How to Differentiate Your Business Amongst Increasing Commoditization
There’s good news on the horizon for the U.S. professional pest control Industry. In a recent report, it’s estimated that the market for services should reach $10 Billion in revenue by 2020. It’s predicted that the industry will grow at a compound annual growth rate (CAGR) of 4.6% over the next 5 years.

In 2015, the industry generated an estimated $7.8 Billion dollars in total service revenues, up 4.7% from 2014 according to the report: *A Strategic Analysis of the U.S. Structural Pest Control Industry*.

This growth is driven by increased economic activity, demand due to rising awareness, middle-class populations, more stringent regulations in sanitation and hygiene, along with a rise in government spending on health related issues.

This is all great economic news, but as the future for pest control looks bright, another trend in the industry could have a negative effect on small to medium size operators. The commoditization of the pest control industry is one of the looming realities that you need to understand today in order to mitigate the risks associated with your business tomorrow.
Here’s the definition of “commoditization”:

**Commoditization** of an industry occurs when consumers can buy the same product or service from different small or large providers. Price becomes the only distinguishing factor in a commoditized product or service because there’s no significant difference in how consumers perceive what they’re getting from the company.

Examples of this trend are in industries all around you:

- **Airlines**
- **Hospitality**
- **Telecommunications**

...and so on. Consolidation and commoditization are common issues for growing a small to medium size business, and in competing with the larger companies that are all around you.

In this age of online search, consumers can easily shop companies offering the same or similar services looking for the best deal. Companies end up undercutting competitors on price alone, cannibalizing the market in a race to the bottom — where small to medium size businesses get squeezed out by larger companies with the ability to maintain profit margins on volume.
While many things have changed in the pest control industry, a few things haven't. Although the industry is predicted to grow, market penetration has remained almost constant at around 22% according to some industry reports. This means there’s a large percentage of potential new users of pest control services that could be acquired and additional significant revenues generated for your business.

So the question becomes, how do we overcome the trend of commoditization and build a base of new customers in the process?

Some of the key factors you need to consider are basic to the service industry, but can get lost or pushed aside by the need to compete on price alone. Here’s a few ways you can buck this trend:

- **Identify, Articulate and Sell VALUE**
- **Customer Experience**
- **Increase Efficiency**
Identify, Articulate and Sell VALUE

One size fits all. That’s the approach by some large pest control companies. They utilize call centers that are driven to produce a volume of sales. The customer service representatives read from scripts — trying to quickly determine the basic needs of the caller and get a service appointment on the schedule. Once the initial service call is made — how much time is actually spent by these larger companies truly assessing the customer’s situation and proactively creating a solution before they just spray everything down?

One of the major differentiators between price and value is the ability to provide consultative services. With a consultative approach (the value-based selling method), you take a real, open, honest, and transparent approach and genuinely want to fix the root cause of the issue. Consumers are expecting this now because they know the difference between the two — plus they read reviews and are able to read between the lines.
The approach starts in sales departments. Ensure that everyone involved in the initial customer contact is well prepared and given the tools to easily manage the customer experience. There’s many options available — but PestPac provides easy-to-use Customer Relationship Management tools, dynamic scheduling that will accommodate customer time windows and special requests, as well as automated call, text or email notifications and GPS integration. All of these work together to ensure a 5-Star, on-time customer experience.

Once on-site, the service technicians take the time to show their expertise — to have an in-depth conversation about the problem, how and when it started and provide a thorough inspection of the property. From there, they explain their findings, the challenges and how to solve the customer’s problems by developing a plan (including a quote) that relates to those specific challenges.

Through the use of mobile technology and PestPac software, your technicians will have real-time access to critical information, pricing, inventory and more — giving them the opportunity to provide a more accurate quote on the spot. Once they have that, they have a better chance to provide a plan to solve your customer’s challenges more efficiently, which then increases your critical key performance indicators associated with first call experiences. It’s a very powerful sales and customer service circle.

Improving these first call experiences by using a consultative approach to service and sales, and arming your field service technicians with the latest mobile software is one way to provide customer value — making your company more flexible and able to react to the customer’s needs.
Customer Experience

Implementing just a few changes will make you more attractive to customers and prospects — while also helping to smooth your internal processes and increase your revenue. If you do nothing else in the coming year, consider taking these actions:

Automate Your Workflow

Customers appreciate when they can quickly pay with a credit card, get instant information on additional services, and receive confirmations and quotes via email and more. You’ll appreciate getting paid faster — thanks to online payment options, recurrent billing capabilities and accurate invoice tracking. This is just the beginning! A great all-in-one software solution will grow with you — helping to close more deals, while consistently delivering 5-Star service to your loyal customers.

Make Your Customers Feel Special

It’s so simple, but so many companies don’t bother to go out of their way for customers. Did you know that the Japanese word for “customer” is defined as “honored guest”? When you think about it like that, it’s confusing why some companies don’t show they care about their customers as much as they should. Making an effort to connect and accommodate the residents and businesses you serve will leave a lasting impression. Listen to their complaints and concerns, even when it’s frustrating or you’re pressed for time. Be willing to offer open, honest solutions to their problems and fulfill special requests whenever possible. Without a doubt — communicating at this level is easiest when your workflow allows you to keep and refer back to detailed notes on each of your clients.
Customer Experience (continued)

Don’t Be a Stranger
Speaking with customers at their regularly scheduled service times, or when they call to request help, is ok. To be exceptional, however, you need to stay in touch. Keep customers informed of new services that they don’t yet know to ask for. Anticipate their needs based on weather condition or seasonal changes. Offer complimentary services based on their current contracts. You should communicate in a similar way with prospects — increasing the chances that your timing will be just right for bringing them on board as a customer. A good CRM integrated within your management software should allow you to automate communications based on customer/prospect type, region, contract details, etc. **The result: yours is the name that stays fresh in their minds!**

Communicate and Follow Through
When your business relies on field reps — you undoubtedly face unique scheduling challenges. Many factors can affect whether your technicians get to where they’re going, when they’re supposed to be there. It’s no secret your brand reputation suffers when you don’t follow through on your promises (see our blog post on how to look and perform better than the rest). No-shows, late appointments, and miscommunications lead to lost revenue, bad reviews and reduced customer retention. By managing everything (Route Optimization, GPS tracking and driving behavior notifications) through one interface — you increase the efficiency of your fleet, promote appointment punctuality and reduce mishaps. Plus — with automated scheduling and communication tools, making and confirming appointments is easily accomplished. The right interface will give you full insight into each technician’s agenda, as well as customer cancellations. It’s the single best way to keep your office, field techs and customers on the same page.
Increase Efficiency

Establishing an integrated service management system that links sales, field service techs and the back office to shared data in real-time is one major way to improve your company’s overall efficiency.

Deploying a field service automation solution that encompasses scheduling, dispatch and work order management will provide a flow of information from the office to the field — that will reduce time and save money.

Integrations with CRM, billing and payments will allow you to get paid more quickly and better manage cash flow.

Accurately recording material usage in the field minimizes mistakes and makes reporting usage to the state less time-consuming.

GPS and Route Optimization tools let you match customers and technicians with the requested work orders and ensure they arrive on-time, with a 26% increase in productivity.

Dynamic scheduling tools let you optimize existing work orders, schedules and dispatch. It allows flexibility to fit new customers or emergency calls into existing workflow — even allowing customers to keep the same technician, but be able to reschedule appointments.

Notifications and call ahead features provide a higher level of customer service and satisfaction with an email confirmation, a call the day before and a text when a tech is on their way.

Simplified reporting systems allow you make better decisions based on actionable data.

Reducing IT costs allows you to devote more of your scarce IT resources to delivering greater business value.
Commoditization within the pest control industry is a growing trend and there’s a lot to consider. To reduce the impact to your business and to participate in the growth opportunities the industry has to offer, you need to take the time to evaluate your current business model and work with other industry professionals to be better than your competition.

By focusing efforts on value and a high-quality customer experience over price, you can compete in the market and reduce the risk that price alone will dictate your revenue opportunities.

By embracing and adopting mobile service technologies and integrated business management systems, you can increase productivity and efficiency. Utilizing tools, features and functionality of software like PestPac, you can reduce expenditures and increase profitability within the current market pricing models — making your business more competitive and capable of withstanding the commoditization trend.
About WorkWave

WorkWave (formerly Marathon Data Systems) is a fast growing leader in the massive industries of field service management and “last mile” fleet management software – a $45+ billion market worldwide. The company connects all aspects of field services and “last mile” transportation companies’ business through its tightly integrated, mobile-first suite of cloud-based software, which includes PestPac, WorkWave Service, ServiceCEO, WorkWave Route Manager, WorkWave GPS, WorkWave Marketing, and ContactUs. This comprehensive offering provides its 9,000+ customers with an unprecedented level of insight and information about their business that empowers them to delight their end-customers at every touch point and supercharge their business. Founded in 1984, WorkWave has been recognized with multiple awards for its outstanding growth and culture, including the Inc. 5000, SmartCEO Future 50, and Best Places to Work in New Jersey. For more information, visit workwave.com.

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Mr. Gibbons joined WorkWave in October 2008 as National Sales Manager, bringing his knowledge of both pest management and software development to the position. Tom has been involved in the pest management industry for most of his life, having spent many of his childhood summers working for both his father and grandfather at their family-owned business. Tom went on to study at Clark University in Worcester, Massachusetts and now holds a M.S. degree in Management Information Systems. Now, with over 30 years of full-time experience in the industry and an education in computer science, Tom both works for WorkWave and co-owns his fourth-generation family business, F&W Pest Control in Massachusetts. His background includes over 12 years of active participation with the New England Pest Management Association where he served as Director from 1988-1991, Treasurer 1992-1996, President 1997-1998 and Past President from 1999-2000.

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