

# Case Study:

## Unlocking Revenue Potential while Enhancing the Guest Experience — The Power of Dynamic Pricing at White Lodging

### Strategic Partners: White Lodging & Towne Park

White Lodging, a family-owned hospitality business, is renowned for its premium hotels, restaurants, and award-winning rooftops. With over 50 hotels under prestigious brands like Marriott, IHG (Kimpton), Hyatt, and Hilton, White Lodging has established a strong presence in high-growth urban markets. Guided by a mission to “bring the virtue of hospitality to life,” White Lodging embraces innovation while remaining rooted in its core values of guest-centric service, transparency, and meaningful interactions.

**Towne Park**, a leading provider of tech-enabled hospitality solutions, partnered with White Lodging to implement an innovative revenue optimization strategy. Focused on enhancing the guest experience, improving operational efficiency, and maximizing revenue, Towne Park utilizes its expertise in parking management, valet, and guest services to deliver tailored strategies that align with each client’s objectives.



#### THE CHALLENGE – Introducing a Dynamic Pricing Strategy at White Lodging’s JW Marriott Indianapolis

The introduction of Dynamic Pricing for valet parking at JW Marriott Indianapolis represented an innovative step forward in maximizing revenue while staying true to the company’s core values of hospitality and guest satisfaction. Dynamic pricing (DP)—a strategy where prices fluctuate based on demand, business mix, and market conditions—allows businesses to optimize revenue.

Understanding the impact DP had on hotel room rates, the challenge for White Lodging was in recognizing the opportunity to extend this innovative strategy to parking fees and explore the potential benefits it could bring to their already successful JW Marriott property in Indianapolis.

Leadership was interested in exploring whether the DP parking strategy could generate significant revenue

while preserving their consistently high guest satisfaction scores. Questions about whether fluctuating parking prices would alienate loyal guests; if adjusted valet parking rates could deliver returns similar to room rates; and whether guests would understand that pricing was based on demand, were among White Lodging’s top concerns.

David Lanterman, White Lodging’s Chief Operating Officer, played a pivotal role in advocating for the implementation of DP at the Indianapolis property. After thorough discussions about the potential risks and benefits, the team decided to move forward with DP for parking, recognizing that parking rates could be adjusted in a similar manner to hotel rates, leading to a more efficient and profitable pricing model.

David Sibley (Regional VP) and Phil Ray (General Manager, JW Marriott Indianapolis) were also key advocates and played instrumental roles in rolling out and executing the strategy, collaborating closely with Towne Park’s local hospitality and revenue optimization teams.



## THE SOLUTION – A collaborative approach

The JW Marriott Indianapolis is a conference hotel that relies heavily on group and event business, with parking often included at negotiated rates. During the DP implementation, Towne Park identified a key opportunity to turn the sales team's parking rate negotiations into a stronger revenue stream.

Previously, the team offered percentage-based discounts instead of fixed rates to maintain flexibility. Towne Park recommended locking in parking rates 30 days before each event. As a result, the sales, events, and parking teams now meet each month to review upcoming bookings and set rates based on the agreed discounts applied to the current optimized pricing.

This approach ensures that group and event clients receive their negotiated discounts while still allowing the hotel to apply its dynamic pricing program to all customers.

### Revenue Optimization Opportunities – Aligning Financial Success with Guest Satisfaction

Despite initial concerns, dynamic pricing successfully maintained JW Marriott's strong guest satisfaction scores with no significant impact. The company's primary metric for guest satisfaction is the "Intent to Recommend" (ITR) score, where guests rate their likelihood of recommending the property. Since implementing DP, the ITR score at JWM Indianapolis has remained strong, moving only slightly from 78.2% to 77.6%, positioning the property in the top 17 percent of the entire JW brand.

Like airline, car rental, and hotel room rates, guests are only aware of the rate they currently pay and understand that pricing may vary on future visits. Further, this flexibility does not cause any notable disruption to the guest experience.

“Dynamic pricing has allowed White Lodging to adapt to real-time demand while keeping their guests' experience top-of-mind. It's about understanding who their guests are and ensuring they provide them with both value and flexibility, which ultimately leads to a better bottom line for their business.”

- Joshua Miller, SVP Revenue Optimization, Towne Park

## Dynamic Pricing in Action

### 1. Taylor Swift Concert (JWM Indianapolis):

During the high-demand weekend of the Taylor Swift concert in the fall of 2024, hotel room rates at the JW Marriott Indianapolis were adjusted dramatically, from \$250/night to \$5,000/night, with a two-night minimum. Parking rates were also increased from \$60 to \$90/night. This pricing strategy reflected the exceptional demand of the event while maximizing revenue. But despite the rate increases, guest satisfaction scores actually improved over the weekend, disproving initial concerns that higher rates would lead to any dissatisfaction.

**RESULT: Guest satisfaction scores at the property improved, exceeding expectations and alleviating initial concerns about potential negative impacts.**

### 2. Firefighter Convention (JWM Indianapolis):

For FDIC International, North America's premier Fire & Rescue Conference, White Lodging/JWM implemented a more moderate parking rate increase, from \$60 to \$65-69/night. Given the cost-conscious nature of the event's attendees, this strategic decision ensured that guest satisfaction remained intact while simultaneously increasing revenue.

**RESULT: No complaints were received, and the parking rates were accepted without issue, demonstrating that careful pricing adjustments can meet guest expectations.**





## THE OUTCOME

Since the introduction of dynamic pricing in early 2024, White Lodging's JW Marriott Indianapolis has seen impressive financial results. The adoption of DP for parking has been a game-changer in transforming traditional revenue management strategies into a holistic profit optimization approach. By implementing DP thoughtfully and transparently, White Lodging has successfully increased revenue without negatively affecting guest satisfaction.

### The strategic use of dynamic pricing has produced remarkable results:

- **\$500,000+ in additional annual parking revenue**
- **\$40,000 in additional monthly hotel profit**
- **Minimal impact on guest satisfaction (<1% decrease in ITR scores over the past year)**

These results demonstrate the power of data-driven pricing strategies to maximize revenue while maintaining guest satisfaction. By tailoring pricing to real-time market conditions and guest needs, White Lodging has unlocked significant revenue potential, proving that dynamic pricing can enhance both profitability and the guest experience.



**After implementing dynamic pricing for parking, JWM was able to meet guest expectations without sacrificing revenue. It's about striking the right balance — doing what's best for both their guests and their hotel operations — ensuring everyone wins.”**

**- Curt Correll, District Manager, IN, Towne Park**



## CONCLUSION

White Lodging's success with dynamic pricing highlights a forward-thinking approach to hospitality management. By embracing dynamic pricing for both hotel room rates and parking fees, the company has optimized revenue while ensuring that guest satisfaction remains a priority. With these results, White Lodging is poised to continue leading the way in leveraging innovative pricing strategies that deliver value for both the business and its guests.

