



Sarah Huckabee Sanders
Governor
Shea Lewis
Secretary

August 18, 2023

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 for review. The enclosed report contents were reviewed by the State Parks, Recreation, and Travel Commission at their meeting on July 20, 2023.

Council members are welcome to reach out with any questions, comments, or concerns. My contact information is shea.lewis@arkansas.gov / 501-324-9155. Thank you for your consideration.

Respectfully,

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

Shea Lewis, Secretary, Department of Parks, Heritage, and Tourism
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.)
Suzanne Grobmyer, ADPHT Chief of Staff (w/encl.)
Marty Ryall, ADPHT Chief of Legislative Affairs & Director of DAH (w/encl.)
Jami Fisher, ADPHT Chief Fiscal Officer (w/encl.)
Jeff King, Deputy Director, Division of State Parks (w/encl.)
Jeannine Bruner, Revenue & Sales Manager, Division of State Parks (w/encl.)

Department of Parks, Heritage, & Tourism - State Parks Division
Annual Report Regarding Implementation of Dynamic Pricing Strategy
July 14, 2023

FY 2023 Dynamic Pricing Performance			
Type of Unit	Units Sold Performance	Revenue Performance	Average Daily Rate Performance
Lodge Room	1.32%	\$138,749	\$2.04
Cabin*	(4.71%)	(\$79,927)	\$5.19
Campsite*	(5.76%)	(\$87,366)	\$1.20
Unique Lodging	4.87%	\$59,217	\$5.69
All	(4.61%)	\$30,673	\$2.70

**Note: Includes Lake Catherine State Park, which was closed for renovation during fall/winter*

The State Parks Division’s FY 2023 dynamic pricing strategy was implemented to maximize revenues and facility reservations based on market forces such as seasonal variations in demand, occupancy, market conditions, and special event interest. Below denotes specifics regarding the FY 2023 strategy and performance results:

- The FY 2023 strategy included base price discounts and increases for overnight accommodations including lodge rooms and cabins, as was implemented in our FY 2022 strategy, and expanded to include campsites and unique lodging (e.g., yurts, rental RVs, and camper cabins).
- FY 2023 percentage increases (capped at 20% over base rate pricing) or decreases (limited to 50% discounts below base rate pricing) were deployed based on historical low and high demand periods, number of units reserved, historical performance, special events or holidays, and market demands.
- FY 2023 included the implementation of special promotions in lower demand times with considerable discounts.
- FY 2023 had revenue and average daily rate growth despite the challenge of decreased occupancy due to changes in leisure demand, continued increased group demand, and weather-related events.
- Plan for FY 2024:
 - Refine park specific dynamic pricing opportunities.
 - Continue utilizing promotions for discounted pricing during slower demand periods to improve revenue, occupancy, and facilitate park visitation.
 - Expand the dynamic pricing strategy to include group travel pricing.
 - Move toward an automated, algorithm-based decision process for dynamic pricing.