



Asa Hutchinson
Governor
Stacy Hurst
Secretary

September 23, 2022

Hon. Terry Rice, Co-Chair
Hon. Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
One Capitol Mall, Fifth Floor
Little Rock, AR 72201

RE: Division of State Parks – Annual Report Regarding Implementation of Dynamic Pricing Strategy

Dear Senator Rice and Representative Wardlaw:

Per Ark. Code Ann. § 22-4-305 (Authority of State Parks, Recreation, and Travel Commission to impose fees for services – Pledge of revenues from fees – Restrictions), the Arkansas Department of Parks, Heritage and Tourism (ADPHT), Division of State Parks, submits the enclosed annual report to the Legislative Council. The enclosed report contents were reviewed by the State Parks, Recreation, and Travel Commission at their meeting on August 18, 2022.

Legislators are welcome to reach out with any questions, comments, or concerns. Members may contact me directly (shea.lewis@arkansas.gov / 501-682-6925) or may contact Leslie Fiskin, ADPHT Chief of Legislative Affairs (leslie.fiskin@arkansas.gov / 501-324-9586). Thank you for your consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read "Shea Lewis".

Shea Lewis, Director
Division of State Parks

Enclosure: Division of Arkansas State Parks – Annual Report Regarding Implementation of Dynamic Pricing Strategy

cc: Marty Garrity, Director, Bureau of Legislative Research (w/encl.)
Stacy Hurst, Secretary (w/encl.)
Leslie Fiskin, Chief of Legislative Affairs (w/encl.)
Cynthia Dunlap, Chief Fiscal Officer (w/encl.)
Jeff King, Deputy Director (w/encl.)
Jeannine Bruner, Revenue & Sales Manager (w/encl.)

Division of State Parks
Annual Report Regarding Implementation of Dynamic Pricing Strategy

FY 2022 Dynamic Pricing Implementation

	No. of Date Changes	Applicable Timeframe	Accommodation Type
Decreases	13	Aug. 2021 – Feb. 2022	Lodges and Cabins
Combination	11	Mar. 2022 – April 2022	Lodges and Cabins
Increases	23	April 2022 – June 2022	Lodges and Cabins

FY 2022 Dynamic Pricing Performance

Rooms Sold increase	Room Revenue Increase	Average Daily Rate Increase
1.74%	\$251,788	\$2.13

A dynamic pricing strategy is based on market forces such as season variation in demand, occupancy, market analysis, and special event interest to maximize revenues. Below denotes the FY 2022 implementation and performance results:

- Initial Rollout of dynamic pricing began August 2021.
- FY 2022 increases or decreases were deployed based on historical low and high demand periods.
- FY 2022 had growth despite the challenges of the pandemic, swings in leisure demand, increased group demand, and the general economic climate.
- Next steps for FY 2023:
 - Develop additional dynamic pricing opportunities using other factors besides historical performance.
 - Utilizing promotions for discount pricing during slower demand to improve occupancy.
 - Expand the dynamic pricing strategy to include group pricing and camping reservations.
 - Move toward an automated, algorithm-based decision process for dynamic pricing.