

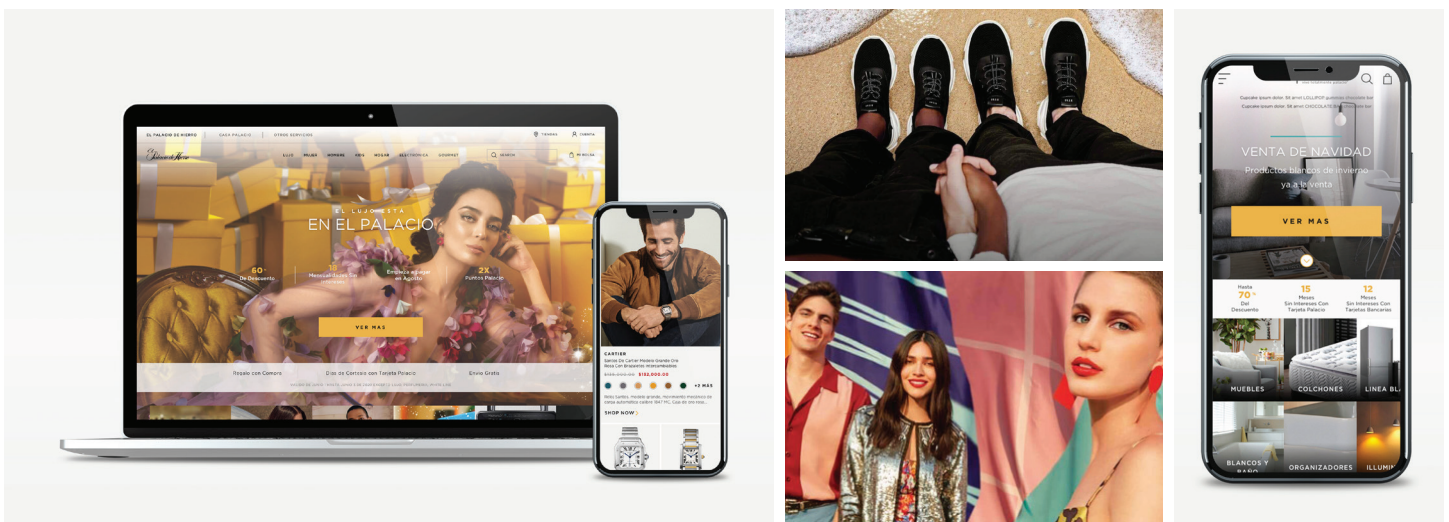


El Palacio de Hierro
CASE STUDY

Redefining Luxury for the Digital Generation

El Palacio de Hierro (EPdH) is the biggest player in the Mexican luxury market, selling everything from handbags and home goods to spa services and gourmet food. EPdH enjoys excellent brand recognition, but research shows that most residents of Mexico, where the average consumer age is 28, view the company as relevant only to older, high-income individuals. Additionally, a 2020 study by J.P. Morgan found that 40 percent of the Mexican population have cell phones—and, with worldwide stay-at-home orders in effect due to COVID-19—the need for brands to adapt and implement digital strategies has only increased.

EPdH chose to partner with Astound Commerce to digitally transform EPdH's ecommerce presence and to attract younger consumers while maintaining the brand's luxury reputation. To accomplish this, we needed to update the technical capabilities of EPdH's cumbersome legacy website and, on a broader scale, redefine modern luxury. Most pressing was the website's legacy systems, which were cumbersome to manage. The site did not support omnichannel features, raising challenges for marketing campaigns and order fulfillment. Site navigation was confusing, and content modules offered little opportunity for visual variety or editorial context.



Our research concluded that personalization and choice were key to a younger demographic, so our strategists, architects, and designers focused website content and messaging on relevance and convenience rather than price or brand. Replatforming the site using Salesforce Commerce Cloud, we integrated a new order management system (OMS) that improves inventory accuracy, product delivery, and the ability to run promotions. We utilized Salesforce Page Designer to create a suite of crisp, modular page layouts for slideshows and features, with content and images easily switched in and out. In the weeks since the Phase 1 launch, EPdH has seen overall ecommerce revenue increase by 303% as compared to the same period last year, along with a 374% increase in revenue from mobile devices. Overall conversion rates have improved by 57% while desktop devices' conversion rate improved 107% as compared to the same period last year.

As our partnership continues, we will help EPdH intertwine the digital and in-store experience to continue to remake luxury for older and younger customers alike. We also will be integrating EPdH's sister businesses, including its furnishings subsidiary Casa Palacio and gift registry Celebra, into the site.