

2015 Rewards Reimbursement Policy Changes Frequently Asked Questions



Why are you changing the reimbursement policy? Marriott Rewards closely monitors the program and modifies it as necessary to protect the integrity of the program and its long-term financial stability. We recently reviewed program policies concerning the reimbursement of hotels for Marriott Rewards member stays and determined that certain changes are in order. Some hotels have booked rooms at highly discounted rates in order to achieve the 90% and 96% occupancy thresholds. The premium reimbursement payments related to high occupancy nights are intended to compensate hotels for nights when redemption nights displace higher paying guests. The new reimbursement policy helps to ensure that premium reimbursement for high occupancy nights is in fact limited to this purpose.

What will Marriott Rewards do with the additional savings from these changes? Over the past 3 years, we have seen a trend of reimbursements to hotels outpacing the funding coming into the program. This change in reimbursement policy will help stop that trend and protect the long-term financial stability of the program.

Each year for the past 3 years, Marriott Rewards has made changes to the reimbursement policies and/or charge-out rates. What else should I expect this year? Is this the new norm? Over the past 3 years, we have seen a trend of reimbursements to hotels outpacing the funding coming into the program. The program changes are intended to stabilize the program financials while minimizing the impact to the hotels and consumers. We have also made changes to the points required by members by moving 1/3 of hotels up a category each year for the past 3 years. Our joint future success with Marriott Rewards and the paid night business it delivers to the hotels is dependent on our shared responsibility for appropriate adherence to the program's policies. We are communicating these changes now, well in advance of the May 1, 2015 implementation, in order to give hotels advance time to prepare as needed.

How will I know if we reach the occupancy levels for % ADR reimbursement? This information will remain available to registered users in the Automated Reimbursement System (ARS) where hotels can see the daily ADR being reimbursed and the occupancy levels for a given day. More instructions on how to obtain this access (which is free of charge) can be found on MGS. Keyword: 'Redemption Support'

How can I calculate the financial impact to my hotel(s)? Please reach out to your Continent Team Leader (for managed hotels) or your Account Representative (for franchise hotels).

Can any of this impact be mitigated? We are unable to assess to what extent mitigation on a hotel-by-hotel basis is possible. Some properties may have the opportunity to tap into other segments or adjust their pricing strategies in order to achieve the high occupancy threshold(s) without relying on low rated segments. Revenue management teams should be reviewing their pricing and inventory management strategies in light of these changes.

How do I get an exception or exemption from the policy for my hotel or situation? All hotels globally are subject to the policies of the program. Should you have concerns about this, please reach out to your Continent Team Leader (for managed hotels) or your Account Representative (for franchise hotels).

Where can I see what total hotel annual ADR that you will use for the maximum reimbursement rate and for the exclusion of nights sold at less than 35% of ADR? The total hotel annual ADR used for the maximum reimbursement rate and for the exclusion of nights sold at less than 35% of the ADR will be compiled from financially reported data for the trailing 12 months ending October 2014. This will be added to the hotel's 2015 MRW5 report which is published in MRDW. Marriott Rewards will communicate when the hotel's enhanced MRW5 reports are available via the Weekly Update.

What if the total hotel annual ADR that you used is incorrect or needs to be revised? The total hotel annual ADR is based on published financial records. Please reach out to your Continent Team Leader (for managed hotels) or your Account Representative (for franchise hotels), should you have any questions.

Where can I see the new calculation of a daily ADR used for reimbursement on Rewards nights? Daily ADR is compiled from data residing in the Marriott Reservations Data Warehouse (MRDW). Access the Automated Reimbursement System (ARS) to review the daily ADR calculation and daily hotel reimbursements. More instructions on how to obtain ARS access can be found on MGS. Keyword: 'Redemption Support'

How will the adjustment to exclude revenue and nights that are less than 35% of the total hotel annual ADR be applied? Using data from the Marriott Reservations Data Warehouse (MRDW) the Rewards Reimbursement System (ARS) will calculate the day's ADR excluding these segments. In addition, these segments will be excluded from the calculation of occupancy. On a quarterly basis, an analysis will be performed to determine hotels meeting the identified criteria related to Contract segment rates/rooms. The criteria are defined as any hotel which has contract roomnights for the preceding quarter of either more than 2,000 in total volume or more than 5% of total hotel capacity. Any qualified contract segment rates/rooms will be added back in and a retroactive adjustment for the quarter will be posted to the hotels in the same manner that reimbursements are received today.

What if an Associate Rate room is booked before the 7 day window, and then modified – does that count towards occupancy or not? Associate rate rooms will count toward occupancy if the 'create date' is more than 7 days from the day of arrival. Modifications to existing reservations which were originally booked more than 7 days from the day of arrival will count towards the achievement of the daily occupancy thresholds.

Does my Revenue Management team need to do anything when we reach the 50% of total hotel capacity redemption night cap? No. The program audits reservations on the books to monitor these situations. When it is indicated, Revenue Management will place the 50% cap on the rate code directly in MARSHA. It cannot be removed by the property and supersedes any ICDs. The hotel or its revenue management team does not need to do anything. In the event that a cap is placed, the Property Reimbursement Team will communicate this change to the hotel.

Will I still be reimbursed for all my Rewards nights if we reach or exceed the 50% of total hotel capacity cap? Yes. All redemption nights at a hotel will be reimbursed under the reimbursement policy for the year in which the stay is made.

What steps do I take if we are going through a renovation? Program policies exist to help hotels undergoing a renovation and when rooms are out of order due to renovations. More details can be found on MGS. Keyword: 'Rewards Inventory Update'

Does this impact or include reservations already on the books? Yes, all reservations on the books/stays on or after May 1, 2015 will be subject to the policy revisions.

Does this impact or change the Rewards Category my hotel is in for 2015? No. The 2015 hotel category assignments will be analyzed and communicated in Q1, with implementation of the changes following the announcement.

Does this impact or change my hotel's annual blended rate for 2015? No. The 2015 annual Blended Rates have already been calculated & communicated via the MRW5 report in MRDW. The rates were published on December 16, 2014 and went into effect January 1, 2015.

When will the Inventory Control Date (ICD) allotment be changed for 2015? The allotment of 2015 ICDs for each hotel will be determined & communicated in February 2015.

Can I get more Inventory Control Dates (ICDs) for my hotel to use in 2015? The quantity of 2015 ICDs will be communicated to each hotel in February 2015. The number of ICDs a hotel receives is based on the ratio of redeemed nights to hotel capacity. All hotels receive 10 – 60 ICDs, based on this ratio. Additional information can be found on MGS. Keyword: 'No Blackout Dates'

Will the number of times allowed for making changes placed Inventory Control Dates be increased from the current limit of 4? No, not at this time. The limit of no more than 4 changes in a year had been put into place to prevent hotels from gaming the system and rolling ICDs throughout the year.

Can you show me an example of the revised calculations? Please [click here](#) for an example.

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