A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

SCENARIOS FOR THE FUTURE OF CONSUMPTION OF NO-LO ALCOHOLIC BEVERAGES BY GENERATION Z AND STRATEGIC IMPLICATIONS AND FINANCIAL FORECASTS FOR CAMPARI GROUP

SCENARIOS SUITABLE FOR A MARKETING CAMPAIGN

PIERO POLAT (46441)

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10-07-2022

Abstract: The study aims at understanding the consumption attitudes of generation Z towards alcoholic beverages and the consequent development of the NoLo-alcoholic beverages market within the next 8 years. Four scenarios were designed following the Intuitive Logics School. The development of the scenarios was placed in the context of Campari Group, a leading player of the branded beverage industry, by collaborating with knowledge holders of the company through interviews and a workshop. Two scenarios dealing with a marketing strategy are considered, a coherent strategy accompanied by financial forecasts and indicators aimed at monitoring activities were proposed to respond to future developments.

Keywords: *Foresight, Scenarios, Generation Z, Scenario Planning, Financial Forecast, Strategic Implications, TOWS Matrix, Branded Beverage Industry, Alcoholics Market, No-Lo beverages market*

Acknowledgements: To Luca Guarisco and Clarice Pinto for sharing with us their valuable knowledge, deeply inspiring ideas, and fundamental contribution throughout the whole process of this research. To Professor António Alvarenga for his precious support and valuable advice.

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209

1. Introduction

The term "generation" is the one that defines a group of individuals of similar age, generally spread among a 25-year period, who experienced the years of education and formation in a certain cultural environment, with specific historical events that have forged their ways of thinking and acting (Mannheim, 1928). A new demographic group is making its way into adulthood: the Generation Z. They are generally identified by those born between 1995 and 2010 and represent the most diverse, multicultural, and educated generation ever, made up of the first true digital natives (McKinsey, 2018; Özkan & Solmaz, 2017). The constant presence of the internet in the lives of this demographic group has meant that they became very demanding consumers, looking for products designed precisely for their needs and tastes, able to adapt to their intrinsic identity, but which also recall a healthy lifestyle and sustainability consciousness (Özkan & Solmaz, 2017). The fact that this young generation represented 40% of total world consumers in 2020 means that their habits will become increasingly relevant for companies, which will therefore have to focus on undertaking targeted strategies to remain competitive in the long run (Peter, et al., 2020). A clear example of how this generation can have a strong influence on profitability through its consumption choices concerns the beverage market, especially the alcoholic one. In fact, it has been found that in the last decade there has been a reduction in the consumption of higher alcoholic spirits by young people, replaced with products with a lower alcohol content, or non-alcoholic products, defined by the industry as No-Lo drinks (Kokole, et al., 2021). This increase in consumption by young people is motivated on several fronts that are also linked to the essence of this generation, the main ones being a greater awareness of their own health and a search for healthy lifestyles, all amplified during the years of the pandemic, where the various lockdowns have, between other things, also influenced social relations, including the conviviality conceptualization of drinking, seen as harmful and reducible, if not eliminable (Market Line, 2022). It was therefore decided to pursue the research on the potential long-term increase in consumption of No-Lo drinks by generation Z, with the aim of understanding whether it is attractive for a leading branded beverages company to invest in this market. It must be said that the No-Lo drinks sector is relatively new and still developing, with a CAGR forecasted at 8% between 2021 and 2025, compared to the 0,7% for the regular alcohol market (Feilden, 2022). The research is aimed at using scenario analysis to outline possible future contingencies within the development of the alcoholic market and consequently the spread of No-Lo. Furthermore, for each scenario, strategic initiatives will be identified and tested using financial forecasting method, aimed at helping the Italian lead player in the industry, Campari Group to leverage future changes to remain resilient and competitive over time.

1.1. Beverage Industry: Alcoholics Market

In general, the Alcoholic Beverages market can be identified as the sales of alcoholic spirits by companies that, through the fermentation process, produce distilled alcoholic beverages and then sell them through a wide range of distribution channels (The Business Research Company, 2021). Four main segments can be identified: Beer, Spirits (Gin, Rum, Vodka, Whiskey, Brandy, other Liqueurs and Spirits), Wine (Still, Sparkling, Fortified) and Cider, Perry, and Rice Wine. Globally, the Alcoholic Drinks market accounted for more than $1.6 trillion in revenues and more than 298 billion liters sold in 2019, with the Beer segment leading with 39.6% of revenues, followed by Spirits (30%), and Wine (23%), while the Cider, Perry & Rice Wine registers the highest growth potential in the period 2019-2023 (Lu, 2020). The Covid-19 Pandemic impacted the market, which has seen a consistent decrease in revenues from $1.6 to $1.49 trillion in 2020, but the expectations for the upcoming years see a recovery and a great improvement trend until 2025 (Statista Consumer Market Outlook, 2021). For an overview of the drink market from 2012 to 2025, see Appendix 1. Furthermore, an increasing willingness to spend on higher-quality alcoholic products has been identified, pushed by their intrinsic resistance to crises, the improvement of online distribution channels, boosted by the temporary closing of on-premise channels, and the willingness of consumers to replicate at home the experiences that they could not have in restaurants and bars, with the advantage of paying even lower prices (Plata, et al., 2022). Moreover, the phenomena of stockpiling, triggered by the lower frequency of shopping caused by the restrictions and concerns over contagion, together with the comfort of avoiding queues, has further influenced the market, with higher purchases of larger-size alcoholics and multipacks (Plata, et al., 2022). Consumption habits vary a lot by country, depending on cultural habits, and high-income households tend to present higher levels of consumption. A low level of brand awareness characterizes the market and, consequently, consumers are disloyal, creating opportunities for newcomer brands.

1.2. Beverage Industry: NoLo Market

"The Non-Alcoholic Drinks market is confronted with a historical realignment of consumer diets towards healthier options, especially putting pressure on sugared products." (Lu, 2022). As per Nielsen data, the NoLo Market has grown 506% since 2015, with an expected annual growth that should reach the 7.1% by 2025, further boosted by the change in drinking habits triggered by the pandemic, with many people choosing to cut the booze and go for non-alcoholic alternatives (Dingwall, 2021). As of 2021, 29 and 42 non-alcoholic brands were available in the US and the UK, respectively with a selection comprising booze-free rums, tequilas, and whiskeys alongside a wide range of beers. An IWSR study on the sector published in 2021, focused on 10 countries (Australia, Brazil, Canada, France, Germany, Japan, South Africa, Spain, the UK, and the US), which represent more than 75% of the global NoLo consumption, identified some interesting insights. The two leading markets by volume are Germany and the US, and, in general, all the markets considered are expected to continue to grow until 2024 while beers dominate the market overall, thanks to great investments and innovation in the industry (IWSR, 2021). In 2019-2020, no-alcohol products outperformed the low-alcohol ones, with the former increasing in volume by 4.5% while the latter decreased by 5.5%, driven by the poor results of traditional low-alcohol beer brands especially in Germany and Spain (IWSR, 2021). As per Nielsen, 78% of NoLo consumers also purchase alcoholic drinks, as they are mainly driven my moderation of their consumption, with a major concentration on younger generations, as confirmed by Nat Noone, CEO of New Wave Soda, stating that most of the brand's customers are aged between 24 and 35 (Dingwall, 2021). Furthermore, it was understood that consumers are actually willing to pay for these products, even though their prices are not so different from their alcoholics' counterparties given the costs needed to cover the effort and time required to create such drinks and replicate the aroma, taste and mouthfeel of the alcoholic spirits (Charmaine, 2021). The NoLo segment must face the major challenges which are education, liquid excellence and drinking experience. The first point is highly depending on the on-premise, with the teaching of bartenders in bars and events; the second one is being tackled with the continuous development and innovations focused on quality and variety of non-alcohol beverages; the last one is still connected with the bartenders teaching, which might be a key element in delivering a new experience (Dingwall, 2021).

2. Literature Review

2.1 Scenario Planning Concept

A good starting point to explain the concept of Scenario Planning would be the display of a couple definitions of the notion of scenarios per se, which can be described as: "A set of hypothetical events set in the future constructed to clarify a possible chain of casual events as well as their decision points" (Kahn, Wiener – 1967) and "Scenarios are tools for ordering one's perceptions about alternative future environments in which today's decisions might be played out". (Schwartz – 1996). (Amer, Daim, & Jetter, 2013). Scenario Planning is a strategic tool that can be implemented when dealing with complex and uncertain situations that might unfold in several manners: this implies a high degree of openness to change and dialogue by the organization involved.

2.2 Intuitive Logics School

The Intuitive Logics School is the most widely used and business oriented among the main different Scenario Planning Schools, and it is the methodology that will be applied in this research paper. Its roots date back to 1967, when Shell started its “Year 2000” study, research to understand how the business environment would have looked like in 2000. The study revealed a future discontinuity that would have totally changed the market after 1985 and, consequently, a pool of Shell companies was tasked in 1969 to understand what was going to come after that date, through the “Horizon Planning” exercise. In this context, Pierre Wack, a planner at Shell Française, implemented an approach inspired by a previous work by Herman Khan, considered as one of the initiators of scenario planning. This first attempt, aimed at understanding the future of the French market, presented modest outcomes, given the few insightful information provided by the study, which produced the so called “first generation scenarios”, a simpler version of today’s framework. However, since the results of the “Horizon Planning” research were becoming a reality, Shell wanted to further test with scenario planning, to develop a more meaningful scenario framework, compared to the conventional forecasts. The Intuitive Logics School assumes that business decisions are based on a multifaceted set of relationships among economic, environmental, technological, resource, social and political factors. Many variants of the intuitive logics’ models can be found in the literature with range of steps that can fluctuate from five to fifteen or more (Amer, Daim, & Jetter, 2013). The Intuitive Logics School can be easily implemented and complemented by a wide series of strategic frameworks, such as the SWOT Analysis, Porter’s 5 Forces, Business Model Canvas, Ansoff Matrix, McKinsey 7S, etc., which can be used for both developing the scenarios and identifying the strategic recommendations for every scenario.

2.3 Scenarios and Strategy

The application of scenario planning is especially useful in coping promptly with changes and uncertainties in the environment in which the company operates (Hoffmann, et al., 2017). In fact, through the attempt to describe a reality that it is plausible to happen in the future, by outlining different scenarios, it is possible for decision makers and business managers to define strategies that can adopt a shared approach to planning, reflecting, and discussing with respect to a future reality, which considers trends and changes in the external corporate environment, but which have internal influences (Verity, 2003). In fact, the scenarios represent the “External world” outside the organization, whose possible evolutions are relevant and do not simply concern the customer's actions, but also consider the opportunities and threats as well, as implications that derive directly from the proposed scenarios and which in any case have an influence on the entire company or some of its business units. It is fundamental that all these aspects are considered, concurrently to all the implications for the Company, the Customers, the Suppliers, to implement them in the “Internal World”, the world of Options, which represents what can be done and the choices that can be made by the client through Strategy (Ogilvy, 2015). “Scenarios are not an end in themselves”, they are considered as a management instrument to enhance the quality of decision making, especially in situations of high uncertainty, since they emphasize the fact that we cannot know the future. Most of the scenario projects that fail, do so because they have no meaningful impact on the strategy and management decisions of the company (Wilson, 2000).

2.4 Financial Forecast and Scenario Analysis

A financial forecast model concerns the creation of a financial mock-up using relationships between the various items within the financial statements for the flexible assessment of the financial consequences of a company within the different future scenarios to which it must respond (Krylov, 2018). The goal is to visualize how the current financial situation of the company react to the change in value drivers that affect its profitability (Low & Tan, 2016). The process is carried out through estimation, to predict how the top-line and cost items develop with the change in the future situation and is therefore a good indicator to assess which future strategy must be pursued in order to succeed and achieve the objectives set. The financial forecast is therefore a tool that allows to make better business decisions within a multitude of scenarios, as well as helping to define growth objectives or financial efficiency and budgeting (Stotz, 2016). As previously mentioned, the use of the financial forecast is often linked to a scenario analysis as a process to understand the reactions to the sustainability of the business activity in the typical base-case, worst-case and best-case scenarios, mainly when the business conditions are stable, and the economy operates through historical trends. In working in an environment with a high level of uncertainty, however, the possibility of predicting how the business moves in the cases mentioned above is no longer possible, as there are too many uncertainties that contingent the successful implementation of the forecast, and therefore it is useful to implement scenario planning, as it allows to test the economic and business consequences of different future outcomes (Dess, 2020). Through the scenario analysis, it is possible to define the key factors of organizational performance and to test the flexibility of a strategy within probable future scenarios based on high-impact uncertainties (French, 2006).

3. Methodology

3.1 Research Design

As mentioned before, the approach that will be applied to this research paper will be the Intuitive Logics School, for many different reasons: first, it is a qualitative method for Scenario Planning, thanks to its more business oriented and flexible approach to deal with highly uncertain situations, and, as outlined before, the NoLo market and the alcoholics one represent uncertain sectors, given the many regulations that must be followed, the wide number of players and new entrants, but also the countless opportunities that might be unfolding within the next few years. Furthermore, the world is living a period of high uncertainty by itself, characterized by tensions among huge countries, financial crisis and new emerging markets, that will shape and redefine not only these two markets, but the world as a whole (Kammer, et al., 2022). Given these conditions, the Intuitive Logics School, through the development of Deductive Scenarios, was deemed as the proper approach to tackle this challenge, as it gives the possibility to work on four different possible future and better prepare the client to approach any possible development, also through a unified, hybrid strategy that takes into account all the four possible scenarios. Furthermore, many different frameworks can be applied in combination with this process, such as the SWOT Analysis, Ansoff Matrix, Business Model Canvas, etc. The implementation of Deductive Scenarios represents a structured approach, based on the definition of a long list of factors and drivers with the goal of identifying two key uncertainties (Rikkonen, Kaivo-oja, & Aakkula, 2006), which represent the baseline of the four narratives that can be developed on a Scenario Matrix characterized by four quadrants, one for each scenario. For each quadrant, a series of deep causes related to one another must be identified, to create a starting point for every scenario. The methodological stages comprehend a scan of the organizational environment to understand the company and the market, through first and secondary data; then, a simulation of the possible futures through the development and exploration of strategic scenarios; the last part stresses the strategic agility and resilience aspects through the articulation of foresight and scenarios with strategic concepts and tools, to develop meaningful insights and recommendation for the organization. To be precise, the process of this study is divided in five steps: starting with the first phase, namely *Framing and Scoping*, the researchers defined the Strategic Focal Issue and the Time Horizon to guide the scenario building exercise. Two different meetings with the client played an important role in kickstarting the project: in the first one, the client presented the challenge and gave some instrumental insights to the researchers to discuss and develop the Focal Issue, Time Horizon, and Supporting Questions, which were then validated by the client itself during the second meeting. The goal of the following step is to *Explore*, not only the company and the market, but also the environment surrounding them by conducting a retrospective analysis, survey, and critical discussion of drivers of change, identification of key themes and organization of information, analyze, read, understand. The third phase, named *Synthesize*, thus distinguishing, is a fundamental step, with the aim of categorizing and selecting the different types of drivers of change, including the identification of a list of crucial uncertainties and predetermined elements, and then defining the key uncertainties and build scenarios. The client was again involved, through a questionnaire to identify the right key uncertainties to develop the Scenario Matrix: the knowledge holders of the company were asked to vote a list of uncertainties in a range from 0 to 10 to identify those having the highest impact and uncertainty on the focal issue, the company, and the market as a whole. As a result, with the two key uncertainties identified, the researchers have developed a Scenario Matrix with four possible future developments, and every scenario was defined through its own narrative, based on a series of high concepts and deep causes strictly related to that specific scenario. The client was then involved to validate the scenario matrix and analyze the scenario narratives. After reaching the design of the scenarios, it is important to *Act*, thus, to clarify the challenge outlined in the first phase, provide strategic insights and recommendations, based on the application of strategic analysis tools and methodologies and by linking those with the scenarios, thus test them and find the right answers. This phase is linked to the previous one by the workshop held with the client, in which not only the scenarios were validated, but also a deep analysis was conducted in synergy, in order to consider opportunities, threats, options, and strategic implications of every scenario, which were then broadened by the work of the researchers and deepened even more through a financial simulation. The last step, the *Monitoring*, consists of building a supervising system, including precursors and early indicators that can anticipate the development of each scenario, to understand if the future matches the scenarios defined.

3.2 Involvement of the Client

The involvement of knowledge holders, through semi-structured interviews, a questionnaire, and a workshop, is fundamental in different stages of the process, and the contact with Luca Guarisco, Senior Finance Director of Campari Group, and Clarice Pinto, Senior Marketing Director of Campari Group, was crucial, thanks to their knowledge and experience within the beverage industry. To receive the needed information for defining the strategic focal issue and time horizon, the researchers set up a first semi-structured interview with Luca Guarisco, aimed at obtaining insights concerning the company and the goals it has set, leaving the interviewee free of speech, always remaining within a lineup set by researchers created by high-level questions (Kallio, et al., 2016). To identify the key value drivers, secondary research and literature review was applied, while to assess the most critical uncertainties, the researchers supported themselves with the use of a quantitative questionnaire (Appendix 6), allowing the prioritization of the identified drivers through a level of impact that these can have on the future of the alcoholic industry and subsequently on the diffusion of non-alcoholic beverages. The respondents were asked to vote on a series of uncertainties, which were identified by the researchers through an analysis of the market, the surrounding environment, and drivers of change. The range of vote was on a 0 to 10 scale, given the wide number of uncertainties identified, to enable a clearer grading of the level of impact and uncertainty of every factor. The questionnaire was shared with the knowledge holders previously presented, who subsequently participated in a strategic workshop, organized to allow a greater discussion and expansion of the pre-developed scenarios, considering technical aspects of the market, and to identify the positioning of Campari Group within each scenario. This methodology is well suited to scenario planning because it allows a higher level of acceptance of the designed scenarios and increases the focus of the proposed strategies, thanks to the validation of the knowledge holders. For a greater involvement of the participants, it was decided to carry out a dynamic workshop, jointly using a PowerPoint presentation as support to explain the methodology and to introduce each step of the workshop, and Miro, an online platform used as a board, to make the workshop more interactive. The boards used can be found in Appendix 2. The presentation was provided to the knowledge holders prior to the meeting, to allow them to familiarize with the proposed topics and the narratives developed for each scenario. During the workshop, the methodology used was initially presented and the scenario planning phases were described. The narratives were then briefly re-proposed and assessed by the client using Miro, as they were asked to provide further insights about the industry in every scenario, to complement them with their own internal knowledge. Subsequently, the researchers illustrated the use of the SWOT Analysis to evaluate both the external and internal consequences the scenarios can imply for Campari Group, and how it can be positioned within the four specific settings. All the participants contributed in the discussion to fill the matrix. Finally, the last assessment involved the evaluation of different implications, useful to outline the possible product/positioning macro-strategy for each scenario to be implemented by Campari Group to tackle each potential future. The outcome was then expanded by the researchers into a more comprehensive SWOT analysis and assessment of the implications, and subsequently employed as the baseline for the development of a financial forecast, to better understand what the results of the scenarios and their strategic implications might be.

3.3 Frameworks implemented

To continue the research and define the strategic implications of each scenario, a SWOT Analysis was applied, as it appears to be a highly compatible framework with scenario analysis because it is able to simplify the implications for each defined scenario and it is useful to consider both the external aspects of the company and the internal ones, with the aim of designing a strategy (Ringland, 2003). The strategic framework evaluates both the internal situation of the company, such as the strengths (S) and weaknesses (W), and the external aspects, namely Opportunities (O) and Threats (T), thus finding a thread of relationship between the company and the external environment (Weihrich, 1982). The SWOT Analysis has become a fundamental tool for companies to assess their position in the market in times of indecision (Benzaghta, et al., 2021). It is widely used by firms at a strategic planning stage with the aim of identifying and examining external and internal resources, investigating trends and patterns that could impact the business both positively and negatively (Namugenyi, et al., 2019). Its application was detailed at the level of external and internal factors with respect to Campari, through the validation and collaboration of the client to design a high-level application of the framework. The SWOT developed is the result of the whole literature review and environmental scanning performed, which led to the scenarios presented, and of the workshop conducted with the knowledge holders. The use of SWOT Analysis was useful both to understand what the links between the external environment of the scenario and Campari are, and to shed light on the potential to be attacked for each scenario. Through the SWOT, a series of assumption were developed, aimed at building strategies that considered both the internal strengths of Campari and the opportunities brought by each scenario. Subsequently, the outcome of this was tested through a financial forecast, to assess how an investment direction can increase the business return compared to the baseline situation. Regarding the latter, through the creation of a simplified model in Excel it was possible to enhance the outcomes of these strategies at the level of future corporate net income. The projection was made starting from the historical income statement found using the Annual Reports published by Campari Group for the years 2017 to 2021, and then developing a financial forecast based on simulated results in order to show how the consequences of a specific scenario affect the company's profitability and how the strategies aimed at responding to the specific market conditions can lead Campari to obtain a higher net income than in the Baseline scenario, also developed by forecasting the historical results. The model has predictive power because it is possible to evaluate how different circumstances and decisions impact the future of the company. Forecast criteria were used for the main aspects relating to revenues and costs prospects, as well as consequences in terms of taxation for those scenarios where there is a change in terms of regulation of the alcoholic market. Within the forecast, the focus was on the consumption of beverages by young people as the main consumers and therefore on the consequences of their consumption, therefore focusing on creating market projections on the consumption by generation Z.

4. Framing and Scoping

The definition of a *Focal Issue* represents a pivotal decision when developing a Strategic Foresight project, since it is the fundamental question that will guide the whole scenario thinking and building process (Scearce & Fulton, 2004). Based on the challenges presented by Campari, a discussion was conducted to align the visions of all the parties involved, with the goal of developing a meaningful project for the Company. To clarify the focal issue, a wide range of information was considered, starting from an internal company presentation considering a preliminary analysis of a new opportunity in the segment for NoLo drinks, with a focus on the Italian market and the Generation Z, and going on with a series of newspaper articles and research papers on the matter of alcoholic and NoLo beverages trends, consumption habits and recent market evolution. Thus, the strategic focal issue defined and approved by the client was: *"The future of alcohol and NoLo consumption within the Gen Z – Strategic implications for Campari"*. A series of relevant Supporting Questions (Appendix 3) were developed to better define the context of the challenge and guide the researchers in addressing the focal issue: the questions were divided into two main segments, namely *"Understanding the Market"* and *"Understanding the Target Segment"*. Defining a *Time Horizon* is also necessary to identify the moment in which there are evident developments within the environment surrounding the focal issue. To date, generation Z is the cohort of the population with the lowest earnings, being mainly made up of young people still of school age, but which by 2030 will account for more than a quarter of the entire world income, becoming incrementally more influential as a consumer base. Their purchasing power will also change the consumption trends typical of previous generations (Bank of America, 2021). More than half of its members said that they prefer to avoid drinking alcohol, compared to a third of millennials, thus confirming a trend towards moving away from alcohol consumption (Page, 2015). Besides, the harmful use of alcohol has been defined as a public health priority by the World Health Organization, and an action plan with a horizon of 2030 is being defined: it will outline a global strategy aimed at increasing awareness on the consequences of alcohol consumption on health, implemented by a cross-border communication plan and promotional activities mainly designed for adolescents and young adults (World Health Organization, 2021). Given the following considerations, a time horizon of 8 years was therefore defined.

5. Environmental Scanning

The next step of the process is to analyze what are the forces of change taking place outside the organization and not controllable by it, but that influence its future development (Amer, et al., 2013). Using a framework to categorize the various drivers of change clarifies how these forces are intertwined within the industry and helps an organization define its own (Burt, et al., 2006). Considering the nature of the study, the dimensions considered are *social*, *technological, economic, environmental, political, legal,* and *ethical* aspects (STEEPLE). A list of the driving forces can be found in Appendix 4. Starting from the social drivers, a slowdown in population growth is expected, amplified by the decline in births especially in Europe, where the average age will reach 49 years by 2050 (Eurostat, 2021). The consequences will be an increase in the cost of healthcare and a generalized increase in prices (Parlament, 2021). Because of it, young people are increasingly more health-aware (Livingston & Vashishtha, 2019), thus including a general reduction in alcohol consumption as it increases the development of related diseases. There is therefore a change in consumption preferences among young people who are seeking for new tastes and combinations, qualitatively higher and healthier. The bitter flavor remains the most popular as it is associated with a healthier choice because it recalls the flavors of healthy foods (Campari Group, 2021). Recalling the same change in consumption patterns, consumers of NoLo drinks seem to be asking for a wider offer of products that might be able to fulfill dissimilar needs with different ingredients and tastes. In fact, the no-low alcohol market has expanded no longer only to abstainers, but also for those conscious drinkers, representing 55% of global consumers, who want to have the opportunity to adapt the alcohol content of the drink to the specific consumption occasion. Low alcohol cocktails are the preferred option for a daytime drink for those wanting to reduce alcohol consumption, and globally, free spirits have received more interest than any new alcohol launch in 2020 and 2021, also thanks to the trends towards more physical and mental health caring, typical of the younger generations (Bacardi Limited Association, 2021). Moving forward to technology drivers, the pandemic has accelerated the use of e-commerce also within the drink industry, as more people tried to recreate the bar experience in their own houses. This led to the market launch of RTD (ready to drink) cans containing cocktails to be consumed at home (Bacardi Limited Association, 2021). Social medias have also changed, becoming a consolidated marketing and shopping platform especially for younger consumers (Hanneke, et al., 2020). The importance of producing more appealing and entertaining content has therefore become crucial for companies. The rise of the figure of the influencer has shaped the marketing landscape, with this new fundamental touchpoint for consumers, perceived as more trustful, and engaging, bringing consistent market gains to those brands capable of creating the right advertising strategies (Kastenholz, 2021). One of the most interesting developments of the “Web 3.0” is the development of the metaverse as a new frontier to create business opportunities for many market players within different industries, also in the alcoholic drinks one, with Heineken being an example (BBC, 2022). This innovative technology can also become a new form of interaction between companies and customers. Moving forward to the economic drivers of change, the European economy is growing, having already reached pre-pandemic GDP levels at the end of 2021. Despite this, inflation is on the rise, thus making prices higher in every phase of the value chain (European Commission, 2022). The current geopolitical instability brought by the war between Ukraine and Russia is bringing consequences also for the countries that have close economic relationships with both the parties. The risk of scarcity and supply disruptions is high both in terms of energy sources and raw materials, with subsequent increase in their prices. In fact, Ukraine accounts for 17% of global corn exports, 30% of sunflower seeds and 12% of wheat, while Russia has a fundamental role as main energy supplier for many European countries such as Italy and Germany, which are forced to look for new partners and suppliers to cope with possible shortages in energy supply and already clearly higher prices (Cohen & Ewing, 2022). As far as environmental drivers are concerned, the food and beverage industry are under increasing pressure due to climate change, as this causes an increase in commodity prices and trade conflicts (Pwc, 2018). Therefore, the production of hops and barley, but also herbs and fruit, would be reduced with the potential risk of no longer having the necessary ingredients because they are contaminated or due to biodiversity loss (Zurich, 2020). Another important pattern developed in the last few years and shows that sustainability has become a key factor for the beverage industry, led by increased awareness by consumers, and their consumption choices. The alcoholic beverage industry is trying to reduce water waste and carbon emissions in the entire value chain, from agriculture to the actual production, packaging, and transportation of the products (Lu, 2022). Moving towards legal aspects, the European Union issued a plan to fight cancer in early 2021 which also includes actions to intensify laws related to alcohol consumptions and limits online promotion. Among the proposals there is the obligation to indicate the nutritional contents of alcoholic beverages by 2022 and introduce health warnings by 2023. This could also stigmatize alcohol with lower gradation; therefore, a self-regulation proposal has been promoted by the industry to introduce product tailored nutritional information off-label (European Parliament, 2021). In the beverage market, it is translated to consumers looking not just for healthy beverages, but for beverages that ethically promote and aid a lifestyle change (Kerschbaumer, 2022). It has been shown that greater selection of non-alcoholic beverages in the supermarket shelves is directly proportional to an increase in the purchase of non-alcoholic beverages at the expense of alcoholic ones, also underlining how at the level of ethical choices, consumers prefer to select products that allow them to reduce the purchase and consumption of alcohol (Blackwell, et al., 2020).

6. Driving Forces of Change

6.1. Selection of Key Uncertainties

From the identification of the main drivers of change, a series of structural uncertainties emerged, given their relevant impact on the future of the alcoholic beverages industry. It is necessary to identify uncertainties that are independent, thus clustering those that are related to each other, by understanding the relationships that are established (Derbyshire & Wright, 2017). Starting from the environmental scanning outside the organization control, a total of 20 uncertainties were identified, with a specific deep down developed in Appendix 5. Moreover, it is important to consider pre-determined elements, that although they are already in the process of occurrence, is not yet unfold the magnitude of the consequences of their development on the focal issue (Wright, et al., 2013). The following were selected by the researchers as the most impacting on the alcohol industry and therefore on the potential development of the No-Lo market, subsequently validated by the knowledge holders during the workshops. The slowdown in population growth will affect the age distribution and consequently the ratio between workers and non-workers, reducing the State welfare and potentially consumes. Since the beverage industry focuses on secondary consumer goods, this aspect will impact its revenues in the long term (Bos & Weizsacker, 1989). Another important aspect is the continuous evolution of technology that will lead to disruption in the production phases, as well as the evolution of distribution models. Within the beverage industry, technology will influence the production of raw materials (i.e. sugar cane, agave for the production of spirits, malt and barley for beer and grapes for wines (Campari Group, 2022)), therefore reducing the cost of procurement at source (Fayomi, et al., 2019). A negative impact is brought by climate change as guidelines at European Union level aim at zeroing emissions by 2050, which means that companies must proceed with substantial changes in their methods to stay within the carbon range allowed and experiment with new types of sustainable packaging to support a long-term ecological revolution (European Commission, 2022). Lastly, the situation of economic instability brought by geopolitical conflicts will have profound impacts on the economies, leading to an incremental growth in energy prices for Europe, due to its status as importing country, difficult to reverse given the impossibility of indigenous production (EIA, 2022).

6.2. Mapping the Key Uncertainties

To better understand what the future of the alcohol and NoLo industry will be, it is necessary to map the main independent drivers identified with respect to their potential impact on the focal issue and the level of uncertainty in their future development, synthetized by two opposite configurations defined for each uncertainty (Appendix 6). They were then assessed using a questionnaire shared with the knowledge holders. The indicators evaluated were exclusively those of key uncertainties, while the predetermined elements were assessed in their impact during the workshop. In Appendix 7 a reference to the questionnaire used to map the various indicators can be found and in appendix 8 is showed the frame of uncertainty and impact levels combined within two axes in order to visualize the evaluation of the uncertainties defined. A total of four key uncertainties to develop the scenarios were identified through the experience of the knowledge holders. In particular, *"Loss of interest towards alcoholic drinks by younger generations"* and *"Changes in consumers tastes towards more differentiated and new flavors combinations"* have similar impact and uncertainties levels, and they were considered as not clearly independent, as decreasing interest in alcoholic drinks can be still considered as a change in consumer tastes and both in their configuration underline a shift in demand for different kind of products. Therefore, they have been unified into one key uncertainty *"Changes in tastes and levels of consumption by the younger generations".* The other variable was also obtained from two uncertainties that were not enough independent, namely *"Market regulation to decrease alcohol consumption"* and *"Changes in the taxation of alcohol at European level",* that were merged into a single variable: *"Market regulation and taxation to reduce the consumption of alcohol".* The reason behind the unification of the two variables is that all decisions in terms of taxation and regulations are both related to the government aiming at reducing alcohol consumptions with different strategies, which can involve both tactics. These two uncertainties were validated by the client and inserted, with their configurations, into a 2x2 matrix to obtain four possible outcomes which are then developed for the creation of the scenario structures.

7. Scenario Narratives

A summary of the key concepts of the four scenarios can be found in Illustration 1.

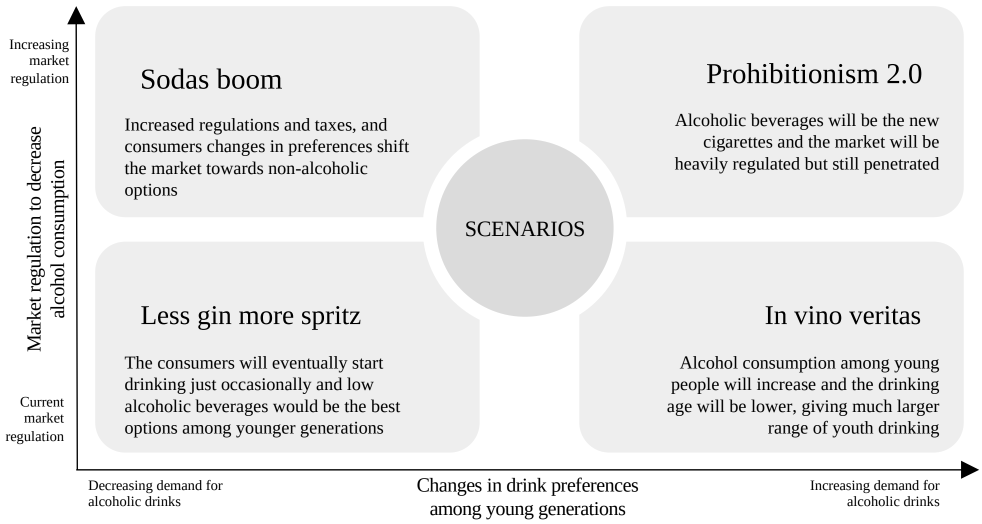


Illustration 1. Scenario matrix. Source: Own creation.

In this research paper, the scenarios dealing with increasing demand for alcoholic beverages are considered, namely the second one, Prohibitionism 2.0, and the fourth one, In Vino Veritas.

7.1. Scenario 2 – Prohibitionism 2.0

In this scenario the consumption of alcohol is highly taxed by the European community which issues laws through commission that are integrated into the lifestyle improvement plan already promoted by the WHO (World Health Organization, 2021). Awareness campaigns are also launched to highlight the harmful consequences of alcohol abuse, especially in terms of health and related diseases. It is in fact defined to treat alcohol labels like those already issued on cigarette packets to mitigate their consumption. At the same time, a public middleman is imposed between the production and distribution of alcohol, which ensures that the market is regulated and that the products are less available for consumption. Within this world, however, we see the younger generation going against the trend towards the battle against alcohol processed by the European Commission, and consumption is increasing among the very young indeed, as they see the practice of drinking as transgressive. However, due to taxation and the increase in prices, the vision of drinking alcohol as a convivial moment and as an experience is lost, but low-priced beverages brought in high volume are preferred, thus increasing binge drinking practices also in those countries where it is not typically common to drink to get intoxicated, also going against the tide with the common practice of fighting alcohol and the need to move towards a healthier lifestyle. In fact, here is witnessing a phenomenon similar to what is already happening in the Nordic countries, where taxation and high regulation also at the level of distribution of products do not block the spread of alcohol, but rather have fueled the consumption of low-quality products and in excessive doses. Moreover, alcohol-free products are also booming, as they are not taxed and very similar to the taste of alcoholic beverages. Precisely for this reason at the market level, there is a general exit of artisanal and minor producers, as the heavy taxation and regulation does not allow to obtain sufficiently high profit margins. The most stable and largest global producers, with a diversified portfolio of beverages, are instead those who get the better off of it, because they can exploit the most popular products and withdraw those with the highest alcohol content and the most premium because not very friendly to the demand. The major producers will get bigger and bigger and therefore their revenues will increase, because the remaining consumers will be less price sensitive, since they are willing to pay a premium price for the products given the high level of taxation. In general, however, as the industry is unable to influence products prices, it is likely that profit margins will decrease overall due to regulation and the government health guidelines.

7.2. Scenario 4 – In Vino Veritas

This final scenario could be seen as the natural extension of the actual reality, although with some distinctions. Alcohol consumption among young people will continue to increase and the drinking age will be lower, giving much larger range of youth drinking. No major changes can be seen at market level, without new regulations to limit alcohol consumption and a moderately low interest by government in blocking it, since there are still campaigns against it, but there is not so much emphasis and effort in contrasting it. The interest by consumers is quite high, as alcohol, in any form, that could be low gradation such as wines and beer or way higher as spirits, is seen as a good option for every cheerful moment. Revenues are improving for alcoholic products and new entrants try to gain market share, given the profitability of this growing sector, creating fiercer competition. Willingness to pay by consumers is extremely high, but loyalty to the brand or the specific cocktail is extremely low, as customers are continuously looking for new experiences that are connected to different moments of the day and the context or social setting in which they find themselves. The NoLo sector represents a niche market of good interest, but the growth is very slow as free spirits are not seen as substitutes of their alcoholic counterparties. Few players try to enter this sector as it does not represent an appealing and strong market, bringing consistently lower revenues compared to the alcoholic counterparties and just some specific producers and products can succeed but on a more local scale.

8. Financial & Strategic Implications

8.1. Scenario 2 – Prohibitionism 2.0

8.1.1. SWOT Analysis

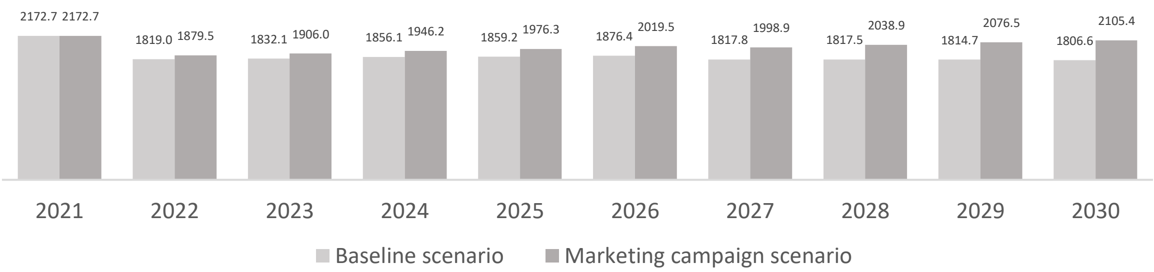
In this second scenario, the market and Campari would probably face the worst case scenario, in particular for the NoLo sector, in which the high level of regulation imposed on the alcoholics is not followed by a change of mindset of the consumers, creating a sort of "conflict of interest", with consumers looking for a particular need, that is the free consumption of alcoholic drinks, and the company restricted by laws and not able to fully satisfy it given the less profitable situation created by the taxation and the requirement to comply to the regulations. As in every scenario developed, the main *strength* of Campari is represented by the wide portfolio of products available, which would allow it to easily adapt to a new set of regulations leading towards a stricter treatment of alcoholic drinks, allowing a wider reach for NoLo products, but it would also be able to tackle the actual needs of the consumers, still greatly interested in the consumption of these kinds of spirits, despite the laws and campaigns against them. Consumers might become less price sensitive since their need and interest for alcoholic products might partially offset the effect of higher taxation and regulations on their final prices. However, considering the *weaknesses*, a tricky situation might arise, in which the consumer needs cannot be satisfied as the regulations do not allow it and the new NoLo options are not even considered as they are not really addressing what customers want, therefore, not even the wide portfolio of Campari might be enough. Furthermore, the market in this sector is fragmented in an oligopoly in which every company follows its own personal interests instead of trying to create a sort of lobby, and every decision becomes less powerful, since every change in price is just followed by all the other players, especially when trying to lower it, therefore, it is difficult to have a unite and influential response against regulations on the prices. As regards the *opportunities*, the market conditions might drive many players out of the market as it will be more difficult to properly tackle the consumers' needs and, subsequently, stay profitable, creating more market concentration, benefiting the biggest and most important players, capable to adapt, rescale and change. In this sense, the competitive advantage of Campari in the NoLo segment, the wide portfolio, also in the alcoholics' sector, the big scale of the business, will all converge towards a cautiously positive outcome for the company. Furthermore, this regulation change will probably be gradual, also thanks to the "opposition" of consumers, leaving more time to the company for assessing the situation and trying to figure out the best path to follow; in the long term, consumption habits might even shift as a consequence of the health campaigns adopted by the government. The main *threats* of this scenario can be reconducted to the reduction of players in the market, as the company is already under the eye of the antitrust authorities and a more concentrated market and an even more dominant position by Campari will attract even more attention on itself. Also, the increased regulation and higher taxation are not directly related to an actual impact on alcohol consumption, as an effective communication about the harmful effects of alcohol is considered as more powerful in the mind of consumers, therefore, it is unsure whether this scenario will lead to a consistent improvement for the NoLo market.

8.1.2. Scenario's Implications

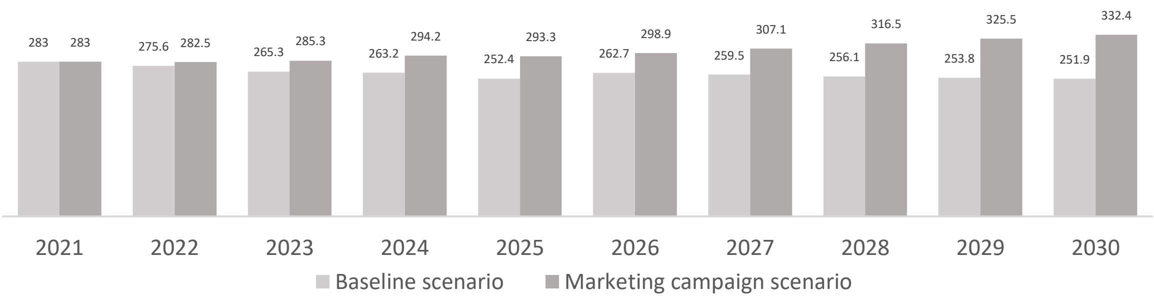
The presentation of this scenario and the analysis have depicted a tricky situation in this particular future, especially for the NoLo sector, which finds itself stuck in the middle of a new set of stricter regulations and higher taxation trying to stigmatize the consumption of alcoholic drinks, contrasted by the willingness of consumers who are still attached to the products that authorities are trying to fight, also led by a feeling of irreverence, especially among youngsters. In this context, the phenomenon of binge drinking is expected to increase, also thanks to a lower price sensitivity of consumers, offsetting the effect of the taxation and regulation on alcoholic drinks. These contrasting views of authorities and consumers bring to this worst-case scenario for the NoLo sector, in which launching new line of products in this field is considered as a wrong move both in terms of timing and interest of customers, given the low appeal for these solutions. However, it is advisable to try to work through communication strategies and enhance the overall image of the company, pointing towards greater awareness by consumers, leveraging on the aspects that they really care about and trying to lead them on the way to a healthier lifestyle by building culture about NoLo in the long term. At the same time, it could be a good idea to develop some valid NoLo solutions that might be viable in the long term when these communication strategies have made their effect on consumers and anticipate the competition. In the short term, apart from these awareness messages, there would probably be no other solutions than focusing on what customers are asking for and follow the high ABV market and pushing the most trending products through targeted marketing strategies, trying to make the most out of the situation, also thanks to the wide portfolio of Campari which includes many solutions in this field and would still enable it to face such a tricky market situation.

8.1.3. Financial Forecast Analysis

Within the Prohibitionism 2.0 scenario, there is a contrasting effect between the increase in taxation and the jointly increase in the consumption of alcoholic beverages by young people. In fact, a change in the pattern of consumption is perceived even in countries where drinking is seen more as a convivial moment and not as a moment aimed at achieving drunkenness. Exclusively in relation to the higher taxation levels, an overall decrease of 2% in revenues for alcoholic lines is recorded. This is and indirect effect brought by the fact that taxes influence customers and their consume levels. At the same time, however, in this scenario is also expected an increase in drinking behaviors among the young generation, which on the contrary brings an increase in sales for drinks with a higher alcohol content, typical for the preparation of cocktails and more suitable to be consumed in the case of binge drinking. In fact, an increase in consumption brings higher sales equal to 5% in the first three years, and then the expenditure increases biannually by one 1% until 2030. As for low alcoholic beverages, there is a decline in consumption caused by the shift in drinking preferences and the subsequent lower interest for NoLo by customers, with a significant loss above all in the Group's leading products that actually built the strong image of the brand throughout the years, namely Aperol and Campari, recording a decrease of 3%. The slice of the population that continues to be interested in alcoholic beverages tends to be less price sensitive, and therefore prefers the choice of drinks with a high alcohol content, while the part of the population most sensitive to price increases prefers the consumption of soft drinks. For this reason, an annual increase of consumption of 6% is considered for these portfolio products, with an even greater increase of 10% starting from 2028 thanks to the reception of Campari's commercial campaigns to focus on the sale of soft drinks. Given the market tendency to focus on combating the consumption of alcohol, in fact, implementing new products in this transition period would risk creating an excessively high cost increase at the expense of revenues. It is fundamental to focus on raising awareness for young people and at the same time leverage on the rich diversified portfolio, sponsoring, also thanks to the help of influencers and digital marketing, all the non-alcoholic products of the company, with the aim of changing the extrinsic perception of the current line, which is currently not “youth friendly”, but that can also feed sales in view of a future success of the anti-alcohol awareness campaigns, so that Campari can establish itself as a first mover in focusing entirely on the no-alcohol market, and replacing the losses of low-alcohol products. On the other hand, the Group will still have to follow the spirits market and try to push them through marketing tactics and promotion strategies, at least in the short to medium term, as they represent the trending products that consumers want, and they could maintain a satisfactory profitability level overall. There is therefore an annual increase of 7% on the average of advertising costs for the first 5 years, increasing to 9% till 2030. The other cost items remain constant as a projection of the historical series recorded through Annual reports. Other operating costs, such as selling, general and administrative costs, on the other hand, are calculated with respect to the percentage of sales, historically constant at 23%. The working capital does not show significant consequences in this case, with a cash conversion cycle of around 200 days, mainly influenced by the long recirculation time of the warehouse, kept high also due to the fact that there will be a greater quantity of products from the portfolio above 25% ABV, with a reduced risk of expiry before the sale, favored by the higher alcohol content. As regards the financing part, it was decided to maintain a constant D / E because the company currently has very healthy levels of capital structure, with a debt that accounts for half of the equity present for the shareholders, and also being that there are no significant investments in the period, it may instead be appropriate to continue with a dividend distribution strategy for shareholders to establish the profitable capacity on the Campari market despite the regulatory conflict on the alcoholic beverages market, which could potentially lead to the risk of incurring in significant losses on the secondary market if proactive activity toward shareholders are not emphasized.



Graphic 3. Revenue for Prohibitionism 2.0 Scenario - hist. 2021, forecasted 2022-2030, Baseline vs. Strategy (in million €). Source: Own creation. Full calculations can be found in Appendix 10.1



Graphic 4. Net Income for Prohibitionism 2.0 Scenario - hist. 2021, forecasted 2022-2030, Baseline vs. Strategy (in million €). Source: Own creation. Full calculations can be found in Appendix 10.1

8.2. Scenario 4 – In Vino Veritas

8.2.1. SWOT Analysis

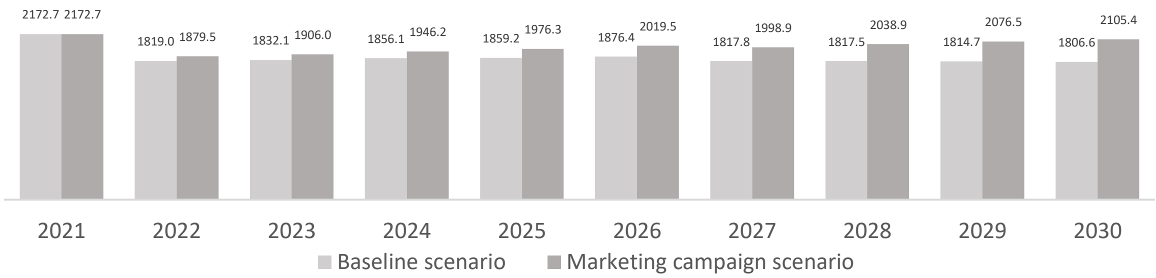
The last scenario can be seen as the natural extension of the actual situation, without any new important regulation to consistently limit alcohol consumption and with a wide interest for spirits among the younger generations, leaving so much room for the players in the market to pursue their objectives without any limitation. As previously outlined, it is known that the fundamental *strength* of Campari is represented by its wide portfolio of products, with a particular focus on the "aperitivo moment" and the low ABV alcoholics, but with a still very wide offer or spirits, totaling more than 70 brands under its control. On the other hand, in this specific scenario in which consumer are free to choose and are more attracted by the more classic spirits with higher ABV, the *weakness* for Campari lies in its own image of the brand as a whole, which is usually recognized just for the "aperitivo moment" and not well known for the other part of the portfolio constituted by many spirits which are also well know, but mainly among the most "expert" consumers, representing therefore a sort of niche for the company as it stands right now. Furthermore, as said before, the antitrust authorities are already keeping an eye on Campari's activities, a matter that might limit the choices and strategies of the company in the future. Concerning the *opportunities*, given the particular market conditions unfolding, it is highly probable that the most important drivers of the consumption choices will be the quality and experiences, representing a great opportunity for Campari, whose business has always been driven by the aim of creating meaningful experiences. In this sense, the whole portfolio can easily adapt and succeed in this kind of market, and the niche products might be able to improve and succeed thanks to this continuous research for novel experiences by the consumers, who will try to look for more artisanal solutions, which still represent a good portion of the company's offering. The main *threat* will be represented by the probably increasing competition as more and more players enter the market given the low regulation and entry barriers of this booming sector. In this scenario, with more competitors, the quality and artisanal aspect of the smallest local producers might erode the competitive advantage of bigger players as Campari, which can be seen as less qualitative in the eye of the consumers, which might ultimately switch their choices, looking for truer and more "meaningful" tasting experiences. As understood during the discussion, this aspect is already a small trend that can be seen especially in the context of gin and liqueurs, with more and more consumers looking for the local producers to try new variations of products.

8.2.2. Scenario's Implications

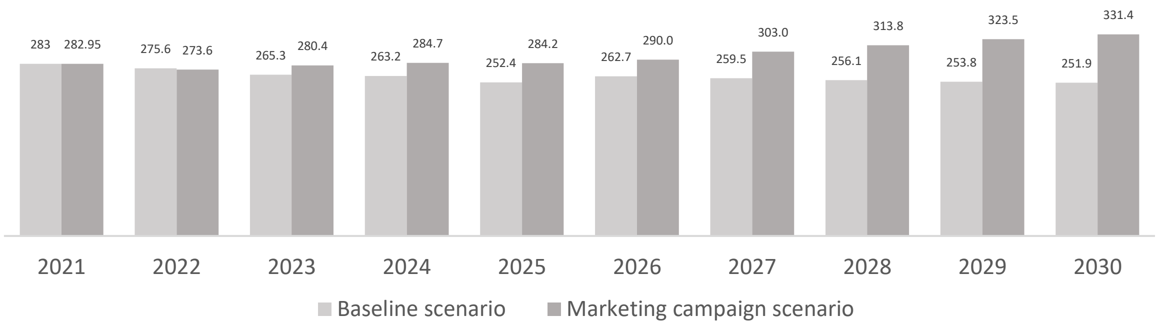
In this scenario, it is expected that there will be a sort of extension of the present situation, without no major regulation changes aimed at reducing alcohol consumption, and a great interest of consumers for alcoholic products in general, with a particular focus on higher ABV spirits. This scenario leaves a lot of freedom of choice to Campari on how to proceed, and the market conditions seem to be favorable for an ongoing improvement of the company's performance thanks to the widely diversified portfolio of products. Considering specifically the NoLo segment, there could be some opportunities unfolding in the long run, but it is fundamental for the company to work more specifically on a marketing side, to develop a series of meaningful experiences that might be tempting for consumers to switch their choices towards these alternatives. However, in the short run, it would be better to concentrate the effort in pushing the leading products of the company, especially those connected to the "aperitivo moment" that are bringing the most consistent revenues and those with higher ABV, which are the most appreciated by consumers. In this sense, a consistent effort on a marketing campaign with the aim of enhancing the overall brand image, by leveraging on the strength points of the portfolio in the field of low ABV drinks, would be the best solution. On the other hand Campari should also try to overcome the actual image of the company as a brand solely focused on the "aperitivo moment" and try to push the many products with higher ABV percentages, by paying attention to the most trending ones of the period, such as Gin, which, was identified by the client throughout the discussion held in the workshop as a very strong product with good room for further improvement in the current market for alcoholic beverages. As in the previous scenario characterized by lower interest in NoLo solutions, it not advisable to launch a new product line immediately, since the market is not really going towards this trend, but it is still important to work on developing a strong alternative for the long term while working on the image of the company and the awareness of consumers, in order to be ready for a new market shift towards different scenarios.

8.2.3. Financial Forecast Analysis

As previously mentioned in the development phase of the narratives, this scenario appears to be the most similar to the current reality and therefore also the financial forecast has been kept very conservative without considering the introduction of any new product line but focusing mainly on improving marketing aimed at young people, a growing market given the greater propensity to consume alcohol in this slice of the population. In fact, within this scenario there is a homogeneous growth in sales, with a greater incidence for drinks with a low alcohol content, a strong point of Campari's portfolio and therefore predominant also in terms of percentage of sales, such as products such as Aperol and Campari which contribute more to sales. Historically, the contribution of each product to total sales is constant over time; therefore, to develop a constant increase in sales over time, it was decided to increase the sale of low-alcoholic spirits by 4% and by 3% for high-alcoholic ones. On the other hand, the consumption of non-alcoholic products was reduced by 2% for the first 3 years and by a further 3% until 2030, including starting from 2022 the new line of The Notes Series products. The sweeter and aperitif products are those most preferred by young people, for this reason, within the scenario, the commercial campaigns considered will be focused especially on aperitif and cocktail products. For this reason, a further 10% increase is recorded for these products starting from the launch of the campaigns indicated as 2024, for Aperol, Campari, SKYY and Espolón. For reference to the product categories, see Appendix 9. Moving on to the cost items, the increase in the cost of goods sold can be directly linked to the amount of products sold and therefore to the revenues, reaching 38%, while for selling, general and administrative, there is a weight of 23% thus keeping them stable over time with respect to the value of the revenues. As regards promotional and advertising costs, the intense marketing activity conducted starting from 2024 for Spritz and Campari and for the selected spirits, will have decreasing impacts on various items, and then reduce the extent of costs. Having defined young people, particularly generation Z, as the primary target, the main marketing activity will take place at the level of sponsorship, creating events and influencers, to implement the concept of experience and feed the extrinsic aspect of Campari products, thus increasing them. the item of an expense of 12% linearly decreasing over time. The production of media content and merchandising will also be impacted to a lesser extent, equal to 5% decreasing over time. In this scenario, there are no changes in regulation and taxation compared to the current situation, therefore it was decided to keep the straight-line levels, but without considering the 2020 value for the calculation of taxes, as it is distorted by a greater contribution of incentives from the State to support economic activity as a result of losses due to Covid-19 (Annual Report 2021 – Campari Group). The IRES rate, on the other hand, was reduced to 20% starting from 2023 with the consequent need to adjust the tax value due to the change. Moving on to the evaluation of the net working capital, the company has an indicatively high holding period, equal to about 300 days for the complete turnover of the inventory, but historically a variation of the indicator is not very evident, underlining how Campari works with an inventory. high volume, justified by the fact that some types of alcohol are particularly seasonal, especially the workhorses for aperitifs, thus creating longer turnover times and even higher in the case of the scenario, as the production of those products has intensified more seasonal and therefore the amount of inventory available will also increase from year to year. The management of receivables is very efficient for Campari as it tends to require payment after 2 months from the delivery of the products, in line with the payable period which is instead very long and equal to about 6 months. For the forecast, it was decided to keep the collecting and payable period values constant, while the days to sell inventory level was raised as product stocks are directly proportional to revenue. On the other hand, the financing part aspect was not stressed as it was preferred to keep the D / E ratio constant, already healthy for the type of company, therefore without the need to finance the promoting costs, the main change within the model, with the use of additional debt, also due to the fact that the gross margin remains constant at 60%, meaning that the costs re-incorporate only 40% of the revenue created, thus creating value. In the following graphs, revenue and net profit structure for the scenario analyzed is proposed at a summary level, comparing them with a baseline level, identified through the straight-line projection of the results of the individual products within the portfolio, also projecting the cost items through the same mechanism.



Graphic 7. Revenue for In Vino Veritas Scenario - hist. 2021, forecasted 2022-2030, Baseline vs. Strategy (in million €). Source: Own creation. Full calculations can be found in Appendix 10.2



Graphic 8. Net Income for In Vino Veritas Scenario - hist. 2021, forecasted 2022-2030, Baseline vs. Strategy (in million €). Source: Own creation. Full calculations can be found in Appendix 10.2

9. Strategic Recommendations

As we have seen, multiple scenarios might unfold within the Time Horizon considered, with some common aspects and some clear differences. The scenarios characterized by a consistent shift in consumer preferences towards NoLo alcoholic solutions are the ones that were considered as more suitable for a product launch, given the more favorable market conditions and the higher possibility of success due to the consumers' readiness for such a new product. In this situation, the scenarios characterized by an easier level of regulation would probably outline an even more favorable situation for Campari, given its existing competitive advantage in the sector, which would not be harmed by stricter limitations on ingredients composition and knowledge disclosure, even though the players in the field would be increasing. On the other hand, the scenarios characterized by higher interest in alcoholic drinks were deemed as more suitable for a marketing campaign leveraging on the current assets of the company and trying to work in the long term to build a culture that might be able to welcome new NoLo solutions. Again, the scenario characterized by an easier regulation is considered as more favorable, since it would represent a sort of natural development of the actual conditions, in which Campari represents one of the leading players worldwide, despite the fiercer competition. The fundamental common point characterizing all the scenarios is the strong and diversified portfolio and the consolidated knowledge in the beverage industry that would certainly help Campari in coping with every possible future development. Despite this, it is necessary to identify an overall strategy to allow the Group to be resilient despite the future scenario that will take place. It is useful to continue to proceed with market research focused on the consumption of the youngest, specifically of generation Z, aimed at understanding how the consumption patterns of this specific target develop and at the same time allows to promptly identify the possibilities of entering the market with products that may have a high percentage of penetrability. When studying a new product or a new line, it is necessary to consider the life span and so the goal of creating a product that manages to become a distinctive brand, typical of the other Campari portfolio. For this reason, the need to create a product aimed at young people arises external to a single generation, which changes uses and consumption according to the phase of life in which it is found, as also specified by the experts during the workshop, but must be able to represent a youth experience, both at the level of extrinsic and intrinsic characteristics. The creation of a new product line must therefore be accompanied by marketing activities aimed at making the consumption ideal for the youngest, allowing them to be represented by what they are consuming. An activity to carry on and develop in the near future is certainly developing the presence on digital channels as a means of communication, also using influencers both to elevate the products, but also to act as a company attentive to responsible consumption, also by commercialize a diversified offer to be able to cover all moments of consumption while still committing to educate, especially the new generations, to moderate the use of alcoholic beverages. This leads us to tie ourselves to the development aspect of the non-alcoholic portfolio, leveraging the international importance of a brand like Campari which is able, thanks to its capabilities, to be a leader in the market and at the same time to seize a new opportunity that it is precisely the increase of interest in non-alcoholic products with a more complex taste, which can be easily positioned mainly during the aperitif moment, a workhorse in the Group's offer and where, indicatively, the range products are also those that have the greatest contribution in terms of revenues, for example products such as Aperol and Campari. The Group presents a diversified offer not only at the brand level, but also in the geographies in which it operates, with products that target not only the global market but also the local one. It is therefore an excellent job to have a close relationship with your local partners to always obtain the highest quality raw materials at low prices, through lasting partnerships. The more purely environmental issue remains of the first order in the European panorama, and it is therefore necessary to continue with a coherent strategy to be following the objectives defined in the European Green Deal plan. In this case, Campari is involved in two main aspects: energy efficiency and water consumption. The Group must therefore commit to focused investments to achieve energy neutrality by 2050. In general, the analysis of the identified scenarios reveals the following interesting growth points for the group: first, the development of the no-lo alcohol market and the transition especially by young people towards a more conscious and healthy lifestyle, which therefore lead the brand in the right direction to position itself as a leader not only in the aperitif market, but as a promoter of a balanced lifestyle that also includes the conscious consumption of alcoholic beverages. Another open point is that of regulation, which can compromise the profitability of some product lines, but at the same time create a new market for others. For this reason, Campari must proceed with the development of its already diversified portfolio, through targeted investments in new product categories.

10. Early Monitoring Indicators

To complete the analysis, it is necessary to identify a series of key indicators that can prematurely assess the first signals that lead to the scenario that is most likely to occur in the short term (Huss & Honton, 1989). The usefulness of keeping the main drivers of change monitored lies in the ability to promptly apply the business strategy to benefit from the consequences of the development of a given scenario. A valid way to identify the early monitoring indicators is to divide them by the key uncertainties developed and used to create the scenarios. In the case of changes in consumption by young people, the first indicator to monitor is certainly to investigate the volume of habitual alcohol users in age groups within generation Z, therefore those born between the middle of the age 1990s and 2010. Another way, as already studied also through the future projection of sales and revenues, is to monitor the sales of the individual products contained in the portfolio, to evaluate the inclination towards spirits versus that of lower alcoholic beverages. A careful monitoring of the sales of low and non-alcoholic products is fundamental, as these markets are potentially the most profitable for

Campari's future, given its strong experience in the sector and its leadership in the beverage market for the "aperitif" moment; therefore, an early positioning would lead to a huge increase in revenues and the attraction of a larger slice of the market. Furthermore, it is always important to benchmark with other major players of the industry for benchmarking activities, but in this case, Campari should also monitor closely any new entrant in the market and how it is performing, to identify new possible trends and shifts in consumers changes to respond promptly. As regards of market regulation, a first indicator is certainly the announcement of policies against alcohol consumption, not only at the EU level, but also in individual local markets, which potentially can act as an influence for a cohesive European strategy. Another useful indicator is the continuous research of any publications aimed at demonstrating that alcohol is harmful to health, even in this case the media presence could potentially influence the legislative landscape as opposed to the spread of alcohol. Finally, it is useful to evaluate, also through market surveys, the customer consumption trends, as well as lifestyle choices, as they can potentially influence both key uncertainties, on the one hand of variation of consumption practices towards a reduction in the quantity of alcohol in favor of both low and alcohol free drinks, and due to the fact that an increase in a slice of the population with exaggerated trends in alcohol consumption and therefore a transition to an unhealthy style, could indicatively influence the birth of new restrictions on the sale of alcoholic products.

11. Research Limitations and Conclusions

The research focused on the objective of investigating the future of the world of alcoholic beverages, mainly in relation to the spread of low-alcohol or alcohol-free products among generation Z, often referred to in the description as young consumers. However, some limitations regarding the spectrum of analysis carried out in the creation of the scenarios and the related strategic conclusions should be emphasized. First and foremost, the scarcity of experts who participated in the project has an impact, even though the experts identified as contacts within Campari, cover roles and skills inherent to marketing and finance, which are the core elements in this research's strategic design. However, further research can be developed with the help of knowledge holders from different backgrounds. Secondly, geographical caution should be mentioned, as research has focused on treating the European territory as essentially homogeneous in terms of pattern of consumption, but there are essential differences, especially in terms of the cultural engagement in relations to alcohol drinking. However, it was preferred to outline a cohesive strategy in view of useful considerations for Campari Group, as the latter is an international player, thus considering not to focus on a single country, but on comprehensive typical behavioral patterns among young Europeans. For this reason, the researchers invite further scenario developments relating to characteristics of a single country. The scenario analysis is characterized by the use of qualitative and quantitative data; therefore, the research has developed both in outlining a qualitative planning, but also drawing on financial forecasts to project the implications of the scenario on corporate profitability. However, there is still much room for including a deeper analysis under the financial point of view, trying to address distinct levels of confidence with more conservative or more extreme approaches, also considering other metrics and drivers, with more attention to the single products of the portfolio. Deep diving on consumption habits and needs would also be interesting to better assess the actual direction of the market in the long term and understand what the best solutions might be to be implemented. Despite these limitations, this research can be considered as a starting point in the implementation of scenario planning within the Alcoholics and NoLo markets. The final aim is to explain the different futures that might unfold within a single industry in the multifaceted and interconnected world we are living in, and the importance of maintaining an open-minded and resilient approach, capable to tackle and adapt to any possible shift in the market, being it positive or negative, to continue to succeed in the long term.

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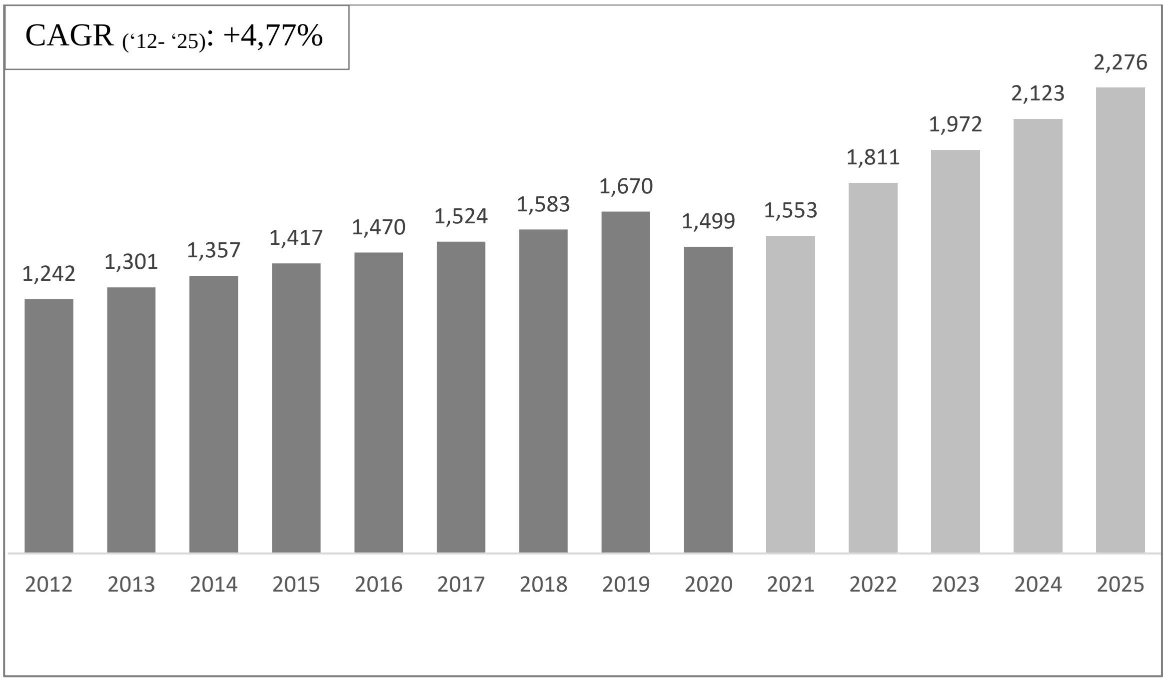
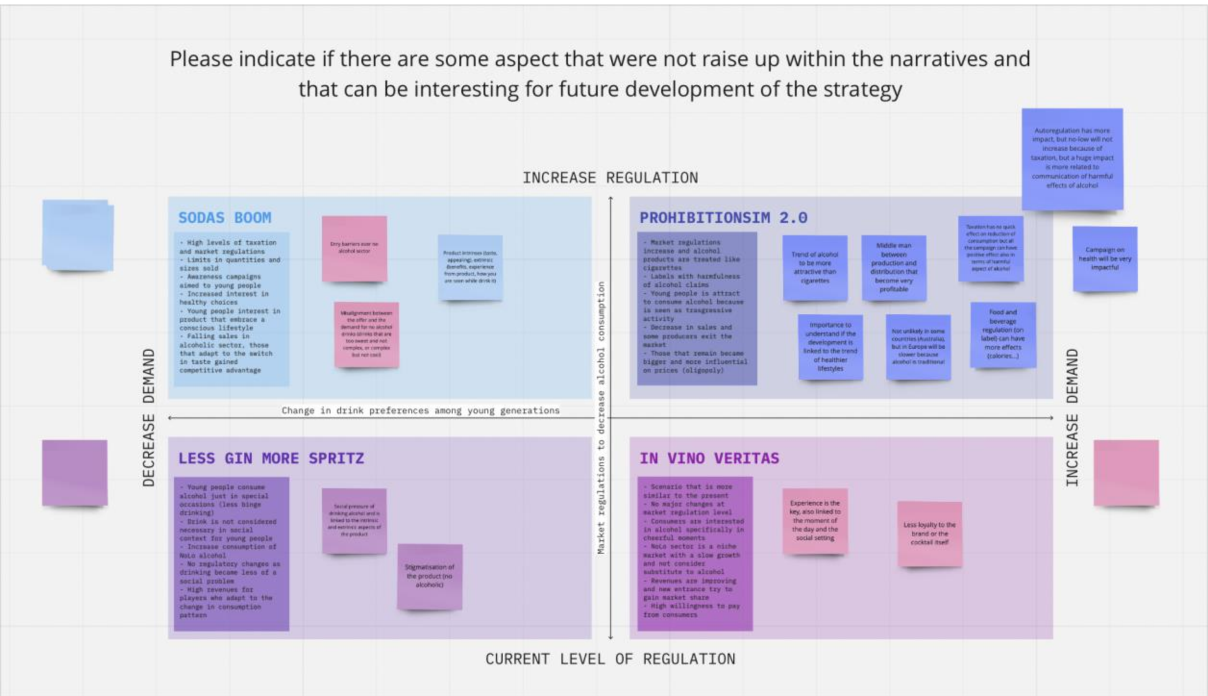
APPENDIX

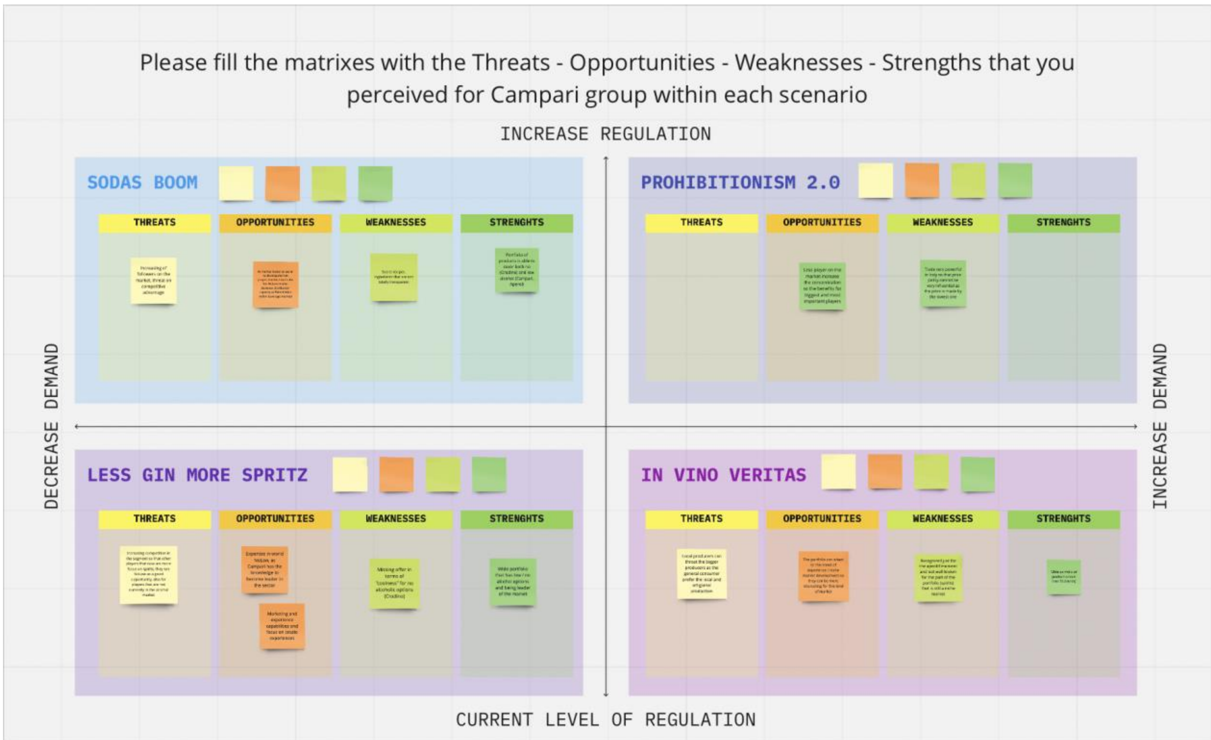
Illustration 1: Worldwide alcoholic beverage market revenues from 2012 to 2025 (in million US$)

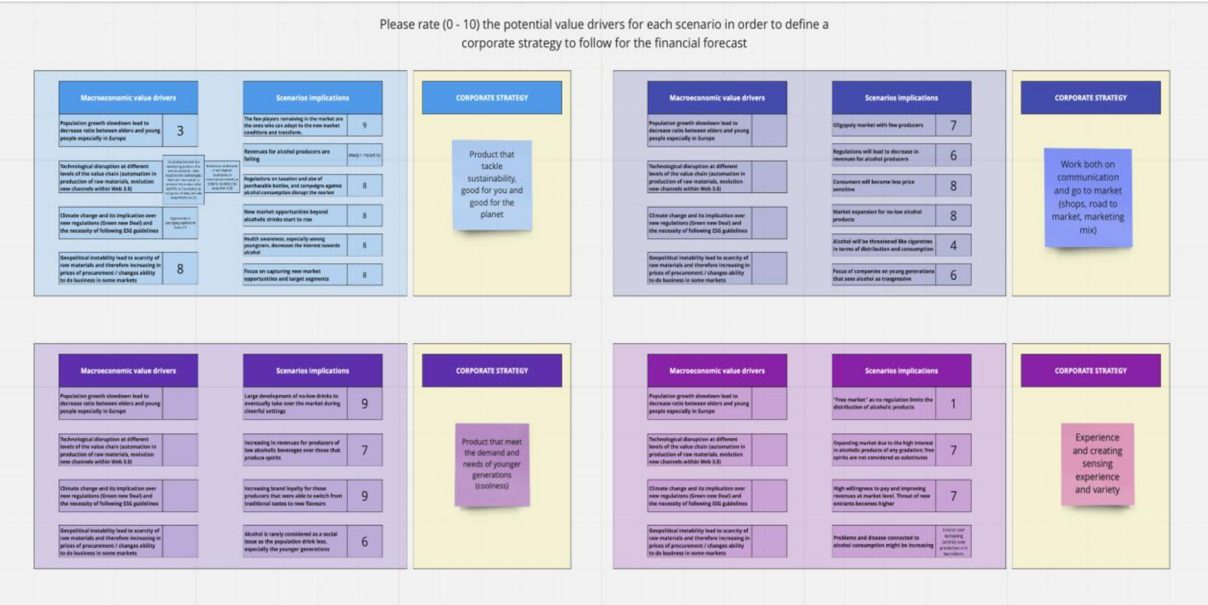


Source: Spirits market worldwide. Statista Consumer Market Outlook. (Statista, 2021)

Appendix 2: Workshop materials






Please rate (0 - 10) the potential value drivers for each scenario in order to define a corporate strategy to follow for the financial forecast
Macroeconomic value drivers
Population growth slowdown lead to decrease ratio between elders and young people especially in Europe
3
Technological disruption at different levels of the value chain (automation in production of raw materials, evolution new channels within Web 3.0)
Climate change and its implication over new regulations (Green new Deal) and the necessity of following ESG guidelines
Geopolitical instability lead to scarcity of raw materials and therefore increasing in prices of procurement / changes ability to do business in some markets
8
Scenarios implications
The few players remaining in the market are the ones who can adapt to the new market conditions and transform.
9
Revenues for alcohol producers are falling
Regulations on taxation and size of purchasable bottles, and campaigns against alcohol consumption disrupt the market
8
New market opportunities beyond alcoholic drinks start to rise
8
Health awareness, especially among youngsters, decreases the interest towards alcohol
8
Focus on capturing new market opportunities and target segments
8
CORPORATE STRATEGY
Product that tackle sustainability, good for you and good for the planet
Macroeconomic value drivers
Population growth slowdown lead to decrease ratio between elders and young people especially in Europe
Technological disruption at different levels of the value chain (automation in production of raw materials, evolution new channels within Web 3.0)
Climate change and its implication over new regulations (Green new Deal) and the necessity of following ESG guidelines
Geopolitical instability lead to scarcity of raw materials and therefore increasing in prices of procurement / changes ability to do business in some markets
Scenarios implications
Oligopoly market with few producers
7
Regulations will lead to decrease in revenues for alcohol producers
6
Consumers will become less price sensitive
8
Market expansion for no-low alcohol products
8
Alcohol will be threatened like cigarettes in terms of distribution and consumption
4
Focus of companies on young generations that sees alcohol as trasgressive
6
CORPORATE STRATEGY
Work both on communication and go to market (shops, road to market, marketing mix)
Macroeconomic value drivers
Population growth slowdown lead to decrease ratio between elders and young people especially in Europe
Technological disruption at different levels of the value chain (automation in production of raw materials, evolution new channels within Web 3.0)
Climate change and its implication over new regulations (Green new Deal) and the necessity of following ESG guidelines
Geopolitical instability lead to scarcity of raw materials and therefore increasing in prices of procurement / changes ability to do business in some markets
Scenarios implications
Large development of no-low drinks to eventually take over the market during cheerful settings
9
Increasing in revenues for producers of low alcoholic beverages over those that produce spirits
7
Increasing brand loyalty for those producers that were able to switch from traditional tastes to new flavours
9
Alcohol is rarely considered as a social issue as the population drink less, especially the younger generations
6
CORPORATE STRATEGY
Product that meet the demand and needs of younger generations (coolness)
Macroeconomic value drivers
Population growth slowdown lead to decrease ratio between elders and young people especially in Europe
Technological disruption at different levels of the value chain (automation in production of raw materials, evolution new channels within Web 3.0)
Climate change and its implication over new regulations (Green new Deal) and the necessity of following ESG guidelines
Geopolitical instability lead to scarcity of raw materials and therefore increasing in prices of procurement / changes ability to do business in some markets
Scenarios implications
"Free market" as no regulation limits the distribution of alcoholic products
1
Expanding market due to the high interest in alcoholic products of any gradation; free spirits are not considered as substitutes
7
High willingness to pay and improving revenues at market level. Threat of new entrants becomes higher
7
Problems and disease connected to alcohol consumption might be increasing
CORPORATE STRATEGY
Experience and creating sensing experience and variety

Appendix 3: List of supporting question to the key focal issue

Understanding the target segment	Understanding the market
▪ Are young people more interested in NoLo Drinks? Why? ▪ How can Campari tackle this growing consumer need or even enlarge it? ▪ Will alcohol consumption change as the generations change? ▪ Are young people more aware and carful about health matter connected to the food and beverage sector? ▪ Is the higher awareness about sustainability topics influencing their consumption choices?	▪ Will Campari have to face any major disruption to the market in the foreseeable future? ▪ Is there any stigma / stereotype / preconception about NA drinks that could negatively influence the consumption? ▪ Will free spirits be able to substitute alcoholic beverages and/ or CSDs?

Appendix 4: List of the main driving forces identified

Name	Type	Description	Source
SOCIAL			
Slowdown of population growth	Megatrend	The annual population growth rate is declining from the current annual growth of around 74 million annually to 41 million in 2059. Some countries are experiencing population decline, especially in Europe, mainly due to at low fertility rates	Eurostat 2021
Increasing cost of healthcare	Weak signal	The current European population has an average age of 39, which will rise to 41 in 2050. The aging population will put pressure on the health system as the average number of children per family is 1.52, less than 2.1 necessary to settle the population.	European Parliament 2021
More health-conscious young generations	Trend	Both millennials and generation z see ingredients from sustainable sources as fundamental in their purchasing choices and are willing to pay a premium to ensure that the products they eat are healthy, natural, GMO-free, and sustainable.	Livingston et al. 2019
Change in consumption preferences	Trend	A process of quality over quantity has been started in the consumption of alcohol, looking for sensory experiences in the products, in particular drinks that burn, cool, tingle and comfort are sought.	Internal research shared by Campari group
Innovation in tastes to widen the offer	Weak Signal/Trend	Consumers are constantly looking for novel experiences and tastes, pushing spirits producers towards innovative flavors by blending classic alcoholics with new aromas or trying different aging. Also, Consumers of NoLo drinks seem to be asking for a wider offer of products that might be able to fulfill diverse needs in different occasions with different ingredients, tastes, etc.	Statista 2020
Health issues related to alcohol consumption	Black Elephant	A study performed by The Cambridge Centre for Sport and Exercise Sciences, unveiled that even light drinking can be detrimental, in the context of cardiovascular diseases. Even respecting the limit of 14 units of alcohol per week recommended in the UK, still increases the risks of these	Elsevier 2022

		issues. A study on a sample of more than 330,000 alcohol consumers showed substantial risk of hospitalization, even when respecting the limit.	
Diffusion of No low drinks	Trend	Sober and mindful consumers, want to be able to adapt their consumption choices of different alcoholic strengths to meet specific consumption needs.	Bacardi Limited Association 2021
TECHNOLOGICAL			
E-commerce for alcoholic beverage purchases	Trend	The pandemic has amplified the practice of recreating the experience of a bar and therefore of elaborate cocktails even at home, due to restrictions and closed bars and restaurants. This practice has increased the sale of alcohol online through several e-commerce channels.	Bacardi Limited Association 2021
The importance of social medias and influencer marketing	Trend	The Covid-19 pandemic pushed consumers towards the online world and fastened digital changes. Social medias have become marketing and shopping platforms. Producing appealing content has become crucial, as gen Z makes up 40% of consumers and they are the "social generation". The rise of the figure of the influencer has shaped the marketing landscape, with this new touchpoint, perceived as more authentic, creating engagement, and bringing consistent market gains.	Forbes 2021 Journal of Interactive Advertising 2019
Spread of alcoholic beverages on social media	Trend	The presence of alcohol on social media negatively affects the use of alcoholic beverages among minors, also because advertising by influencers on social media, represents an escape route among industry players from the prohibition of advertising alcohol consumption to minors	Hanneke, et al. 2020
Interest of metaverse from big corporations	Trend	The recent pandemic and the technology advancement increasingly more focus on virtual reality and metaverse, the interest from large companies has increased dramatically, to conquer their own space within the metaverse, seen as a new opportunity to earn and increase interaction with your customer overcoming physical	Accenture 2022

		and geographical limits, but creating a common environment that does not underlie limits because it is within a platform reality.	
ECONOMIC			
Increase in energy prices	Trend	The cause of the rise in prices, are a series of concomitant circumstances, which include the imbalance between supply and demand in the natural gas market and the increase in demand worldwide	European Commission 2022
Geopolitical instability	Megatrend	The pandemic has increased the per capita income gap between developed countries and emerging markets and the indebtedness of the latter. However, their economies are centered on commodities, so the inflationary phenomenon could alleviate the burden of this growing debt.	Petersen 2022
Economic consequences of the Ukraine crisis	Predetermined Element	Ukraine is requesting emergency funding from the IMF and support from the International Community, while Russia is becoming weaker and isolated. The risk of supplies shortages is high for the countries having close economic relationships with both the parties. We can already see global food prices at all-time high. It is crucial to understand the importance of Russia in terms of energy supply, notably for many European countries.	IMF 2022 New York Times 2022
Protectionism	Weak signal	Many countries have protected themselves from the economic instability that characterized the last two years through protectionism practices, however leading to a rise in consumer prices and a reduction in disposable income per capita.	Petersen 2022
ENVIRONMENTAL			
Climate change	Megatrend	Climate change has become one of the most central topics of global policies, putting pressure on current business models as the underlying risks are different between regions and therefore affect producers to a greater or lesser extent.	Pwc 2018
More sustainable development path	Weak Signal	Sustainability has become a key factor for the beverage industry, led by	MPDI

for the alcoholic industry (packaging, etc.)		increased awareness by consumers (willingness to pay for sustainable beverages, distribution and fair trade and sustainable packaging). The market is going for a more sustainable path, developing alternatives to the usual plastic bottles, and trying to reduce water waste and carbon emissions in the whole process. Moreover, the European Parliament approved a law to ban single use plastic in its member states by 2021	2021 Statista 2020
POLITICAL			
War in Ukraine	Predetermined Element	The conflict started at the end of February with the invasion of Ukraine has countless implications: the huge number of fatalities and refugees on the Ukrainian side, which sees its democracy at stake and the country down; Russia is getting isolated by the international community, who imposed a huge series of sanctions. The Rouble has lost value, inflation is soaring and most of the multinational companies (Ikea, McDonald's, Mastercard, fashion brands) left the country. Therefore, Russia may become more dependent on China.	EEAS 2022
LEGAL			
Limits in alcohol online promotion	Trend	Putting restrictions on the advertising of alcoholic beverages is a little harmful strategy aimed at reducing consumption and is part of the cancer reduction plan issued by the European Union.	European Parliament 2021
Labeling health warnings	Trend	By 2022 it will be mandatory to indicate the nutritional properties also in relation to alcoholic beverages, while in 2023 labels will be introduced to underline the risk to health, a proposal received with conflicting opinions among the stakeholders of the European industry.	European Parliament 2021
Self-regulation proposal on alcohol labelling	Weak signal	The alcoholic beverages trade associations have presented a plan for self-regulation regarding the clarification of the nutritional effects of alcoholic products sold to consumers with the aim of having	European Parliament 2021

		greater control over the issue of labels and preferring off-label warnings.	
ETHICAL			
Spread of responsible dieting	Trend	With the increase in concerns related to climate change and ESG issues, more and more consumers are looking for companies able to show real commitment to sustainable practices also in the beverage sector, where most world players are approaching social and environmental responsibility programs.	Kerschbaumer 2022
Sustainability oriented lifestyle changes	Trend	There is a radical change in the lifestyles of consumers who are increasingly focused on the choice of foods and drinks that can contribute to an improvement of the planet and that are more focused on the well-being of the body and mind.	Blackwell, et al. 2020

Appendix 5: List of identified uncertainties identified

Uncertainties	Description
Loss of interest towards alcoholic drinks by younger generations	Many factors might be leading to a general loss of interest in alcoholic drinks, such as an increased health-consciousness because of the general wave of healthier lifestyles that we have seen during the pandemic, a major number of diseases related to alcohol consumption, or more simply the shift of consumption preferences
Price increases in raw materials leading to higher final prices	This uncertainty could drive the prices of final products up to a point where consumers are no more willing to pay for them, and this might be cause by higher costs of ingredients due to crises, lack of supply, or even conflicts, but also increased cost of energy supplies, as we are experiencing with the Ukrainian crisis
Market regulations to limit alcohol consumption	European Union has already raised many concerns about the alcoholic industry and the detrimental consequences of high consumption, and, therefore, plans to reduce the alcohol consumption have already been conceived, through different tactics such as limited promotion, labelling health warnings, but fiercer measures might be adopted in the future
Increased diseases related to alcohol consumption	Many studies have been conducted in the last few years leading to stricter positions about alcohol consumption, even in modest quantities, and new research might find out even tougher implications for the human body and connections with more diseases than we know now, harming the market as a whole
Dissemination of web campaigns against the use of alcohol for minors	Another issue that is being tackled is the abuse of alcohol by underage people, which is already considered as a crime in many countries, but it does not really stop the phenomena, forcing governments to develop awareness-raising campaigns to reduce the issue
Increasing importance of e-commerce for alcoholic drinks	A trend started some years ago and amplified by the pandemic, when people were trying to recreate the experience of a cocktail bar at home, and this could shift the consumption habits in the market even after the end of the crisis
Changes in alcohol taxation at EU level	Higher taxation on alcoholic beverages might harmfully reduce the revenues for producers
Introduction of health warning labels	A visual and powerful tactic as the one adopted on cigarettes packages that might induce a reduction in consumption because of the images displaying the detrimental consequences of alcohol abuse
Changes in consumer tastes towards more differentiated a new flavors combination	Because of process of quality over quantity in the consumption of alcoholic drinks, we can see that consumers are asking for novel experiences and tastes, therefore, being able to understand and anticipate these shifts could create a competitive advantage.
Acceptancy of non-alcoholic drinks during social convivial settings	This should be the consequence of a wider diffusion of NoLo drinks, making them as a more and more common and "accepted" option among consumers, instead of the classic alcoholic ones
Lifestyles changes towards health & wellbeing behaviors	The worldwide trend concerning healthier, more active, and responsible lifestyles, which was enhanced even more by the pandemic could be a crucial factor in shaping the future of alcoholic industry, since with healthier lifestyles, the alcohol consumption should decrease

Commitment within the entire beverage value chain for investments in production of non-alcoholic drinks alternatives	Every component of the value chain of a product should be committed and believe in this new opportunity and work to create a final product capable of winning in the market; without a meaningful collaboration, it would be way more difficult to develop a good solution
Managing of extra spending by consumers	As we are still living in a period of recession, enhanced by the pandemic, and made even more unpredictable by the conflict in Ukraine, which is already having consequences on the prices of energy and raw materials, consumers might be tempted to save more money and therefore give up a part of the consumption they dedicate to "non-primary" goods, such as alcohol for instance
Importance of personalized/influencer marketing content to push the product	In the last few years, we have seen the rise of the figure of the influencer, which has become an important player to be considered in every marketing campaign, especially when dealing with consumer goods, since, many times, the figure of an "opinion leader" represents an important driver of sales
Importance of replicating the taste of alcoholic drinks for NoLo	Creating NoLo drinks that replicate the taste of their alcoholic counterparties could be an opportunity to attract the skeptical consumers that do not want to lose the tasting experience they are used to
Sustainable packaging and supply chain as a tool to attract customers	Sustainability is another key factor that every company must deal with, and, in this case, it is reflected in an increased interest by consumers in the introduction of more sustainable packages, an aspect that might be able to enhance the perception of the brand and improve it positively
Future crises leading to further disruption of the world and economics stability, affecting the whole supply chain	We are living in a world of geopolitical instability and tensions, and we can clearly see how such events can easily impact our globalized world, affecting relationships among countries but also among companies in a value chain
Development of health awareness towards alcohol by younger generations	The younger generations seem way more careful about what they are eating and drinking (the huge spread of vegan diets is a key sign) and therefore, they are more aware generally and this could be reflected in much more attention when dealing with alcohol
Decrease in younger population leading to less "party/cheerful" moments	as we know, as health conditions generally improve, the population tends to age more, especially in the most developed country, where less children are born usually every year. Therefore, the tendency towards an older population could decrease the number of "party/cheerful" moments, reducing the alcohol consumption as a whole
Perception of the alcoholic industry as a whole	Everybody knows the effects of alcohol on the human body, but it is still widely accepted, within the limits of a "mindful consumption", but new research that could potentially discover new alcohol related diseases, might harm the perception of the alcoholic industry as a whole
Development of metaverse alternatives to the physical channel engagement	Development of a new touchpoint of attraction for the consumers which, as far as the beverage market is concerned, can only serve as an additional communication and engagement channel, in fact some players have already bought their space within the metaverse, seizing its still latent opportunity (e.g., Heineken)

Appendix 6: Uncertainties potential configuration

Uncertainties	Configuration 1	Configuration 2
Loss of interest towards alcoholic drinks by younger generations	**Decreasing demand for alcoholic drinks**	**Increasing demand for alcoholic drinks**
Price increases in raw materials leading to higher final prices	Constant price levels of raw materials	Increasing prices for raw materials
Market regulations to limit alcohol consumption	Same regulation levels	Stricter market regulations
Increased diseases related to alcohol consumption	No further research on alcohol related diseases	New research on alcohol related diseases
Dissemination of web campaigns against the use of alcohol for minors	No impactful campaigns targeting young audience	More impactful campaigns targeting young audience
Increasing importance of e-commerce for alcoholic drinks	Constant/decreasing volume of purchases of alcoholic drinks	Increasing volume of purchases of alcoholic drinks
Changes in alcohol taxation at EU level	**No uniformities of EU taxation**	**Stricter uniform taxation at EU level**
Introduction of health warning labels	Maintaining current labels	Introduction of on-label health warnings
Changes in consumer tastes towards more differentiated a new flavors combination	Low interest in trying new combination of flavors	Increase interest in trying new combination of flavors
Acceptancy of non-alcoholic drinks during social convivial settings	Stigmatization of no alcoholic drinks	Wide acceptancy of non-alcohol settings
Lifestyles changes towards health & wellbeing behaviors	Low records of impacts in consumer behaviors	Increasing impact on consumer behaviors
Commitment within the entire beverage value chain for investments in production of non-alcoholic drinks alternatives	Low investments towards new products	Increasing investment to produce new products
Managing of extra spending by consumers	Same level of spending for non-essential activities	Decreasing in consumers spending for non-essential activities
Importance of personalized/influencer marketing content to push the product	Low importance in personalized marketing activities	Increasing importance in personalized marketing activities
Importance of replicating the taste of alcoholic drinks for NoLo	NoLo drinks must have differentiate taste from alcoholic alternatives	NoLo drinks must have similar taste as alcoholic alternatives
Sustainable packaging and supply chain as a tool to attract customers	No interest in sustainable packaging affecting consumption choices	High interest in sustainable packaging affecting consumption choices
Future crises (pandemics, conflicts, etc.) leading to further disruption of the world and economics stability, affecting the whole supply chain (partners, suppliers, etc.)	No impactful crises	High number of impactful crises
Development of health awareness towards alcohol by younger generations	Low level of awareness	High level of awareness

Decrease in younger population leading to less “party/cheerful” moments	Same volume of consumption moments	Reduction of drink consumption moments outside
Perception of the alcoholic industry as a whole	Negative	Positive
Development of metaverse alternatives to the physical channel engagement	Low impact on the development of new form of commerce	Increasingly importance of metaverse for commerce and engagement

Appendix 7: Questionnaire for the identification of value drivers' level of uncertainty / impact

"The Future of Consumption of No-Lo Alcohol Drinks by Gen Z"
Hi! We are Francesca Brignoli and Piero Polat, Master's students in Management of Nova School of Business and Economics in Lisbon. We are conducting a survey for our Final Thesis to get a better understanding of what will be the major drivers that might affect the market for No-Lo Alcoholic Drinks in the upcoming 5 to 8 years.
In this survey, we will indicate a series of drivers, factors, and trends that, based on our research, we believe might affect the market for No-Lo Alcohol Drinks in the future, some of them strictly pertaining to the industry and some external, but still connected to it. You will be required to vote them on a 0 to 10 scale, based on your experience and your knowledge of the market and your own company, to define their plausible impact and their level of uncertainty, in the foreseeable future.
The objective of the survey is to identify two factors, known as "Key Uncertainties" that will represent our base for the definition of the Scenarios that might unfold in the future.

Impact Assessment
In this section of the survey, you will be asked to grade, on a scale from 0 to 10, the level of impact of these factors, which represents the effect, either negative or positive, that a specific factor can have on the market.
0 is equal to "Low Impact" while 10 is equal to "High Impact"

Impact Assessment			
Loss of interest towards alcoholic drinks by younger generations	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Price increases in low material, affecting final products' prices	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Market regulations to limit alcohol consumption	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Increased diseases related to alcohol consumption	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Dissemination of web campaigns against the use of alcohol for minors	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Increasing importance of e-commerce for alcoholic drinks	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Changes in alcohol taxation at EU level	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Introduction of health warning labels	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Changes in consumer tastes towards more differentiated and new flavors combination	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Acceptancy of non-alcoholic drinks during social convivial settings	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact
Lifestyles changes towards health & well-being behaviors	Low Impact	0 1 2 3 4 5 6 7 8 9 10	High Impact

Commitment within the entire beverage value chain for investments in production of non-alcoholic drinks alternatives	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Managing of extra spending by consumers	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Importance of personalized/influencer marketing content to push the product	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Importance of replicating the taste of alcoholic drinks for No-Lo products	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Sustainable packaging and supply chain as a tool to attract customers	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Future crises (pandemics, conflicts, etc.) leading to further disruption of the world and economics stability, affecting the whole supply chain (partners, suppliers, etc.)	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Development of health awareness towards alcohol by younger generations	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Decrease in younger population leading to less “party/cheerful” moments	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Changes in the perception of the alcoholic industry as a whole	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact
Development of metaverse alternatives to the physical channel engagement	Low Impact	0	1	2	3	4	5	6	7	8	9	10	High Impact

Uncertainty Assessment

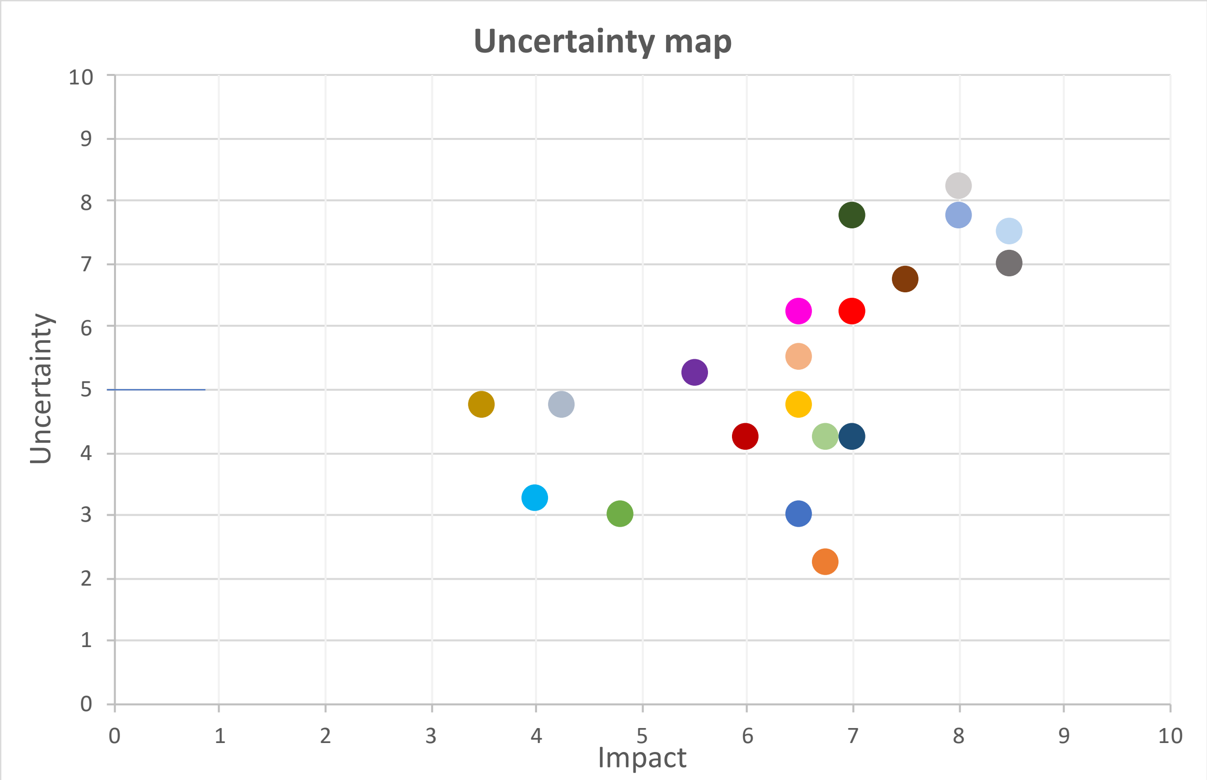
In this section of the survey, you will be asked to grade, on a scale from 0 to 10, the level of uncertainty of these factors, which represents the level at which you can predict the future outcome of a specific factor, meaning that the more difficult the definition of a plausible outcome is, the higher will the level of uncertainty be.

0 is equal to "Low Uncertainty" while 10 is equal to "High Uncertainty".

Uncertainty Assessment													
Loss of interest towards alcoholic drinks by younger generations	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Price increases in low material, affecting final products' prices	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Market regulations to limit alcohol consumption	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Increased diseases related to alcohol consumption	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Dissemination of web campaigns against the use of alcohol for minors	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Increasing importance of e-commerce for alcoholic drinks	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Changes in alcohol taxation at EU level	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty

Introduction of health warning labels	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Changes in consumer tastes towards more differentiated and new flavors combination	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Acceptancy of non-alcoholic drinks during social convivial settings	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Lifestyles changes towards health & well-being behaviors	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Commitment within the entire beverage value chain for investments in production of non-alcoholic drinks alternatives	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Managing of extra spending by consumers	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Importance of personalized/influencer marketing content to push the product	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Importance of replicating the taste of alcoholic drinks for No-Lo products	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Sustainable packaging and supply chain as a tool to attract customers	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Future crises (pandemics, conflicts, etc.) leading to further disruption of the world and economics stability, affecting the whole supply chain (partners, suppliers, etc.)	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Development of health awareness towards alcohol by younger generations	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Decrease in younger population leading to less “party/cheerful” moments	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Changes in the perception of the alcoholic industry as a whole	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty
Development of metaverse alternatives to the physical channel engagement	Low Uncertainty	0	1	2	3	4	5	6	7	8	9	10	High Uncertainty

Appendix 8: Uncertainties matrix



	Loss of interest towards alcoholic drinks by younger generations
	Price increases in low material affecting final product prices
	Market regulations to limit alcohol consumption
	Increased diseases related to alcohol consumption
	Dissemination of web campaigns against the use of alcohol for minors
	Increasing importance of e-commerce for alcoholic drinks
	Changes in alcohol taxation at EU level
	Introduction of health warning labels
	Changes in consumers tastes towards more differentiated and new flavors combinations
	Acceptancy of non-alcoholic drinks during social convivial settings
	Lifestyles changes towards health & well-being behaviors
	Commitment for investments in production of non-alcoholic drinks alternatives
	Managing of extra spending by consumers
	Importance of personalized /influencer marketing content to push the product
	Importance of replicating the taste of alcoholic drinks for No-Lo products
	Sustainable packaging and supply chain as a tool to attract customers
	Future crisis leading to further disruption of the world and the economic stability
	Development of health awareness towards alcohol by younger generations
	Decrease in younger population leading to less “party / cheerful” moments
	Changes in the perception of the alcoholic industry as a whole

Appendix 9: Campari Group products portfolio

Type	Product	Category
APERITIFS	Crodino	Non-alcoholic
	Campari soda	Non-alcoholic
	The Vibrant Note	Non-alcoholic
	The Bitter Note	Non-alcoholic
	The Hidden Note	Non-alcoholic
	Campari	<25% ABV
	Aperol	<25% ABV
	Cinzano Vermouth Rosso	<25% ABV
	Cinzano Vermouth Bianco	<25% ABV
	Cinzano Vermouth Extra dry	<25% ABV
RTD	Wild Turkey Ready to Drink	<25% ABV
LIQUEURS	Cynar	<25% ABV
	Averna	<25% ABV
	Braulio	<25% ABV
	Frangelico	<25% ABV
	Zedda Piras	<25% ABV
	Ouzo 12	<25% ABV
	Dreher	>25% ABV
	Sagatiba	>25% ABV
	Grand Marnier	>25% ABV
	Ancho Reyes	>25% ABV
VODKA	SKYY Vodka	>25% ABV
WHISKEY	Wild Turkey	>25% ABV
	Forty Creek	>25% ABV
	The Glen Grant	>25% ABV
RUM	Appleton Estate	>25% ABV
	Wray and Nephew	>25% ABV
	La Mauny	>25% ABV
	Trois Rivieres	>25% ABV
	Kingston 62	>25% ABV
GIN	Bulldog	>25% ABV
	O’ndina	>25% ABV
	Bickens	>25% ABV
TEQUILA	Espolòn	>25% ABV
	Cabo Wabo	>25% ABV
COGNAC	Bisquit	>25% ABV
MEZCAL	Montelobos	>25% ABV

Appendix 10: Forecasts calculations

10.1 Prohibitionism 2.0 calculations (in million €) – historical data 2021, forecasted data 2022-2030, Baseline vs. Strategy Scenario

BASELINE SCENARIO
Income Statements forecast - Prohibitionism 2.0 Scenario

	Historical Data	Forcasted Data								
in € million	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Baseline scenario	**2172.7**	**1819.0**	**1832.1**	**1856.1**	**1859.2**	**1876.4**	**1817.8**	**1817.5**	**1814.7**	**1806.6**
Non alcoholic portfolio	345.46	306.1	304.3	308.1	310.0	314.8	308.7	309.2	310.2	310.6
Lower 25% ABV portfolio	1060.29	854.6	866.8	881.5	883.8	891.2	858.1	858.8	857.2	852.4
Higher than 25% ABV portfolio	769.14	658.2	661.1	666.5	665.4	670.4	651.0	649.6	647.4	643.6
Cost of goods sold	**-875.8**	**-741.3**	**-741.1**	**-752.7**	**-759.2**	**-761.4**	**-738.6**	**-738.1**	**-737.5**	**-734.6**
Cost of goods sold as % of sales	*40.3%*	*41%*	*40%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*
Gross profit	**1296.8**	**1077.68**	**1091.02**	**1103.42**	**1100.02**	**1114.95**	**1079.13**	**1079.43**	**1077.17**	**1072.03**
Advertising and promotional costs	-397.8	-312.91	-319.71	-325.97	-327.25	-330.71	-317.89	-318.89	-318.74	-317.32
Advertising and promotional costs as % of sales	*18.3%*	*17%*	*17%*	*18%*	*18%*	*18%*	*17%*	*18%*	*18%*	*18%*
Contribution margin	**899**	**764.77**	**771.31**	**777.45**	**772.77**	**784.24**	**761.24**	**760.54**	**758.43**	**754.70**
SG&A	-498.1	-411.0	-426.2	-440.4	-445.6	-437.1	-424.8	-427.6	-427.9	-425.4
SG&A as % of sales	*22.9%*	*23%*	*23%*	*24%*	*24%*	*23%*	*23%*	*24%*	*24%*	*24%*
Operating result	**400.8**	**353.7**	**345.1**	**337.0**	**327.1**	**347.1**	**336.4**	**333.0**	**330.6**	**329.3**
Financial income (expenses)	-12.2	*-23.9*	*-21.8*	*-19.3*	*-19.3*	*-21.1*	*-20.4*	*-20.0*	*-20.2*	*-20.4*
Profit before taxation	**388.6**	**329.9**	**323.3**	**317.7**	**307.9**	**326.0**	**316.1**	**313.0**	**310.4**	**308.9**
Taxation	-105.6	-54.3	-58.0	-54.5	-55.4	-63.4	-56.5	-56.9	-56.6	-57.0
Tax %	*27%*	*16%*	*18%*	*17%*	*18%*	*19%*	*18%*	*18%*	*18%*	*18%*
Baseline scenario	**283**	**275.6**	**265.3**	**263.2**	**252.4**	**262.7**	**259.5**	**256.1**	**253.8**	**251.9**

MARKETING CAMPAIGN SCENARIO
Income Statements forecast - Prohibitionism 2.0 Scenario

	Historical Data	Forcasted Data								
in € million	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Marketing campaign scenario	**2172.7**	**1879.5**	**1906.0**	**1946.2**	**1976.3**	**2019.5**	**1998.9**	**2038.9**	**2076.5**	**2105.4**
Non alcoholic portfolio	345.46	353.81	356.41	365.40	373.95	386.71	389.81	411.95	425.17	438.15
Lower 25% ABV portfolio	1060.29	851.64	863.07	877.05	878.57	884.91	850.75	850.60	848.21	842.62
Higher than 25% ABV portfolio	769.14	705.22	718.18	735.99	756.46	781.22	791.17	809.57	836.87	858.66
Cost of goods sold	**-875.8**	**-765.97**	**-770.99**	**-789.24**	**-807.00**	**-819.52**	**-812.24**	**-828.01**	**-843.96**	**-856.06**
Cost of goods sold as % of sales	*40.3%*	*41%*	*40%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*	*41%*
Gross profit	**1296.8**	**1113.56**	**1135.03**	**1156.95**	**1169.28**	**1199.99**	**1186.66**	**1210.90**	**1232.59**	**1249.35**
Advertising and promotional costs	-397.8	-319.3	-327.2	-334.8	-337.8	-343.4	-332.5	-335.1	-336.7	-337.1
Advertising and promotional costs as % of sales	*18.3%*	*17.0%*	*17.2%*	*17.2%*	*17.1%*	*17.0%*	*16.6%*	*16.4%*	*16.2%*	*16.0%*
Contribution margin	**899**	**794.24**	**807.83**	**822.14**	**831.49**	**856.61**	**854.16**	**875.76**	**895.87**	**912.24**
SG&A	-498.1	-432.3	-438.4	-447.6	-454.5	-464.5	-459.7	-468.9	-477.6	-484.2
SG&A as % of sales	*22.9%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*
Operating result	**400.8**	**362.0**	**369.4**	**374.5**	**376.9**	**392.1**	**394.4**	**406.8**	**418.3**	**428.0**
Financial income (expenses)	-12.2	*-23.9*	*-21.8*	*-19.3*	*-19.3*	*-21.1*	*-20.4*	*-20.0*	*-20.2*	*-20.4*
Profit before taxation	**388.6**	**338.1**	**347.6**	**355.2**	**357.7**	**371.1**	**374.0**	**386.8**	**398.1**	**407.6**
Taxation	105.65	64.54	67.27	70.53	73.47	81.02	71.07	72.98	74.54	76.17
Tax %	*27%*	*16%*	*18%*	*17%*	*18%*	*19%*	*18%*	*18%*	*18%*	*18%*
Marketing campaign scenario	**282.95**	**273.6**	**280.4**	**284.7**	**284.2**	**290.0**	**303.0**	**313.8**	**323.5**	**331.4**

10.2 In Vino Veritas calculations (in million €) – historical data 2021, forecasted data 2022-2030, Baseline vs. Strategy Scenario

BASELINE SCENARIO
Income Statements forecast - In Vino Veritas Scenario

	Historical Data	Forcasted Data								
in € million	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Baseline scenario	**2172.7**	**2073.5**	**2095.1**	**2131.9**	**2179.9**	**2250.4**	**2254.6**	**2310.6**	**2376.9**	**2431.8**
Non alcoholic portfolio	345.46	474.82	462.60	466.39	469.98	474.77	470.03	466.61	467.47	467.97
Lower 25% ABV portfolio	1060.29	906.9	930.7	964.3	995.1	1037.8	1044.8	1086.1	1131.6	1169.2
Higher than 25% ABV portfolio	769.14	691.8	701.7	701.2	714.8	737.8	739.7	757.8	777.9	794.7
Cost of goods sold	**-875.8**	**-823.2**	**-830.5**	**-862.9**	**-877.0**	**-898.9**	**-892.2**	**-906.0**	**-922.1**	**-934.8**
Cost of goods sold as % of sales	*40.3%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*	*40%*
Gross profit	**1296.8**	**1250.30**	**1264.61**	**1268.96**	**1302.88**	**1351.52**	**1362.33**	**1404.56**	**1454.85**	**1497.07**
Advertising and promotional costs	-397.8	-414.71	-419.01	-426.38	-435.97	-450.09	-450.91	-462.11	-475.38	-486.37
Advertising and promotional costs as % of sales	*18.3%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*
Contribution margin	**899**	**835.59**	**845.60**	**842.58**	**866.91**	**901.44**	**911.41**	**942.45**	**979.46**	**1010.71**
SG&A	-498.1	-468.6	-487.3	-505.8	-522.5	-524.3	-526.9	-543.5	-560.4	-572.6
SG&A as % of sales	*22.9%*	*23%*	*23%*	*24%*	*24%*	*23%*	*23%*	*24%*	*24%*	*24%*
Operating result	**400.8**	**367.0**	**358.3**	**336.7**	**344.4**	**377.2**	**384.5**	**398.9**	**419.0**	**438.1**
Financial income (expenses)	-12.2	*-23.9*	*-21.8*	*-19.3*	*-19.3*	*-21.1*	*-20.4*	*-20.0*	*-20.2*	*-20.4*
Profit before taxation	**388.6**	**343.2**	**336.5**	**317.4**	**325.1**	**356.1**	**364.1**	**378.9**	**398.9**	**417.7**
Taxation	-105.6	-56.5	-60.3	-54.5	-58.5	-69.2	-65.1	-68.9	-72.7	-77.0
Tax %	*27%*	*16%*	*18%*	*17%*	*18%*	*19%*	*18%*	*18%*	*18%*	*18%*
Baseline scenario	**283**	**286.7**	**276.1**	**262.9**	**266.6**	**286.9**	**299.0**	**310.0**	**326.2**	**340.7**

MARKETING CAMPAIGN SCENARIO
Income Statements forecast - In Vino Veritas Scenario

	Historical Data	Forcasted Data								
in € million	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Marketing campaign scenario	**2172.7**	**2073.5**	**2096.3**	**2221.2**	**2275.0**	**2350.5**	**2356.8**	**2417.7**	**2489.6**	**2549.9**
Non alcoholic portfolio	345.46	474.82	463.83	468.00	475.08	481.38	478.29	476.71	479.69	482.72
Lower 25% ABV portfolio	1060.29	906.94	930.74	1015.07	1047.51	1092.47	1099.78	1143.27	1191.13	1230.69
Higher than 25% ABV portfolio	769.14	691.78	701.73	738.10	752.37	776.64	778.68	797.71	818.82	836.53
Cost of goods sold	**-875.8**	**-787.9**	**-796.6**	**-844.0**	**-864.5**	**-893.2**	**-895.6**	**-918.7**	**-946.1**	**-969.0**
Cost of goods sold as % of sales	*40.3%*	*38%*	*38%*	*38%*	*38%*	*38%*	*38%*	*38%*	*38%*	*38%*
Gross profit	**1296.8**	**1285.60**	**1299.70**	**1377.12**	**1410.48**	**1457.30**	**1461.19**	**1498.97**	**1543.57**	**1580.97**
Advertising and promotional costs	-397.8	-390.46	-418.35	-433.17	-456.32	-474.74	-496.50	-515.81	-535.44	-553.87
Advertising and promotional costs as % of sales	*18.3%*	*18.8%*	*20.0%*	*19.5%*	*20.1%*	*20.2%*	*21.1%*	*21.3%*	*21.5%*	*21.7%*
Contribution margin	**899**	**895.14**	**881.36**	**943.95**	**954.16**	**982.56**	**964.69**	**983.16**	**1008.13**	**1027.10**
SG&A	-498.1	476.9	482.1	510.9	523.2	540.6	542.1	556.1	572.6	586.5
SG&A as % of sales	*22.9%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*	*23%*
Operating result	**400.8**	**418.2**	**399.2**	**433.1**	**430.9**	**441.9**	**422.6**	**427.1**	**435.5**	**440.6**
Financial income (expenses)	-12.2	*-24.0*	*-21.8*	*-19.4*	*-19.3*	*-21.1*	*-20.4*	*-20.1*	*-20.2*	*-20.5*
Profit before taxation	**388.60**	**394.25**	**377.37**	**413.73**	**411.57**	**420.82**	**402.22**	**407.04**	**415.28**	**420.15**
Taxation	-105.6	56.8	58.5	58.9	59.9	64.6	54.5	54.2	53.4	52.6
Tax %	*27%*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*	*0.2*
Marketing campaign scenario	**283.00**	**337.43**	**318.90**	**354.80**	**351.68**	**356.20**	**347.73**	**352.86**	**361.93**	**367.51**