## Marriott International Inc.

### Revenue Drivers:

Above is the main revenue drivers according to the latest Quarter 3 Report Consolidated Statement of Income. If we take a deeper look into the driver these would be:

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| --- | --- |
| **Revenue Drivers** | **Description** |
| Room Rates (Price) | Average daily rate (ADR) per room. |
| Occupancy Rates (Volume) | Percentage of available rooms occupied over a specific period. |
| Revenue per Available Room (RevPAR) | Calculated by multiplying ADR by occupancy rate. |
| Ancillary Services | Income from food, beverage, spa services, events, etc. |
| Loyalty Programs | Marriott Bonvoy memberships and co-branded credit cards. |
| Geographical Expansion | Revenue from new markets. |

In Q1-Q3 2024, Marriott showed strong revenue growth, with RevPAR rising approximately 15% over 2023, supported by high demand for both leisure and business travel as the pandemic impact lessened. According to Marriott's 2023 Annual Report, total revenue grew as a result of an increase in group and transient travel, especially among small and medium enterprises.

### Cost Drivers:

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| --- | --- |
| **Fixed Costs:** | **Variable Costs:** |
| Property Maintenance: Regular upkeep of properties | Utilities: Costs vary with occupancy. |
| Salaries and Wages: Fixed pay for permanent staff. | Housekeeping Supplies: Dependent on guest volume. |
| Depreciation: Allocation of asset costs over useful lives. | Food and Beverage Supplies: Proportional to service usage. |

Marriott's cost structure is heavily influenced by property-level expenses, which include maintenance, utilities, and food/beverage supplies. In Q1-Q3 2024, operating income showed positive trends due to efficient cost management and economies of scale achieved through high occupancy. General administrative costs and utilities increased moderately, while depreciation and lease expenses remained stable.

### Company Performance Overview:

In 2024, Marriott reported consistent growth across its key revenue drivers, with total revenue reaching $6.439 billion in Q2 2024, a 6% increase from Q2 2023. Adjusted EBITDA in 2023 reached over $4.6 billion, up 21% over the previous year. Marriott Bonvoy's loyalty program, which contributed significantly to customer retention and engagement, saw record highs in member usage. The company’s digital channels, including the Marriott Bonvoy mobile app, accounted for a 22% increase in room nights in 2023, demonstrating effective digital engagement strategies.

### Peer Comparison:

Marriott's key competitors include Hilton Worldwide Holdings Inc. and Hyatt Hotels Corporation. In 2023, Hilton experienced a 33% increase in revenue, while Hyatt saw a 25% growth. Despite challenges like rising operational costs, Marriott's revenue growth outpaced its peers, indicating strong brand positioning and effective cost management.

# Johnson and Johnson Inc.

**Revenue Drivers:**

 The above figure shows that main revenue driver for Johnson & Johnson. The two main drivers have segment that are spread across the globe which can be found in the Quarter 3 report of the company under consolidated statement of income note 9. The few notable revenue driver can be:

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| --- | --- |
| **Revenue Drivers** | **Description** |
| Pharmaceutical Sales | Revenue from prescription medications. |
| Medical Devices | Income from medical equipment and diagnostic devices. |
| Consumer Health Products: | Sales of over-the-counter medications and consumer health products. |
| Research and Development | Investment leading to new product launches and IP revenue |
| Geographical Diversification  | Revenue from markets outside the USA  |
|  |  |

In Q1-Q3 2024, Johnson & Johnson's Pharmaceutical segment, driven by innovative drugs like DARZALEX and STELARA, accounted for the largest share of revenue, followed by the MedTech segment, which saw growth in Orthopaedics and Surgery. Geographical diversification, including increased penetration in emerging markets, also supported revenue growth.

**Cost Drivers:**

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| **Cost Drivers** | **Description** |
| R&D Expenses | A substantial investment in product development  |
| Manufacturing Overheads | Costs related to production facilities and labor |
| Administrative Expenses | General corporate overheads |
| Raw Material | Costs for keys ingredient and components for production |
| Sales and Marketing  | Promotional activities to drive consumer engagement  |
| Distribution Costs | Expenses associated with logistics and supply chain operation |

Johnson & Johnson’s cost structure includes high R&D expenses, reflecting its focus on innovation. In Q1-Q3 2024, R&D spending represented a significant percentage of total revenue, supporting its long-term growth strategy. Other variable costs, like raw materials and distribution, fluctuated with production volumes and sales.

**Company Performance Overview:**

Johnson & Johnson achieved robust revenue growth in 2023, with total revenue reaching approximately $85 billion, representing a 9% increase over the prior year. Adjusted net earnings were reported at $25.4 billion. J&J’s emphasis on high-impact drugs and MedTech solutions, coupled with strategic acquisitions, bolstered its market position. The company’s operational efficiency, driven by effective cost management, enabled sustained profitability despite higher raw material and administrative expenses.

**Peer Comparison:**

Johnson & Johnson's primary competitors include Pfizer Inc. and Merck & Co. In 2023, Pfizer experienced a revenue decline of approximately 10%, while Merck reported 5% growth. J&J's diversified portfolio in pharmaceuticals, medical devices, and consumer health products provides a resilient foundation for growth, allowing it to outperform some peers in market stability and revenue diversification.