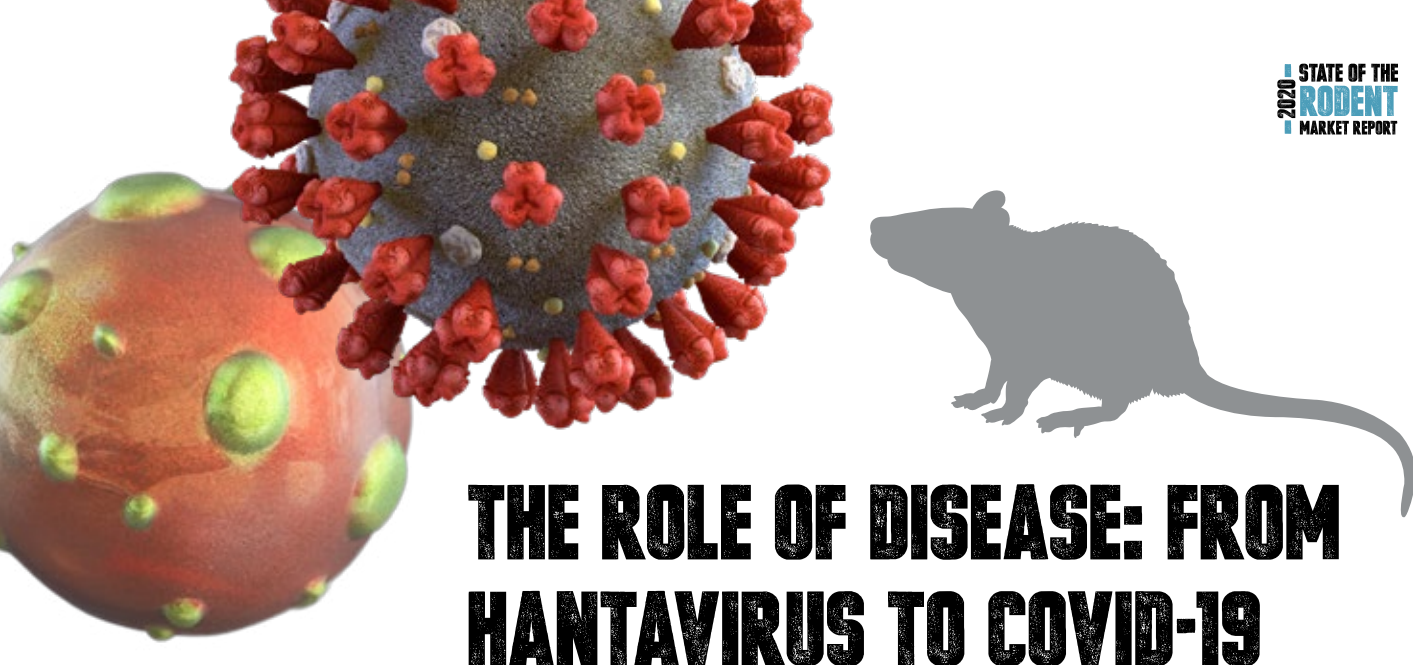
Source: Readex Research; Number of Respondents: 257

ABOUT THIS SURVEY

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

A sample of 4,456 pest control company owners, operators, executives and technical directors was systematically selected from the PCT database. Data was collected from 266 respondents – a 6 percent response rate – via online survey from Aug. 4-17. The margin of error for percentages is plus or minus 6 percentage points at the 95 percent confidence level. Charts may not add up to 100 percent due to rounding.





THE ROLE OF DISEASE: FROM HANTAVIRUS TO COVID-19

In general pest control work, PMPs sometimes feel the need to make customers aware of the potential health issues related to certain insects — the impact cockroaches may have on asthma, for example. In rodent control work, customers are more likely to already be in the know. In fact, they’re sometimes paralyzed by fear when they discover they have an infestation.

“We’re in a region where we have seen some hantavirus cases related to deer mice,” says Steve Race of Pestmaster Services in Tucson, Ariz. “And while those cases are rare, some people jump to the conclusion that any rodent they see is carrying horrible diseases. Their fear is that what they don’t know will hurt them — and that *can* be true. So in addition to treating their infestations, we

spend time educating them.”

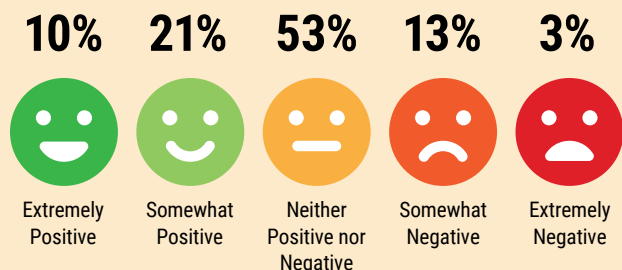
Technicians at Rodent Solutions in Bradenton, Fla., provide customers with a handout titled “Help Us Help You,” which covers rodent-borne diseases and other health-related concerns. Owner James Knight explains, “I don’t believe in fear-mongering. There’s been I think only one reported case of hantavirus in Florida ever; the chance of getting hit by lightning or winning the lottery is probably greater. So while we do inform customers completely, we focus more on their particular infestation and what they might expect in terms of allergy symptoms, asthma and such. We also educate them about how to protect their food and discourage rodents from invading their living space.”

COVID-19 may have customers even

more on edge than before, as nearly a third (31 percent) of 2020 State of the Market survey respondents reported positive impacts to their rodent control business since the pandemic began. People become more aware of infestations when they’re home all day working or home-schooling their kids, PMPs say, and populations have become more visible in some markets due to waning access to traditional food sources. On the other end of the spectrum, 16 percent reported negative effects of the pandemic, as household budgets have suffered.

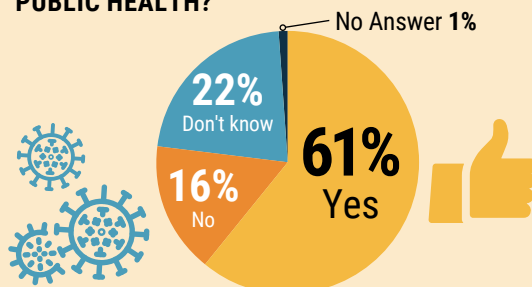
“At first, we got a lot of calls because people were noticing more activity. And when the stimulus money came in, we saw a lot of business. As that money ran out, things slowed down, but we’re still up overall,” says Knight. ■

WHAT'S BEEN THE IMPACT OF THE PANDEMIC ON YOUR RODENT CONTROL BUSINESS?



Source: Readex Research; Number of Respondents: 257

HAS THE COVID-19 PANDEMIC REINFORCED THE INDUSTRY'S ROLE AS PROTECTORS OF PUBLIC HEALTH?



Source: Readex Research; Number of Respondents: 257

PLAYING (AND WINNING) THE GAME OF RAT-AND-MOUSE



Rodent work can be challenging, without a doubt, as every infestation has its own unique characteristics and quirks. While baits and traps remain mainstays in PMPs' toolboxes — 94 percent report using baits and 93 percent traps — there's a whole lot of creativity going on.

Inspection Tools

Technology, for example, enables remote monitoring and ongoing data collection to help PMPs identify hotspots and keep an eye on activity. "I use snap traps and strategic baiting, as well as exclusion to knock down infestations, but I also like using remote monitors to help me see where I need to focus attention," says Sean Stevens of Connecticut Wildlife Control. "Technology helps me schedule, plan and keep watch on things without always having to make a service call."

Elijah Miller of Reign Pest Management in Memphis, Tenn., says that technology and other specialized tools

are critical to the inspection process. "In addition to pre-baiting, I use a thermal imaging machine to capture activity in attics, binoculars to zone in on rub marks, and a rechargeable black-light flashlight to detect rodent urine and hair," he says, adding that he honed his approach to rodent inspections while working with Bobby Corrigan on a particularly challenging account several years ago. "The return on my equipment investment has been great," he said.

Rod Woltmann of Mom & Pop Pest Control Services in Romeoville, Ill., agrees on the importance of a thorough inspection. "You should never rush an inspection. I differentiate my company by taking the time to investigate the right way," he says. "In one challenging account — a ground-floor apartment with rats in the walls — I did everything possible, including inserting a camera into the walls, to piece together where they were coming from. Ultimately, I determined they were getting in through

sewer breaks under the floor. It was a big job, breaking up the floor and making those repairs, but the building owner saw the value in getting to the root cause and eliminating the problem."

In fact, inspection expertise is so important that John Kelly of Kelly Pest Control says he won't hire a technician for rodent control work unless that person has the ability to recognize conducive conditions — overhanging trees, open doors, pipe runs, etc. — and spot any holes that are dime-size or larger.

An Account-by-Account Strategy

Kelly adds that the approach a pest control technician takes to any rodent infestation should be adapted to the type of account and its surrounding circumstances. In the East Bay of California, technicians servicing restaurants are required to pay a lot of attention to garbage clean-up, open doors and bait station servicing, while refineries demand staff with structural knowledge and repair capabilities. "The

ground shifts constantly under these older buildings,” he explains. “They’re built on pads where asphalt degrades from weather and movement; it doesn’t hold for long. We need to stay on top of repairs to keep mice and rats out.”

In the Arizona desert, Pestmaster Services’ Steve Race faces much different challenges. “We service a lot of warehouse-type properties that by virtue of being out in the middle of nowhere experience steady rodent pressure,” he says. “The hotter and drier it gets — and we’re having a particularly dry year — the more pack rats, roof rats and deer mice move inside in search of fluids and food. We use a lot of natural repellents, glueboards and some snap

traps, and we’ve started using birth control products in these accounts. We don’t underestimate the value of natural predators out here either; once we’ve deterred them from the account, snakes, coyotes, bobcats and other meat-eaters help us with control.”

Ingenuity to Outsmart the Opponent

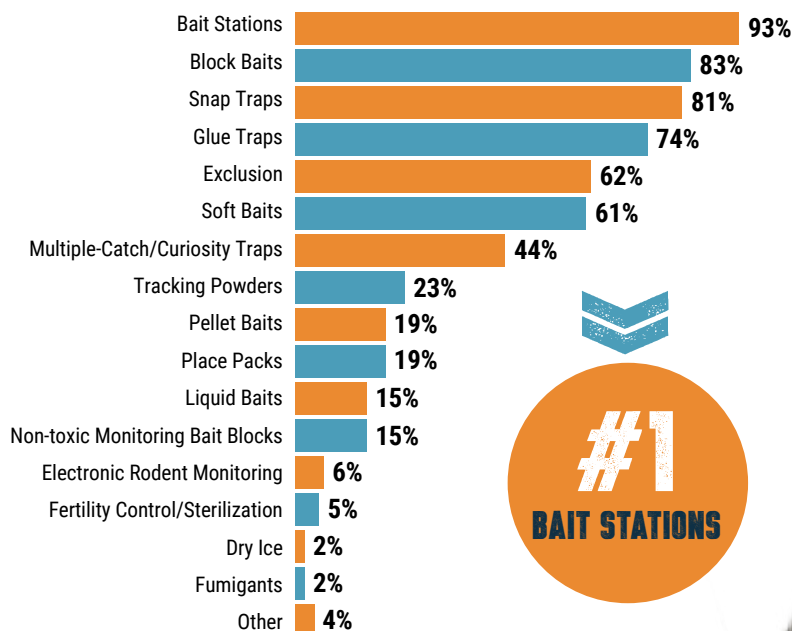
Race’s comments bring us to a final, important point about rodent control: Never underestimate the power of ingenuity — yours and the rodents’. This may apply doubly when you’re dealing with rats, as their intelligence, wiles and adaptability are legendary.

Race says the rats in the desert are responding to increasingly arid condi-

tions by nesting differently, tapping into everything from soda cans to succulents for water, and even hitching rides on bread trucks to get into prisons, which keeps him on his toes. Miller tells a story of matching wits one-on-one with an alpha rat in a bakery long after the rest of the population had been eliminated: “He would hit the trap, run away and, I imagine, laugh.” (Miller ultimately won through his analytical prowess, deft camera work and perseverance.)

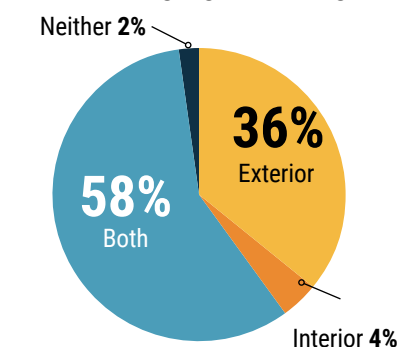
Stevens sums it up with due respect for these clever adversaries: “With mice, you can do certain things and be pretty confident they’ll work. But you have to up your game with rats: They’re little ninjas — stealthy and smart.” ■

WHAT DO YOU USE TO CONTROL RODENTS?



Source: Readex Research; Number of Respondents: 257;
Respondents Could Select Multiple Answers

DO YOU BAIT FOR RODENTS ON THE INTERIOR OR EXTERIOR?



Source: Readex Research; Number of Respondents: 257

IS RODENTICIDE RESISTANCE OCCURRING?



Source: Readex Research; Number of Respondents: 257



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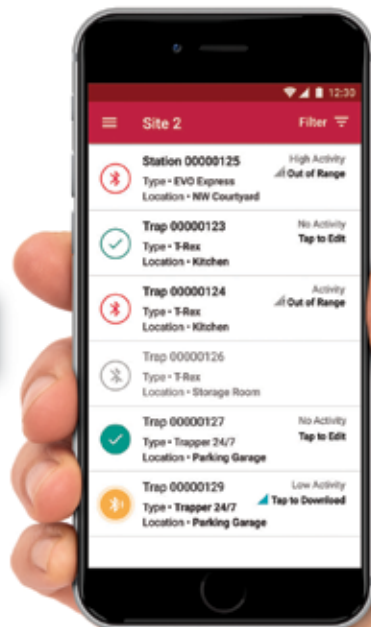
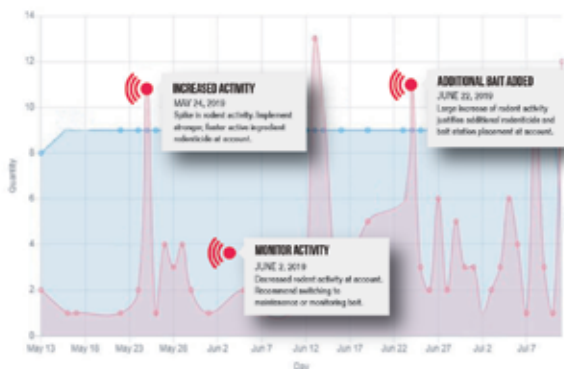
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