



STATE OF THE **NATURALS** **MARKET**

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NATURAL
SERVICES:
WHAT'S THE
BEST FIT?



CUSTOMER
THOUGHTS ON
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TOP FIVE
PESTS FOR
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PRODUCTS



THE
STRATEGIC
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THE
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IDEAS TO
STRENGTHEN
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PROGRAM


 STATE OF THE
**NATURALS
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PMPs CONTINUE TO **GO GREEN**

A growing number of PMPs are pro-actively offering green solutions to a new generation of customers open to non-traditional treatment options.

Sophia Cruz and Linda Zenon believe in the power of green. They've built their business, LXS Pest Control in North Salem, N.Y., on customers' preference for a natural approach.

"Before we decided to go 100-percent green, our revenues just trickled in," says Cruz. "Then we got serious about taking a natural approach. We earned our GreenPro certification, and I did a lot of research into natural products to find out which would work best. We tested them, took the high performers out into the field and watched our business soar."

Cruz and Zenon are among the 83% of PMPs who are incorporating natural products into their treatment protocols, according to the 2019 PCT State of the Naturals survey recently fielded by PCT and Readex Research. That's 5 percent more than in 2018. And more than half of those surveyed said they would choose a natural product over a traditional pesticide if it is equally effective.

"Demand is rising for green products, particularly among millennials," says Josh Schiffman of Sage Pest Control in Char-

lotte, N.C. "Right now, 10 or 15 percent of our customers request them; I could see that trending up to maybe 25 percent. We're strongly committed to resolving pest control issues with as little impact as possible; if a customer chooses botanicals, we're happy to fulfill their request."

How Natural Products Fit In: Some Key Differences From 2018

It's not just the *number* of PMPs using natural products that has changed since last year. The *way* they're using these products differs as well, as they become more familiar with the properties of green products and their efficacy in various settings. For example, many more companies are putting them to use in residences (81 percent of 2019 survey respondents versus 68 percent a year ago) and as preventative treatments (61 percent in 2019 versus 47 percent in 2018). Liquids, dusts and granules are the most popular formulations.

Yet another difference in 2019: Fewer PMPs are charging more for natural products. In 2018, a third of those using green products were charging more compared to only a fifth this year. They're getting either better prices or stronger efficacy, which is enabling about three-fourths of users to

charge the same for natural products as for traditional treatment services.

As for pests most commonly treated with natural products, there was no change in the top five, but more PMPs are using naturals for cockroach control and occasional invaders than in the past. And although the trend is a few percentage points down for mosquitoes, some PMPs — Bryan Weiss, for example — report tremendous success with natural misting products.

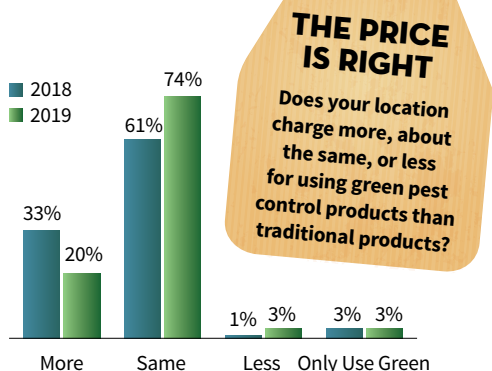
"Although our customers don't typically ask for natural products, we recommend them in circumstances where we know they'll do a great job," says Weiss, owner of Terminators Pest Control in Bensalem, Pa. "For mosquito misting, we only offer green. First of all, it works, and second, when my technicians and I are out misting in 90-degree temperatures, the last thing we need is to have to wear a bunch of protective gear."

We'll share more results from the 2019 PCT State of the Naturals survey in the coming pages to offer insight into how and why many of your peers are offering natural products and greener methods as an option to traditional pest management services. 🌿

**53% OF PMPs
WILL CHOOSE
GREEN OVER
TRADITIONAL
PRODUCTS
IF EQUALLY
EFFECTIVE**

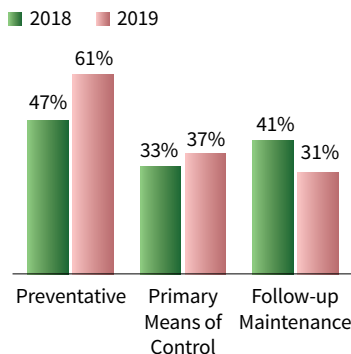
Source: Readex Research;
Number of Respondents: 143

Source: Readex Research; Number of respondents in 2019: 118 (Those whose location used green products for its pest control services in the past year.) Number of respondents in 2018: 152. Respondents could select multiple answers.



TREATMENT TYPES

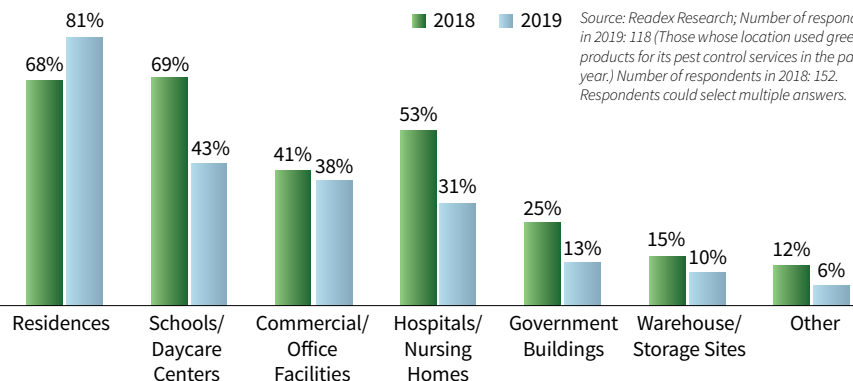
How does your location typically use green products in its pest control efforts?



Source: Readex Research; Number of respondents in 2019: 118 (Those whose location used green products for its pest control services in the past year.) Number of respondents in 2018: 152. Respondents could select multiple answers.

WHERE GREEN PRODUCTS ARE BEING USED

In what types of application sites is your location most likely to use green pest control products?

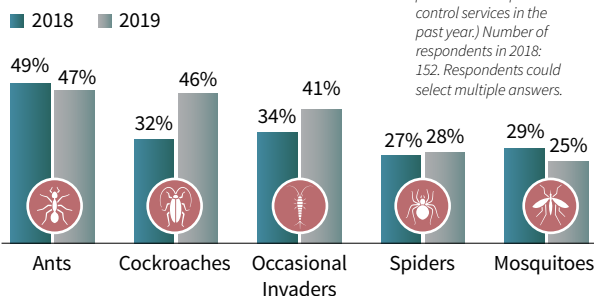


Source: Readex Research; Number of respondents in 2019: 118 (Those whose location used green products for its pest control services in the past year.) Number of respondents in 2018: 152. Respondents could select multiple answers.



TOP 5 PESTS FOR GREEN PRODUCTS

What three pests does your location most commonly control with green products?

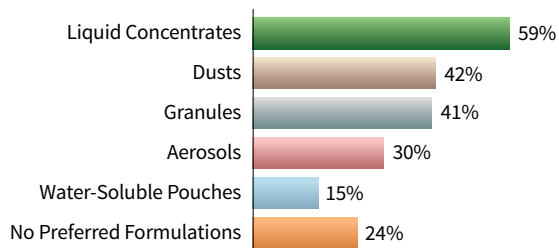


Source: Readex Research; Number of respondents in 2019: 118 (Those whose location used green products for its pest control services in the past year.) Number of respondents in 2018: 152. Respondents could select multiple answers.

PREFERRED FORMULATIONS



Of the green products available, what are your three most preferred formulations?



Source: Readex Research; 143 respondents (respondents selected multiple answers)



THE STRATEGIC POWER OF GREEN

Companies that are not only talking the talk but walking the walk are being rewarded with business and engaged employees.

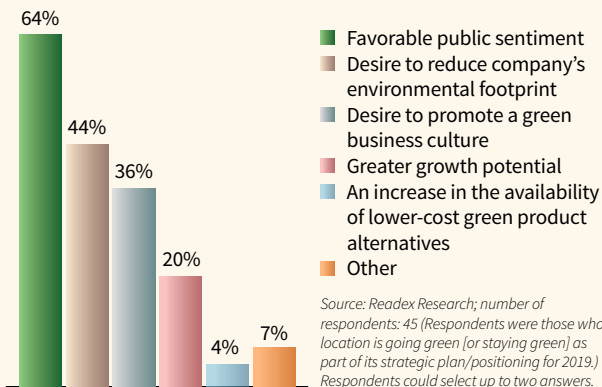
For many PMPs, using natural products is just one part of their commitment to building greener businesses. More than a third (35%) say it's important that they be perceived as being green or environmentally friendly; they realize this means taking additional efforts within their companies to build a green culture and reduce their company's own carbon footprint. Many of them look at their green strategy as not only aligned with their personal philosophy but also smart from a business standpoint: They feel their companies have greater growth potential if they consistently demonstrate environmental stewardship.

Sage Pest Control is one of those companies committed to green through and through. Owner Josh Schiffman says that in addition to limiting chemical applications and engaging customers in their own pest management efforts, the Sage team focuses on making their company's footprint on earth as small as possible. "We hold weekly training sessions and post policies and processes online to remind technicians that every time they slam on the brakes or lay on the gas peddle, they make a negative impact on the environment. We explain the importance of building habits that collectively can make a big difference — rinsing out containers before we dispose of them, for example. We always strive to keep environmental priorities at the forefront of our minds," says Schiffman.

In addition, Schiffman has set a goal of engaging Sage employees in local community activities. "I heard the story of a company that organized a company cruise and made a stop in Mexico to clean up some of the beaches there. Forty people collected 340 bags of trash," he says. "It made me think about how much good our team could do if we all got involved. We plan to go out each quarter to do either some planting or cleanup to help make the world a better place." 🌱

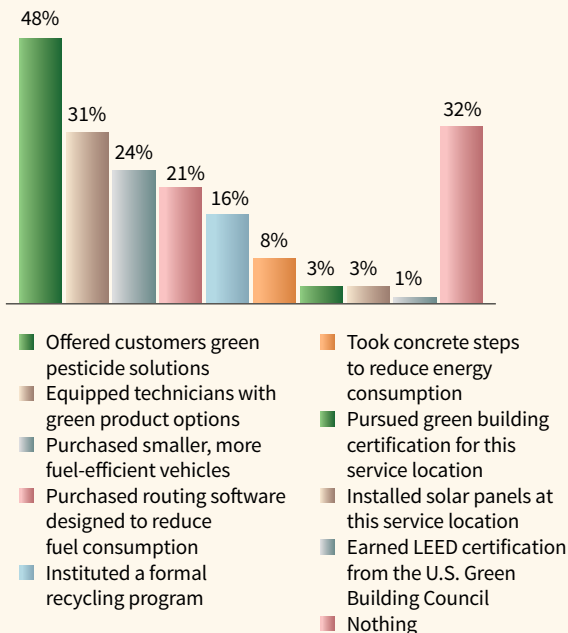
REASONS FOR GOING GREEN

What are the top two reasons your location has decided to "go green" (or stay "green") as part of its strategic business plan/positioning for 2019?



KEY INITIATIVES SUPPORTING A COMPANY-WIDE GREEN STRATEGY

What has your location done to "go green"?



THE ROLE OF MARKETING

Although it's just one part of how companies market themselves, highlighting their green service offerings keeps that portion of their business front and center to potential customers.

Communicating a commitment to a greener world is important. Green Pest Solutions in West Chester, Pa., was named the Best of Philly® 2018 Earth Friendly Exterminator when Philadelphia Magazine learned of its environmentally conscious approach. As might be expected, that publicity has helped build consumer awareness as well as revenues. “This honor and the family-friendly approach we take to pest management across our markets have certainly separated us from competing companies,” says Director of Marketing Ben Schloss. “Our pest business grew over 30 percent last year.”

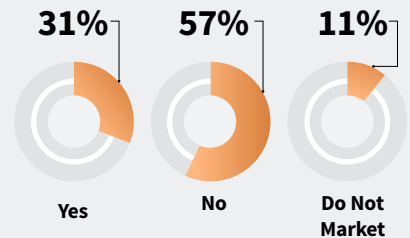
Green Pest markets its outdoor-focused IPM approach under the proprietary brand name Green Band Protection. Some customers ask for it by name while others simply choose Green Pest based on its reputation. “Customers call us because they know we share and address their concerns about their personal safety as well as the environment,” adds Schloss.

Online marketing keeps that reputation front and center, as Green Pest buys ads on a variety of rating sites, leverages both organic search and paid search marketing, and engages with customers on Facebook. “Doing social media right takes a ton of time,” says Schloss. “We recently hired someone to manage this aspect of our communications as we focus even more strongly on customer engagement.”

It's important to also note that being green is just one aspect of how companies would like to be perceived. They report that it is important to their customers to also be trustworthy and reliable; offer high-quality products/services, good value and a service guarantee; be a local company; and demonstrate innovation. 🌱

MARKETING PROMOTES GREEN PRODUCTS AND SERVICES

Does your location promote green pest control products and services in its marketing materials?



Source: Readex Research; Number of respondents: 118 (Those whose location used green products for its pest control services in the past year.)



THE ESSENTIAL TRUTH

GETTING TO THE ROOT OF THREE COMMON MISCONCEPTIONS ABOUT NATURAL PRODUCTS



The adoption of green products has gained significant share in the pest control industry, but the growth appears to be slowing in recent years. According to the 2018 "State of the Green Market" study, 79% of respondents reported little to no increase in their use of green pest control products last year.

"While we've seen strong continued interest in our Essentria® line of botanical pesticides, we're committed to the continued growth and acceptance of this technology industry wide," says Tony Schultz, business manager for Zoëcon Professional Products. According to Schultz, there is still a lot of confusion in the industry about using these types of products. To help set the record straight, the Zoëcon team is here to address the three biggest misconceptions seen in the field.

1 Natural products don't work as well.

Most natural pest control products feature active ingredients that have effectively controlled insects for centuries. The challenge, according to some professionals, is teaching modern PMPs to rethink how they apply natural products. Robert Schoppe has owned Drop Dead Pest Control in Houston for 36 years, and has found great success with natural products, crediting the flexibility of the technology and freedom from current restrictions placed on most traditional pesticides. "With natural products, you can spray like it's 1981 again," said Schoppe. "You can do things with naturals that you can't normally do with synthetics. You can treat what you need to treat— inside cabinets, on ceilings, anywhere there's an infestation." One of Schoppe's most used natural products is Essentria® IC-3 from Zoëcon Professional Products, a versatile formulation that provides PMPs immediate knockdown and residual control with the option to use as a barrier and perimeter treatment, spot treatment or as a fogging application and is approved for sensitive accounts.



2 Selling my customers on natural products is difficult.

Though adoption of green pesticides continues to grow, most of that use is driven by clients requesting these services. According to the survey, nearly 60% of PMPs use natural products in fewer than 10% of all applications. For PMPs looking to incorporate more green products into everyday service calls but worried about client resistance, Mike Kunka with Zoëcon Professional Products has some advice. "Don't sell them on the products you're going to use, sell them on the success," says Kunka, a sales account manager. "You wouldn't lead a normal call selling the customer on the traditional pesticides you would use, so natural products don't have to be treated any differently. If you are confident in the product's ability, let the results speak for themselves."

3 There is not enough information on natural products available.

In this age of technology, finding new information as well as connecting with like-minded people has never been easier. As an advocate for natural pest control, Schoppe has created a community for PMPs to discuss these products. "I have so many people contacting me through these groups, we share experiences, questions and product recommendations with one another frequently," he said. Schoppe adds that the ability to interact with other professionals from across the country removes any concerns about helping out a potential competitor.

Green pest control technology continues to advance, providing greater variety and flexibility to modern PMPs. By understanding the truth behind some common misconceptions, PMPs can be better positioned to take advantage of these green pest control solutions.

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® Contact Spray, Essentria® IC-3 Insect Concentrate, Essentria® G Granular Insecticide, Essentria® All-Purpose Insect Concentrate and Essentria® Wasp & Hornet Spray, all offering long residual control against a broad spectrum of pests. To learn more, visit Zoecon.com.



A LEGACY OF CONTROL



IDEAS FOR STRENGTHENING YOUR GREEN PROGRAM

Thoughts on how to improve your green pest management services.

Incorporating your green services into your overall business strategy takes thoughtful planning, implementation and ongoing monitoring. What should you be doing beyond offering natural product options and services? Here are some ideas.

ENVIRONMENTAL MOVEMENT

How would you characterize the environmental movement in your market area?

OVERALL, OUR CUSTOMERS ARE...

- very environmentally conscious
- modestly environmentally conscious
- not at all environmentally conscious
- no answer

Category	Percentage
very environmentally conscious	16%
modestly environmentally conscious	73%
not at all environmentally conscious	10%
no answer	1%

Source: Readex Research; Number of respondents: 143



Continually Educate Your Technicians and Customers

As green products and protocols continue to evolve, it's important for your technicians and customers to understand how your green program is different from traditional treatments and what the benefits are to customer health and well-being, and the environment.



Engage Customers in IPM Activities

Empower your customers to do their part in protecting their families and the planet by teaching them the importance of removing food and water sources, limiting harborage, keeping trees and shrubs trimmed back from the house, sealing entry points, etc., in ensuring you can go with a low-impact treatment protocol.



Share Results

Communicate — in person, on your website, in your advertising and through social media — what you've been able to achieve in terms of effective control with green products and protocols. Consider including customer testimonials.



Engage Customers Through Social Media

In addition to pushing out messages about your services and experiences, ask satisfied customers to share the reasons they prefer green solutions, and keep a dialogue going in answering pest management questions or concerns they may have. Be sure to also share information about how your staff and leadership commit to sustainable practices in your offices.



Participate in Community Efforts Associated with Protecting the Environment and Public Health in Your Local Markets

Invite customers and other community members to join you in these efforts, and be sure to share photos and follow-up stories on social media and your website. 🌱

THE EVOLUTION OF ENVIRONMENTALISM:

“Healthy for Me, Healthy for We”



As consumer attitudes continue to evolve, today's natural products provide a valuable treatment option for industry professionals.

The topic of sustainability comes up a lot today, not just in pest management but across most, if not all, industries. Overall, people are more tuned in to whether businesses are good stewards of the environment, an important consideration for a growing number of modern-day consumers. Nielsen reported in November 2018, following the release of The Conference Board® Global Consumer Confidence Survey, that products that have achieved the ideal balance of “healthy for me” and “healthy for



STATE OF THE
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34%

OF PMPs SAY THEIR TECHNICIANS CAN EFFECTIVELY COMMUNICATE THE KEY DIFFERENCES BETWEEN GREEN AND TRADITIONAL PESTICIDES.

Source: Readex Research;
Number of Respondents: 143

23%

SAY CUSTOMERS HAVE A GOOD UNDERSTANDING OF WHAT MAKES PESTICIDES GREEN.

Source: Readex Research;
Number of Respondents: 143

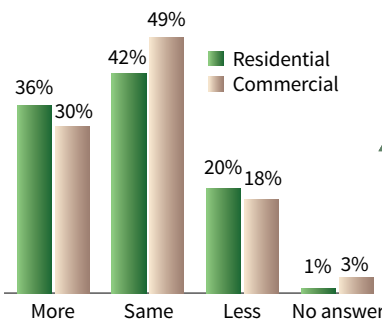
50%

OF PMPs BELIEVE GREEN PRODUCTS ARE MORE READILY ACCEPTED TODAY THAN 5 YEARS AGO.

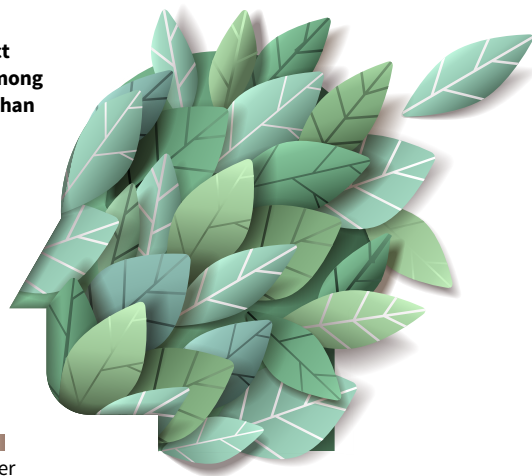
Source: Readex Research;
Number of Respondents: 143

CUSTOMER THOUGHTS ON GREEN PEST CONTROL

Do you think green pest control product options are more or less top of mind among your residential and customers today than they were five years ago?



Source: Readex Research; Number of respondents: 143



we (the world)” are experiencing growing demand. Services living in this sweet spot are likely feeling the love as well.

Unsurprisingly, Nielsen calls millennials “the future of sustainability in the U.S.,” as 83 percent of respondents ages 21-34 agreed with the statement “It is extremely or very important to me that companies implement programs to improve the environment.” Sixty-six percent of respondents ages 35-49, and 62 percent of those 50-64 indicated similar concern. What’s top of mind for these respondents? Water pollution and pesticides, Nielsen says.

Gallup data reflects significant concern for the environment by American consumers as well. Only 8 percent of those surveyed by Gallup in March 2018 say that they *don’t* personally worry about the environment; 42 percent said they worry a great deal.

In fact, asked to prioritize environmental protection or economic growth, the majority of Americans have favored environmental protection, even at the risk of curbing economic growth, for 29 of the past 33 years. In 2018, 57 percent of Americans prioritized the environment, while only 35 percent prioritized economic growth, according to Gallup data.

Personal health and well-being concerns have been around for decades as well.

“Back when I started in the business, 37 years ago, when we were using a lot of acetylcholinesterase inhibitors, customers would sometimes call in a panic because their dog or cat was acting strange; they worried that the pesticides would also affect their families,” says David DeLuca of Allied Services Pest Elimination in San Diego. “But with the changes to products and protocol over the years, treatments are dramatically safer and when people call now, it’s usually because they’ve read something on the internet that has them concerned. We reassure them by explaining that we use low-toxicity products with nothing more than ‘Caution’ on the label and that we apply the least amount of material we can to get the job done.”

The Ongoing Need for Technician and Customer Education

DeLuca asserts that the public perception of pest management needs to continue evolving toward a more positive outlook. He hires technicians who have strong communication skills and are eager to learn. “I make sure my team understands



the products we use and their appropriate application, and that they communicate to customers our commitment to serving as custodians of the environment, including the microenvironments people live in. Our overarching goal is to protect people, not subject them — or ourselves — to any harm,” he says.

It was that desire to serve as custodians of the environment that inspired Cindy and Dan Walls to take a green approach when they established their company, Enviro-Safe Protection Pest Control Services, in 1993. Cindy shares, “As Dan and I prepared to move from our home shortly before starting the business, I was shocked to discover that the grass-cloth wallpaper I was taking down reeked of pesticides. Dan had treated our house occasionally over the years, yet the pesticides had really built up there. It made us think about what was being left behind on homes treated much more frequently. We knew at that moment that our new company would protect customers by using low-toxicity products and an IPM approach.”

As the years have passed, Walls says that many customers are attracted to Enviro-Safe for the name, but many others need to be enlightened about the benefits of an IPM approach. “Sometimes customers will ask us to come out every month, use stronger pesticides or even fumigate their homes, because they believe that’s what it will take to manage their pest

issues,” she says. “We explain that we can achieve effective control with less frequent visits and less-toxic products. Once they see how effective our treatments are, they realize that this is true.”

How Attitudes Toward Green Pesticides Are Changing

When Bryan Weiss of Terminators Pest Control tried a green pesticide on a tick issue in a daycare center 10 years ago, he wasn’t impressed that his truck smelled like root beer for an extended period of time. That experience didn’t stop him from experimenting with green prod-

ucts, though. Today, he uses nothing but naturals for mosquito misting, and he incorporates green products into exterior treatments, sensitive accounts like commercial kitchens and marijuana dispensaries, and a variety of other applications where customers approve.

“If there’s a green product that works as well as a traditional product for roughly the same cost, I’ll use it,” shares Weiss, who says he relies strongly on his 30 years of experience to guide him to the right product for any account. “We recommend it more often than customers request it. It’s surprising to me that even though we service neighborhoods of million-dollar homes, customers often balk if the price is higher for natural products. But we keep pushing, because we know that if more customers use it, the price will come down.”

Weiss is encouraged to continue the green push by the next generation; his son Brandon is a huge proponent of natural products.

“In addition to his work in the field, Brandon gets the word out on social media that we’re committed to green pest control,” he says. “He realizes as I do that there will always be a need for pesticides, but that the move toward less exposure for customers and technicians alike is a positive industry advance. As pest control companies, we need to keep evolving or we risk becoming dinosaurs.”



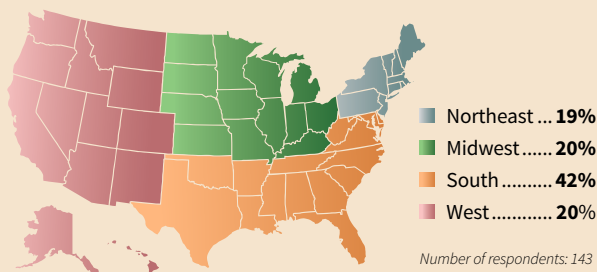
89% OF PMPs SAY THEIR MARKETS ARE ENVIRONMENTALLY CONSCIOUS.

Source: Readex Research; Number of Respondents: 143

ABOUT THIS SURVEY. Sponsored by Zoëcon/Central

Life Sciences, the 2019 State of the Naturals Market Study was conducted by Readex Research, a privately held research firm based in Stillwater, Minn. The survey sample of 2,756 operators and executives of pest control businesses at unique company locations in the U.S. was systematically selected from PCT’s circulation file. Data was collected from 143 respondents, a 5 percent response rate. The margin of error for percentages based on 143 responses is ±8.1 percentage points at the 95% confidence level. Results may not add up to 100 percent due to rounding.

REGIONAL BREAKDOWN OF RESPONSES





GO NATURAL. GONE NATURALLY.

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ESSENTRIA® PRODUCTS FEATURES AND BENEFITS

- FIFRA 25(b) exempt botanical insecticides
- Formulated with naturally derived essential plant oils
- Control bed bugs, flies, fleas, cockroaches, occasional invaders, spiders, ticks, wasps, and 30 other listed pests
- Apply to sensitive sites (schools, day cares, health care and government facilities)
- Multiple versatile formulations
- Safe when used as directed

A LEGACY OF CONTROL.



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