

STATE OF THE 2017 **RODENT** **MARKET**

FEATURED INSIDE:

- » Rodent Revenues On Three-Year Surge
- » Customer Care Takes Center Stage
- » Rodent Marketing: What Works?
- » Most Problematic Rodent Species
- » The Role of Bait Rotation

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LABORATORIES, INC.

PROVIDING SOLUTIONS

At Bell, providing a breadth of high-quality tools for PMPs to solve the variety of complex problems they encounter remains our focus. This past year was no exception as we introduced two new products to the industry.



Conrac Soft Bait is an extremely palatable and weatherable new rodenticide, developed to perform well in every setting, especially when there is high food competition. Conrac Soft

Bait won't mold, freeze or melt, which means it is able to work harder for you while out in the field. Extensively tested, with a high concentration in oils and fats, Conrac Soft Bait is an excellent new tool and we encourage you to try it at problematic accounts.

Bell is also pleased to announce the registration of Rat Ice, a carbon dioxide pellet that is used for rat burrow baiting. Rat Ice is the result of a recognized need within the pest control industry. Coupled with the requirement that all rodenticides must be registered, Bell conducted comprehensive lab and field studies and generated appropriate data, while working with the EPA to obtain the Rat Ice registration. Rat Ice is currently being launched in select markets and we hope to soon be able to provide Rat Ice across the country.

As The World Leader in Rodent Control Technology, we are excited about these new product offerings and are continuously looking for new solutions. From investments in automated equipment or new manufacturing facilities, to fine-tuning an affordable remote rodent monitoring platform, our mission remains focused on you our customers. Developing new ways to increase efficacy and improve efficiency is what we strive for, all to ensure that you, the PMP, have the right tools to do your job.



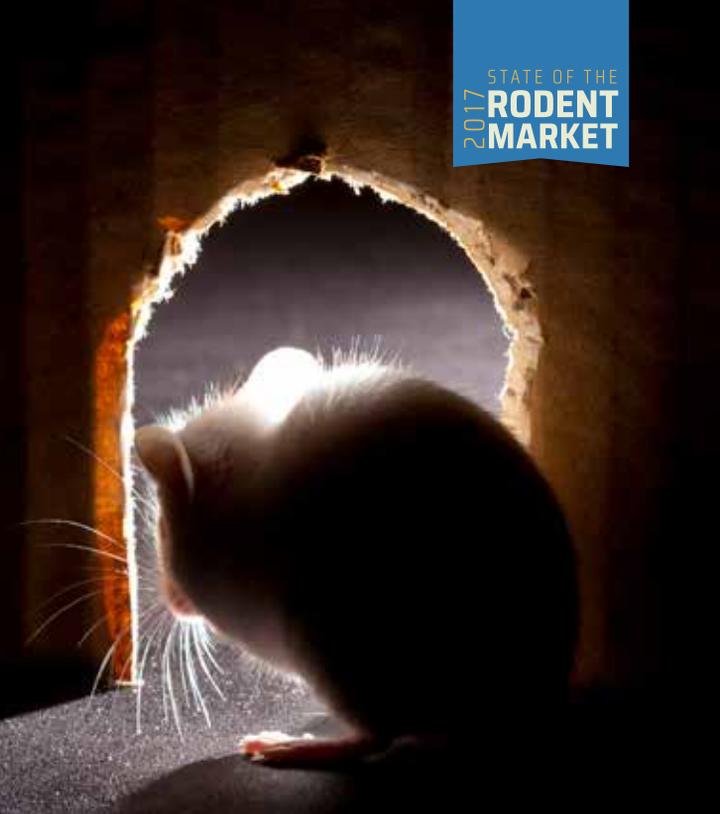
All of us at Bell appreciate your business and support and we wish you the best in 2018. 🇺🇸

Steve Levy
 President and CEO
 Bell Laboratories



Conrac Soft Bait

RODENT SURGE SHINES A NEW LIGHT ON CUSTOMER CARE



YOU'VE PROBABLY RETHOUGHT YOUR RODENT TREATMENT PROGRAM IN RESPONSE TO GROWING POPULATIONS, BUT ARE YOU GIVING YOUR CUSTOMERS ENOUGH TLC?

As rodent populations continue to boom nationwide, PMPs are embracing the business opportunity and adapting to the needs of this market sector. Many companies that in the past treated rodents as a sideline are now giving them equal, if not top, billing, based on demand.

“We used to get an occasional call about rats — usually in Boston — but over the past two years, the rat population has exploded, not just in the cities we serve but in residential towns as well,” says Adam Carace of Pest-End Exterminators, which services accounts in Massachusetts, New Hampshire and southern Maine. “We went from one job a year to 300 — almost overnight.”

For Carace, that meant developing a new treatment program and connecting even more closely with customers. “We had to reform our plan of attack with rodents for sure,” he says. “But we also came to understand that servicing these accounts, particularly when you’re talking about residences, takes a certain level of sensitivity. People accept mice: It’s no big deal when they see a mouse in the house. But when they see a foot-long

rat run across their kitchen, they can, understandably, be freaked out. We’ve had many customers talk about staying at a hotel or even moving out. It’s our job to reassure them — to instill confidence that we have the situation under control and they can stay in their homes.”

The challenges of rising rodent populations certainly aren’t unique to the Northeast. In fact, they’re easier to explain in regions like the South and the West, where weather conditions are welcoming rodents with open arms.

“Our subtropical climate, lush vegetation and one of the highest levels of rainfall in the country provide harborage, food sources and ample shade for rodents, especially roof rats and Norway rats,” says Blair Burton of Paul’s Termite and Pest Control, which serves Tallahassee and Jacksonville, Fla.

David Marshall knows that roof rats

love Arizona’s heat as well. He often gets calls from citrus growers whose trees are infested. “When people don’t pick all of the fruit or don’t thin their trees, it creates a conducive environment for rats,” he says.

Like Carace, Burton and Marshall recognize the need for making strong connections with customers in these accounts. “We perform exclusions and recommend a recurring service agreement to demonstrate our long-term commitment to rodent control with each customer,” says Burton. “Reviewing expectations with customers is also a must, so that they know exactly what to expect.”

Marshall, who says that seven of 10 new calls to his office are rodent calls, involves the customer throughout the process, explaining every procedure and often posting selfies with them on social media afterward. “When a company comes in, does a quick treatment and leaves, the customer’s head is spinning,” he says. “They remember *me* because I included them in the solution,” he says. **E**

This special report presents data from the 2017 State of the Rodent Control Market survey, conducted in August by Readex Research and sponsored by Bell Laboratories. The survey results are based on 420 total responses to a survey delivered to 4,198 PCT readers. This represents a 10 percent response rate. Thirty-eight respondents indicated their company does not offer rodent control services.



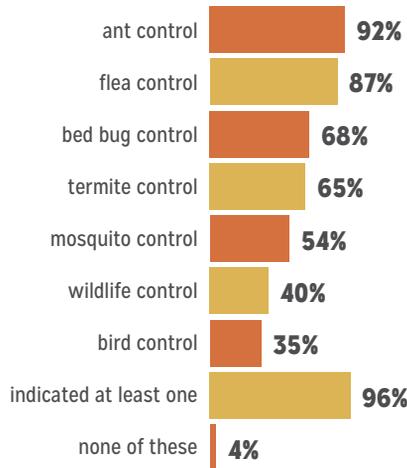
(ALMOST) EVERYONE'S DOING IT!



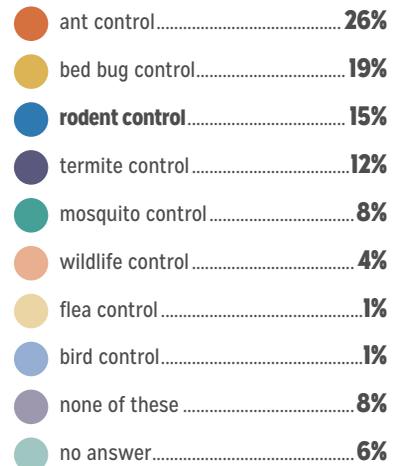
91%

of pest management companies offer rodent control services

Which of the following other pest management services do you offer?



Which pest management service represented your largest growth market?

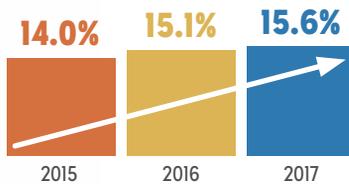


Source: Readex Research;
Number of responses: 420

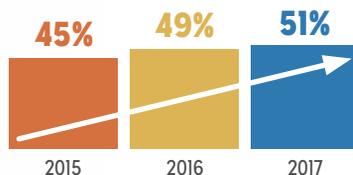
LET'S TALK REVENUE MOMENTUM

Rodent control revenues are on a three-year roll, as this service area becomes increasingly significant to the businesses of more than half of PMPs surveyed. And take a look: 97 percent expect the percentage of revenue generated by rodent control services to increase (62 percent) or remain steady (35 percent) year-over-year.

What percentage of your service revenue was generated by rodent control services? (MEAN)

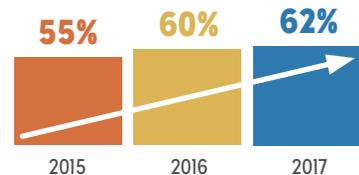


Percentage who say rodent control has become a more significant portion of their business in the past five years:



Source: Readex Research; Number of responses: 382

Percentage who expect to see an increase in the portion of their business generated by rodent control services:



62% believe the elimination of SGARs for DIY use has created opportunities for rodent control services



CONNECTING WITH YOUR CUSTOMERS THROUGH SALES AND MARKETING

People don't trust their rodent problems to just anyone. PMPs need to establish their credibility as problem-solvers who will get the job done, with as little disruption to customers' lives as possible. Marketing is vital to growing this market segment, and PMPs are getting creative about how they're presenting their companies.

Many, for example, are building social media relationships through posts including photos and videos that demonstrate their rodent control expertise, and show friendly interactions with customers. Some continue to use TV, radio, direct mail and leave-behind materials, but they tend to have a strong social media presence as well. Consensus seems to be that you can't beat the interactive aspect of social media when it comes to building relationships.

What about your commercial customers and prospects, though? Do they respond to social media in the same way residential customers do?

Doug Longfellow of NaturZone Pest Control in Sarasota, Fla., uses Facebook and LinkedIn to reach his primarily commercial customers, but face-to-face marketing takes center stage.

"Because we are a business-to-business company, our marketing is highly targeted," Longfellow explains. "We join industry trade groups (healthcare, property

managers, condo organizations, etc.) and attend all of their events. Additionally, we participate in trade shows, sponsor lunch-and-learns, host educational programs and engage in other direct-marketing events. We average more than one marketing event a week."

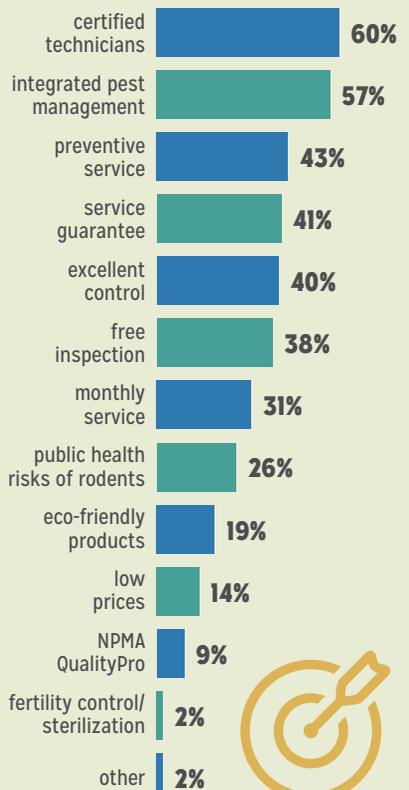
Longfellow, who includes preventive rodent control in 90 percent of his commercial accounts, believes it's also important to understand how your audience is interpreting and responding to your marketing message. "When we started out, our unique selling point was that we used green solutions, so the prior owners emphasized 'Least Toxic Products' and 'Do No Harm,'" he says. "What we kept hearing, though, were efficacy questions: 'OK, you're green but does your treatment approach work?' So I changed our tagline to 'Award Winning Green Pest Solutions Since 1988.' It must work, because we keep winning awards!"

Longfellow adds that his company's current business strategy is to focus on outstanding customer service rather than its green aspects, so last year he added the message "95% Client Retention Rate" to the tagline. "We don't just place this on our marketing materials; we explain to our prospects how we're able to achieve that rate," he adds. "Clear communication is pivotal to building relationships and customer loyalty."

Here are some of the selling points PMPs are featuring in their rodent-services marketing:

Aspects Featured in Marketing Efforts

What aspects of your location's rodent control services are featured in its marketing efforts?



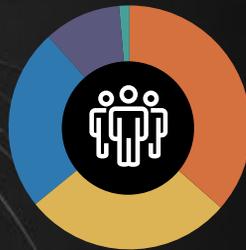
Source: Readex Research; Number of responses: 382



WHERE AND WHEN YOU'RE TREATING

Nearly all PMPs who provide rodent services – 95 percent – treat residential properties, while 80 percent* service commercial accounts. The bulk of income – 68 percent – is generated through residential accounts, while about 29 percent comes from commercial work.

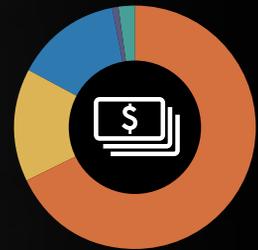
In which markets do you provide rodent control services?



residential.....	95%
commercial: non-food ...	73%
commercial: food.....	63%
government.....	27%
other.....	3%

*Net commercial: 80%

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



residential.....	68%
commercial: food.....	15%
commercial: non-food ...	14%
government.....	1%
other.....	2%



Source: Readex Research; Number of responses: 382

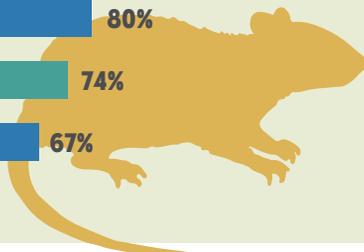
WHAT'S WORKING FOR YOU?

No big changes from last year in products and treatment methods used: Most PMPs continue to achieve successful control through a combination of tools – notably, baits, traps and exclusion. Survey respondents remind us of the importance of rodenticide rotation to proactively combat resistance. On average, PMPs rotate products twice a year; many rotate quarterly.

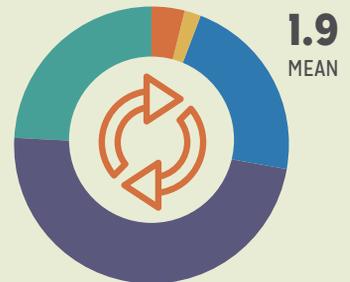
What products/services do you use to control rodents?



Source: Readex Research; Number of responses: 382



How many times do you rotate rodenticides in an individual account in a typical year?



**1.9
MEAN**

more than 6.....	4%
5 - 6.....	2%
3 - 4.....	22%
1 - 2.....	48%
never.....	24%

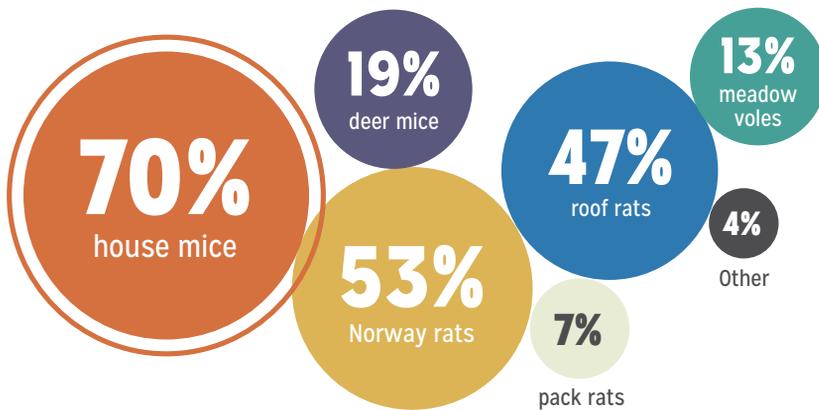
Source: Readex Research; Number of responses: 382

» RATS MAKE HEADWAY ON AMERICA'S MOST WANTED LIST

When it comes to being problematic and eliciting calls, the house mouse continues to hold the top spot among rodent species. But while mouse activity remains relatively flat, roof rats and Norway rats are steadily climbing the charts in terms of infestations and service calls.

In PCT's 2017 study, 70 percent of PMPs say that the house mouse is problematic in their markets. That's pretty much the same as last year, when that percentage was 71 percent. But look what's happening with rats: This year, 53 percent of PMPs identified Norway rats as problematic – up 5 percent over last year – and 47 percent said that roof rats are problematic – up 9 percent over last year.

Which rodent species tend to be problematic in your market?



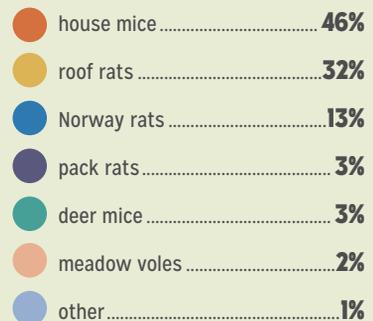
	2016	2017	Gain/Loss
House Mouse	71%	70%	-1%
Norway Rats	48%	53%	+5%
Roof Rats	38%	47%	+9%
Deer Mice	22%	19%	-3%
Meadow Voles	13%	13%	±0%
Pack Rats	7%	7%	±0%
Other	4%	4%	±0%

Source: Readex Research;
Number of responses: 382



PMPs report that house mice represent the largest percentage of their service calls, a modest 3 percent decline from the previous year. Thirty-two percent of survey respondents said roof rats represent their largest percentage of service calls – a 4-percent rise over 2016 levels – while 13 percent give that nod to Norway rats – which represents a 2-percent rise year-over-year.

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



As for the number of rodent infestations, PMPs note increases for mice and rats alike. Whereas 40 percent of PMPs reported an increase in mouse infestations in 2016, 44 percent acknowledged increases this year. For roof rat infestations, those percentages are 30 percent in 2016 versus 36 percent in 2017; for Norway rats, 27 percent in 2016 and 32 percent in 2017. No more than 3 percent of PMPs reported a decrease in any rodent species infestations.

Source: Readex Research; Number of responses: 382

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