



Sarah Huckabee Sanders
Governor
Shea Lewis
Secretary

August 1, 2024

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 July 18, 2024.

If you have any questions, please feel free to contact me directly (shea.lewis@arkansas.gov / 501-324-9155) and thank you for your consideration of this item.

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, Chief of Staff (w/encl.)
Marty Ryall, Director of Legislative Affairs (w/encl.)
Jami Fisher, Chief Fiscal Officer (w/encl.)
Jeff King, Deputy Director (w/encl.)
Mike Wilson, Assistant Director (w/encl.)
Jeannine Bruner, Revenue & Sales Manager (w/encl.)

Department of Parks, Heritage & Tourism - State Parks Division
Annual Report Regarding Implementation of Dynamic Pricing Strategy
July 12, 2024

FY 2024 Dynamic Pricing Performance			
Type of Unit	Units Sold Performance	Revenue Performance	Average Daily Rate Performance
Lodge Room	5.6%	\$593,054	\$8.52
Cabin	(4.12%)	\$245,545	\$13.30
Campsite	0.74%	\$510,250	\$2.07
Unique Lodging	(1.23%)	\$39,764	\$6.87
All	0.65%	\$1,388,612	\$4.16

The State Parks Division’s FY 2024 dynamic pricing strategy was implemented to maximize revenues and overnight accommodation reservations based on market forces such as seasonal variations in demand, occupancy, market conditions, and special event interest. Below denotes specifics regarding the FY 2024 strategy and performance results:

- The FY 2024 strategy included base price discounts and increases for overnight accommodations including lodge rooms, cabins, campsites and unique lodging (e.g., yurts, rental RVs, camper cabins) as was implemented in our FY 2023 strategy.
- FY 2024 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 2024 included the implementation of special promotions in lower demand times with considerable discounts, as well as the implementation of an Eclipse special base rate increase plus dynamic pricing.
- FY 2024 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 2025:
 - Continue refining park specific pricing opportunities especially in the camping and unique lodging segments.
 - Continue utilizing promotions for discounted pricing during slower demand periods to improve revenue, occupancy, and facilitate park visitation.
 - Implement into our reservation system an automated, algorithm-based decision process for dynamic pricing.