Marriott Above Property Franchise Webinar

Q3 2016

Presented by RM Systems &
RM Field Support

MARRIOTT GLOBAL
REVENUE
MANAGEMENT

today

> Member Rates Update

> RM Roadmap & Recent Enhancements

> System Adoption Update

> 2017 Revenue Strategy Outlook

> 2017 Special Corporate Pricing Resources

rewards
member rates

rewards member rates

❯ Must continue to be the lowest rates available

❯ Must be built for rates in primary VSSM, including promotional rates

  ▪ Reference RM Training on MGS for details

❯ Internal audits will continue. Messaging will be sent to hotels that are not compliant.

❯ Compliance is critical because Rewards Member Rates are being marketed globally

Summer Demand Efforts

$17M in Media   1Billion + Impressions   100% Coordination
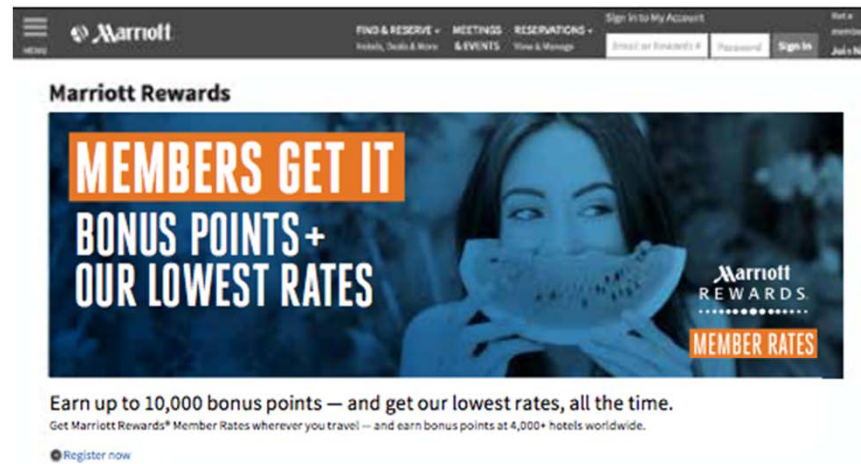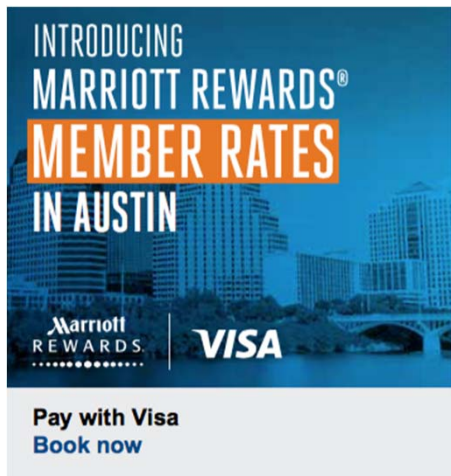
rm roadmap &
recent enhancements

FOR REVENUE MANAGEMENT
roadmap

STREAMLINE

AUTOMATE

INNOVATE

RPO Auto-Publish
Pilot

Inventory Optimization
Enhancements

Inventory Optimization
Forecast Alignment

One Yield Version 2
Pilot & Rollout Begins

Inventory Optimization
Rollout

One Yield Version 2
Beta/POC Begins

RPO Auto-Publish
Rollout Begins

Q4 2014

Q1 2015

Q3 2015

Q4 2015

Q2 2016

Q3 2016

Q4 2016

2017

Premium Room Pricing
Rollout

Enhanced Group Pricing
Phase I

Enhanced Group Pricing
Phase II

Enhanced Reservations Solutions (ERS)
Beta/POC Begins

One Yield
RECOMMENDATION ENHANCEMENTS

- The Revenue Management Systems Strategy team continues to improve One Yield to *better serve YOU!*

- These exciting *enhancements* will be implemented by early July 2016

recognizing restrictions

before

IO recommendations were based on real-time, on the books reservations and remaining transient demand, regardless of restrictions in place

after

Recommendations will authorize inventory for demand that aligns with the hotel's restrictions at the rate program level in MARSHA (as of last night)

how is it better?

Recommendations will support the hotel's yielding strategy
Example: If standard is restricted IO won't recommend moving premium rooms into standard

recognizing premium price strategy

before

IO forecast was based on historical transient premium paid demand

after

IO will also react to incremental price changes and consider the impacts to demand providing improved recommendations

how is it better?

Premium room availability will reflect the changes in demand as a result of your pricing strategy

Example: IO recognizes an increase in Premium room rates; sees there is high historical premium paid demand and will recommend appropriate premium room authorizations

[for more information]
search "PRP" or "IO" on MGS

system
adoption update

SYSTEM USAGE HIGHLIGHTS

Managed vs Franchised Demand Accuracy
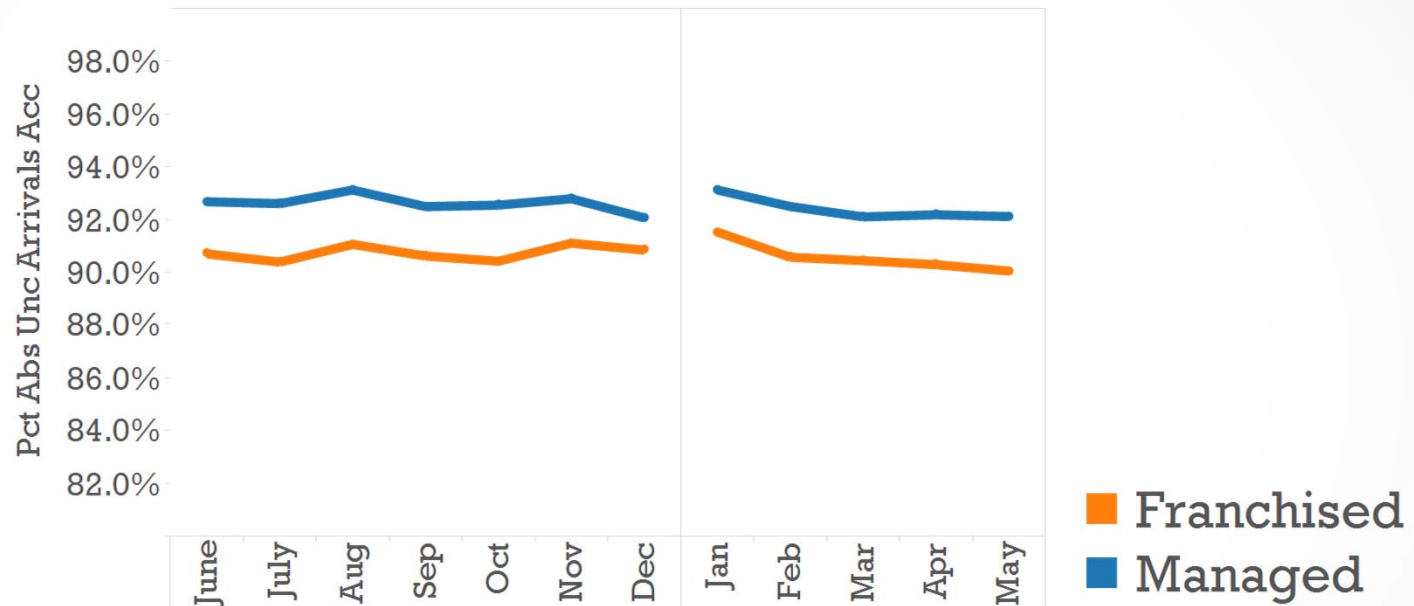
> Managed hotels do a better job using managed events, which improves the unconstrained demand forecast.

> A more accurate demand forecast generates more accurate pricing and restriction recommendations.

improve understanding
COMPLETE TRAINING TO ENSURE TEAMS ARE SET UP FOR SUCCESS

UNCONSTRAINED DEMAND FORECAST

❭ **Demand & Supply**
- Time: 20 mins
- Audience: RM, GM, Strategy Team, Senior Leaders (VPs, ADs, AVPs)

❭ **One Yield Manage Transient Events**
- Time: 15 mins
- Audience: RM (tactical)

❭ **Systems Health Checklist (HDX)**
- Time: 45 mins
- Audience: RM (tactical)

Complete available training as soon as possible.

Managed vs Franchised RPO Usage

❯ **Managed hotels focused on their RPO comp sets and pricing setups early in 2016.**

❯ **This led to better recommendations which, led to closer adoption of the rates.**

RPO Adoption by Region
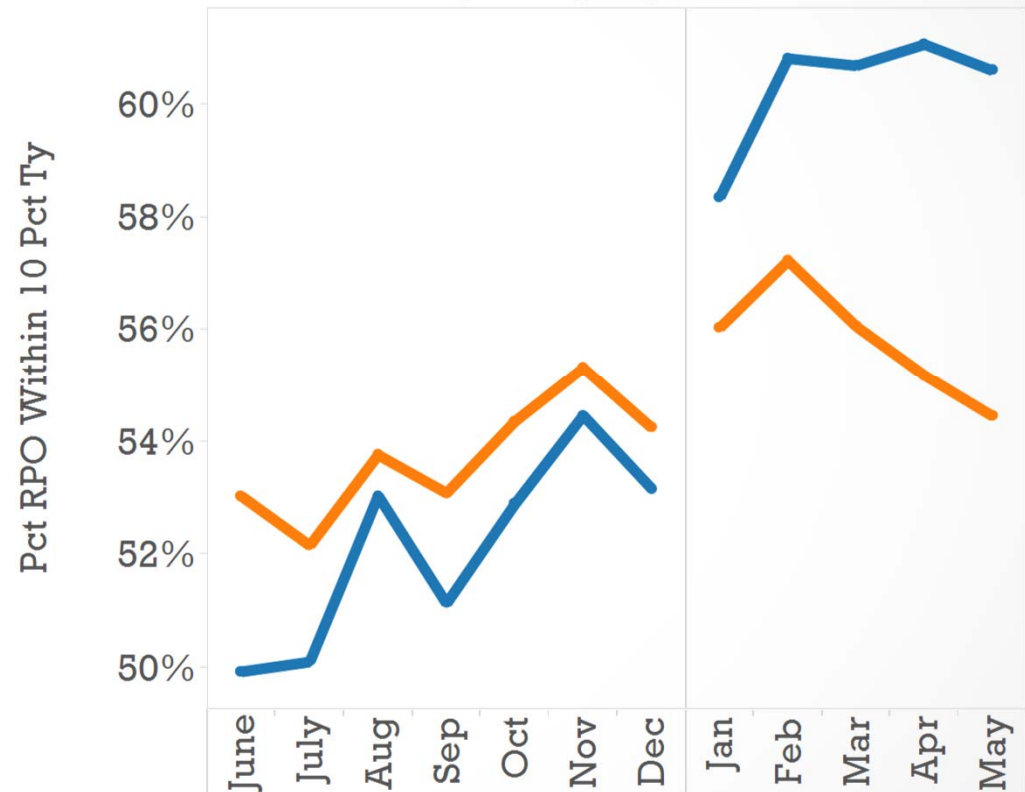
Pct RPO Within 10 Pct Ty

60%
58%
56%
54%
52%
50%

June, July, Aug, Sep, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May

■ Franchised
■ Managed

improve understanding
COMPLETE TRAINING TO ENSURE TEAMS ARE SET UP FOR SUCCESS

RETAIL PRICING OPTIMIZER

❯ **One Yield's Retail Pricing Optimizer: Making it Work for Your Hotel**
- Time: 45 mins
- Audience: RM, GM, Strategy Team (Senior Leaders as needed)

❯ **Foundational Training Activation Guides on HDX+**
- Time: Varies
- Audience: Anyone involved in pricing decisions or strategy

Complete available training as soon as possible.

improve understanding
COMPLETE TRAINING TO ENSURE TEAMS ARE SET UP FOR SUCCESS

RESEARCHING RATE RECOMMENDATIONS:

- Document available on HDX
- Manual entry, but mostly copy/paste of settings, recommendations
- Completing document helps identify set up issues and can be sent to Revenue.Systems.Support@marriott.com for additional troubleshooting

Topic	Item to review	Questions for user to consider	Additional Notes/Information	User Findings
General Settings	Pricing Type	Does this make sense for the property?		**Yes**
General Settings	Cost Per Occupied Room Pool	Does this make sense for the property?		**Yes**
General Settings	Standard Room Pool	Is this the lowest-rated room pool that is consistently available?		**Yes**
General Settings	Weekend Days	Does this make sense for the property?		**Yes**
General Settings	Closed Fill-in Rate Programs	Do these represent the weekday and weekend retail rate programs for the standard room pool that are most often available?	GPO & CI/TY Properties: Note that the closed fill-in rate programs defined in RPO are also used by GPO & TY when determining pricing. Ensure that the rate programs selected for this setting make sense for both RPO and GPO/TY.	**Yes**
General Settings	Rate Rounding	Do the ending number and increment make sense for this currency?		**Yes**
Competitor Setup	Weekday Competitors	Do the competitors and weights make sense? Are they true competitors?	Review the Competitive Rates Override tab to ensure the rates of these competitors are not significantly above or below the host hotel, which could impact rate recommendations.	**Using system weights**
Competitor Setup	Weekend Competitors	Do the competitors and weights make sense? Are they true competitors?	Review the Competitive Rates Override tab to ensure the rates of these competitors are not significantly above or below the host hotel, which could impact rate recommendations.	**Using system weights**

Managed vs Franchised IO Usage

> IO has a steep learning curve, but is *significantly* faster than adjusting inventory manually through MARSHA.

> Managed hotels were challenged to learn more about the system and usage exploded as they saw the benefits.

IO Adoption by MF

Percent of Target Publishes Achieved

■ Franchised
■ Managed
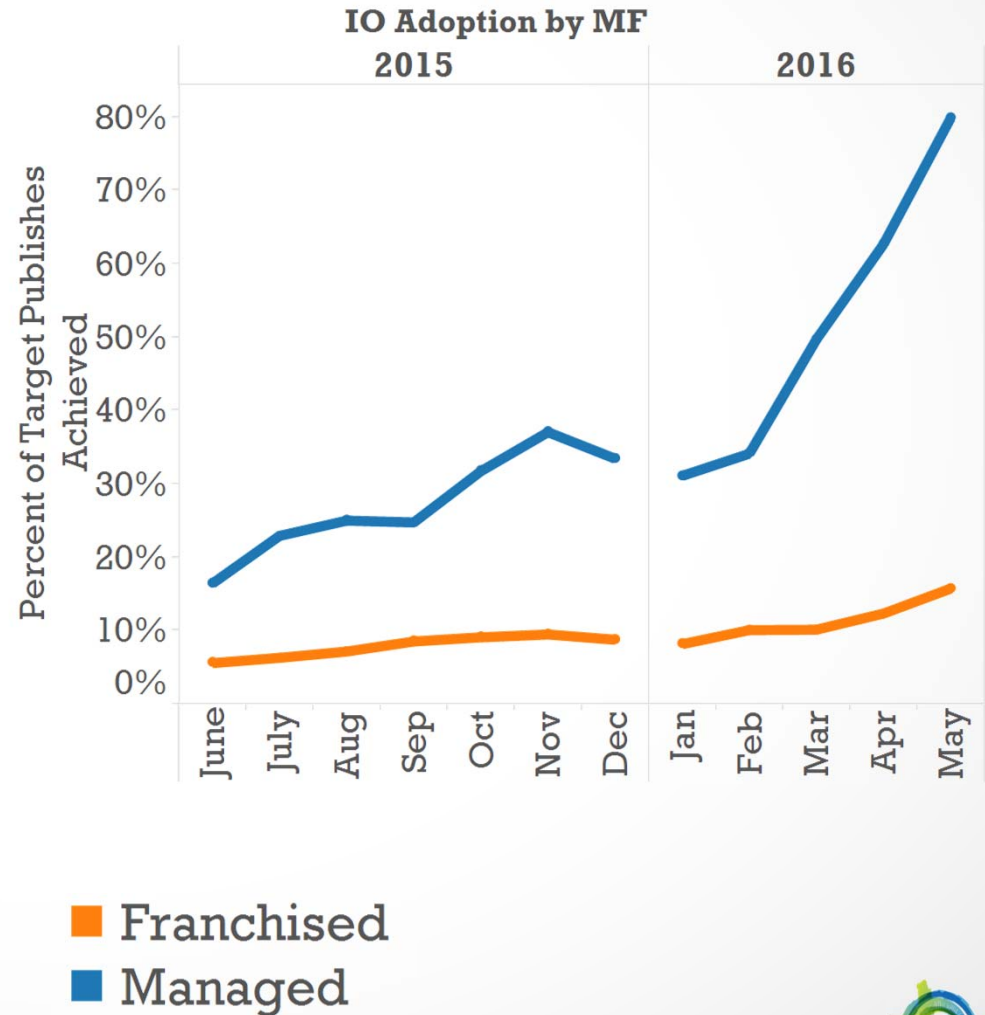
improve understanding
COMPLETE TRAINING TO ENSURE TEAMS ARE SET UP FOR SUCCESS

INVENTORY OPTIMIZATION

❯ **IO Demo Video Series on MGS**
- Settings Screen (7 mins)
- Inventory Recommendations Landing Screen (4 mins)
- Total Hotel & Current Recommendations Screen (4 mins)
- Room Pool Recommendations, Publish & Transaction Log (5 mins)
- Audience: RM (GM as needed)

TRANSIENT RM PROCESS

❯ **Transient Revenue Management Process Parts 1-3**
- (1) Demand & Supply, (2) Pricing, (3) Restrictions & Authorizations
- Time: 15 mins each , plus 15 min Assessment
- Audience: RM (GM as needed)

Complete available training as soon as possible.

2017 revenue
strategy outlook

REVENUE
MANAGEMENT

Industry Pundits.....What to think?

Our major takeaway from this week's lodging management meetings at NYU and NAREIT is (finally) a general acknowledgement that forward RevPAR growth is moderating.
SunTrust

"Travel Trends Index: Biz Travel Shows Signs of Life After Yearlong Slump."
Hotel Online

"1% chance of US Recession in next 12 months based on current dynamics. It only increases to 10% chance when they go through 2017."
Citi Research

"Lodging demand is clearly slowing as RevPAR is -1.1% the first two weeks of May, and just 0.6% since the Easter shift, a deceleration from the +3% before Easter."
Bank of America
Merrill Lynch

Dow Jones 3- Month Trend

$18068.85
$17934.09
$17799.32
$17664.56
$17529.80
$17395.03
$17260.27
(EST

M 29   A 05   A 12   A 19   A 26   M 03   M 10   M 17   M 24   M 31   J 07   J 14

Business Cycle Update

RevPAR Growth: Slowing Down After 6 Yrs. Of Growth

str

- 9.25
- 4.6
- 6.16
- 80 Months
- 31 Mo
- 56 Months
- 74 Mo.
- Aug 98 -0.4%

Total U.S., RevPAR % Change, 1/1990 – 04/2016
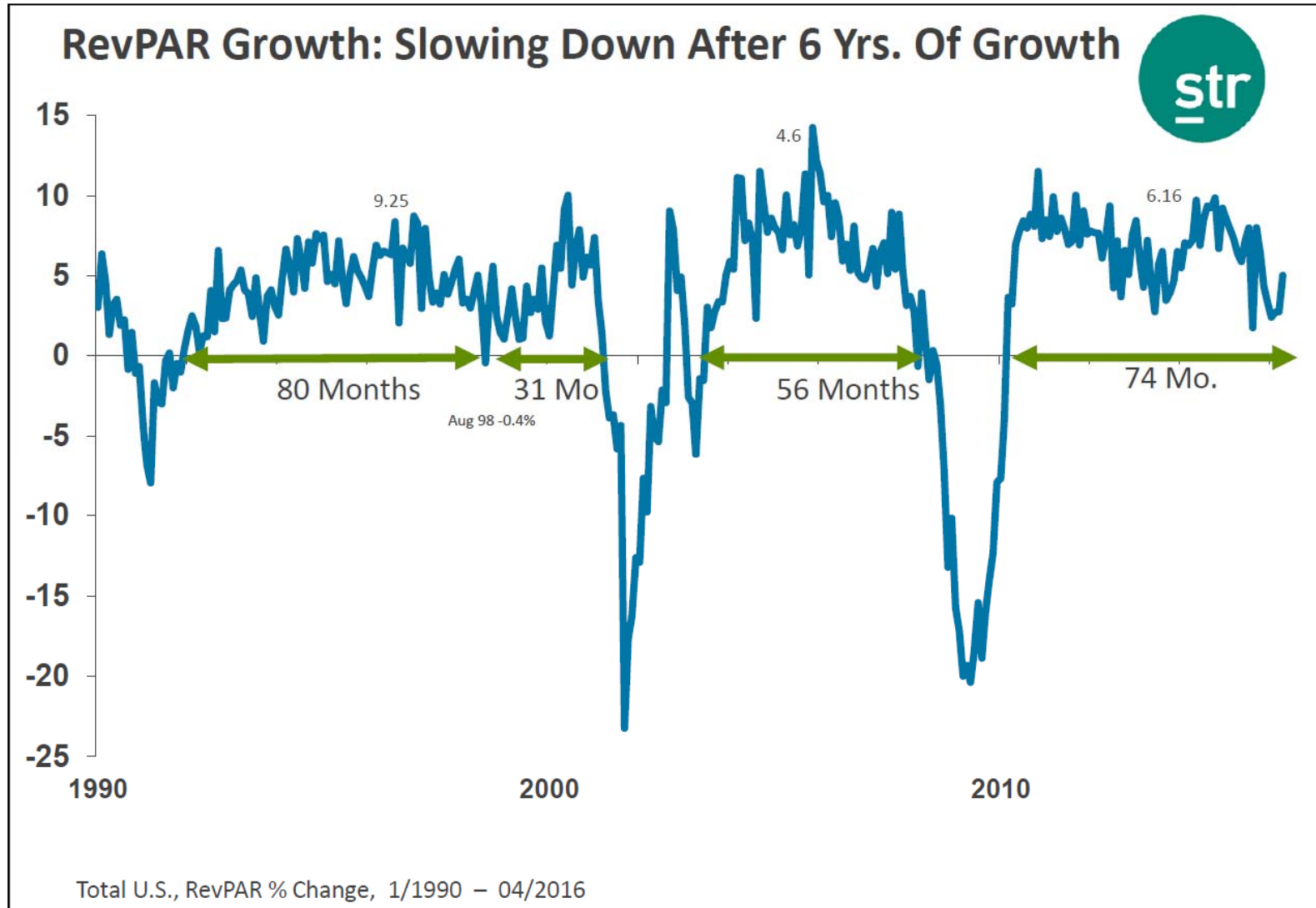
Industry is still setting records...
but decelerating growth vs LY

MAY 2016: Source STR

	Current Month			Running 3 Months			Running 12 Months			Year to Date		
Supply	▲	up	1.5 %	▲	up	1.5 %	▲	up	1.3 %	▲	up	1.5 %
Demand	▲	up	1.1 %	▲	up	1.9 %	▲	up	2.1 %	▲	up	1.5 %
Occupancy	▼	down	0.5 %	▲	up	0.4 %	▲	up	0.8 %	▲	up	0.0 %
ADR	▲	up	2.4 %	▲	up	2.8 %	▲	up	3.7 %	▲	up	3.0 %
RevPAR	▲	up	1.9 %	▲	up	3.2 %	▲	up	4.6 %	▲	up	3.0 %

Third-Party Industry Forecasts

STR, PWC, and CBRE/PKF are all projecting ~4% growth.

Outlook		
	2016 Forecast	2017 Forecast
Supply	1.7%	1.9%
Demand	2.1%	1.9%
Occupancy	0.4%	FLAT
ADR	4.0%	3.8%
RevPAR	4.4%	3.8%

Battle against supply

We **Are Not Building Ballrooms Anymore!**

str

		56.0	52.9			
		68%				
	15.0					21.3
7.9				6.3	1.3	
Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Unaffiliated
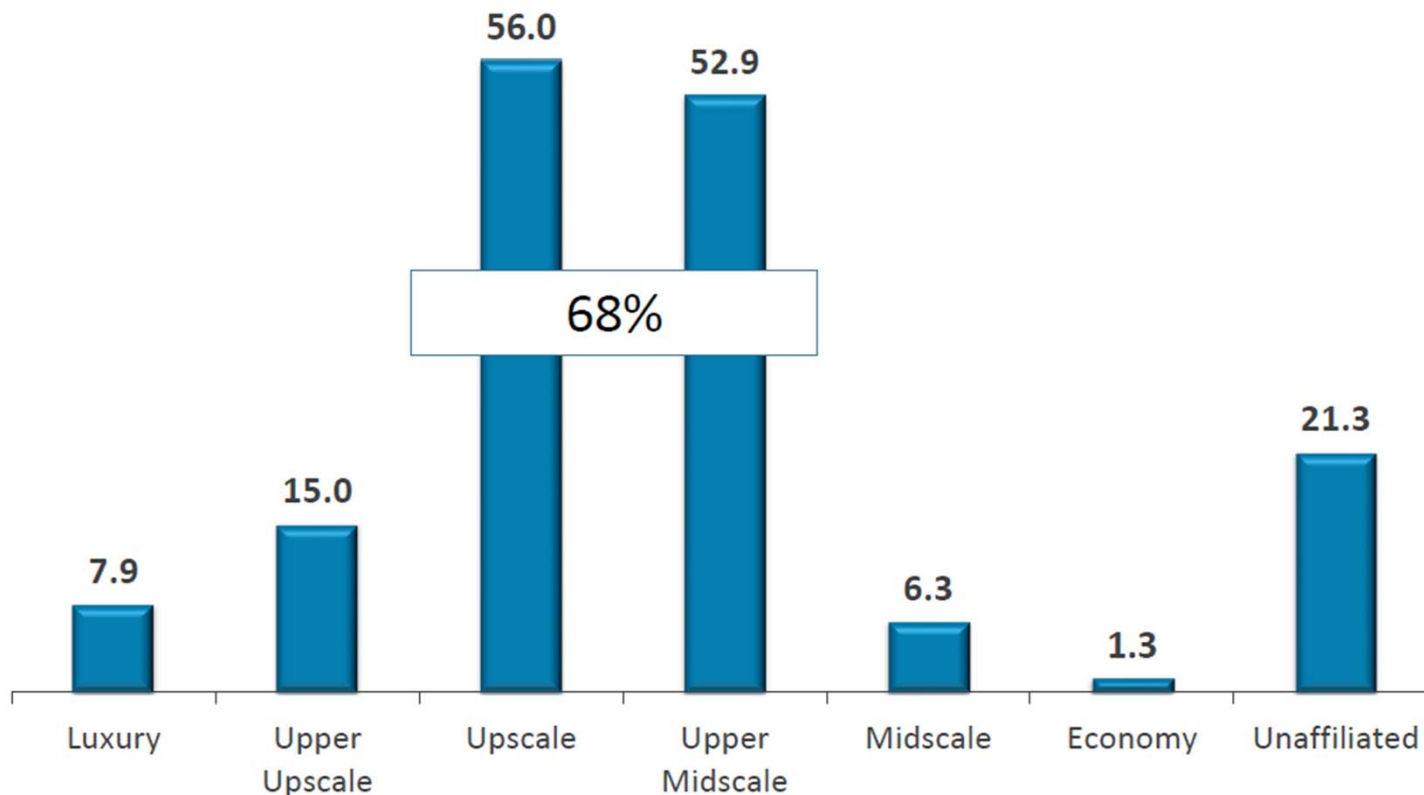
*US Pipeline, Rooms Under Construction , '000s Rooms, by Scale, April 2016

2017 Outlook Summary

❑ Industry lodging supply growth is still below long term averages in most markets, but intensified for our chain scales

❑ Demand continues to grow, as the US economy continues its modest growth.

❑ Industry occupancy is sustaining record levels, especially in the Luxury, Upper Upscale and the Upscale chain scales.

❑ Group business outlook for 2017 remains solid.

❑ While there is debate about the strength of growth in the lodging sector, nearly every industry expert is expecting at least 2 more years of RevPAR growth – and so are we.

Marriott International 2016

2017 special
corporate resources

SC Pricing resources

MGS PAGE HOUSES ALL RECORDINGS, JOB AIDS, TRAINING LINKS

MGS home > Sales, Mktg. & RM > Rev Mgmt > SC Pricing Resources

global webinars & resources

>

>

Global Webinars & Resources

State of the Business Video (WBT)

Gain insight into the current economic status and the outlook for 2017 as it relates to the industry.

- Hosted by Mike Partridge, VP of Sales & Revenue Management Analysis
- Audience: Anyone involved in the Special Corporate Pricing and/or budgeting process

Preparing for 2017 BT/MarRFP Pricing Season (WBT)

- Audience: Property Sales and Revenue Management
    - Part 1: Sales RFP Process (MP4)
    - Part 2: MarRFP Focus (MP4)

SC Pricing tools & resources

PRICING PROCESS, ELEARNING, SPECIAL CORPORATE TOOLS

Special Corporate Pricing and Resources

Important Note: For the files listed below to work correctly, click the link to access the file, SAVE it to your hard drive, then open file and click enable macros.

1. Prepare for SC Pricing Season

- Use the SC Pricing Preparation Checklist (XLS) to review ideas to consider when approaching pricing season and to streamline work within the SCPT. (RM)
- Review Non-Commissionable Special Corporate Rate Strategy - FAQs (PDF) to ensure your hotel is taking the correct steps to ensure this strategy is being executed correctly to drive savings.
- Review Seasonality Guidelines (PDF) for when it's appropriate to use seasonality within the SCPT (RM)
- Read about the planned SC Pricing Enhancements (PDF) this year (SS/ES GM, Sales, RM)
- Optional for hotels that price multiple room pools in SCPT: Populate SC Room Type History Tool to review information for each account, broken out by room type, season and full year. Using this tool will speed up entry of mix by room pool in the SCPT.

2. Review Special Corporate Pricing process guidance for your region/group

- Download Special Corporate Pricing Process (XLS). Review each step for the action, responsibility, and resources available to Sales and Revenue Management associates to assist them during the process.

3. Complete Special Corporate Pricing eLearning

- Covers all of the tools and resources available and how to use them including the Special Corporate Pricing Tool (SCPT), Account Management Tool (AMT) and the various SC reports.
- Detailed Training (for those who enter data into the SCPT): myLearning Course 456162
- High Level Overview to review AMT, SCPT & Various SC reports, myLearning Course454162

4. Download SCPT resources & tools

- Account Management Tool (SEG16): Use as the first step in the pricing process to identify the number of special corporate room nights that could potentially be removed from the hotel and replaced with higher rated business. MRDW > Segmentation > SEG16.
- SCPT Job Aid (PDF): A detailed job aid to review all of the necessary steps within the SCPT.
- SCPT Account History Template (XLS): This template is designed to reformat the SCPT Account History Report to the same layout as the SCPT Account Pricing History screen. For more information on this template refer to the Special Corporate Pricing eLearning, or read the instructions listed within the Welcome tab of the template.
- SC Detail Tool (ZIP): This report pulls together the pricing decisions made within the SCPT (used by RM & Sales). A job aid is available within the zip file for the tool.

prepare for SC Pricing

CHECKLIST, FAQS, SEASONALITY GUIDELINES, RM TYPE HISTORY TOOL

prepare for SC Pricing

CHECKLIST, FAQS, SEASONALITY GUIDELINES, RM TYPE HISTORY TOOL

The slide shows multiple overlapping document screenshots including a "Special Corporate Pricing Preparation Checklist," "Non-Commissionable Special Corporate Rates – Frequently Asked Questions," "SC Pricing: Seasonality Guidelines," and "SC Room Type History Tool - Ver 1.3."

SC Pricing process

RECOMMENDED STEPS, ACTIONS, RESOURCES, MGS LINKS & TIMELINE

MARRIOTT GLOBAL REVENUE MANAGEMENT — Recommended Special Corporate Pricing Process for Franchise Hotels.

Step	Recommended Responsibility	Actions	Resources	MGS Link	Availability/Time
Prepare for Special Corporate Pricing Season	GM/RM/Sales	- Use SC Pricing Checklist to review ideas to consider when approaching pricing season - Review Non-Commissionable SC Rate Strategy FAQ's - Review Seasonality Guidelines (if applicable) - Populate and review SC Room Type History Tool (recommended for properties that price premium rooms within the SCPT)	Special Corporate Pricing Tools & Resources on MGS Step 1 Section: **Prepare for SC Pricing Season**	MGS Key word search SC Pricing	Available Monday, May 16th via Weekly Update
Understand the current State of the Business and Global Economic Conditions	GM/Sales/RM	Listen to Marriott's State of the Business recorded webcast.	Link for webcast is under "Global Webinars & Resources" on the Special Corporate Pricing Resources MGS page.	MGS Key word search SC Pricing	Available Monday, June 13th, via Weekly Update
Validate team's knowledge of MarRFP	GM/Sales	For those who are new, or need a refresher to the MarRFP process, listen to the recorded webinar: Preparing for 2017 BT/MarRFP Pricing Season	Recorded webinar is posted on the Pricing & Account Services (PAS) MGS page.	Link to recording on PAS page	Available Monday, June 20th, via Weekly Update
Learn about Marriott's SC Pricing tools & resources.	GM/Sales/RM	Complete one of two available SC Pricing eLearnings: • Special Corporate Pricing eLearning: Detailed Training for those who enter data into the SCPT. Covers AMT, SCPT & various SC reports. Optional chapters include Pricing Science, Enhancements Only, Extended Stay, Premium Room and Seasonal. (45-90 mins, depending on path) • Special Corporate Pricing eLearning: Overview Training reviews AMT, SCPT & various SC reports (40 mins)	eLearnings are in myLearning SC Pricing eLearning: Detailed Training: course 456162 SC Pricing eLearning: High Level Overview: course 454162	myLearning	Available Monday, June 20th, via Weekly Update
Complete initial set up for pricing within MarRFP	RM	Complete the general pricing screens in MarRFP for the property. These screens need to be complete in order for an account to be priced via MarRFP.	MarRFP screens: Pricing Contact, Standards, Seasons, Depth of Sales, Black Out Dates, Elig. & Amen, Fixed, Groups and Meetings, Gov't, Govt Seasons, Govt Rates. Training is available via the Pricing & Account Services MGS page.	PAS MGS Page	MarRFP opens for 2017 Pricing Season on June 20th

SC Pricing eLearnings

DETAILED TRAINING 456162 / OVERVIEW TRAINING 454162

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SC tools & resources

AMT, SCPT JOB AID, ACCOUNT HISTORY TOOL, SC DETAIL TOOL

Account Management Tool (AMT)

Account Management Tool (AMT) for ABCDE — 2016 Pricing Season

SC Rooms that could be Replaced: 2,383

	Total RN (Full Year)	ADR (YTD)	Discount (YTD)	Displacement (YTD)
Do Not Price	2,383	158	30%	42%
GPP	3,667	188	12%	23%
Price	33,274	167	25%	29%

An evaluation of your hotel's demand (including additional demand) suggests that there is an opportunity to replace some of your special corporate volume with higher rated business. We estimate that replacement could be as high as 6,743 rooms. For a conservative estimate, this tool uses a lower estimate of 2,383. These data points may help the hotel understand how much risk they are able to take.

Special Corporate Pricing Tool — Job Aid (Franchise Edition)

MARRIOTT GLOBAL REVENUE MANAGEMENT FIELD SUPPORT

HHHHH - SCPT Account History - v1.2
This worksheet is property of Marriott Lodging - DO NOT SHARE

Enter the Hotel MARSHA code here ====> HHHHH

Tool Objective

This tool is designed to reformat the Special Corporate Pricing Tool Account History Report to the same layout as the Special Corporate Pricing Tool Account Pricing History tab.

Clear Workbook

Retrieve the Special Corporate Pricing Tool - Account History Report

- Log in to MarRFP Special Corporate Pricing Tool
- Select the "Account History" Tab
- Click the hyperlink "SCPT Account History Report"
- In the new window, click the hyperlink "Click here to download"
- Click "Save"
- Recommended, add the MARSHA code before the name of the file

Tool Instructions

- Once you have save the SCPT Account History Report
- Enter the MARSHA code in the green cell above
- Click the button "Import SCPT Account History Report"
- Navigate through your folders, and select the SCPT Account History Report
- Note: You can filter the data on the Account History tab. If you wish to sort the data, click on the Extract button, located on the Account History tab.

Import the SCPT Account History Report

Questions!

SPECIAL CORPORATE PRICING TOOL - Summary (Gross) Report

Cluster Name or Hotel Name

Print Summary Report — Select Account Tier: ☑ GPP ☑ Centrally Priced ☑ Local — Show/Hide Last Year Values

2016 - ALL ACCOUNTS (Excluding Declined)

Hotel	Sales Group	ROOM NIGHTS Forecast	% Change to LY	OPEN ADR (Gross)	OPEN Revenue	% Change to LY ADR (Gross)	% Change to LY Revenue	TARGET ADR (Gross)	TARGET Revenue	% Change to LY ADR (Gross)	% Change to LY Revenue	FLOOR ADR (Gross)	FLOOR Revenue	% Change to LY ADR (Gross)	% Change to LY Revenue
ABCDE	GPP	291	0.0%	47.54	13,835	0.0%	0.0%	47.54	13,835	0.0%	0.0%	47.54	13,835	0.0%	0.0%
ABCDE	Centrally Priced	8,250	0.0%	27.60	227,688	62.4%	62.4%	26.46	218,288	55.7%	55.7%	25.89	213,568	52.4%	52.4%
ABCDE	Local	11,635	0.0%	73.55	855,803	65.9%	65.9%	71.47	831,523	61.2%	61.2%	69.39	807,323	56.5%	56.5%
ABCDE	Sub-Total	20,176	0.0%	54.39	1,097,325	67.2%	67.2%	52.72	1,063,645	62.1%	62.1%	51.28	1,034,725	57.7%	57.7%
ABCDE	Total	20,176	0.0%	54.39	1,097,325	67.2%	67.2%	52.72	1,063,645	62.1%	62.1%	51.28	1,034,725	57.7%	57.7%

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Questions?

DEDICATED INBOXES TO RESOLVE QUESTIONS & ISSUES

Topic: MarRFP
Team: Pricing & Account Services
Email: pas@marriott.com

Topic: SCPT & AMT
Team: SC Pricing Project Team
Email: scptsupport@marriott.com

All other questions
Team: RM Field Support
Email: rmfieldsupport@marriott.com