**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)