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2019  
**State  
of the**

# **BED BUG** **Market Report**

After more than 10 years back in the spotlight, the bed bug control market is undergoing subtle changes. How will these new market dynamics affect your business?

## **Inside:**

Revenue is Steady, Not Stellar

Not Every Job is Worth Taking

Proactive Service is Gaining Acceptance

Customers: Taking Control

Price of Service is Rising for Some

Recurring Service Models Being Developed

# GROWTH Is Leveling Out

**B**ed bug control remains good for the bottom line. Last year these services generated 14 percent of revenue for companies on average, according to the 2019 PCT State of the Bed Bug Market survey, which was sponsored by Zoëcon and conducted by Readex, an independent research firm. That's up from 12.8 percent in 2016.

Revenue, however, is not growing as rapidly as when bed bugs first came on the scene, said pest management professionals interviewed for this report. "It was growing significantly but I have seen it level off a little bit," said David Brown, owner of Brown Pest Control, Winston-Salem, N.C.

Others described the work as steady. "It's stayed pretty consistent the last few years," said Kevin Thorn, president of Thorn Pest Solutions, Pleasant Grove, Utah. Bed bug control services account for 30 percent of his revenue; that percentage is keeping pace as the company grows, he said.

Increased competition is posing a challenge for some. In fact, 82 percent of pest management companies now offer bed bug control services, up from 75 percent in 2018 and 71 percent in 2017. This may be why PMPs reported 10 percent fewer bed bug jobs in their markets last year compared to 2017.

"It used to be that one- and

two-man and five-man companies, they wouldn't touch bed bugs. Nobody shies away any more because of the money involved," said Nick Lupini, president of Loyal Termite & Pest Control, a Rentokil Steritech company in Richmond, Va. He sees fewer referrals from peers as a result.

Across the country in San Diego, however, Garrett Thrasher has noticed fewer companies offering bed bug control. "I think that's a good thing for the industry as well as for our company. If there are fewer companies offering bed bug services that definitely allows for us to take a bigger piece of the market share," said the owner of Thrasher Termite

& Pest Control of So Cal.

Growth may be leveling out at some companies for strategic reasons. The labor-intensive nature of bed bug jobs has made Justin McCauley, CEO of McCauley Services in Bryant, Ark., evaluate how much of the work he wants to take on. "How do we manage this without killing our general pest control? We probably slowed down our growth on purpose, I would say," he said.

Most PMPs (61 percent) said bed bug control services have become a more significant portion of the business over the past five years, found the PCT survey. This is down from 68 percent who felt this way in 2017. ♦



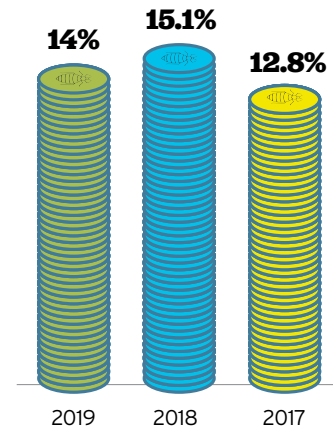


## Companies Offering Bed Bug Services



Source: Readex Research, 2017-2019

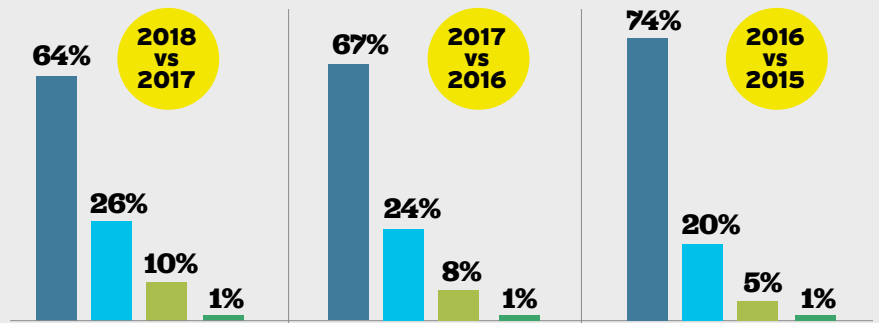
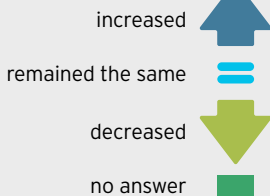
## Mean Percent of Revenue Generated by Bed Bug Control



Source: Readex Research, 2017-2019

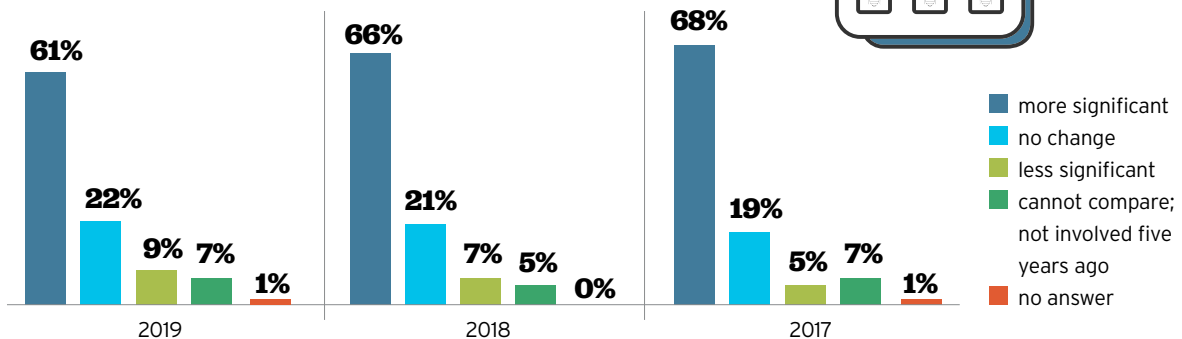
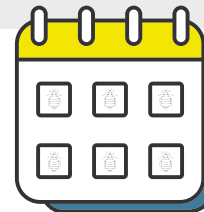


## Change in the Number of Bed Bug Jobs in Your Market Area



Source: Readex Research, 2017-2019

## How Significant Were Bed Bugs to Your Business in the Past Five Years?



Source: Readex Research, 2017-2019



## **JOB:** **Some Aren't Worth It**

**T**he largest portion of bed bug revenue in 2018 came from servicing single-family homes (43 percent), followed by apartments and multi-family housing (39 percent), reported PMPs in the 2019 PCT State of the Bed Bug Market survey.

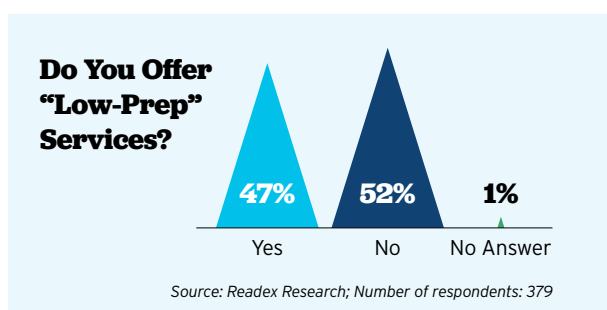
In interviews, pest management professionals said they are being more selective in the jobs they take on. “We’re only trying to take those bed bug jobs that we’re going to be successful at and can control them pretty easily,” said Justin McCauley, CEO of McCauley Services, Bryant, Ark.

Site preparation plays big in these decisions. If the cooperation of residents seems unlikely after an initial inspection, David Brown, owner of Brown Pest Control in Winston-

Salem, N.C., will turn down the job. “If it’s a hoarder’s house or we don’t have a good feel for cooperation with them, we’ll refer them,” he said.

Thrasher Termite & Pest Control of So Cal in San Diego does the same. “We have a pretty strict protocol that we adhere to and don’t bend in terms of the types of services we offer. The main one is if the customer doesn’t want to follow our instructions, our protocol is we will definitely walk away from the sale,” said owner Garrett Thrasher.

PMPs were divided almost equally about onsite preparation requirements, found the survey. More than half (52 percent) asked residents to bag items, wash clothes and bedding, remove clutter, and clear space for technicians to



work; 47 percent followed a low-prep protocol.

Don Grant, president of Grant Exterminating, Gastonia, N.C., gets “very desirable results” with a low-prep approach and application of a bio-pesticide. Loyal Termite & Pest Control, a Rentokil Steritech company in Richmond, Va., prefers conventional prep. “We know what works so let’s just keep doing it that way,”

said company president Nick Lupini.

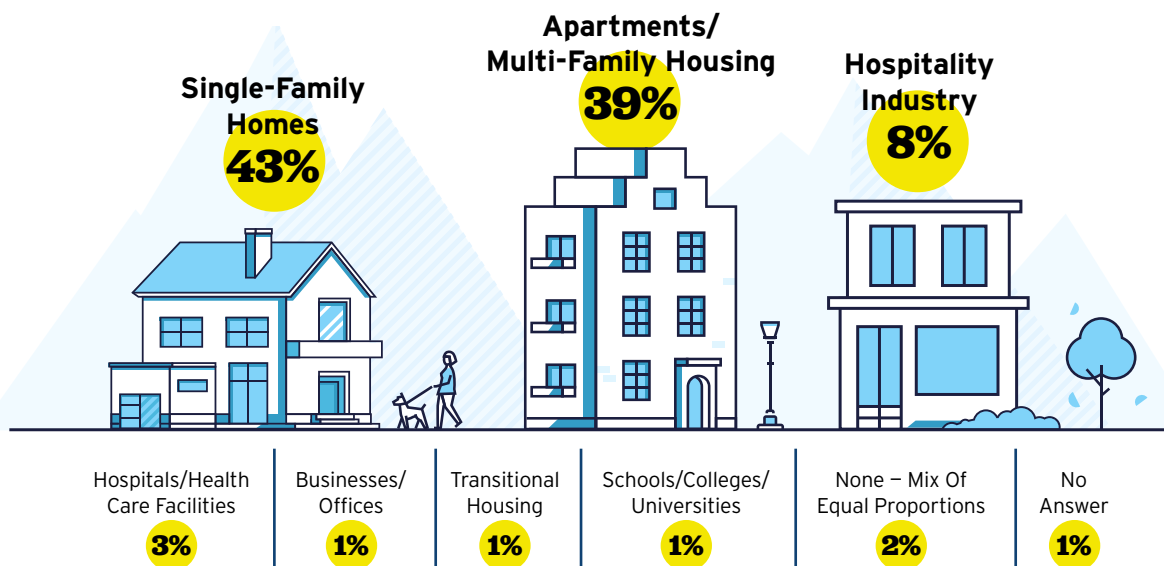
Chris Christensen, owner of three Truly Nolen franchises in greater Lexington, Ky., charges clients \$95 if they’re not prepared on the day of treatment. He has committed resources to do the job and then technicians can’t do the work. “We want to be compensated to some degree for that,” he said.

Loyal Termite & Pest Con-



## Markets Representing the Largest Proportion of Bed Bug Control Revenue in 2018

Source: Readex Research; Number of respondents: 379



trol charges \$500 if clients aren't ready for a heat treatment. "We've basically taken at least two guys and blocked them off for a day, if not two. That's two guys who have nothing to do that day now," explains Gena Lupini, company vice president.

Landlord-tenant litigation has some pest management professionals reconsidering rental property and multi-unit housing work. "I think it takes one bad job to really know how detrimental it can be," said Thrasher. He said some pest management companies in his market have dropped bed bug control because of this. To protect your company, document properly and stick to the facts — don't guess who brought in bed bugs or how long they've been there, he advised. 🐛

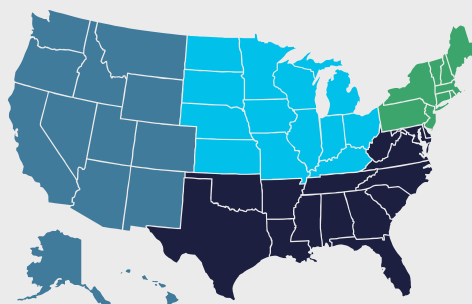
### ABOUT THIS SURVEY

The PCT 2019 State of the Bed Bug Market survey was sponsored by Zoëcon and compiled by Readex Research, a privately held research firm based in Stillwater, Minn.

A sample of 8,666 owners, operators, executives and technical directors of pest control businesses was systematically selected from the PCT database. Data was collected from 462 respondents – a 5 percent response rate – via online survey from September 12 to 20, 2019. To

best represent the audience of interest, 83 respondents who indicated their companies do not offer bed bug control services were eliminated from the survey. The margin of error for percentages based on the remaining 379 respondents is plus or minus 4.9 percentage points at the 95 percent confidence level. Charts may not equal 100 percent due to rounding.

The majority of respondents were based in the South (42 percent), followed by the Midwest (27 percent), Northeast (16 percent) and West (15 percent).



### You are Here:

- Northeast...16%
- Midwest .....27%
- South.....42%
- West.....15%

Source: Readex Research;  
Number of respondents: 379

# IT'S TIME FOR BED BUGS TO CHECK OUT

With bountiful beds and new hosts checking in every day, hotels provide a perfect environment for bed bugs to thrive. Scott Ruberto, President of NeoGuard Pest Solution Services, Inc. located in Orlando, Florida, knows this all too well. Orlando is home to more than 120,000 hotel rooms—the second most of any U.S. city—so treating hotels for bed bugs is nothing new for them. We teamed up with the company, NeoGuard, to get a behind-the-scenes look at a typical hotel bed bug call, and ask Service Manager Obed Gonzalez what he's learned about bed bugs treating more than 2,000 rooms over ten years. The following is a professional's guide to ensuring no more bed bugs, and no callbacks, at hotel accounts.



## ZOËCON ROOM SERVICE

When it comes to treating for bed bugs in hotels, a checklist can only be as effective as the treatment products chosen. The Zenprox® family of products from Zoëcon boosts any PMP's toolbox and can ensure no more callbacks. Featuring a 360-degree valve, crack-and-crevice actuator and System III® compatibility, Zenprox® Xtend Aerosol is a convenient choice for reaching those tough areas of infestation in a hotel room. Zenprox® Xtend Aerosol combines an effective group of adulticides, which includes etofenprox, along with an IGR for efficient broad-spectrum control.

For tank sprayer applications with contact kill and long residual activity, Zenprox® EC is effective in suppressing bed bugs with the non-repellent active ingredient etofenprox. Zenprox® EC works well as a tank-mix partner with Gentrol® IGR and easily mixes with water so that it can be applied with most application equipment, providing long-term relief. Gentrol® IGR breaks the life cycle of bed bugs for up to 120 days with its active ingredient translocating deep into wall cavities, cracks, and crevices, so when you leave you can feel confident you won't be getting a callback.



## A LEGACY OF CONTROL

To learn more about the complete lineup of Zoëcon® products for bed bug control along with application tips, visit the Zoëcon Field Guide at [ZoeconFieldGuide.com](http://ZoeconFieldGuide.com).



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# A PMP CHECKLIST FOR



UNWANTED GUESTS

## 1 Assess & Inspect:

Adjoining room? Vacant? A lot of furniture? Scan the room and take a mental note of the prep work that's going to be required for that room before getting started with inspection. Next, what's the damage? Slowly pull back covers, paying close attention to blood stains and carcasses. "9 times out of 10 we'll see activity where you lay your head when you sleep, the top end of the box spring. Bed bugs are always going to be attracted to that carbon dioxide that their host is breathing out at night," says Gonzalez. Be sure to also check the corner of walls, curtains, sofas, and any other furniture or fabric.

## 2 Prep:

This step is extremely important to ensure the treatment is as effective as possible. Bag up all bedding and fabrics in the room— "We like to bag up everything ourselves, a lot of times staff won't see what we see, we have a trained eye to see the smallest of insects," says Gonzalez. Open up furniture like dressers and arrange all furniture in a way that will allow for optimal treatment. Finally, once everything is moved, vacuum the entire room.

## 3 Treat:

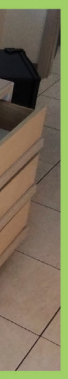
Using a mix of products, like residuals and aerosols, begin treating the entire room including all furniture, baseboards, under rugs, mirrors, picture frames, under and around box springs, dressers, wall mounts, headboards, face plates over outlets, and adjoining rooms. After treatment, Gonzalez recommends turning the thermostat up to around 80 degrees, a temperature that makes bed bugs comfortable. This will encourage the bugs to come out of their hiding places and get exposed to the products that were just applied, boosting control efforts.

## 4 Second Inspection:

How well did treatment go? After 48 hours, perform another inspection. Depending on the severity of the infestation, perform a light treatment to knock down any remaining bed bugs. Gonzalez recommends using a low-odor spray that dries quickly for this light treatment so the hotel room can get back to business.

## 5 Educate:

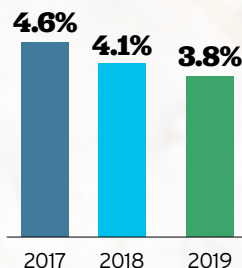
Depending on existing hotel protocol, educate the hotel staff on what to look out for to prevent as well as locate a bed bug infestation. Share with the staff what the entire life cycle of bed bugs look like since the insects can look different depending on what stage of the cycle they are in.



## **APPROACH:**

# **Proactive Services Are Gaining Acceptance**

### **AVERAGE CALLBACK RATE FOR BED BUG JOBS**



Source: Readex Research, 2017-2019



**P**roactive bed bug inspections are catching on, especially with multi-unit housing and hospitality clients.

Loyal Termite & Pest Control, a Rentokil Steritech company in Richmond, Va., does monthly and quarterly canine inspections. Thorn Pest Solutions in Pleasant Grove, Utah, inspects properties for bed bugs one to four times a year, depending on the infestation history. If the pests are found, they can be eliminated before becoming a bigger problem. “We’re actually seeing people save a lot of money by doing that,” said Kevin Thorn, president, Thorn Pest Solutions.

Thorn also performs pre-

ventive treatment at hotels in advance of ski season. He applies desiccant dust to rooms to knock down bed bugs that may be introduced. Case studies that show actual dollars saved can help clients see the value of proactive services.

On the residential front, PMPs are exploring how to offer bed bug protection as an add-on to monthly and quarterly accounts. In one scenario discussed, homes would be inspected during regular service visits and treatment provided at no extra cost if bed bugs eventually were detected.

Pest control companies offer a wide range of bed bug treatments, but the *primary* methods of control were treatments

with insecticide (70 percent), heat (16 percent) and steam (3 percent), found the 2019 PCT State of the Bed Bug Market survey. Half of PMPs used mattress encasements or active mattress liners for both residential and commercial accounts, and 61 percent used monitors or traps in their programs. Some companies have dedicated bed bug technicians and salespeople; others have cross-trained general pest technicians to do the job.

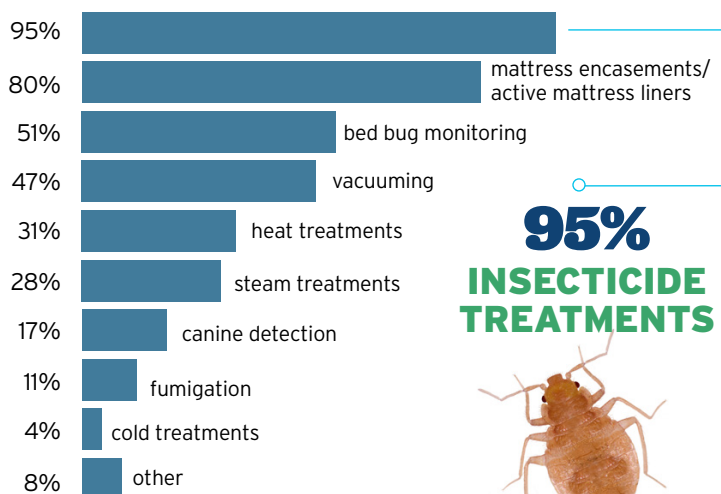
Bed bug resistance was a concern for more than half (52 percent) of PMPs and 45 percent had implemented a bed bug resistance treatment protocol. Of those, 92 percent rotated product active ingredi-

ents to combat resistance. The majority of PMPs (69 percent) had seldom or never encountered bed bug resistance.

Overall, pest management professionals are spending less time re-servicing accounts. The average callback rate for bed bug control jobs in 2018 was 3.8, down from 4.6 in 2017, according to PCT surveys. “I feel like the industry as a whole has gotten a lot better at controlling them,” said Justin McCauley, CEO of McCauley Services, Bryant, Ark.

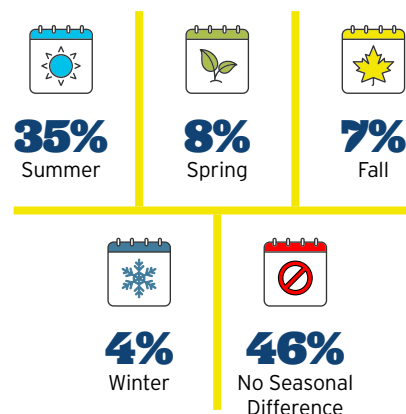
Most PMPs (46 percent) reported no seasonal difference in controlling bed bugs. More than a third (35 percent) said summer was their busiest time of year for this work. 🐞

### All Bed Bug Treatments Offered



Source: Readex Research; Number of respondents: 379  
(respondents could select more than one answer)

### Busiest Season for Bed Bug Services



Source: Readex Research; Number of respondents: 379

### REGARDING RESISTANCE AWARENESS...

**52%**  
are concerned about  
it in their markets

**69%**  
have seldom or never  
encountered it

**45%**  
have implemented  
protocols to combat it

**92%**  
rotate products as  
part of their protocol



## CUSTOMERS: They're Taking Control

**T**he attitudes of commercial clients are shifting when it comes to bed bugs. They're no longer surprised by the pest's appearance and they've realized spending big dollars to control full-blown infestations is not sustainable. As such, more PMPs are developing approaches like proactive monitoring and preventive treatment, which give clients more command of the situation compared to jumping from one infestation crisis to another.

"I think there's been kind of a melding of attitudes both from the property management folks and the industry," said Chris Christensen, owner of three Truly Nolen franchises in greater Lexington, Ky.

Educating these clients about bed bugs and how they can be managed proactively

"opens a lot of doors" for growth and for pest management companies to be seen as partners and experts, said Kevin Thorn, president, Thorn Pest Solutions, Pleasant Grove, Utah.

For residential customers, bed bugs remain public enemy number one. "We're still seeing people freaking out" about the pests, said Thorn. In fact, 58 percent of PMPs believe the public is more concerned about bed bugs now than they were a decade ago when news reports first chronicled their resurgence, found the 2019 PCT State of the Bed Bug Market survey.

But they also realize the pests are a widespread problem. "I think most customers with bed bugs now seem to accept the fact that a problem exists and just want it taken

care of," said Don Grant, president of Grant Exterminating, Gastonia, N.C. He attributes an increase in bed bug revenue this year to "referrals from satisfied customers that we have previously provided bed bug treatments for."

Some PMPs believe more consumers are taking steps to control bed bugs themselves, which may be limiting revenue growth in some markets.

When advertising bed bug services, pest control companies emphasized their certified technicians (61 percent), excellent control (59 percent), service guarantee (51 percent), and free inspections (45 percent), found the survey. Nearly tied are mattress encasements/active mattress liners (37 percent) and discreet service (36 percent). 🍀



## OUTLOOK: Betting On Recurring Revenue Models

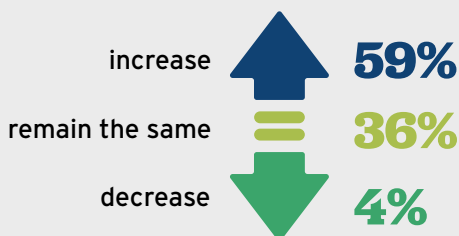
In the next year, 59 percent of PMPs expect revenue from bed bug control services to increase, found the 2019 PCT State of the Bed Bug Market survey. More than a third (36 percent) expects it to remain the same.

Kevin Thorn, president of Thorn Pest Solutions, Pleasant Grove, Utah, sees a growth opportunity in developing proactive and preventive bed bug services for commercial clients. Justin McCauley, CEO of McCauley Services, Bryant, Ark., is in the early stages of exploring recurring revenue models for bed bug prevention. "We're still working on that but that's the biggest thing to me" in terms of growth potential, he said.

San Diego-based Thrasher Termite & Pest Control of So Cal plans to grow the commercial side of its bed bug business, targeting the multi-unit housing and hospitality industries. "I think the volume of leads is really where we could do better. If we had more leads we could increase our revenue," said owner Garrett Thrasher.

PMPs said bed bugs aren't going anywhere anytime soon, and that is good for the industry. "I see it getting busier and busier," said Nick Lupini, president of Loyal Termite & Pest Control, a Rentokil Steritech company in Richmond, Va.

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

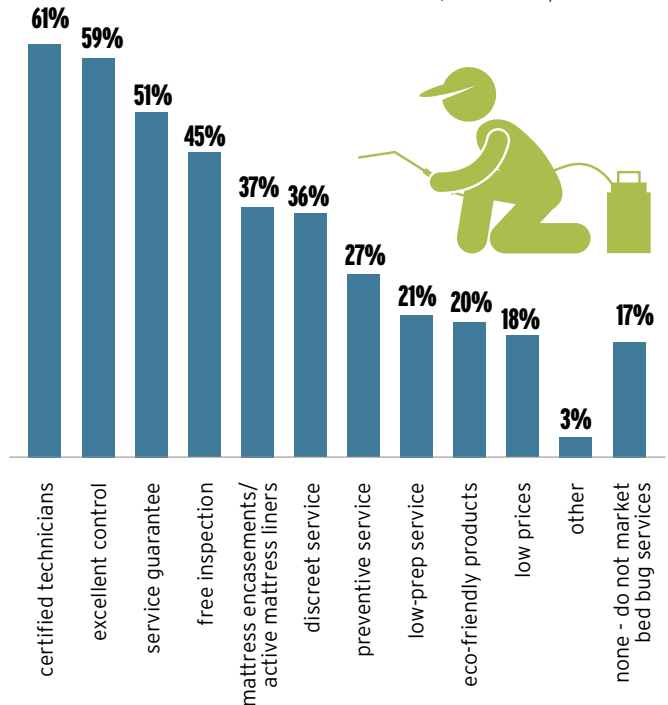


Source: Readex Research; Number of respondents: 379

## ASPECTS OF BED BUG SERVICES IN MARKETING EFFORTS

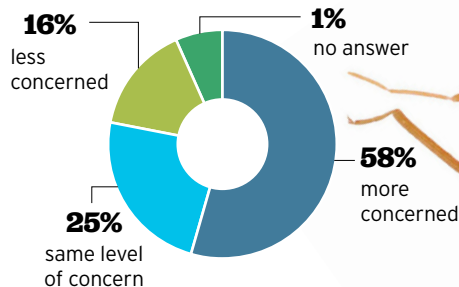
What aspects of your location's bed bug services are featured in its marketing efforts?

Source: Readex Research; Number of respondents: 379



## PUBLIC'S CONCERN OF BED BUGS COMPARED TO 10 YEARS AGO

Source: Readex Research; Number of respondents: 379





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