

**strategy&**

# From mandate to margin:

Unlocking value through  
deposit return schemes



As the retail industry rapidly evolves, sustainability and regulatory compliance are no longer peripheral concerns but critical strategic considerations. Deposit Return Schemes (DRS) exemplify this shift, moving beyond regulatory mandates to present opportunities for significant commercial growth, customer engagement, and operational excellence.

Leading retailers recognize that the impending implementation of DRS in the UK poses not only a major operational challenge but a potential commercial risk if unprepared. Delayed planning or underestimating the scope of required changes could result in compliance penalties, operational bottlenecks, and reputational damage. Yet, for those who act early and decisively, DRS presents an opportunity to move beyond compliance - unlocking significant gains in customer engagement, operational excellence, and long-term brand leadership.



### Engineering competitive advantage

Retailers who prioritize customer education and seamless integration of DRS into the shopping experience will reap substantial rewards in loyalty and brand perception. High return rates have repeatedly shown to result in a surge in footfall during grocery visits and store-based brand engagement. Retailers such as SuperValu and Centra in Ireland have demonstrated this by achieving return rates exceeding 95% through thoughtful customer communication and integrated POS systems, translating to increased store visits and customer satisfaction<sup>1</sup>.

Similarly, German retail giants like REWE and Edeka underscore the value of clear communication and customer-centric return processes, achieving near-universal return rates between 97% and 99%, thereby solidifying customer loyalty and increasing basket sizes<sup>2</sup>.



### Protect your margins and market position

Operational efficiency and infrastructure readiness are key determinants of successful DRS implementation. Retailers must strategically invest in infrastructure such as Reverse Vending Machines (RVMs) and optimal store layouts to maximize returns and minimize operational disruptions.

A key factor in Norway's 92% return rate was the high density of over 15,000 return points which translated to 1 redemption point per 360 residents<sup>3</sup>. Similar results are seen in DRS implementations across the world. Slovakia's dramatic 78% reduction in beverage container litter demonstrates the significant financial and environmental benefits achievable through proactive operational management.

DRS also creates specific demands for digital integration, requiring retailers to adapt their technological frameworks and operational practices significantly. You will need to invest in point-of-sale (POS) systems, deposit tracking, customer communication and regulatory reporting. As an example, Aldi drove >€30 million in voucher value by integrating e-voucher barcodes to its "Savings Card" in the first year of Ireland DRS implementation.<sup>4</sup>



### The hidden costs of postponing DRS readiness

The complexity and magnitude of changes required under DRS cannot be overstated. At Strategy&, we estimate a typical retailer will need to undertake initiatives to address 10 to 15 distinct operational business areas across sales, marketing, finance, store operations, logistics, and IT. Certain operational transformations, for example upgrades to POS and Enterprise Resource Planning (ERP) systems are estimated to require a lead time of 6-9 months, while store layout changes and return infrastructure set up may require longer planning lead times from both capex and operations perspective depending on the strategic choices made. Consequently, key decisions must be considered, finalized and sequenced by the end of 2025 to avoid costly complications.

Real-life case studies illustrate the importance of early action: In Germany, delayed decisions on pack redesign and infrastructure led to significant operational bottlenecks, eroding margins for late adopters.



### Strategic transitions demand strategic partners

Navigating DRS complexities requires deep expertise and specialised tools in regulatory transitions, retail strategy and operations. Partnering with experienced advisory specialists ensures robust planning, operational execution, and risk mitigation.

Strategy& has a long track record of helping retailers identify and capitalise on growth opportunities. We uniquely combine global strategic advisory experience with cutting-edge accelerators, proprietary assets, and proven intellectual property designed specifically for retail sector.

Our proprietary Location Intelligence platform provides comprehensive insights to plan and optimise the return infrastructure across store formats, helping retailers forecast footfall and basket size impacts, and optimize store layouts with unmatched precision. Our advanced trade terms playbook offers industry-leading negotiation frameworks, ensuring proactive management of supplier engagements and preserving your margins.

Leveraging globally validated best practices and insights from successful DRS implementations worldwide, we ensure your business remains commercially resilient and ready to seize competitive advantages.

## Strategy starts with the first move - make yours today

We invite you to schedule a meeting with our strategy and advisory experts. Together, we'll evaluate your commercial and operational readiness, anticipate strategic impacts, and co-develop tailored response plans that will position your company not just to manage DRS implementation - but to thrive through it.

**Turn compliance into your competitive edge.  
Connect with our team today.**



1. <https://packagingeurope.com/news/tomra-recommends-efficient-in-store-reverse-vending-machines-to-increase-consumer-engagement-with-retailers/9964.article>
2. <https://www.theguardian.com/world/2018/mar/30/has-germany-hit-the-jackpot-of-recycling-the-jurys-still-out>
3. <https://www.reloopplatform.org/wp-content/uploads/2022/09/Fact-Sheet-Performance-22Sept2022.pdf>
4. <https://www.thesun.ie/money/14644623/aldi-ireland-new-deposit-return-scheme-savings-card/>



# Strategy& - DRS



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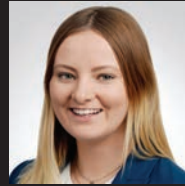
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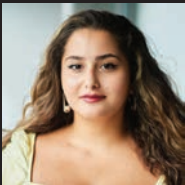
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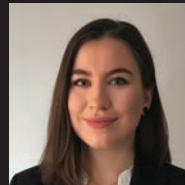
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## strategy&

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As the only at-scale strategy business that's part of a global professional services network, we embed our strategy capabilities with frontline teams across PwC to show you where you need to go, the choices you'll need to make to get there, and how to get it right.

The result is an authentic strategy process powerful enough to capture possibility, while pragmatic enough to ensure effective delivery. It's the strategy that gets an organization through the changes of today and drives results that redefine tomorrow. It's the strategy that turns vision into reality. It's strategy, made real.

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