**Marriot Inc**

**Revenue drivers:**

* **Room Revenue:** The primary source of income for hotels comes from renting rooms. Occupancy rates and average daily rates (ADR) are crucial factors influencing room revenue.
* **Food and Beverage Revenue:** Many hotels have on-site restaurants, bars, and catering services, contributing significantly to overall revenue.
* **Meeting and Event Space Rental:** Revenue from hosting conferences, meetings, and events in hotel facilities.
* **Franchise and Management Fees:** If Marriott operates through a franchise model, it can generate revenue from franchise fees and management fees.
* **Loyalty Programs:** Hotel loyalty programs encourage repeat business, and the associated memberships can contribute to revenue through room bookings and other services.

**Cost Drivers:**

* **Operating Expenses:** This includes day-to-day costs like utilities, housekeeping, maintenance, and employee salaries.
* **Marketing and Sales Costs:** Expenditures related to advertising, promotions, and sales efforts to attract guests and fill rooms.
* **Property Maintenance and Upgrades:** Regular maintenance and periodic upgrades are essential to keep the property competitive and in good condition.
* **Employee Expenses:** Labor costs, including salaries, benefits, and training, are significant in the hospitality industry.
* **Technology Investments:** Hotels often invest in technology for reservation systems, online booking platforms, and other IT solutions to enhance guest experiences and operational efficiency.
* **Utilities:** Costs associated with water, electricity, heating, and cooling can be substantial, especially for larger hotel properties.
* **Franchise and Royalty Fees:** If Marriott operates through a franchise model, there may be costs associated with providing support and maintaining brand standards.

****

****

Total revenue has been increasing greater than that of which Cost of revenue is increasing this would suggest that the Revenue drivers over the years 2021 and 2022 have been greater than that of the cost drivers for Marriot Inc. Currently in a lawsuit which has arisen from an alleged failure to pay employees all wages owed or provide required meal and rest breaks. This may elicit legal fees which can lead to increase in the cost drivers and regulatory fees. Early 2021 was a distraught period for the company due to the ongoing concerns and risks by the Covid-19 pandemic and caused shortage in demand for hospitality services especially in the hotel business which has impacted the amount of revenue the company was able to generate during this period.

**Johnson & Johnson**

**Revenue drivers:**

* **Pharmaceutical Sales:** A significant portion of revenue often comes from the sales of pharmaceutical products, including prescription drugs and over-the-counter medications.
* **Medical Devices:** Revenue generated from the sale of medical devices and equipment, ranging from surgical instruments to diagnostic equipment.
* **Consumer Health Products:** Sales of consumer health products, such as skincare, baby care, and over-the-counter medicines, contribute to the overall revenue.
* **Biopharmaceuticals and Vaccines**: Revenue from biopharmaceutical products, including vaccines and other biological products.
* **Healthcare Services:** In some cases, companies like Johnson & Johnson may derive revenue from healthcare services, such as diagnostic services or health management programs.
* **Licensing and Collaborations**: Revenue generated through licensing agreements and collaborations with other companies or institutions for the development and commercialization of products.
* **Acquisitions:** Growth through strategic acquisitions of other healthcare companies or innovative technologies.

**Cost Drivers:**

* **Research and Development (R&D):** Investments in R&D for the development of new pharmaceuticals, medical devices, and consumer health products.
* **Manufacturing and Production Costs:** Costs associated with the production of pharmaceuticals, medical devices, and consumer health products, including raw materials, labour, and facilities.
* **Regulatory Compliance:** Expenses related to ensuring compliance with regulatory requirements in various markets, including testing, documentation, and quality control.
* **Marketing and Sales Expenses:** Costs associated with marketing campaigns, sales force compensation, and promotional activities to promote and sell products.
* **Distribution and Logistics:** Costs related to the distribution and transportation of products to various markets and distribution channels.
* **Quality Control and Assurance**: Investments in quality control processes and systems to ensure the safety and efficacy of products.
* **Employee Benefits and Compensation:** Salaries, benefits, and other compensation-related costs for employees across various functions.
* **Environmental and Sustainability Initiatives:** Costs related to environmental sustainability efforts and corporate social responsibility initiatives.
* **Depreciation and Amortization:** The allocation of costs associated with the depreciation of assets and the amortization of intangible assets over time.





The growth rates for revenue is less in 2022 than the growth of Cost of products sold this would suggest that the cost drivers were higher than that of the revenue drivers. This may be due to the reduction in sales related to Covid-19 which was a major revenue driver the year previous. Certain fixed cost drivers have also seen a major rise such as finance costs to combat drastically rising inflation rates. Lack of consumer purchases of manufactured goods and services provided by Johnson and Johnson would have also seen a decrease due to the rise in these interest rates as consumers would have less disposable income due to high interest costs.