2014-2019 Flavor of Georgia Finalist Survey:
A Needs Assessment and Economic Impact Study

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Executive Summary

The Center for Agribusiness and Economic Development (CAED) recently designed and conducted a survey of Flavor of Georgia Food Contest finalists and winners from 2014 to 2019 in order to assess potential effects from participating in the competition. Results will be used to measure impact of the contest and to evaluate business characteristics and needs of contestants for future contest development. Some highlights from the analysis include:

- The Flavor of Georgia contest helps to promote and showcase the variety and success of food entrepreneurs in the state. A recent survey of finalists from the 2014-2019 contests finds that more than 4 out of 5 see increased exposure and interest in their products following the event. Nearly as many have additional sales (78%) and business contacts (77%), while more than one-half (58%) have new agreements or contracts to sell their products as well as additional web traffic.

- Participation in the Flavor of Georgia contest results in the sales/revenues of finalists increasing by approximately 20.6% on average (median 14.5 %). Younger businesses experience the greatest effects from being a finalist.

- During the last year alone, past participants report gains of nearly $3.0 million in annual sales, accounting for approximately 45 jobs in the Georgia economy, as a result of being in the competition. Considering multiplier effects, the overall role in the economy of increased sales due to the Flavor of Georgia contest add up to more than $5.6 million in annual revenue and 63 jobs.

- Winning an award, press releases and coverage, and networking with other finalists are some of the key activities leading to their short and long term benefits from the competition.

- The reach of product sales from the Flavor of Georgia participants is wide. The 2014-2019 participants report that their products are not only sold in Georgia, but in each of the continental United States.

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1.1 Background/Overview

Each year the University of Georgia's College of Agricultural and Environmental Sciences, Center for Agribusiness and Economic Development (CAED) sponsors the Flavor of Georgia (FOG) Food Product Contest to assist food businesses by providing recognition for their excellence and opportunities for expanding their market presence. Since CAED began the contest in 2007, over 1,400 Georgia food products have been entered, resulting in benefits from increased sales, business contacts, publicity, and overall interest in their products.

- Food entrepreneurs from all over Georgia send in their market-ready prototypes or commercially available food products
- Finalists are selected from 11 categories to compete at the final judging
- Final judging panel consists of retail grocery buyers, institutional buyers, distributors, food brokers, and other food industry experts
- Winners are awarded prizes and earn the use of the Flavor of Georgia logo on their product label, invitations to specialized food shows, and introductions to potential new markets

In order to assess potential economic benefits of the Flavor of Georgia competition on former participants (2014 to 2019), researchers at CAED conduct a survey during September 2019 using the Qualtrics online platform.[1] The survey instrument included 21 questions with topics such as firm demographics, effects of participation in the Flavor of Georgia contest, and inquiries about needs and challenges. This study represents a sampling of those selected as finalists for the competition, providing a way to assess key variables and how the Flavor of Georgia competition may have assisted the food businesses.

[1]Based on databases from entries during those years, 152 emails were sent out, 29 were duplicates [many are repeat entries in different years], 17 emails bounced and 58 surveys were finished, though not all answered each and every question. Former finalists were sent the link to the survey and several reminders requesting their feedback.

1.2 Survey of Flavor of Georgia Finalists: Results

1.2.1 Firm Demographics

First, we inquire whether the business enterprise that participated is still in operation. Of the responses, all but one is still in business, and is in a temporary or seasonal closure.[2] Regarding the year in which their business originally opened, answers range from 1935 to 2018, with an average of 13 years in business and median firm age of 8 years.

Flavor of Georgia Category

In terms of the category in which their Flavor of Georgia product was entered [3], the Confections category has the largest number of responses at 16.7%, followed by Barbecue Sauces with 14.3% and a tie at 10.7% in the Sauces & Seasonings and Snack Foods categories.[4] Table 1.1 outlines the entry category for all respondents answering the question.

Table 1.1: Food Product Entry Category

Answer Options	Percent	Count
Barbecue Sauces	14.3%	8
Beverages	8.9%	5
Condiments & Salsas	7.1%	4
Confections	16.1%	9
Dairy Products	5.4%	3
Honey & Related Products	1.8%	1
Jams & Jellies	7.1%	4
Meats & Seafood	8.9%	5
Miscellaneous	7.1%	4
Sauces & Seasonings	10.7%	6
Snack Foods	10.7%	6
Adult Beverages	1.8%	1

Employees & Years in Operation

For the 53 businesses responding, there is a total of 301 full-time employees (average 5.7), 222 part-time employees (average 4.2), and 182 seasonal workers (average 3.4). See Table 1.2 for the comparison between the types of employees.

A large portion of the group (43%) have been in business between 6 and 10 years, followed by 23% between 3 and 5 years in business. Enterprises in existence between 11 and 25 years employ the largest number and average of full-time employees (108 total, 18 average) business among the respondents. See Table 1.3 for more detail about the number of businesses by age category, total full-time employees, and average number of full-time employees.

[2]We are interested in the comments of those who are no longer in business as well, in pursuit of some enlightenment on factors for success or failure.

[3]Survey offers the option of choosing the most recent entry if there are more than one over the 2014-2019 period.

[4]During the 2014-2019 time frame, CAED dropped any adult or alcoholic beverages from the categories due to internal factors.

Table 1.2: Employees by Type: Full-time, Part-time & Seasonal

	Full-time	Part-time	Seasonal
Average	5.7	4.2	3.4
Total Number	301	222	182
# Businesses	53	53	53

Table 1.3: Full-time (FT) Employees by Business Age

Age of Business	# Businesses	FT Employees	Average
2 yrs or less	5	8	1.6
3 to 5 yrs	12	25	2.1
6 to 10 yrs	23	99	4.3
11 to 25 yrs	6	108	18.0
More than 26 yrs	7	61	8.7
Total	53	301	5.7

Sales Distribution Outlet

Where a firm sells their products represents another critical distinction in describing businesses that have participated in the Flavor of Georgia. Approximately 20% of the sales of finalists are in small grocery stores, followed by online sales (11.9%) and farmer's markets (11.8%) and then food service (11.1%). Nearly one-third (31%) of the responses selected the "other" (open-ended option).

Table 1.4: Sales Distribution Outlet by Percentage of Sales

Sales Distribution Outlet	% of Sales
Small Grocery Stores	21.6%
Online	11.9%
Farmer's Markets	11.8%
Food Service	11.1%
Large Grocery Stores	9.8%
Catering	2.7%
Other Outlets (see list)	31.0%
N	54

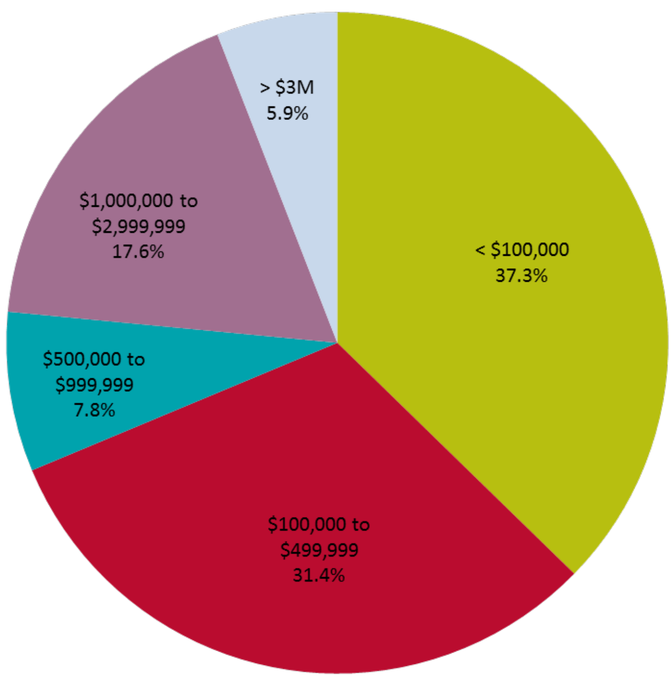
The following list summarizes the responses to "Other" sales distribution outlet question selected by nearly one-third of the group. The wide variety of responses demonstrates the range of outlets among the Flavor of Georgia participants across the state, with many having their own shops or boutiques as well as the assortment of online and specialty options.

- Ag-specialty store
- Antique stores
- Bakeries
- Boutiques
- Brick and mortar
- Convenience stores
- Events
- Festivals
- First year of full marketing
- Flea markets
- GFI
- Gift Retailers
- Gourmet Food Stores
- Hardware/Grilling stores
- Hotels
- Kitchen shops
- Micro breweries
- Onsite Tasting Room
- Our own retail shop(s)
- Private labeling
- Resorts
- Restaurants
- Specialty retail stores
- Wine stores
- Wholesale
- Xmas Markets

Annual Gross Sales

In describing their total annual gross sales for the most recent year before taxes, the greatest number indicated revenues of $499,999 or less (69% of total), with the largest number of those falling within the under $100,000 category. More than 17% are in the $1 million to $2.9 million category.

Figure 1.5: Businesses by Annual Sales



1.2.2 The Flavor of Georgia Contest

Business Changes

The first step is knowing how the food business has prospered following the Flavor of Georgia (FOG) contest. The category with the largest response is that of interest in products to which 82.4% of respondents indicate an increase. The next highest response is in terms of publicity and exposure, in which 82.4% of owners say has increased since FOG participation. Next in magnitude is in terms of sales, in which 78.4% reported an increase. This means that more than 3 out of 4 report that they have experienced an increase in sales since the competition. Table 1.6 details the percent experiencing increase following FOG participation and the number of businesses reporting the changes.

Table 1.6: Business Changes Following the Flavor of Georgia Contest

Potential Change Category	% Experiencing Increase	Number
Amount of Sales	78.4%	40
Interest in Products	84.3%	43
Business Contacts	76.5%	39
New Contracts/Agreements	58.8%	30
Publicity & Exposure	82.4%	42
Website Hits/Traffic	58.8%	30

Business Changes Due to Participation in FOG

In order to delve a bit deeper, we ask whether these changes are directly attributed to participation in FOG. Nearly 2 out of 3 (66.0%) of respondents on average assign up to 20% of their business changes directly to participation in the Flavor of Georgia contest (See Table 1.7 for the percent of respondents who answer for each category.). The next largest group (21.1% of respondents) report business changes between 20 and 49% due to the contest.[5]

Table 1.7: Portion of Business Changes Attributed to Flavor of Georgia Contest

Answer Options	1-19%	20-49%	50-79%	80% +	Responses
Amount of Sales	66.7%	23.1%	7.7%	2.6%	39
Interest in Products	46.2%	33.3%	10.3%	10.3%	39
Business Contacts	73.7%	15.8%	7.9%	2.6%	38
New Contracts/Agreements	82.9%	17.1%	0.0%	0.0%	35
Publicity/Exposure	52.5%	20.0%	22.5%	5.0%	40
Website Hits/Traffic	74.3%	17.1%	5.7%	2.9%	35
AVERAGE	66.0%	21.1%	9.0%	3.9%	

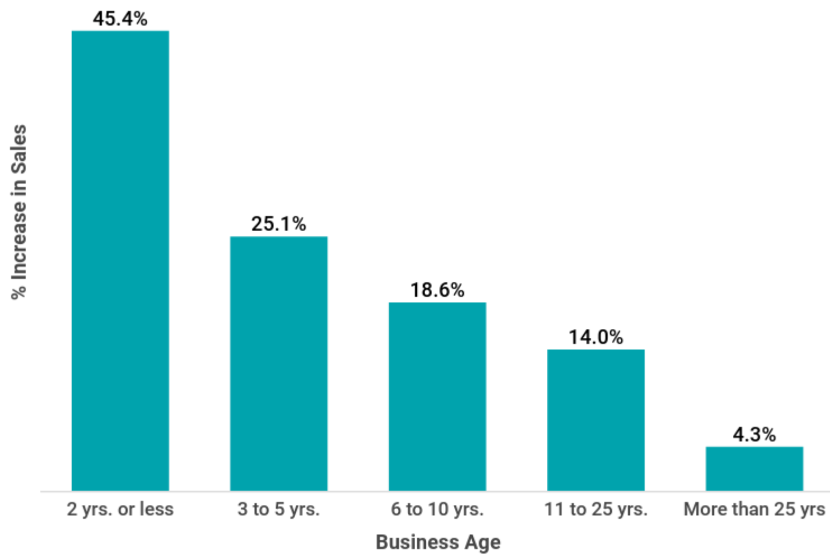
Specifically focusing on increases in sales, we break down the portion of changes from FOG participation based on the business age to explore potential differences.[6] Given an overall

[5] Interestingly, some who responded that they they did not have increases following participation in FOG, did choose to select a percentage of increase due to the contest. It is unknown whether they simply misunderstood the questions or if there is another reason for this result.

[6] We use the mid-range of the increase category selected on the survey instrument. For example, if the respondent selected the change category of 1 to 4% change, then the figure used would be 2.5 or $(4 + 1)/2$

reported average of 20.6% (median 14.5%) we find the largest effects from participating in FOG among the newer businesses, with the youngest experiencing effects of 45% on average and the next more established group (3 to 5 years) 25.1% (See Figure 1.8).

Figure 1.8: Percent Increase in Sales from FOG Participation by Business Age Category



Short and Long term Benefits

In the exploration of how different components of the Flavor of Georgia competition work together for both short and long term benefits for participants, we ask respondents to choose the one that brought them the most benefit. For both current and future benefits, the most frequent response was the winning of an award. This answer is not surprising because of the additional accolades that come with winning either their specific category or the grand prize. In the short term, the next most important component is the general press releases and coverage for the contest. This is followed by a three-way tie for third most significant impact with the customized individual press releases, business networking that takes place among the finalists and connecting with the VIP guest, food industry attendees and the public at the reception (See Figure 1.9).

In addition to the long term benefits from winning an award, the two most common valuable features are the ability to network with other finalists and customized individual press releases for each product.

Figure 1.9: What is the One FOG Activity Resulting in Short-term Impact?

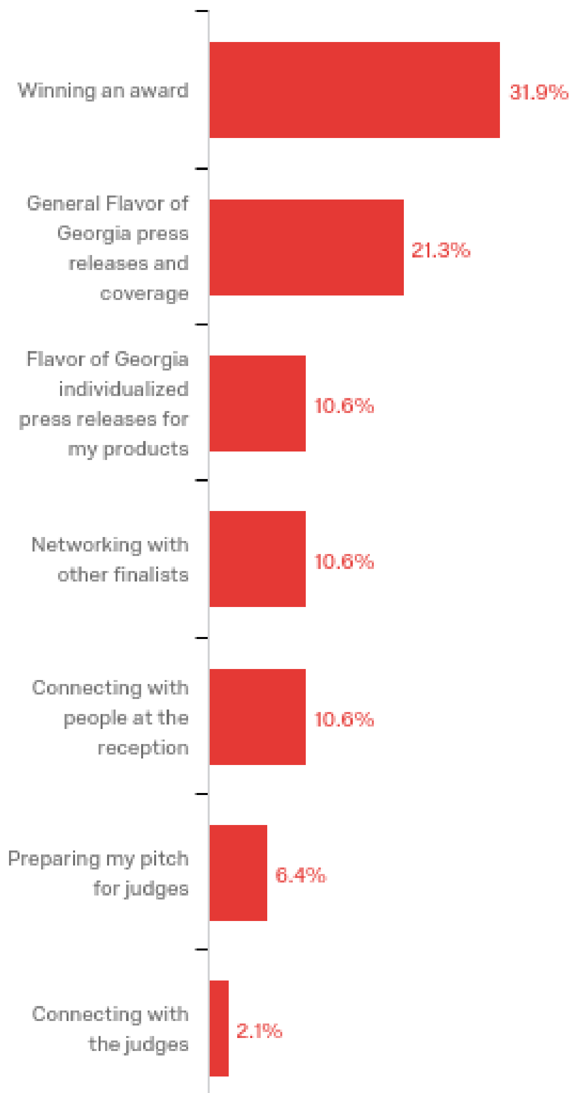
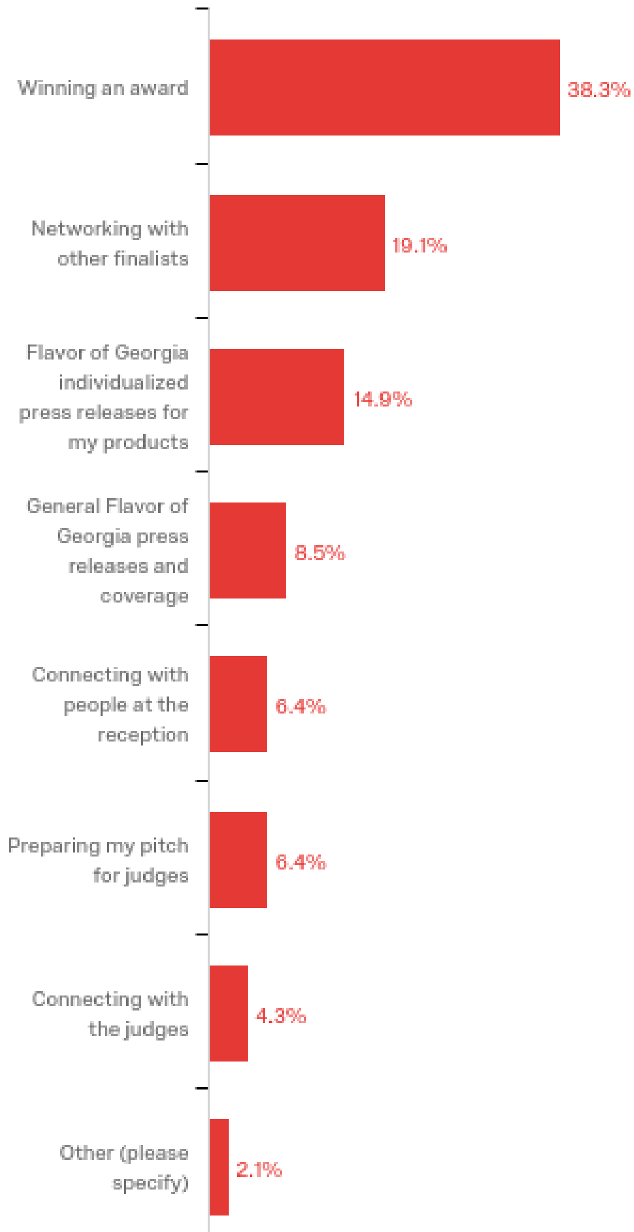


Figure 1.10: What is the One FOG Activity Resulting in Long-term Impact?



1.2.3 Economic Contribution

In sum, all of firms responding report approximately $37.3 million in total annual gross sales for the most recent year (51 establishments).[7] Applying each respondent's individual percentage to their gross sales figure results in an effect of participating in FOG of just under $3 million ($2,919,968) on their business or 10.5% of the total sales for all businesses reporting increased sales.

The food businesses purchase inputs from suppliers to produce their products, which can result in a multiplier or ripple effect throughout the state as a result of their business. Further economic contribution results from what the employees of the input suppliers and food businesses purchase from their earnings. The combination of these effects makes the entire direct economic value of $37.3 million in gross sales result in nearly $72.5 million in economic contribution to the Georgia economywhen considering the overall role of the sector, including input purchases, and employee spending.[8] Further, researchers found that the those businesses account for approximately 809 jobs and $27.0 million in worker income incorporating all of the ripple effects.[9]

Table 1.11: FOG Finalists 2014-2019: Economic Contribution to Georgia Economy

Contribution	Employment	Labor Income	Output
Direct Effect	571	$15,723,159	$37,344,955
Multiplier Effect	238	$11,167,150	$35,108,269
Total Effect	809	$26,890,308	$72,453,224

Considering the portion mentioned above that respondents attribute to the Flavor of Georgia contest, we can assess that economic contribution as well. The direct sales increase from participation results in an overall $5.6 million contribution to the economy of Georgia when considering all of the multiplier effects. This amount of sales accounts for approximately 63 workers with over $2.1 million in labor income.

Table 1.12: Economic Contribution Attributed to Flavor of Georgia Contest

Contribution	Employment	Labor Income	Output
Direct Effect	45	$1,229,380	$2,919,968
Multiplier Effect	19	$867,181	$2,728,867
Total Effect	63	$2,096,561	$5,648,835

[7] As mentioned previously, responses are categorical in nature in order to increase response rates. Researchers apply the mid-range of categories to approximate the income of the respondents. 39 business establishments report both an increase from FOG and gross sales. We do not credit any impact for the businesses that do not report increases in sales or do not think FOG affected their sales.

[8] Analyzed using the IMPLAN model (data and software) from IMPLAN, 16905 Northcross Drive Suite 120, Huntersville, NC 28078. Add note about what this type of study is not.

[9] Respondents who indicated the number of workers they employ, including full-time, part-time and seasonal summed to 705 in the survey responses. However, in order to use a conservative estimate, researchers apply the 571 jobs reported in the IMPLAN model as the direct effects for the industry.

1.2.4 Secrets to Success

As a tool for insight into their achievements, we ask respondents to tell us their particular "secret to success" for their Flavor of Georgia entry. There is a range of responses as unique as the flavors themselves, but there were also some themes as you can see in Figure 1.13. Some of the major themes were an emphasis on the product, the customer, the quality, and the flavor(taste).

Figure 1.13: What is Your "Secret to Success"?

1.2.5 Areas of Assistance Needed

In order to better serve food entrepreneurs in the future, researchers request information about areas in which they might need assistance in their business enterprise. Respondents are allowed to select more than one response on this question. The most frequent category is distribution (41.1%), followed by business expansion (37.5%) and co-packing (33.9%). The next most popular areas in which assistance is needed is packaging (26.8%) and social media management (21.4%). See all of the selections in Table 1.14.

Table 1.14: Entrepreneurial Areas of Assistance Needed

Areas of Assistance	Percent	Count	No. Respondents
Distribution	41.1%	23	56
Business Expansion	37.5%	21	56
Co-packing	33.9%	19	56
Packaging	26.8%	15	56
Social media management	21.4%	12	56
Product Development	19.6%	11	56
Business Planning	17.9%	10	56
Internet/website development	17.9%	10	56
Business Networking or Roundtable	17.9%	10	56
Refining my "pitch"	16.1%	9	56
Food Safety Information	14.3%	8	56
Collecting consumer data	12.5%	7	56
Marketing analysis	10.7%	6	56
Food Manufacturing	10.7%	6	56
Food Safety Training	10.7%	6	56
Feasibility Study	8.9%	5	56
Information/Data	8.9%	5	56
Other	8.9%	5	56
Economic analysis/evaluation	7.1%	4	56

1.2.6 Interest In Mentoring

Many previous FOG finalists relay stories of the importance of creating new connections through the network of businesses, judges, and resources at the contest which provide benefit to both the mentor and mentee side of the relationship. For respondent perspective on their interest in participating in this type of relationships, we ask for an indication of willingness to join a program promoting mentoring. Of the 46 who answered the question, 33% show an interest in being mentored with another 30% potentially interested (maybe or need more information). On the flip side, 20% would like to become a mentor.

1.2.7 States Where Products Are Sold

More informative data about this group of Flavor of Georgia finalists and winners included the states in which their products are sold. As might be expected, all were sold in the state of Georgia. The top five states following Georgia include Alabama (61.7%), Tennessee (61.7%), North Carolina (59.6%), Florida (57.4%), and South Carolina (57.4%).[10] More than 50% of the respondents sell their products in these states. Table 1.15 shows all of the responses and the percentage that sell in a particular state and Figure 1.16 highlights the information in a U.S. map.

[10]This figure is a percent of the 47 who answered the question.

Table 1.15: States Where Products Are Sold

State/District	Percent	Number	State/District	Percent	Number
Alabama	61.7%	29	Montana	29.8%	14
Alaska	0.0%	0	Nebraska	27.7%	13
Arizona	29.8%	14	Nevada	27.7%	13
Arkansas	31.9%	15	New Hampshire	27.7%	13
California	31.9%	15	New Jersey	34.0%	16
Colorado	34.0%	16	New Mexico	27.7%	13
Connecticut	29.8%	14	New York	31.9%	15
Delaware	29.8%	14	North Carolina	59.6%	28
District of Columbia	4.3%	2	North Dakota	29.8%	14
Florida	57.4%	27	Ohio	29.8%	14
Georgia	100.0%	47	Oklahoma	29.8%	14
Hawaii	0.0%	0	Oregon	27.7%	13
Idaho	27.7%	13	Pennsylvania	29.8%	14
Illinois	29.8%	14	Rhode Island	27.7%	13
Indiana	27.7%	13	South Carolina	57.4%	27
Iowa	31.9%	15	South Dakota	27.7%	13
Kansas	27.7%	13	Tennessee	61.7%	29
Kentucky	34.0%	16	Texas	40.4%	19
Louisiana	27.7%	13	Utah	27.7%	13
Maine	27.7%	13	Vermont	27.7%	13
Maryland	27.7%	13	Virginia	36.2%	17
Massachusetts	31.9%	15	Washington	31.9%	15
Michigan	27.7%	13	West Virginia	27.7%	13
Minnesota	34.0%	16	Wisconsin	29.8%	14
Mississippi	38.3%	18	Wyoming	29.8%	14
Missouri	29.8%	14			