

State of the NATURALS MARKET



► INSIDE:

- Ideal Locations for Natural Product Use
- Marketing Green to Moms, Millennials and the Masses
- Most Popular Natural Product Characteristics
- Exclusive Research & PMP Interviews

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PMPs share insights into and their use of green products which, not surprisingly, varies by region of the United States.

American consumers are tuning in like never before to the environmental and health implications associated with the food they eat, the personal products they use and the companies they choose to do business with. In a business like pest management, where chemicals are used on a regular basis, the level of scrutiny can be extraordinarily high. IPM practices go a long way in addressing consumers' concerns; "green," "eco-friendly" or "natural" products go a step further by ensuring customers they use only non-synthetic ingredients.

In 2017, a strong majority (80 percent) of PMPs reported having used natural products to some degree over the past year. We asked them about this and more through the annual PCT State of the Green Market survey, conducted by Readex Research, as well as through one-on-one conversations.

"If I could use all botanicals in every situation, I would," says Eric Schmitz of Clear Skies Pest Elimination in San Francisco. "In this market, everyone — myself included — is very aware of the need to protect our air and water for the generations to come."



“ NATIONWIDE, CLIENT REQUESTS FOR NATURAL PRODUCTS ARE ON THE RISE FOR MANY COMPANIES, WITH 17 PERCENT OF SURVEY RESPONDENTS SAYING DEMAND HAS INCREASED OVER THE PAST YEAR. SIXTY-FIVE PERCENT SAY IT'S HOLDING STEADY. ONLY 5 PERCENT SAW WHAT THEY CONSIDER A SIGNIFICANT DECREASE, WHILE 10 PERCENT SAY DEMAND SLIPPED SLIGHTLY.

Customers expect me to approach their pest issues in as ecologically friendly a manner as possible. In fact, in some cases, if I tell a customer that their situation may require a traditional pesticide, they'll say, 'Never mind. I'll live with the ants.'

That reaction flies in the face of what's happening in Missoula, Mont., says Nate Nunnally of Custom West Pest Control, where his consumers want results — period. "If this was a big deal to our customers, I would use more natural products, but 99 percent of the people who call us just don't care. They rely on us to deliver a safe product to them, and we do. Synthetic pyrethroids have become so safe that even my 'green' competitor uses them as a backup. The bottom line is that customers in this market just want the bugs gone," he explains.

William Hoffman voices a similar sentiment. Hoffman Exterminating, which serves residential customers as well as hospitals, senior living facilities and food processors in the Greater Philadelphia market, continues to rely heavily on traditional pesticides. "Although a client or two will request natural products, our customers for the most part recognize that we use safe practices," he says. "We haven't seen a compelling reason to move from EPA-registered products to natural products. We feel that there's a good, safe pesticide for just about every situation."

Nationwide, client requests for natural products are on the rise for many companies, with 17 percent of survey respondents saying demand has increased over the past year. Sixty-five percent say it's holding steady. Only 5 percent saw what they

consider a significant decrease, while 10 percent say demand slipped slightly.

But customer request is only one reason PMPs use natural products. Many times, they proactively recommend a natural treatment protocol because they believe that it will work better or that it's a better choice in a sensitive situation.

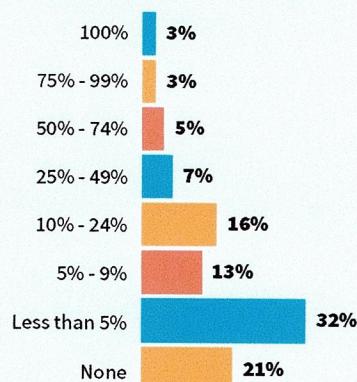
"I worked for almost a decade with a company that used traditional pesticides. As I supervised 10 technicians and did applications myself, I found that effective treatment doesn't depend as much on the product you use as on the way you apply it," says Scott Clark of Bee Green Pest Solutions in Savannah, Ga. "When we established Bee Green in 2009, it was with the philosophy 'If you get results with natural products, why not use them?' I recommend an eco-friendly solution in every situation where I'm confident it will work. It just feels like a better way to do pest control."

Many PMPs look for that good feeling to continue to spread. Danny Kendrick of Pro-Tec Pest Management in Walker, La., predicts, "As people become increasingly mindful of the benefits of green products across the board — including environmental and health concerns — I believe our clientele will drive us to use more natural products in the future."

Even PMPs like Hoffman, who aren't planning to change their standard protocols anytime soon, have left the door open to using natural products in the future. "We're always interested in new technology, new solutions," he says. "As natural products evolve, and as new products are introduced, we'll be right there to give them a try." 🐞

PERCENTAGE OF “GREEN” PRODUCT USE BY PMPs

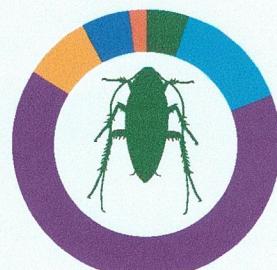
In the past year, what percentage of the products your location used for its pest control services were “green” (also referred to as natural, botanical, organic, or eco-friendly products)?



Source: Readex Research
Number of Respondents: 290

CHANGE IN REQUESTS FOR “GREEN” PRODUCTS & SERVICES

Compared with one year ago, how have the number of requests your location receives for green pest control products/services changed?



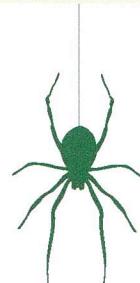
- increased significantly **5%**
- increased somewhat **14%**
- stayed about the same **65%**
- decreased somewhat **8%**
- decreased significantly **6%**
- no answer **2%**

Source: Readex Research
Number of Respondents: 290

Where Eco-Friendly Products Are a **NATURAL FIT**



As PMPs respond to an evolving marketplace and provide customers with the eco-friendly treatment options they want, natural products are, for many, becoming an essential component of IPM programs.



Dave Anaya of A&M Pest & Termite Control in Pueblo, Colo., says he decides whether to use natural or traditional products on an account-by-account basis. "We definitely use natural products in hospitals and nursing homes, as well as in residential accounts where homeowners embrace the idea," he says. "We've used naturals for primary, preventive and maintenance treatments with very good results."

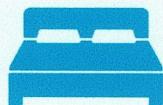
In fact, 68 percent of PMPs say they use green products most often in sensitive accounts, such as schools, hospitals and senior living facilities. More than half (54 percent) use them mostly for indoor applications, while 37 percent use them mostly outdoors. A third say they use them in food handling and processing areas, with nearly as many using them on farms, orchards and gardens where food is produced.



LOCATIONS WHERE GREEN PRODUCTS ARE USED

Which of the following is true for your location's green operations?

COMPANY MOSTLY USES GREEN PRODUCTS...



56%

for indoor applications



37%

for outdoor applications



29%

in areas where food is produced (e.g. farms, orchards, gardens)



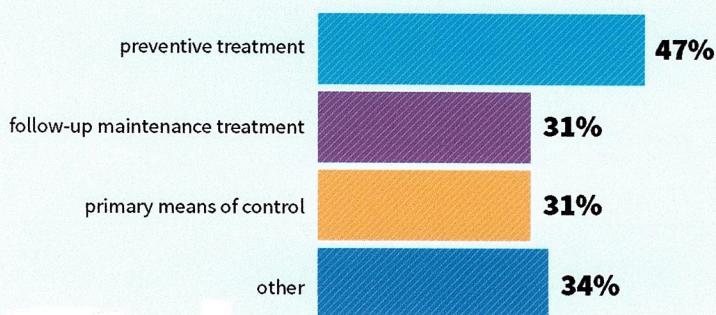
31%

in areas where food is handled/processed

Source: Readex Research Number of Respondents: 229

TYPICAL USE OF GREEN PRODUCTS

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



Source: Readex Research Number of Respondents: 229

However, James Jamieson, food safety manager at Hoffman Exterminating, cautions that green products are generally not approved for use in certified-organic food facilities: "We can use only those products on the approved list of EPA-registered products at certified-organic operations. Since most natural pest control products are exempt from FIFRA regulations, they don't get the nod."

Like Anaya, many PMPs use green products in a variety of situations. When asked how they *typically* use green products, more than half (54 percent) say preventively, while 29 percent say they use green products for follow-up maintenance, according to the PCT survey. Nearly a quarter (24 percent) of respondents say they use green products as the primary means of control.

Which Pests Respond Best?

Often, the choice of a natural product depends on its efficacy in treating a certain type of pest. For example, Aaron Veal of Phoenix Pest Control in Knoxville, Tenn., says that his choice of a particular natural bed bug product has nothing to do with the fact that it's a green product; he uses it because it works.

"I use a botanical spray that mechanically erodes the bed bug's exoskeleton," Veal explains. "Once that cuticle has been compromised, the pest is more vulnerable to pesticides. The key to successfully controlling bed bugs is rotating modes of action."

Nate Nunnally of Custom West Pest Control shares a similar view: "We've found, particularly in cases where resistance is an issue, that bed bugs are better treated with a natural product. We've been called in to many accounts where a pest control company wasn't getting the job done because the bed bugs had built up resistance to their traditional pesticides. We've achieved phenomenal results using a green product."

Veal and Nunnally are among a quarter of PMPs across the country who say bed bugs are one of their top three targets for natural products. Overall, ants are the pest most often targeted, with 45 percent of respondents naming them among their top three, followed by occasional invaders, at

Looking Ahead: Green Alternatives and Botanical Solutions to Become the New Normal in Pest Control

The pest control industry is constantly evolving to incorporate new and improved solutions for professionals, including "green" products approved for a wide range of application sites. Currently, green products are mostly used as a complement to traditional pest-control solutions based on the application setting or client request. As industry standards and consumer demands continue to evolve, pest management professionals must prepare for the larger role green products will soon play.

"Natural products are the future of pest control, and our goal is to provide PMPs with the greener alternatives their customers want," said Ken Turrentine, director of marketing for Zoëcon Professional Products. "With this shift in the industry, Zoëcon wants to reaffirm its dedication to being a



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resource for comprehensive and innovative solutions."

Turrentine cites the 2017 State of the Green Market survey as evidence of this trend as it found that 61% of respondents claimed the "millennial" generation was most responsive to sales and marketing messages around green products. PMPs need to position themselves to best serve this demographic that will only grow its representation among home owners and business decision makers.

The market's gradual shift toward adoption of green pesticides will move the products beyond their regional popularity – currently highest within the Pacific, Southeastern and Northeastern region – to a stronger presence nationwide. It is important for PMPs in areas with less demand for green products to get ahead of the curve. By proactively educating staff technicians on how to effectively use these products and by expanding service offerings around them now, businesses will have a foothold in the market and be ahead of competitors late to react to the changing trend.

One of the most effective ways to introduce green products to both staff and customers is to work them into a larger, comprehensive integrated pest management program. Establish guidelines for the application sites and settings that could benefit from the use of natural products in place of a traditional option. In instances that will still call for the use of more conventional pesticides, consider green options for follow-up maintenance applications.

As green products become more commonplace and the demand for them continues to grow, so too will the supply of options being presented in the marketplace as "green." If PMPs are to find success with these alternative solutions, they must ensure that they are only accepting products formulated from the highest quality ingredients. When evaluating and comparing product options, PMPs should request a complete list of ingredients to help determine the best fit for the operation's needs.

The transition to natural pest control is already underway and an inevitable reality for pest management professionals. While it may pose an obstacle for companies not ready to embrace it, it will present great opportunities for those ready to take advantage.

Zoëcon Professional Products offers the industry's most complete selection of pest control solutions, including the Essentria® family of products. These naturally derived pest control formulations are all FIFRA 25(b) exempt, offering an environmentally conscious option. To allow for application flexibility, the line features three formulations: Essentria® IC-3, Essentria® G Granular Insecticide and Essentria® All Purpose Insecticide Concentrate. The products are formulated with essential plant oils to provide immediate knockdown and long residual with an insect-specific mode of action to control a broad spectrum of pests.

Visit Zoecon.com to learn more.



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“ MANY PMPs USE GREEN PRODUCTS IN A VARIETY OF SITUATIONS. WHEN ASKED HOW THEY TYPICALLY USE GREEN PRODUCTS, MORE THAN HALF (54 PERCENT) SAY LY, WHILE 29 PERCENT SAY THEY USE GREEN PRODUCTS FOR FOLLOW-UP MAINTENANCE, ACCORDING TO THE PCT SURVEY.

40 percent, and cockroaches, at 32 percent, according to the survey.

How PMPs Choose Natural Products

In the past, some PMPs shied away from green products because they didn't have the same residual strength as traditional pesticides. But as products and attitudes evolve, the tide seems to be turning on this concern.

"We are seeing really good residual rates on the natural products we're using," says Anaya. "Many times, we'll find that a product is still active three to four months after application. To us, residual and knockdown are key to our choice of product, and we've had no problem identifying green products that perform well in both of these areas."

Residual is one of the most important factors in choosing a green product, with 74 percent of PCT survey respondents indicating that this factor is key to their product choice. Ease of application (71 percent) and impacts on equipment (70 percent) are key factors as well.

Eric Schmitz of Clear Skies Pest Elimination talks about wear and tear on equipment: "Oil-based products can be rough on equipment, because the oils tend to coat the gaskets and filters. Alcohol-based products don't do that. But it's a trade-off: In my experience, alcohol-based products smell better and are easier on equipment, but oil-based products yield better results. You really do need to weigh all of the pros and cons before you

select a product."

To Schmitz's point on odor, two-thirds of PMPs say this is an important consideration. Even customers who understand that the source of the strong scent is the product's natural essential oils are sometimes vocal in their dissatisfaction. That's why some PMPs limit their use of smellier products to outdoor applications.

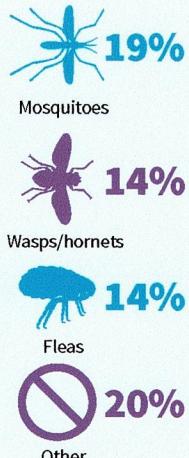
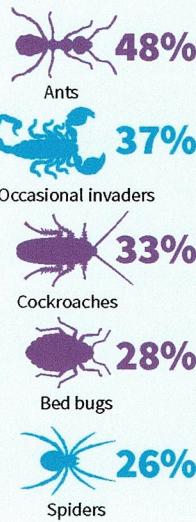
"Odor is the No. 1 complaint we hear after applying a green product," says Veal. "Unfortunately, sometimes the smell lasts longer than the efficacy."

Danny Kendrick of Pro-Tec Pest Management, who uses natural products in senior living facilities, hospitals and other sensitive accounts, agrees. "Being green is wonderful, but there's not much tolerance for strong odors in these sensitive scenarios. When I evaluate natural products, I consider low odor to be a tremendous attribute."

Also on the "tremendous attribute" list? Labels that specify which pests the product is designed to treat (77 percent say this is important), and limited restrictions on its use (67 percent). 

THREE PESTS MOST COMMONLY CONTROLLED WITH GREEN PRODUCTS

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

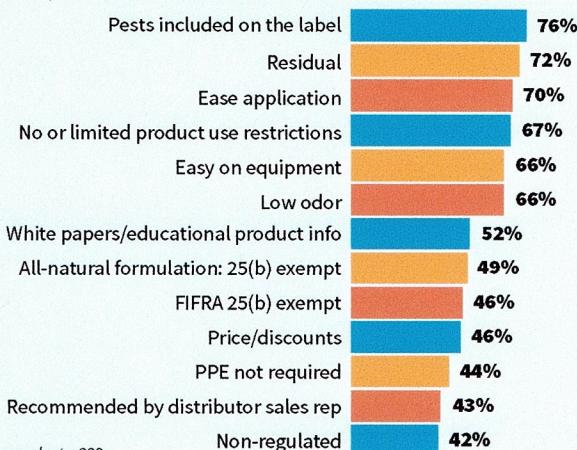


Source: Readex Research Number of Respondents: 229

LABELED PESTS, RESIDUAL CONTROL KEY FACTORS IN "GREEN" PRODUCT CHOICES:

How important are each of the following factors in your decision to purchase a green product to use for your pest control services?

(rated 4 or 5 on a 5-point scale where 5 = very important and 1 = not at all important)



Marketing to MOMS, MILLENNIALS and the **MASSES**

Google “Savannah green pest control” or “Hilton Head green pest control,” and Bee Green Pest Solutions pops up as the first result following a couple of paid Google ads. That’s because co-owners Scott Clark and Tim Jones recognize the value of maintaining a focused website that differentiates their company as eco-friendly among competitors in their two major markets.

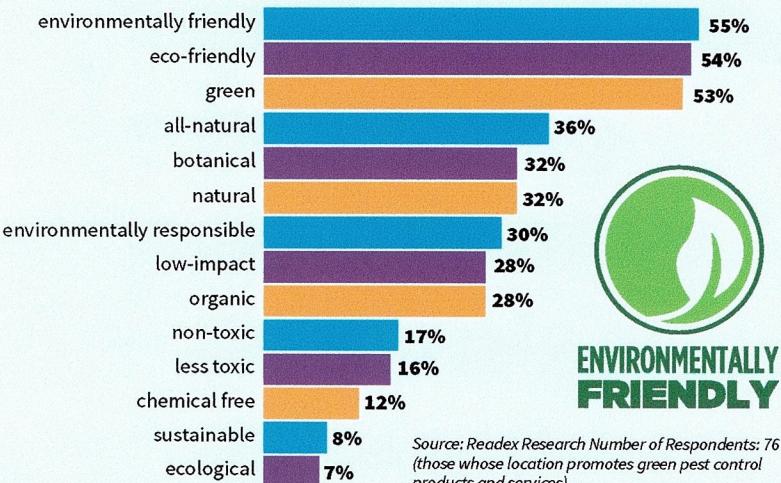
“The name ‘Bee Green’ in itself helps us stand out,” says Jones. “We also do some SEO [search engine optimization], regularly updating our content to ensure we’re meeting the informational needs of our target audiences and making it consistently clear to them that we are serious about protecting their homes and families, as well as serving as conscientious stewards of the earth.”

Green product and service offerings are more highly valued among certain audiences. Do you know which of your customers are most open to utilizing natural products?



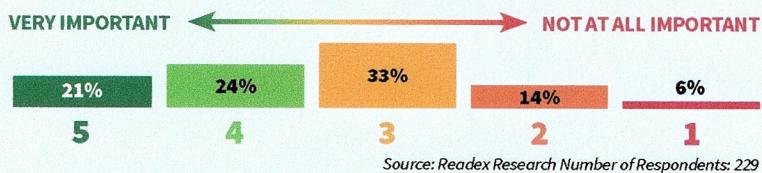
TERMINOLOGY USED TO PROMOTE GREEN PRODUCTS/SERVICES

What terminology does your location use in its marketing materials to promote green pest control products and services?



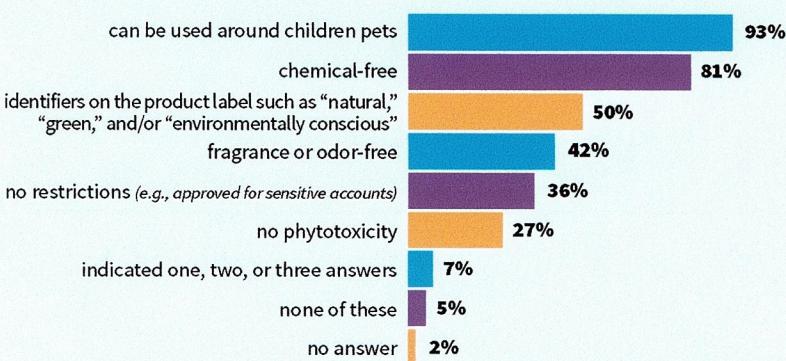
IMPORTANCE OF BEING PERCEIVED AS “GREEN”

How important is it to you that your location is perceived by the public as “green” or environmentally-friendly?



MOST APPEALING CHARACTERISTICS OF GREEN PRODUCTS/SERVICES

Which three of the following characteristics of green pest control products and services do you think customers find the most appealing?



Jones, Clark and other PMPs across the country place a high value on establishing a “green” image in their markets. You told us through our survey that being perceived as environmentally friendly rates 3.4 on a scale from 1 to 5, with 1 being “not at all important” and 5 being “very important.”

“People don’t want to expose themselves, their families, their pets and the environment to more chemicals than are absolutely necessary,” Clark says, sharing that Bee Green is especially appealing to mothers, who make protecting their children their top priority.

Jones adds, “We know that women tend to be the primary decision-makers when it comes to pest control, so we make sure we address their concerns through our treatment protocols and our communication with them. We’ve been fortunate to have many of the moms who have used our services tell their friends about us through their Facebook groups. We supplement these and other organic reviews on Facebook, Google, Yelp and other channels with social media marketing.”

Bee Green’s approach reflects the evolving face of pest management marketing. Where Yellow Pages ads and door hangers were once the standard, interactive “conversations” through social media and website channels are gaining tremendous momentum and delivering positive results for many companies.

“For my small company, the unsolicited reviews we’ve gotten on Yelp have been all the marketing we’ve needed. We’re working at or beyond capacity all the time,” says Eric Schmitz of Clear Skies Pest Elimination.

This doesn’t mean that traditional tools are passé. Print, radio and TV advertising are still popular marketing tools, as are leave-behind collateral materials.

For example, Danny Kendrick of Pro-Tec Pest Management finds that fliers detailing Pro-Tec’s natural approach to pest control are every bit as essential to his marketing efforts as his website is. “We treat a lot of sensitive accounts such as medical facilities and nursing homes—accounts that are often interested in natural control methods. It’s very helpful for them to be able to have some collateral material to refer to after we’ve had a face-to-face meeting with them,” he explains.



IMPORTANCE OF COMPANY CHARACTERISTICS:

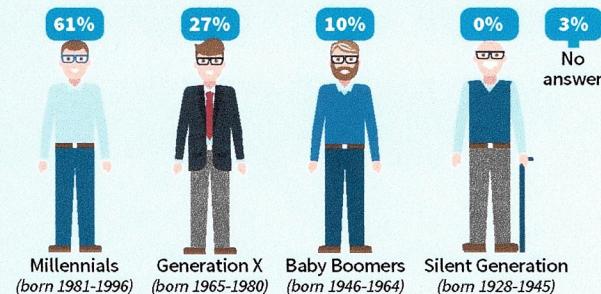
How important do you think it is to your customers that companies they do business with are described as each of the following?



Source: Readex Research Number of Respondents: 290

DEMOGRAPHIC GROUP MOST RESPONSIVE TO "GREEN" MARKETING

Based on your personal experience, what demographic group do you think is the most responsive to a "green" sales and marketing message?



Source: Readex Research Number of Respondents: 229

Generational Preferences

One of the reasons online marketing has taken on such a prominent role for many companies is that millennials and Gen Xers often prefer electronic communication, whether to learn about businesses, services and products, or to schedule and pay for the services they choose. PMPs are adapting their websites and service protocols in response to these evolving preferences, by adding online scheduling and payment, and offering email communication rather than phone calls or face-to-face conversations.

PMPs are also responding to consumers' growing reliance on online reviews. Re-

“ WHEN ASKED BY PCT WHICH GENERATION IS MOST RESPONSIVE TO "GREEN" MARKETING MESSAGES, 61 PERCENT OF PMPS SAID MILLENNIALS. GEN XERS EARNED 23 PERCENT OF THE VOTE, AND BABY BOOMERS 12 PERCENT.

search shows time and again that millennials and Gen Xers in particular rely strongly on online reviews for guidance when they are deciding which local businesses to patronize. One study, a December 2016 survey by FindLaw and Super Lawyers, revealed that 91 percent of 18- to 51-year olds say they trust online customer reviews.

(Baby Boomers aren't too far behind, as 83 percent say they trust online reviews.)

This trend is important to your business overall, as online reviews can reinforce your company's reputation for a host of positive qualities such as integrity, reliability and value. It's also particularly relevant to this discussion of natural products because millennials and Gen Xers are the most likely buyers of natural pest control services. When asked by PCT which generation is most responsive to "green" marketing messages, 61 percent of PMPs said millennials. Gen Xers earned 23 percent of the vote, and Baby Boomers 12 percent.

"Younger customers are more likely to ask that we use natural products, and we're happy to accommodate their wishes," says Dave Anaya of A&M Pest & Termite Control. "We know that if we meet their needs, they will not only use our services themselves but also tell their friends — both personal and online friends — and neighbors."

You know what that means: Word of mouth is still as powerful a marketing tool as ever.

ABOUT THE SURVEY

The 2017 State of the Green Market Survey was sponsored by Central Life Sciences and compiled by Readex Research, a privately held research firm based in Stillwater, Minn.

An initial survey sample of 2,322 owners, operators and executives of pest control businesses in the U.S. and Canada was systematically selected from PCT's circulation file. A second survey sample was sent to 2,309 additional PMPs. Data was collected from 290 respondents, with 229 of those stating their company location used green pest control products in the past year. The margin of error is plus or minus 6.3 percent at the 95 percent confidence level.





GET FLEXIBLE SOLUTIONS FOR GREEN CONTROL

Zoëcon is proud to carry a variety of pest control solutions that feature botanical ingredients naturally derived from plants. These reduced-risk products are gentle enough for the most sensitive application sites, including nursing homes, daycare facilities and residential accounts. Additionally, Zoëcon® botanicals can be used alongside our traps, baits, IGRs, traditional chemistries and synergists to complete your IPM program. With versatile application methods and a variety of formulations, Zoëcon® botanicals can be counted on for mighty yet gentle control.

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