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Financial Report Analysis of Marriott International, INC.

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Executive Summary

This essay critically examines the financial performance of Marriott International over the past three years, analysing core metrics such as revenue, profitability, cash flow, and overall financial position. The purpose is to assess how effectively the company has navigated recent market conditions and to consider the implications for its future performance.

Between 2022 and 2023, Marriott experienced substantial recovery as global travel demand returned after the COVID-19 pandemic. Revenue steadily increased from approximately US\$20.8 billion to US\$23.7 billion, while net income rose from US\$2.36 billion to US\$3.08 billion. Growth seemed particularly strong in international markets, where revenue per available room increased significantly in comparison to the United States and Canada.

During 2024, however, the company's financial performance moderated. Although revenue continued to grow near US\$25.1 billion, net income declined to US\$2.38 billion. Both operating cash flow and free cash flow also decreased, pointing to pressure on margins and rising costs. Concurrently, Marriott's debt levels increased, suggesting potential constraints on long term financial flexibility.

Notwithstanding these difficulties, Marriott remains a strong competitor in the global hospitality sector. Yet again, its financial outcomes theorise that sustaining growth and protecting profitability will depend on how well the company manages costs, controls debt, and persists in expanding internationally.

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Introduction

Marriott International, Inc. is one of the largest and most recognisable hospitality companies in the world. Founded in 1927 by J. Willard and Alice Marriott as a small root beer stand in Washington, D.C. the business quickly diversified into restaurants before moving into accommodation with the opening of the Twin Bridges Marriott Motor Hotel in Virginia in 1957 (Marriott International, 2024a). This marked the beginning of its transformation into a global leader within the hotel industry.

Today, Marriott operates, franchises, and licences more than 8,800 properties with over 1.6 million rooms in more than 140 countries and territories (Marriott International, 2024b).

The company's portfolio consists of 30 brands across different segments of the market, ranging from luxury hotels such as The Ritz-Carlton and St. Regis, to more accessible and longer stay availability at Courtyard and Residence Inn (Statista, 2024). This enables Marriott to accommodate various demographics including travellers, leisure tourists, business guests, and extended stay customers.

One of Marriott's main strategies is its "*asset light*" business model. This means that the majority of its hotels are not directly owned by the company itself but instead run through management and franchise agreements. This way, Marriott avoids incurring the risks and extra costs of owning buildings, while still earning reliable and sustainable "fee-based income," (Marriott International, 2024a). So far, the company's success has also stemmed from its Marriott Bonvoy loyalty programme, which has over 190 million members worldwide. This scheme has helped to strengthen customer loyalty and create opportunities for cross-brand engagement (Skift, 2023).

This report firstly begins by providing a brief overview of Marriott International to help establish the context for the analysis. It then examines the company's total revenue performance over the past three years, also supported by relevant financial data. The discussion continues to evaluate

Marriott's current market position and explores its growth potential, basing upon strategic frameworks to further support the analysis. The report concludes with recommendations regarding the company's proposed expansion into mature markets in 2026.

Main Findings

Total Revenue

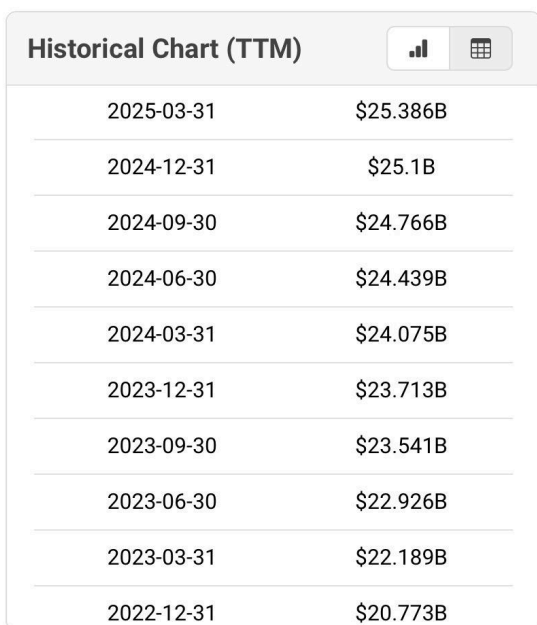


Figure 1



Figure 2

(Both figures are screenshotted, cropped and extracted from [Macrotrends.net](https://www.macrotrends.net))

Having thoroughly researched Marriott International's total revenue over the last three years, it reveals a pattern of consistent growth, although at a gradually slowing rate. The data above in figure 1 suggests that total revenue increased from approximately US\$20.77 billion in 2022 to roughly US\$23.71 billion in 2023, representing an estimated rise of 14 percent (Macrotrends, 2024).

In 2024, revenue grew further to around US\$25.10 billion, indicating a persistent upward trend, but merely at a reduced rate of about 6 percent compared with the previous year. In figure 2 from 2025 March onwards, it started progressively increasing just over \$25.39 billion nearing almost

\$26 billion. A prominent trend to appear, therefore, is that while Marriott sustained revenue growth, the momentum observed immediately after the pandemic began to tone down after some time.

Marriott's revenue structure is closely tied to its asset light business model. Supposedly, much of its income derives from management and franchise fees, which are earned through operating or franchising hotels on behalf of property owners. Moreover, additional revenue is generated from owned and leased hotels, as well as from cost reimbursements associated with managing properties. The company further benefits from supplementary income streams including food and beverage sales, meetings and events, and the Marriott Bonvoy loyalty programme.

The strong revenue growth between 2022 and 2023 can largely be justified by the recovery of the global travel trend following the COVID-19 pandemic. As international restrictions eased, Marriott experienced an upturn in both occupancy rates and average daily room rates, generally leading to an improvement in revenue per available room (RevPAR). The rebound was especially pronounced in international markets, where performance outpaced that of the United States and Canada. It is therefore reasonable to infer that Marriott's global diversification strategy played a significant part in encouraging more revenue during this specific period.

Nonetheless, the much slower growth recorded in 2024 implies that the post-pandemic rebound phase had mostly reached maturity. While total revenue continued to increase, the rate of expansion was more mild. This may be driven by inflationary pressures, higher operational costs, and a degree of market saturation in North America, which remains the company's largest region by revenue (Marriott International, 2024b). Simultaneously, international markets still provided opportunities for growth, particularly across Asia-Pacific and the Middle East, where hotel development pipelines stand strong.

Market Position

Marriott's marketing positioning evidently shows a clear leadership status within the global hospitality industry. According to the company's own disclosures, Marriott holds "more than a 10

percent share of the U.S. hotel market (by number of rooms),” meanwhile its presence outside the United States is comparatively small in terms of share, albeit with considerable room for growth (Marriott International, 2023).

From a relative perspective, the company’s scale outpaces many of its rivals; for instance, reports suggest Marriott’s system size and signed pipeline of rooms are nearly 36 percent larger than its closest global competitors Hilton, InterContinental Hotels Group (IHG) and Hyatt (Statista, 2025; Marriott International, 2023). This scale has heavily contributed to brand visibility, allowing Marriott to gain more bargaining power with owners, suppliers, and online travel sites.

Marriott’s ability to attract and cater to a broad spectrum of customers is pivotal in maintaining its competitive edge. With a portfolio of over 30 brands allows the company to serve different market segments such as economy, extended stay, upscale, luxury, and midscale. For example, separate hotels target specific demographics like business and leisure travellers, corporate employees, and luxury seekers.

The company’s global loyalty programme further helps encourage repeat bookings and boost customer loyalty through offering personalised rewards and experiences e.g. redeeming points for room upgrades, free nights, late checkouts, or ‘Marriott Moments.’ (Skift, 2024).

The company’s market position is widely known for its strong brand reputation, which is often bound up with quality, reliability, and consistency. In contrast with competitors such as Hilton and IHG, Marriott is usually perceived as more diversified and globally integrated, potentially due to a large presence in both developed and emerging markets. Hence, stronger resilience to demand shocks.

Furthermore, its “asset light” strategy means the company relies wholly on management and franchise contracts rather than owning hotel property directly. This approach alone creates room for rapid expansion whilst also reducing financial risk and capital expenditure (Marriott International, 2023).

However, despite its dominant position, Marriott still faces intense competitive pressure from shifting customer expectations and the likes of other hotel companies, each of which are responsive to evolving customer needs and innovation in hospitality (TheMarketingPage, 2024). Rival hotel groups continue to invest heavily in technology, sustainability initiatives, and lifestyle brands directed towards younger tourists. In fact, alternative accommodation platforms like Airbnb introduce challenges, particularly among price sensitive segments and use of technology which can be difficult for Marriott to replicate. But, as for Marriott, it is likely the company will need to maintain market leadership by innovating in guest experience, and digital engagement.

Growth Potential

The company's potential for growth seems promising, given its planned expansion into mature markets by 2026. In existing markets, particularly North America and Asia-Pacific, growth is presumably determined by hotel conversions, franchising, and increased demand for mid-scale and extended stay brands.

Meanwhile, opportunities in new markets such as India and the Middle East are being supported by rising disposable incomes, the ease of domestic travel, and urban development, all of which could yield better returns on investment (ROI) for Marriott in the context of new customer segments.

Looking ahead to 2026, developing into mature markets especially across Western Europe and North America may be feasible yet complex. These regions have the advantage of established infrastructure, strong brand familiarity, and consistent demand from corporate and leisure travellers, which could boost reliable fee-based revenue.

On the contrary, competition in mature markets is intense, and growth is often limited by high operational costs and a lack of available development sites. This would somewhat hinder Marriott's capabilities to expand, and so its success will therefore depend on how well it can stand out from rivals through brand differentiation, technology-driven advancements which

enhance customer experiences, including partnerships that add long term value rather than short term volume.

Using Bowman's Strategy Clock, it may explain how the company positions itself in mature markets. Their approach seems to lean between a hybrid and differentiation strategy, meaning it is relatively consistent considering how many large hospitality companies also balance cost efficiency and brand originality (Drury, 2021). Simultaneously, Marriott does still lean strongly towards differentiation. For example, its brand portfolio and the scale of the Marriott Bonvoy loyalty programme create an added layer of 'perceived value' that is simply or partly difficult for other or similar independent hotels to try and replicate (Walker, 2021). As a result, Marriott is able to compete on more than just price, which is a great advantage as price-based competition alone within mature markets often lead to reduced margins and sometimes even a loss in brand identity (Tranter, K, Stuart-Hill & Parker, J, 2014). This appears more sustainable in the long run.

Conclusion

Overall, it would be logical to conclude that Marriott International has performed beyond its expectations over the past three years. The revenue growth, motivated by management and franchise fees, showed the company's proven ability to grow even amid market fluctuations and recovering from the difficulties posed by the pandemic. International travel has picked up, encouraging better occupancy and room rates, while the Marriott Bonvoy loyalty programme continues to sustain repeat bookings and reinforce brand loyalty. These factors altogether explain why Marriott's market position remains strong and dominant in the global hospitality industry.

Once again, growth in mature markets requires more than replication of past strategies; it demands careful consideration of market saturation, high operational costs, and intense competition. The recommendation to prioritise hotel conversions and brand repositioning can reflect this. Ultimately, Marriott's future success will depend on their ability to combine strategic business planning with operational efficiency, exploiting both its portfolio and loyalty network to give differentiated customer experiences.

Recommendations

Based upon the analysis of Marriott International's financial performance, market position, and growth prospects, it could be recommended that the company priorities more tactical hotel conversions and perhaps selective brand repositioning within mature markets during its 2026 expansion. This would enable Marriott to acquire greater freedom over its market share in regions such as North America and Western Europe without committing to the high capital costs involved with newer developments.

Indeed, one of the main benefits of this strategy is that it responds directly to the realities of mature markets. Areas such as North America and Western Europe already have high levels of hotel supply, strict planning regulations, and rising construction costs. New developments, especially, can take years to complete and often carry uncertainty around demand by the time they actually open. Conversions tend to avoid much of that risk. In this regard, Marriott can enter working hotels which have an existing physical footprint, a local customer base and make use of its own operational standards and loyalty programme to help raise occupancy and improve performance over time. Evidence of this trend can be observed across the wider industry; according to research from Goko (2025), a growing share of global signings for the major hotel groups today arise from conversion contracts, meaning owners also behold the value in integrating with established brands.

Marriott's most recent annual report (Marriott International, 2024) shows steady revenue growth, rising just above US\$25 billion, but also emphasises on narrowing profit margins as a result of increased operating expenses and higher interest rates. Therefore, expanding primarily through conversions, by bringing existing independent or underperforming hotels under Marriott brands, may promote growth and thus preserve profitability. PwC's *Hospitality Outlook (2025)* suggests that conversions are one of the most effective ways for global hotel chains to expand within

mature markets as investors, in particular, seek asset light opportunities that guarantee stable, fee-based income.

Marriott is well placed to capitalise on its diverse brand portfolio and loyal customer base. The Marriott Bonvoy programme, which surpassed 190 million members in 2024 (Travel Weekly, 2024), becomes advantageous when merging newly converted hotels into the group. By rebranding mid-scale or upper-mid-scale properties under familiar names such as Courtyard or Sheraton, the company can build customer confidence and trust, driving higher occupancy rates.

Focusing on conversions in secondary cities and popular tourist destinations, as opposed to highly saturated urban centres, would allow the company to tap into demand more effectively while still limiting exposure to direct competition with Hilton and IHG.

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