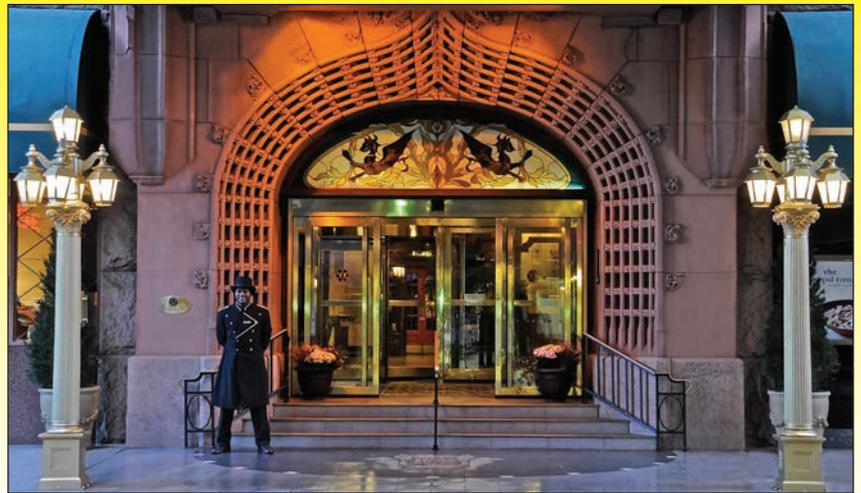


Hospitality

A Vision for More

An Interview with J.W. Marriott, Jr.,
Executive Chairman and Chairman of the Board,
Marriott International, Inc.



Entrance to The Brown Palace Hotel and Spa in Denver, an Autograph Collection Hotel

EDITORS' NOTE J.W. Marriott, Jr. joined the company full-time in 1956 and soon took over management of Marriott's first hotel. Marriott took on the role of Executive Vice President of the company and became its President in 1964. He was elected Chief Executive Officer in 1972 and Chairman of the Board in 1985. Marriott serves on the board of The J. Willard & Alice S. Marriott Foundation and was the Chairman of the Mayo Clinic Capital Campaign. He earned a B.S. in banking and finance from the University of Utah and served as an officer in the United States Navy.



J.W. Marriott, Jr.

COMPANY BRIEF Marriott International, Inc. (www.marriott.com) is a leading lodging company with more than 3,700 lodging properties in 74 countries and territories. Headquartered in Bethesda, Maryland, it is recognized by FORTUNE as one of the best companies to work for and by Newsweek as one of the greenest big companies in America.

How is the industry faring today? How have you achieved growth for Marriott?

The world is in turmoil but we're seeing good growth in our limited service brands, like our Courtyard, Residence Inn, Fairfield Inn, and SpringHill Suites, especially in the U.S.

We're seeing modest growth in the full service hotels in the U.S. but there has also been very little financing for the bigger hotels – it's almost not available.

So we're concentrating our growth in the U.S., on what we call Limited Service, where the owners can often get 50 to 60 percent financing on the value of the hotel.

Overseas, there is little growth in Europe right now. China continues to be strong, some cities stronger than others. India has had a soft spot this past year, but we feel it coming back and long-term we feel good about it. Latin America is really strong and the Middle East is the Middle East – we're waiting for things to settle down, but we're continuing to develop there.

It's a mixed bag around the world, but it's softer than it should be because of Europe and 2 percent GDP growth in the U.S.

As the company has grown, how have you maintained consistent service standards and an intimate feel?

We evolved from a restaurant company and the only way chain restaurant companies have ever succeeded is through consistency. My dad put in recipe cards in 1952 for every restaurant.

That consistency is something we started from day one in the hotel business with our standard operating procedures. Our managers complain we have too many standard procedures, but that gives us a level of consistency.

We also put a major emphasis on promoting our people and providing them with opportunities. We spend a lot of money and time on training.

Showing concern for employees at all levels of the company is something that gives our people a good feeling and the confidence that we're there for them.

Are newer relationships, like the one with EDITION, evolving as you had hoped?

Yes, on our balance sheet we're developing three EDITIONs, but we have three that are active and will begin construction soon.

There is quite a bit of interest in Bulgari Hotels; we have one going up in China and one or two more in Europe and the Middle East.

Autograph is growing quite well, which is our new brand for hotels that have their own brand and want to hook into the Marriott system; we have built relationships with over 35 properties in just under three years.

Despite challenges, the luxury segment is strong. How has Ritz-Carlton fared?

It has remained strong, particularly in Asia. In China, they can't seem to get enough Ritz-Carltons, particularly if they're developing a residential community and they want a brand for it that can attract the highest prices.

We have a lot of Ritz-Carltons going up, including in Japan, which is unusual for us. We have the leading hotel right now in Tokyo with The Ritz-Carlton; we have one in Osaka; we're building one in Kyoto; and we just opened one in Okinawa.

How do you retain the personal focus with all the emphasis on technology today?

We put a special emphasis on our front desk people and our greeters, and we're contemplating putting more people in the lobby to greet people and create a welcoming experience for those who come to Marriott. The guest needs that personal connection, and we provide it.

Does the GM role demand more of a focus on financial matters today?

It's a combination. It has to be balanced. The profitability of the hotel will be as good as we can get it as long as we're looking after the engagement of our associates and employees.

A third element is guest engagement, where the GM needs to monitor the guest satisfaction scores.

So we want to make money for our owners and shareholders, we want to satisfy guests, and we want to have engaged and excited employees.

What's the secret to the success of the Marriott brand?

The core of the company is taking care of our people and promoting from within – 50 percent of all managers started out in hourly positions.

It's important for us to have diversity and to let people know that if they join this company and work hard, there is opportunity to move ahead.

That connection with our people is what sets us apart from our competitors because we are completely focused on the guest and employee, and we put time and effort into making them both feel they are important.

I've also tried to surround myself with people who are smarter than I am, so we have some strong executives in corporate and a talented team.

Are you concerned that there isn't a unifying voice for the industry in the U.S.?

Yes. We've been working hard with U.S. Travel Association and the American Hotel & Lodging Association to try to raise travel's voice. We figure for every 35 international travelers coming to America, we create another job.

We're anxious to promote America around the world through the new Travel USA program, where business and industry puts up some money and government helps us. It's a step in the right direction but nowhere near what other countries are spending to promote travel.

Do you ever take the time to appreciate all you have accomplished?

I'm always looking at what is next. The vision for the company is "more" – more satisfied customers, more opportunity for our associates, more hotels, more countries around the world, more profitability for our owners, and a higher stock price for our shareholders. It's continuing to expand and grow the company and getting massive distribution of our brand around the world. ●