**Revenue and Cost Driver Analysis: Marriott International & Johnson & Johnson**

**Marriott International: Revenue & Cost Drivers**

**Smart Art Diagram: Revenue Drivers**

* **Volume**
	+ Number of hotel rooms available globally
	+ Occupancy rate (rooms sold/rooms available)
	+ Loyalty program participation (Bonvoy memberships)
* **Price**
	+ Average Daily Rate (ADR)
	+ Premium pricing for luxury and branded properties
	+ Seasonal pricing and demand-driven pricing

**Smart Art Diagram: Cost Drivers**

* **Fixed Costs**
	+ Depreciation and amortization of owned properties
	+ Administrative and corporate office expenses
* **Variable Costs**
	+ Labor (varies with hotel occupancy and location)
	+ Utilities and maintenance (variable by room usage)
	+ Franchise fees and incentive management fees (linked to performance)

**Performance Commentary**

* Marriott’s growth is primarily driven by increases in both ADR and occupancy rates post-pandemic.
* Asset-light model (more franchising and management contracts than owned hotels) reduces fixed capital expenditure.
* Strong cost management due to franchising; higher operating margins from franchise income.

**Peers**: Hilton Worldwide, Hyatt Hotels, InterContinental Hotels Group

**Johnson & Johnson: Revenue & Cost Drivers**

**Smart Art Diagram: Revenue Drivers**

* **Volume**
	+ Number of units sold (pharmaceuticals, consumer health, medical devices)
	+ Expansion into emerging markets
	+ R&D pipeline success (new drugs, device innovations)
* **Price**
	+ Drug pricing (differentiated by geography and exclusivity)
	+ Device pricing based on innovation and patents
	+ Consumer health pricing through premium branding

**Smart Art Diagram: Cost Drivers**

* **Fixed Costs**
	+ R&D expenditure
	+ Manufacturing plant overheads
	+ Corporate functions
* **Variable Costs**
	+ Raw material costs (pharmaceutical ingredients)
	+ Packaging and logistics (linked to production volume)
	+ Sales and marketing expenses (scaled by product launch and geography)

**Performance Commentary**

* J&J’s diversified portfolio smooths revenue volatility.
* Drug pipeline success and high-margin medical devices drive revenue growth.
* Significant investment in R&D yields competitive edge; however, product recalls or patent cliffs can lead to temporary dips.

**Peers**: Pfizer, Merck, Abbott Laboratories, Procter & Gamble (Consumer Health)