UC Agriculture & Natural Resources

Proceedings of the Vertebrate Pest Conference

Title

Vision 2020: The Future of the Pest Management Industry

Permalink

<https://escholarship.org/uc/item/6mx1k019>

Journal

Proceedings of the Vertebrate Pest Conference, 26(26)

ISSN

0507-6773

Author

Clark, Kevin

Publication Date

2014

DOI

10.5070/V426110450

Vision 2020: The Future of the Pest Management Industry

Kevin Clark

Critter Control, Inc., Traverse City, Michigan

ABSTRACT: In June 2013, the National Pest Management Association and Bayer held a workshop to launch “Vision 2020,” a multi-year initiative intended to guide and shape the future of the pest management industry. The initiative identified future trends and equips the industry to enhance its value to society in the midst of emerging societal, economic, technological, and regulatory issues.

KEY WORDS: demographics, economy, environmental regulation, pest management industry, regulations, technology, trends

Proc. 26th Vertebr. Pest Conf. (R. M. Timm and J. M. O'Brien, Eds.)
Published at Univ. of Calif., Davis. 2014. Pp. 449-452.

INTRODUCTION

In June 2013, the National Pest Management Association (NPMA) and Bayer co-sponsored a workshop to launch “Vision 2020,” a multi-year initiative intended to guide and shape the future of the pest management industry (NPMA 2013). The 3-day workshop involved 40 industry leaders from the pest control industry who were challenged to analyze current trends and predict related implications, and to imagine potential future scenarios in 4 major areas:

- Society and Demographics
- Technology and Science
- Regulation and Environment
- Economy and Markets

As an industry, and at our own company level, we should always be looking ahead spotting emerging economic trends, new technology, and making educated guesses about how government regulations and shifting demographics affect the way we do business. Those who ignore the past may be destined to repeat it, but without forward thinking there also would be no innovation, no new discoveries, and no compelling reason to change the way things are done. NPMA and Bayer focused in and invited us to look down the road to pest management's new horizons.

SOCIETY AND DEMOGRAPHICS

Nothing will affect our industry more than the seismic demographic shifts now reshaping America. These shifts represent several important dimensions, each with its own implications for the industry.

Population Growth

Census experts believe the U.S. population will grow from 314 million in 2012 to 420 million in 2060 – a 40% increase in less than 50 years, with significant increases in aging and ethnic diversity (Colby and Ortman 2014). This growth, while less than the baby boom years, will create more households. With modest population growth will come a new wave of potential customers for pest management services.

Between now and 2020, millions of baby boomers will retire. This “silver tsunami” is already having a ripple effect on health care costs, the housing market, the purchasing of goods/services, and the labor market

(Toossi 2012). It won't be long before more than 20% of the U.S. population is older than 65, resulting in a nation of ‘27 Floridas.’

At the same time, a new generation of Americans is emerging, but they're tech-savvy, with a strong sense of community and a short career attention span. From a customer and labor perspective, we will need to anticipate the needs of seniors as they retire and relocate, as well as anticipate the needs of younger consumers as they become first-time homeowners and parents. We will face a labor shortage or labor crisis as baby boomers retire. We need to attract younger ‘Millennial’ workers, which require different approaches to:

- recruitment (they want to make a difference);
- retention (quick to change jobs); and
- training (people want bite-sized information delivered via technology).

Most importantly, it will be a buyer's market, so businesses will have to become more aggressive about identifying potential applicants.

Gender

The U.S. Bureau of Labor Statistics estimates that by 2020, women's participation in the labor force will be greater than men for the first time in history. Women also will continue as primary bread-winners in many households (Toossi 2012). To recruit the best employees, we will need to make pest management an attractive career for women, especially working moms, with flexible hours.

Race and Ethnicity

The face of America is changing. By 2050, 54% of the population in the U.S. will be minorities, with the Hispanic population expected to triple from 2008 through 2050 (CNN 2008). From a customer perspective, we need to direct services/marketing efforts to the needs of an increasing Hispanic homeowner population. From a workforce perspective, we need to adapt approaches to recruiting, retention, and training.

Values

While the country is deeply divided on a range of political issues, there are some common values that continue to cut across age, gender, and socio-economic

boundaries. These include consumer empowerment, sustainability, and healthfulness. Technology will continue to change the way people gather and share information, resulting in consumers who are smarter about purchase decisions and better able to communicate with others to support (or ignore) products and services that do or don't meet their expectations. These consumers will hold companies more accountable for their behavior, which is why it is important everybody in the pest management industry does their best at all times, with strict Minimum Operating Standards enforcement. If even one provider doesn't live up to its obligations to customers, it affects us all. We need to adopt the latest technology and to communicate with and serve consumers empowered by technology. We also need to position our services in the context of changing values around sustainability/health. This might include adopting softer solutions, increased education efforts, and repositioning wildlife management so it's more focused on the benefits of protecting public health.

TECHNOLOGY AND SCIENCE

Advancements in science and technology will continue to change just about every aspect of our industry, from how we diagnose problems, to what we recommend, and how we interact with customers. The adoption of mobile computing devices—phones, tablets, auto devices, and 'wearables' (such as glasses and watches)—is accelerating rapidly. We and our customers will be moving around with more computing power and connectivity than at any time in history, improving our ability to communicate and solve problems effectively and profitably.

Mobile tech will help us improve scheduling and routing, saving time and fuel. It will also improve our ability to communicate in real time/on the go with customers. Wearable technologies (i.e., Google Glass) will allow us to capture pictures and data at the time of service, improving the diagnosis and treatment of pest issues.

Building Materials

Future building materials include construction products made from polymers or composites, for example, which eliminate the threat of wood-eating insects. They also include exclusion technologies that will sense the presence of pests, or even repel or trap pests through wireless signals or scents. These technologies represent an opportunity to define solutions in a way that is broader than conventional pesticides. It is also an opportunity for pest management professionals to leverage our knowledge of pests with architects, engineers, and construction managers.

Chemistry

We are just beginning to see softer chemical products that work as expected with improved safety/environmental profiles. This trend will continue, as tech partners strive to meet the public's growing desire for products that are both effective and sustainable. These products will give us more options to meet customer needs and allow them to appeal to the natural pest control segment. This will give us positive talking points about

what we're doing to continually strengthen our ability to control pests responsibly.

Big Data

Today, a full 90% of all the data in the world has been generated over the last 2 years (SINTEF 2013). That trend will continue, thanks to changing technology, as will the amount of data that will be available to those who choose to access it/use it to their advantage. We need to invest in the ability to harvest data for insight into customers' behaviors and buying trends, so that we anticipate needs and tailor services. This will result in higher perceived value and stronger relationships.

REGULATIONS AND ENVIRONMENT

Signs everywhere beckon people to recycle, share a ride, conserve water, and stop polluting, in order to protect the environment and natural resources. While no one can predict the future with certainty, few question that overall public awareness of environmental issues and regulatory scrutiny of pest control practices will continue to increase.

Greater Understanding of Exposure

You have all heard about the dangers of exposure to allergens associated with peanuts, cockroaches, or fire ants. With a health-conscious society and an ever-expanding flood of health-related information, consumers are more aware of the potential effects of exposure to many elements, and they are likely to become more attuned to these issues as the push to keep people healthy continues. We should play a lead role educating consumers about the role pests play in public health and the importance of professional pest management in protecting the health of their families. We must be more transparent about the potential health effects related to the exposure to pest control products.

Water and Air

In recent years, we have seen heightened concerns about water quality and quantity, such as producing enough food/water to feed a growing world population, and to meet residential and commercial needs. There is also a concern about the reduction of air quality, particularly in densely packed urban areas. Collectively, these concerns are likely to spark additional regulatory scrutiny and perhaps more restrictions aimed to protect the quality/quantity of natural resources. Pests aren't going anywhere, so people and businesses will continue to need professional pest management. And, given the potential for greater concern and scrutiny about environmental issues, we have a huge opportunity to introduce softer, more sustainable products and services.

Local vs. National Regulations

The idea that all politics is local has never been more true than it is today. Thanks to perpetual gridlock in our nation's capital and the challenges of reaching national consensus on a range of legislative issues, an increasing number of states/municipalities are opting to pass their own laws. Special interest groups, including non-governmental organizations, find it easier to introduce legislation

at the state/municipal level versus the federal level. This trend provides environmentalists and pesticide critics with more avenues to pursue opposition to all products. As such, it is critical for us to build strong advocacy networks at the federal, state, and local levels. Having a cadre of respected, vocal advocates in all the right places will help protect the industry's best interests in this increasingly decentralized regulatory environment. This trend also represents more platforms to engage/educate policy-makers, as well as the public, about the important role pest management plays in public health, and the industry's evolution from tool-based to knowledge-based solutions.

Climate Change and Population Shifts

Most scientists agree climate change will have an impact on pest management from several perspectives. As regions of the country become warmer, wetter, or drier, pest populations may shift accordingly, causing pests to enter or exit the scene. This, in combination with population growth and the emergence of mega-cities, is likely to aggravate health problems (allergies) or usher in new ones (vector-borne diseases). We need to be ready for the emergence of new pests in new regions. With every changing condition comes an opportunity for us to become the experts in educating customers to the changing world of pest management.

ECONOMY AND MARKETS

In our industry, the goal is for customers to place a high value on the services we provide and the impact of those services on public health and the quality of life. In other words, we want our services to have a high value-to-cost relationship. The reality, however, is that the perceived value of what we offer depends a lot on the overall economic forces at play. When consumer confidence slides and people begin to worry about jobs and disposable income, their willingness to invest in environmental protection, or green products, often wanes. Conversely, when economic forces drive prices too high, as is often the case with gas, meat, or vegetables, even in good times consumers will change their buying behaviors accordingly. Perhaps more than any other dimension of the future, macro-economic forces are going to affect most aspects of the pest management industry, including supply and demand. The Vision 2020 participants identified 5 key future trends and their implications relative to the economy and markets:

Household Income

Many economists predict the income gap between the wealthiest and the least wealthy will continue to grow, and that the average income will continue to decrease. This results in a smaller upper/middle class. We may be in greater competition for available business, and we need to explore marketing efforts that increase the perceived need for and value of pest management services among lower-income consumers.

Rising Input Costs

The price of raw materials is increasingly less predictable. This affects the cost of fuel, fertilizer, and

utilities. Rising input costs of any kind will force us to find ways to become more efficient, or consider consolidating with others to obtain greater scale/efficiency.

Changing Workforce

A seismic shift in the labor force will occur in the years ahead, one in which millions of older/Caucasian workers are replaced with millions of more ethnically diverse 'Millennials.' That's the good news. The bad news is that there will not be enough of them to get all the work done. This trend will force us to change the way we recruit, train, and retain workers. We will have to compete for the best workers, explore new avenues for finding talent, perhaps in non-traditional places. We must also find ways to become more attractive for women, who are entering the workforce in greater numbers.

Housing Market

The economy has taken its toll on housing, and while new home construction has picked up, the number of people renting continues to grow at a disproportionately high rate. Further complicating matters is urban sprawl, which over time will result in major metro areas coming together to form mega-cities. As the housing landscape changes, we need to consider how to tackle emerging markets represented by new homeowners and property managers. This may include partnerships with smart building suppliers or others offering a holistic approach to pest management. We will also have to rethink our service territories and transportation strategies if they want to follow the sprawl and the money.

Green Economy

Green products/services tend to wax and wane with the economy, but most agree interest in environmental protection by government and consumers will continue to increase, and sustainability will become a mainstream value. Evidence of this includes the number of start-ups and investment funds aimed at developing green innovations capable of addressing environmental issues, creating jobs, and stimulating the economy. Demand for green innovations will continue to grow. The key to capturing value, however, will be delivering tangible benefits for which people are willing to pay. Case in point is the introduction of softer solutions that have less environmental impact, but meet customer expectations for pest control, such as live trapping of more desirable vertebrate pests.

DISCUSSION

As an industry, we should always be looking ahead spotting emerging economic trends, new technology, and making educated guesses about how government regulations and shifting demographics affect the way we do business.

LITERATURE CITED

- CNN. 2008. Minorities expected to be majority in 2050. Website.
- Colby, S. L., and J. M. Ortman. 2014. The baby boom cohort in the United States: 2012 to 2060. Population estimates

- and projections. U.S. Bureau of the Census, U.S. Department of Commerce, Washington, D.C.
- NPMA (National Pest Management Association). 2013. NPMA and Bayer Launch Vision 2020. News release, July 30, 2013. National Pest Management Association, Fairfax, VA. Available online.
- SINTEF. 2013. Big Data, for better or worse: 90% of world's data generated over last two years. ScienceDaily. Available online.
- Toossi, M. 2012. Labor force projections to 2020: A more slowly growing workforce. Monthly Labor Rev., January 2012, pp. 43-64. Available online.