**Marriot Inc.**

**Revenue Drivers**

**Number of Rooms**

* US and Canada region accounts for over 60% of the number of rooms in the last three financial year.
* The number of rooms increases for each region over the three years except for timeshare which reduced slightly in FY2021 and then increased in FY2022

**Revenue Per Available Room (RevPAR)**

* Revenue par Available room increased significantly each year in U.S & Canada, Caribbean & Latin America, Europe and Middle East and Africa region while it reduced greater China from 2021 to 2022.
* In the Asia Pacific region, the revenue per available room reduced slightly from 2020 to 2021 and then increased significantly in 2022.
* The Higher revenue per available room in a region, the higher the revenue in that region.

**Average Daily Rate (ADR)**

* Average daily rate increased each year in U.S & Canada, Europe, and Middle East & Africa region. It reduced slightly from 2020 to 2021 in Asia Pacific and Caribbean & Latin America region but rose again in 2022.
* Average Daily Rate decreased from 2021 to 2022 in Greater China region.

**Occupancy Rate**

* Occupancy rate rose each year for all regions except Asian Pacific region which decreased slightly from 2020 to 2021 and increased in 2022 and Greater China region which decreased from 2021 to 2022.
* A higher occupancy rate together with a higher average daily rate leads to a higher revenue per available room and then a higher revenue.

Revenue is driven as RevPAR \* No. Rooms where,

 RevPAR is the function of ADR (price impact) \* Occupancy (volume impact)

Note that for each of the segments, North America (full service, limited service), APAC and Other international, RevPAR, Room count Occupancy and ADR are reported by the company. These will be forecasted based on historical trend analysis.

**Costs Drivers**

 Good observation

* Large portion of Marriot’s cost is the reimbursed expenses which is directly related to reimbursed revenue. Management and franchise related operating expenses will have be derived as a % of revenue.
* Operating costs increased from 2020 to 2022.
* Reimbursement expenses form a major part of the costs and constituted over 80% of the total costs from 2020 to 2022.

**PEER COMPARISON**

**Revenue**

**Costs**

**Owned, leased, and other-direct.**

**General, administrative, and other**

**Reimbursed expenses**