

State of the **NATURALS** MARKET

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In a Green **STATE** — OF — **MIND**

New research points to growing interest and engagement in the green evolution.

As demand for green pest management solutions continues to rise, pest management companies are prepared to deliver. With 86 percent of respondents to PCT's 2020 State of the Naturals Market survey describing the customers in their market as very or modestly environmentally conscious, it's becoming clear that green solutions can be important to competitive strength.

"People are all about being green in and around our Austin, Texas, market. Fortunately, today we have natural products that get the job done," says Bobbie Terry of The Bug Lady Pest Control. "When I first started using them, close to 20 years ago, green pesticides weren't

very effective. They could repel, but today they also kill and have a longer-lasting residual effect. Green pest control is much easier to sell today because you know you're going to be able to protect your customers' homes."

Many PMPs agree with Terry, as nearly a third (30 percent) of survey respondents say there has been a dramatic improvement in the efficacy of green products over the past three to five years. Half say they will choose a green product over a traditional pesticide if it has proven to be equally effective, and more than a fourth (27 percent) say they increased their purchases of green products in 2019.

Of course, selecting the right treatment protocol is critical as well.

"An effective green pest management program is about more than product choices; it's a way of thinking," says Laura Hammon Nunn of Bozeman Pest Control in Bozeman, Mont. "As we look toward controlling pests while

protecting the planet, we need to make sure every service technician is aware of how their actions can impact the local environment. It begins with really thinking about the pest they're trying to control so they can choose the right product, whether green or conventional, and apply it before an infestation requires a heavier application or multiple applications. Being strategic in how and when we apply is every bit as critical as *what we apply.*"

Nunn is among the PMPs who report that their technicians *are* becoming more knowledgeable about green solutions, and that they are communicating their benefits to customers more effectively. "We're fortunate to have highly qualified technicians who go into accounts and accurately assess the proper service given the broad range of product options we have today," she says. "In fact, we're glad to see the entire industry moving on from the 'spray and go' mindset to one of thoughtful IPM. As customers become increasingly environmentally conscious, they expect more thoughtful service and equally thoughtful conversation. They're beginning to recognize that this is a collaborative journey." 🌱

GREEN GROWTH

On average, **20%** of the products companies use today are “green.” In 2016, the average was **18%.**

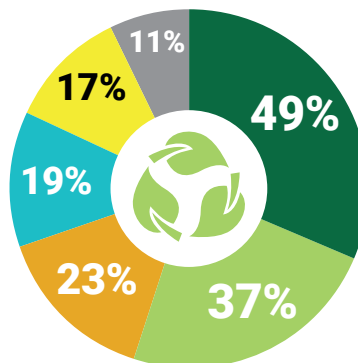
2019 Source: Readex Research; Number of respondents: 238

NATURAL PRODUCTS GAIN MOMENTUM

	2019	2020
Green pest control products are more readily accepted than they were five years ago.	50%	54%
Green pest control product options are more top of mind for my residential customers than they were five years ago.	36%	42%
Green vs. traditional pesticides: My technicians can communicate the key differences.	34%	35%
My technicians have a good understanding of what makes the pesticides we use “green.”	29%	32%
Customers have a good understanding of what makes the pesticides we use “green.”	23%	24%
Green products will become a more important part of my product mix this year.	20%	24%

Source: Readex Research; Number of respondents: 238

HOW PMPs ARE GOING GREEN



- Offering customers green pesticides
- Making green products available to all technicians
- Purchasing smaller, more fuel-efficient vehicles
- Purchasing routing software to reduce fuel consumption
- Instituting a formal recycling program
- Taking concrete steps to reduce energy consumption

Source: Readex Research; Number of respondents: 238; Respondents could select multiple answers

86% of PMPs characterize their markets as environmentally conscious



Source: Readex Research; Number of respondents: 238

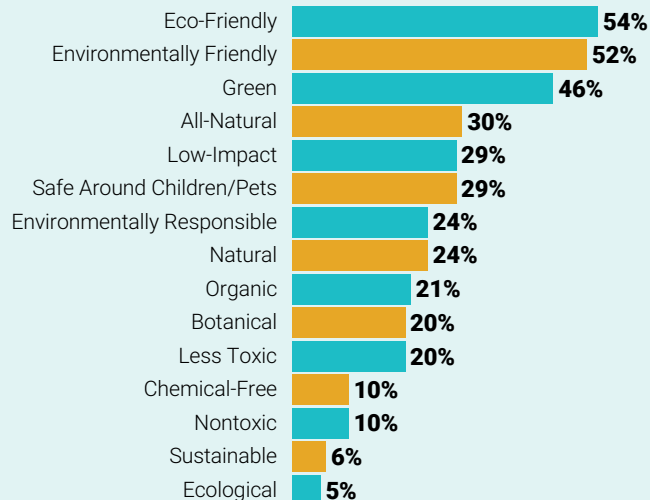
All the Right Words in All the Right Places

When your company name is All Green Pest Control, your marketing message is basically built right in. Still, Dan Morin is always looking for ways to broaden the reach of his Massachusetts business. Most recently, he featured his firm’s logo on a digital billboard. His message was simple: “Safe, green, effective.”

Morin’s website uses different terminology, describing All Green’s services as “all-natural,” “nontoxic” and “environmentally friendly.” His take is that it’s not so much how you say it, but what you deliver.

“We should all be excited about the advances in green products; they’re more effective than ever before,” he says. “And whether you call your services ‘green,’ ‘natural’ or ‘eco-friendly,’ it comes down to the same message: ‘We resolve your pest issues without any worries about the safety of your pets, your kids or your environment.’”

TOP TERMS USED TO PROMOTE GREEN PRODUCTS & SERVICES



Source: Readex Research; Number of respondents: 87 (Those whose location promotes green pest control products/services in its marketing materials); Respondents could select multiple answers

WHERE NATURAL PRODUCTS ARE DOING THE MOST GOOD

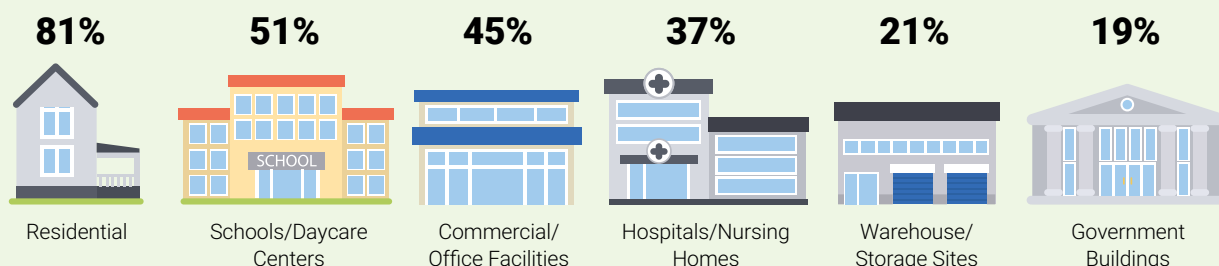
PMPs choose eco-friendly solutions for a variety of accounts and purposes.

While green pest control products continue to be used primarily in residential accounts, PMPs also rely on them for a variety of commercial and sensitive accounts. What's most notable about usage in the 2020 State of the Naturals Market study is that a growing number of pest management professionals are turning to green products for prevention efforts, with usage up 12 percent since 2018 (from 47 percent to 59 percent), and as a primary means of control, up 10 percent since 2018 (from 33 percent to 43 percent).

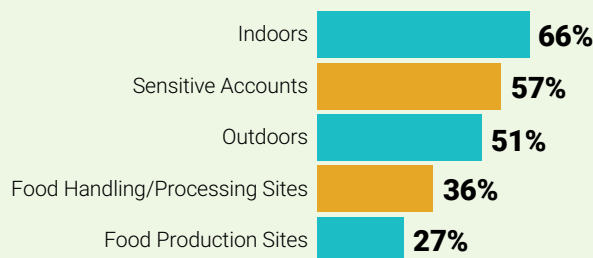
In terms of which insects are most commonly controlled with natural products, opinions vary. Bobbie Terry of The Bug Lady Pest Control gets great results using a green product for spiders, which is especially helpful to her in sensitive marina areas, while Jeff Rea of 1st Response Pest Control prefers to use conventional pesticides on

GREEN APPLICATION SITES

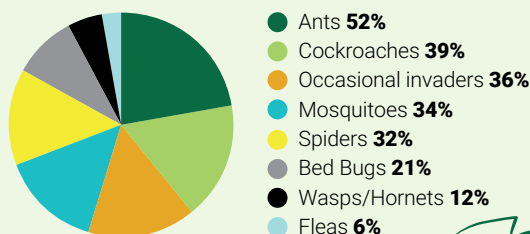
WHERE DO YOU USE GREEN PRODUCTS?



MOST LIKELY APPLICATIONS



INSECTS MOST COMMONLY CONTROLLED WITH NATURAL PRODUCTS



Source: Readex Research; Number of respondents: 191 (Those respondents whose location used green products for its pest control services in the past year); Respondents could select multiple answers



About the Survey

The PCT 2020 State of the Naturals Market survey was sponsored by Zoëcon/Central Life Sciences and compiled by Readex Research, a privately held research firm in Stillwater, Minn., in mid-January 2020.

A sample of 4,157 pest control company owners, operators, executives and technical directors was systematically selected from the PCT database. Data was collected from 238 respondents – a 6 percent response rate – via an online survey. The margin of error for percentages is plus or minus 6.3 percentage points at the 95 percent confidence level. Charts may not add up to 100 percent due to rounding.

spiders. “We have a lot of oak trees, and that means heavy spider activity, here in Southern California,” he says. “The green products I’ve tried take too long on that particular pest. We have been successful using green products on crickets and ground beetles, though.”

Spiders are, in fact, one of the two pests (along with mosquitoes) to move up in the ranks of the “Insects Most Commonly Controlled” list in the 2020 State of the Naturals Market study. According to PCT research, the use of green products

to manage ants, cockroaches and occasional invaders has remained relatively consistent over the past five years, but the percentage of survey respondents choosing mosquitoes as a “top three” pest for green products has more than doubled from 2016 to 2020 (from 15 percent to 34 percent), while the inclusion of spiders has climbed 8 percent (from 24 percent to 32 percent).

Jack Fimple of All Natural Pest Elimination says that the key to achieving success with green products on any insect is to

teach technicians about the mode of action of these products, which is different from that of synthetic pesticides. “Since natural products work on an insect’s exoskeleton rather than its central nervous system, the process of eradicating an infestation is different. You can’t count on a strong residual or on treated pests to take the pesticide back to the nest; that means your technicians need to be comfortable in the role of problem-solver, being able to identify the right product and apply it so that it will be as effective as possible.”



Taking Back the Backyard

7 Outdoor Insect Hot Spots to Treat

The warmer months will have homeowners heading outdoors to enjoy their backyards. But, it also means the return of insects that can make any backyard sanctuary uninhabitable for outdoor activities. Not only do backyard insects deter homeowners from spending time outdoors, they also pose a number of health threats.

From tall grasses and vegetable gardens to swing sets and patio furniture, backyards offer dozens of hot spots for pests to seek harborage. Don't let pests ruin your clients' time spent in their backyards. When it comes to treating residential accounts, treat these insect hot spots – the natural way – so your clients' can get back outside in no time.

1 Bushes

While honeydew itself is harmless to plants, sap-sucking insects such as aphids can inflict damage on bushes and shrubs. Aside from attacking bushes, the honeydew substance that aphids leave behind also attracts other backyard pests like ants. These plant-feeding insects are found on the underside of leaves, and once identified, need to be treated. Essentria® IC-3 Insecticide Concentrate is a natural product option for killing aphids and the other pests that they attract, and can be sprayed directly on shrubs.

2 Flower Gardens

Does your client have a flower garden on their property? Some flowers attract mosquitoes into your clients' yards as male mosquitoes feed on nectar. Essentria® IC-3 Insecticide Concentrate is a natural product that can be used for mosquito misting in sensitive areas.

3 Play Equipment

Stinging insects such as wasps and hornets can wreak havoc on outdoor fun. To easily spot nests, follow their flight path and also check the underside of slides and on the ceilings of playhouses. Treat these areas monthly with Essentria® Wasp & Hornet Spray, a water-based foaming action spray. This aerosol sprays up to 20 feet, providing knockdown of stinging insects and their nests – so outdoor fun can resume.



4 Trees

Ticks thrive in shady areas, and tree trunks provide the perfect hideaway for these disease-spreading arachnids. The best products for tick treatments are sensitive on the environment and to household pets that also roam around backyards. A botanical product, like Essentria® IC-3 Insecticide Concentrate, should be sprayed on the base of tree trunks to prevent ticks from seeking harborage.

5 Fence Lines

Does your client have any fencing in their backyard? Animals tend to walk along fence lines, and these high-traffic areas are an insect hot spot. As wild animals follow fence lines from backyard to backyard, they can carry and attract insects like fleas and ticks. To treat these high-traffic areas, spread Essentria® G Granular Insecticide six feet on both sides of fencing.

6 Patio Furniture

Nothing can ruin a patio sanctuary like the nagging buzz of mosquitoes and other uninvited guests. Let your clients thoroughly enjoy their patio spaces by applying Essentria® Contact Spray, a low-fragrance green solution. Formulated for use on a variety of surfaces, spray Essentria® Contact Spray on all sides of patio furniture as well as seating cushions and throw pillows.

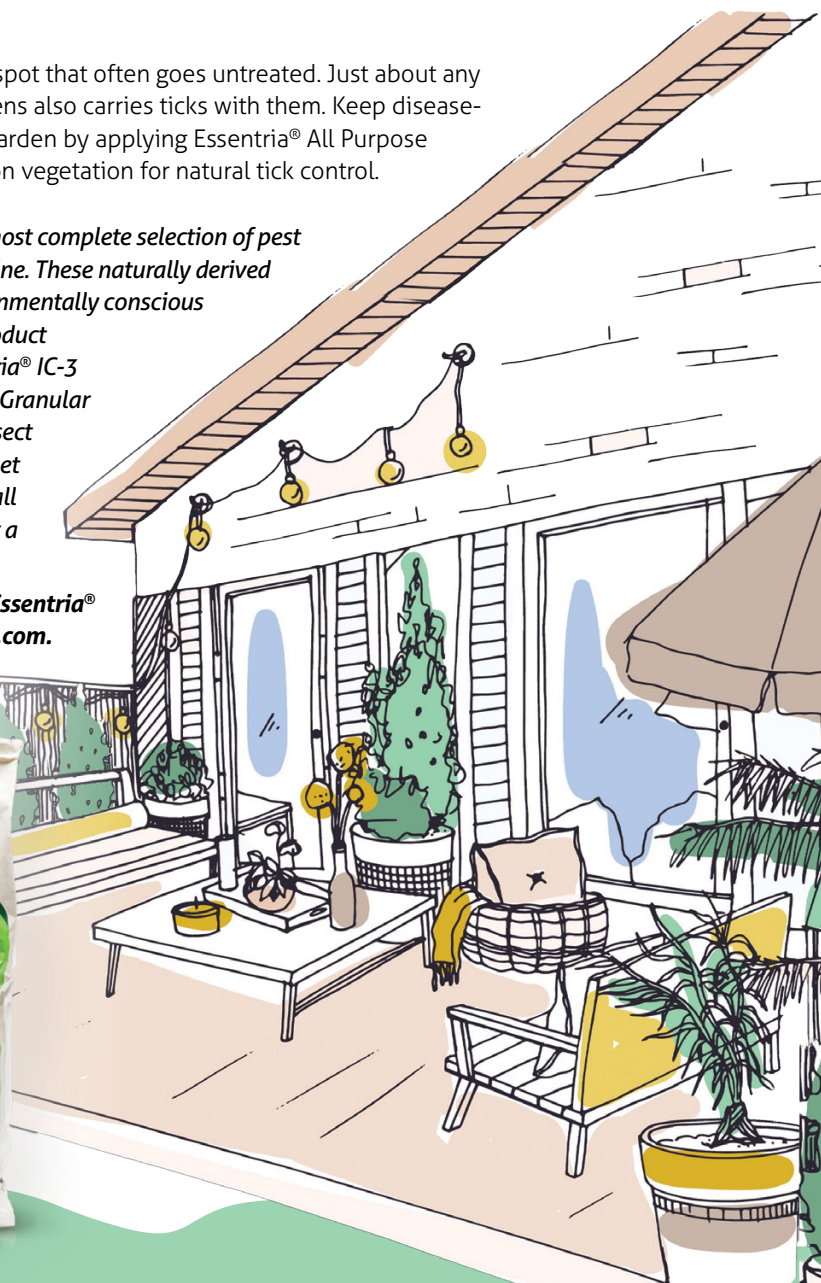
7 Vegetable Gardens

The vegetable garden is one backyard insect hot spot that often goes untreated. Just about any animal that preys on your clients' vegetable gardens also carries ticks with them. Keep disease-carrying ticks away from your clients' vegetable garden by applying Essentria® All Purpose Concentrate as a perimeter spray treatment and on vegetation for natural tick control.

Zoëcon Professional Products offers the industry's most complete selection of pest control solutions, including the Essentria® product line. These naturally derived products are FIFRA 25(b) exempt, offering an environmentally conscious option. Formulated with essential plant oils, this product

lineup includes five solutions: Essentria® IC-3 Insecticide Concentrate, Essentria® G Granular Insecticide, Essentria® All-Purpose Insect Concentrate, Essentria® Wasp & Hornet Spray and Essentria® Contact Spray, all offering long residual control against a broad spectrum of pests.

To learn more or to download your Essentria® leave-behind brochure, visit Zoecon.com.



The **MORE** They **KNOW**, The **BETTER** It **WORKS**!

Make customers your partner in success.

Less application, more education” is a familiar mantra at Carolina Exterminating in Charleston, S.C. After being thoroughly trained themselves in safe pest management practices, service technicians teach their customers what they can do to help protect their families from pests while minimizing the need for pesticide applications.

It’s an approach owner Drew Leilich adopted as he watched his son Liam crawling around the house and putting his hands *everywhere*. “I thought about residue that could be left on the floor after certain applications and started really rethinking how we were applying products,” he shares. “Since then, our focus has been on treating outdoors as much as possible and educating customers about measures they can take to help us control their pests as naturally as possible.”

Customer education is particularly important to programs using green products, Leilich says. In fact, his company’s website details some of the actions customers

must commit to when selecting a green service. “We are very clear with customers who want an all-natural solution that they play a critical role in the program’s success,” he explains. “We go out and walk the property with them to identify action items and then provide them with a detailed list that can include things like cleaning the gutters, disinfecting trash cans and recycling bins, raking back foliage, cutting back trees and shrubs, sealing entryways and even power washing the house. Those who are strongly committed to going the green route agree to hold up their end of the deal. Others might find these tasks overwhelming and choose a conventional program instead.”

Whether they choose an all-natural or a more traditional IPM approach, ongoing communication is key, Leilich adds. “We make sure every customer understands where, when and why we apply as we do. We want them to have the peace of mind in knowing that we are thoughtful and intentional in our approach.”

Fun Green Facts to Share

Educating your technicians about natural pest management begins with a general understanding of green treatment protocols and products. Board Certified Entomologist and consultant Stoy Hedges shares some of the basics below:

About Green Treatment Protocols

- Green pest control programs focus primarily on prevention, utilizing strategies such as sanitation, harborage removal, exclusion, trapping, heat, freezing and vacuuming.
- Pest prevention efforts require collaboration. While the customer is responsible for most prevention strategies (e.g., sanitation and exclusion), the PMP is accountable for communicating items that need attention to the customer — verbally and in writing.
- Inspection and physical removal by trapping or vacuuming comprise the majority of a PMP's work in a green pest control program. Treatments are viewed as a last-resort measure.
- Depending on the agency/auditor of the green pest control program, conventional insecticides may be used on a limited basis when all other efforts to resolve an active pest issue have been unsuccessful.



About Green Products

- Plant essential oils are botanically sourced chemicals that offer insecticidal qualities while posing minimal risk to people, pets and vertebrate animals.
- Due to their plant-based origin, many products containing plant essential oils are characterized as "minimum risk pesticides" and are therefore exempt from FIFRA registration requirements.
- Essential oil-based products are formulated using mixtures of plant essential oils that have demonstrated higher effectiveness against target arthropods than a single essential oil by itself.
- Most products formulated with plant essential oils work best as contact insecticides applied where pests are active. Some products provide limited residual activity.
- Despite the best efforts at prevention, some pest activity is likely to occur. Products containing naturally sourced insecticides, such as plant essential oils and inorganic dusts, are given priority in green pest control programs when treating such activity.
- Naturally sourced dust products containing silica gel, diatomaceous earth and boric acid may be considered green products by some green accrediting agencies. Such products can provide extended residual activity — some lasting longer than 12 months, depending on environmental factors.



EDUCATION MATTERS



28% of PMPs increased the time they spent on education related to green products and services in 2019

Source: Readex Research; Number of respondents: 191 (Those respondents whose location used green products for its pest control services in the past year)

Should You Be Charging More for Green Products?

Survey after survey of consumers confirms that buyers are becoming increasingly interested in making environmentally friendly purchases. The 2019 Retail and Sustainability Survey conducted by CGS, for example, revealed that more than two-thirds of American buyers consider sustainability when making a purchase, and nearly half would pay more for a sustainable product.

How does this trend play out in pest management?

PMPs are discovering that many customers will pay more. In 2019, 34 percent of pest control companies charged more when they used green, rather than conventional, pesticides, according to PCT's 2020 State of the Naturals Market survey. That's a 14-percent increase over the previous year, when only 20 percent charged more.

"We charge 15 to 20 percent more when we apply green products because we buy and maintain dedicated equipment for mixing those products," says Jeff Rea of 1st Response Pest Control. "People who are committed to this approach understand the value of the service and aren't surprised that they pay a slight premium."

Drew Leilich of Carolina Exterminating says that a higher price tag on green services is essential to covering the additional service calls a green program can entail. "Generally speaking, our technicians will go out six times a year to a green account versus four times a year for a conventional account," he explains. "It's well worth the price to those who prioritize an all-natural approach."

THE PRICE IS RIGHT

34% of PMPs charge more for green products

Source: Readex Research; Number of respondents: 191 (Those respondents whose location used green products for its pest control services in the past year)

Reaching a **BROADER MARKET** for **GREEN SERVICES**

Nearly half of PMPs are promoting their green products and services to win new customers and build their businesses.



Jeff Rea of 1st Response Pest Control knows a business opportunity when he sees it. So even though only about 20 percent of his customers ask for green services, his marketing efforts clearly position his business as the company in Palmdale, Calif., to call for them.

“If a customer goes on Yelp and (looks for) ‘eco-friendly products’ in their search for a pest management company, we want them to call *us*,” Rea says, pointing out that he uses Yelp, Google and Bing to drive traffic to the 1st Response website. “Our hosting company handles search engine optimization (SEO) for us to bring in as many leads as possible. Once a customer connects with us, we explain their options. Some truly do want an all-natural solution, but many others just want to know that we apply products — whether green or conventional pesticides — responsibly.”

Rea adds that in recent years he has moved his marketing budget from print to digital. “People — especially millennial and Generation Z consumers — just aren’t reading print publications the way they used to,” he says. “They want to be able to ask Siri or Alexa to do a Google search. Response to our print ads dwindled to a call or two a quarter compared with 150 calls from our online

presence. For us, a digital strategy makes sense.”

Jack Fimple backs a digital strategy as well, reporting that 75 percent of the leads that come into All Natural Pest Elimination result from online marketing. “Businesses can’t survive in the services sector today without having a strong online presence,” he says. “We have a full-time digital strategist on our team who handles search engine optimization and marketing (SEO/SEM), and we take full advantage of Yelp, Craig’s List, Home Advisor, Google and social media. We reach out to our customers and prospective customers through nondigital channels, too: by participating in home-improvement events and mailing out postcards, for example.”

Fimple and Rea aren’t the only business leaders aggressively investing in marketing green services. The 2020 State of the Naturals Market survey shows a 15-percent bump in respondents who say they promote their green products and services. Whereas about a third (31 percent) of PMPs promoted “green” just a year ago, today nearly half (46 percent) do. Going the extra mile, 21 percent of PMPs say they’ve also created a distinct green brand that lets customers know they’re getting something special — another notable indicator that the industry is moving toward a strong environmental message. ■



Customers Feel Good About Going Green

A paper published in the Journal of Consumer Research last fall shared results of a study conducted by Canadian researchers Ali Tezer and H. Onur Bodur into what they call the *greenconsumption effect*, a phenomenon in which consumers report enhanced enjoyment of a product when they are told of its environmental benefits.

Through a series of five experiments, Tezer and Bodur compared consumer responses to green products and conventional products. Their findings suggest that consumers may feel more valued by society when they go the green route. This "warm glow" experience may make them more likely to purchase the green option, even if it costs more than its conventional counterpart. Consumers are tuned in to the possibility of greenwashing, however: When they believe a product has been labeled "green" simply for the sake of being perceived as green, the *greenconsumption effect* disappears.

Who's Tuning in to Green Messaging?

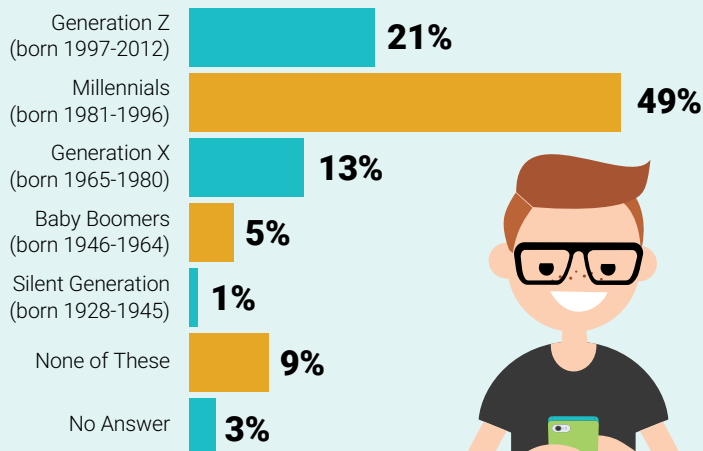
It's not surprising that PMPs are choosing to market their green services through digital channels. A look at the survey data reveals that most respondents believe millennials, Gen Zers and Gen Xers are more responsive to green messaging than older generations.

"It's more the younger generations, definitely. The people who are growing up and buying homes right now are more concerned about allergies and about having chemicals in their home than generations before," says Bobbie Terry of The Bug Lady Pest Control. "On the other hand, it's hard to get some of our older customers to change, to accept IPM and green treatment options. A lot of them still think that if you're not in there spraying their baseboards, you're not doing anything to resolve their issue."

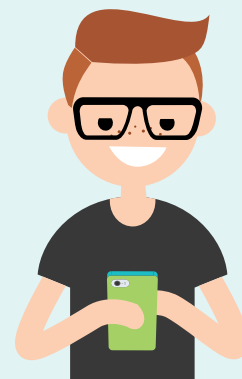
Dan Morin of All Green Pest Control says that some of his older customers do understand the benefits of going with a more natural approach. "The customers who ask us for green solutions range from college students and young parents, who don't want pesticides in their homes, period, to the elderly, who have concerns because they have pets or want their homes to be safe when their grandchildren come to visit."

GREEN APPEALS TO YOUNGER GENERATIONS

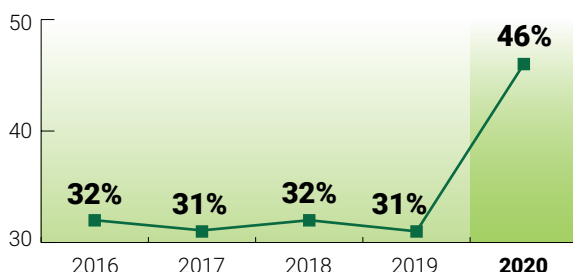
What demographic group do you think is most responsive to a "green" sales and marketing message?



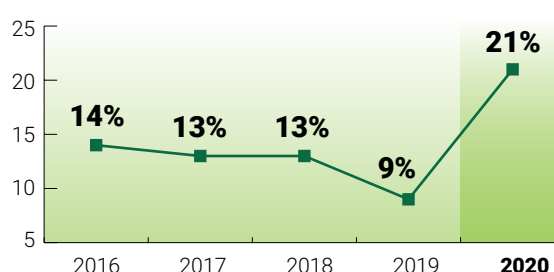
Source: Readex Research; Number of respondents: 238



PMPs WHO PROMOTE GREEN PRODUCTS & SERVICES



PMPs WHO HAVE CREATED A SEPARATE GREEN BRAND



Source: Readex Research; 2020 Number of respondents: 191 (Those whose location used green products for its pest control services in the past year)



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- Apply to sensitive sites (schools, day cares, health care and government facilities)
- Multiple versatile formulations
- Safe when used as directed

A LEGACY OF CONTROL.

