



H.9(c)

Sarah Huckabee Sanders
Governor

Shea Lewis
Secretary

August 27, 2025

Hon. Ben Gilmore, Co-Chair
Hon. Les Eaves, 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 Gilmore and Representative Eaves:

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 21, 2025.

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 Marty Ryall, ADPHT Director of Legislative Affairs (marty.ryall@arkansas.gov / 501-324-9151). Thank you for your consideration.

Respectfully,

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.)
Jeannine Bruner, Revenue & Sales Manager (w/encl.)



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Department of Parks, Heritage, & Tourism - State Parks Division
Annual Report Regarding Implementation of Dynamic Pricing Strategy
August 14, 2025

FY 2025 Dynamic Pricing Performance			
Type of Unit	Units Sold Performance	Revenue Performance	Average Daily Rate Performance
Lodge Rooms	(13.10%)	(\$449,087)	\$7.77
Cabins	(7.18%)	(\$87,184)	\$9.74
Campsites & Unique Lodging	(3.60%)	(\$247,722)	\$0.02
All	(5.24%)	(\$783,993)	\$0.64

The State Parks Division's FY 2025 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.

State Parks experienced some challenges causing a dip in units sold due to weather, renovations, decreased individual and group travelers, and no Eclipse special event. To counteract this dip, strategic dynamic pricing adjustments were implemented focusing on increasing our Average Daily Rate (ADR) while maintaining value for our guests. This allowed us to generate more revenue per unit sold, which helps offset the revenue shortfall caused by lower occupancy.

Below denotes specifics regarding the FY 2025 strategy and performance results:

- The FY 2025 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 2024 strategy.

- FY 2025 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, holidays, and market demands.
- FY 2025 included the implementation of special promotions in lower demand times with considerable discounts as well as maximizing dynamic pricing for peak season and holidays.
- FY 2025 had an ADR growth in all unit types despite the challenge of decreased occupancy due to changes in leisure demand, no Eclipse special event, weather related events, reservation system conversion, and renovations in lodge rooms, cabins and campgrounds.
- Plan for FY 2026:
 - Continuously monitor market changes and trends to ensure our pricing remains competitive while supporting long-term revenue performance.
 - Continue refining park specific pricing opportunities for overnight accommodations and look for other opportunities to implement dynamic pricing.
 - Continue utilizing promotions for discounted pricing during slower demand periods to improve revenue, occupancy, and facilitate park visitation.
 - Refine our reservation system's automated, algorithm-based pricing process for dynamic pricing opportunities.