



Marriott International, Inc.  
Bank of America Gaming & Lodging Conference  
Transcript<sup>1</sup>  
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**Shaun Kelley – Bank of America:** Good morning, everyone, and thanks for joining us for our second panel of this morning. So it's my pleasure to welcome Tony Capuano, President and Chief Executive Officer of Marriott. So Tony...

**Tony Capuano – Marriott International:** Thanks for having me. Good to be back.

**Shaun Kelley:** So we didn't get our pleasantries at the front end. So now I got to ask you on stage. Last year, it was Silverbacks in the jungle of, you know, what...Kenya? Were you in Kenya?

**Tony Capuano:** No, that was in Rwanda.

**Shaun Kelley:** Rwanda, okay. So where does the CEO of Marriott spend his summer this year?

**Tony Capuano:** Yes, much more tame. We are very lucky to have a family farm in Tuscany. So I was there a bit. And then out of Rome, we launched the newest Ritz-Carlton Yacht Luminara, and so I was on one of the practice voyages for 3 days from Rome to Siracusa to Malta. And it was all over social media. I'm sure you saw, I was the least famous person on the boat by a wide margin, but it was great and the ship is beautiful.

**Shaun Kelley:** Now is that time for the really important wedding that was going on in that...

**Tony Capuano:** No, no the wedding is coming. Wedding is next May. I have a little more time...

**Shaun Kelley:** Okay. So -- and the Ritz-Carlton Yacht collection interesting timing, right, given some of us got the pleasure of doing a tour back in April. So maybe for the kind of quick -- this is the third -- that's the third ship of the fleet. What's kind of the response and how are you...

**Tony Capuano:** Yes. The response is terrific. This will be the first ship that has Asian itineraries, so there's an enormous amount of enthusiasm about that. And in some ways, I think about these ships, the way I think about an iPhone, right? The iPhone 1 was great until you got your hands on the iPhone 2. So the design of the ships is very iterative. So the first ship was 149

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<sup>1</sup> Not a verbatim transcript; extraneous material omitted and edited for clarity and misstatements.

cabins. Ships 2 and 3 are 224. So a little bigger. I think we got the pool decks right. I think we got the food and beverage right, but it's a stunning vessel.

**Shaun Kelley:** So what's the #1 in demand amenity on a Ritz-Carlton Yacht? From a set of people who all want the best, what are they kind of -- what are they looking for in that experience.

**Tony Capuano:** Yes. I think the food and -- really bespoke food and beverage experience is at the top of the list. And I thought it was quite interesting. The biggest debate as the construction was wrapping on the first ship, there was a space where there was a portion of the team that said we should do a single malt scotch and cigar bar, and a lot of other members of the team said nobody will use it, that's silly. Ultimately, the first group prevailed. We programmed it into the first ship. They ended up having to expand it twice because it was so popular. So they have a beautiful one on Luminara, the third ship.

**Shaun Kelley:** Fantastic. I don't smoke cigars. But I would do that -- I think the single malt scotch...

**Tony Capuano:** Don't go in there, it will smell like you smoke cigars.

**Shaun Kelley:** So all right. Let's zoom out. Let's take us through. It's been a few months since everybody has kind of gotten the lay of the land. And obviously, we're all tracking what's going on with the data to the extent possible. But do the 30,000-foot level view first. How are you feeling about the world, you get a chance more than anyone in this room to speak with global business leaders and political leaders. So just set the tone for us in terms of how does it feel out there right now?

**Tony Capuano:** Yes. So all things considered it feels pretty good. The -- we obviously find ourselves in a world that has a fair amount of uncertainty from a macroeconomic perspective, from a sociopolitical perspective. And obviously, Marriott and the sector more broadly thrives in times of certainty and stability. So that creates some measure of challenge. We may talk about this a little bit, particular challenges for the lower income end of the spectrum. But we just -- we're looking at July numbers. Global RevPAR was up almost half a point in July. Flat in the U.S. and Canada, as you might expect, up about 1 point internationally which is exactly where we thought we'd be at the end of Q2. So we feel pretty good about that. Group continues to be quite promising. The strength of demand for luxury continues to be very sturdy. So all things considered, I think we're feeling pretty good.

**Shaun Kelley:** I think there was a hope on the demand side as we left that second quarter earnings period, thinking that this could get a little bit better from here, right? It's like -- I think a big part of that is just maximum leisure, a little bit more group compression. It's a bit of a wonky calendar, as I'm sure you know and we nerd out about. But just -- anything that you can kind of point people to on either the demand front or the booking front post Q2 that is getting a little bit better?

**Tony Capuano:** Yes. I'm -- we're obviously looking at some of the demand patterns in a post Labor Day environment. Tiny little bit of uptick in BT, a little bit of an uptick in leisure transient. But it's early. So -- and those booking windows are so short. It's hard to really hang your hat on it. We talked in the Q2 call a bit about group. We have better visibility in the group because of the longer booking window. We talked on the Q2 call about 2026, group volume being up about 8 percent, which was a full point higher than where we were a quarter prior. So those are encouraging as well.

And then I mentioned luxury. If you look at July, revenue for luxury in the U.S. and Canada, our biggest market, was up 6 percent, up 4 percent globally. And so this may go to some questions you have about this bifurcation of the consumer. But from my perspective, the really good news that high-income consumer whether accurate or perception, they feel more insulated from some of the macroeconomic turbulence that we talked about, and they continue to prioritize spending on travel and experiences. And it's coming through in the data.

**Shaun Kelley:** So let's go there. The kind of high load dynamic is the theme, right? We pull it out. I think -- one thing is Wall Street looks at it is you're now in a spot, which is fairly rare, where it's positive in one segment actually negative in the other segment, which doesn't -- again, it's because of where we're floating in terms of that organic growth level. But just you also get lots of consumer data, lots of credit card data, lots of information. Help us unpack like why is this happening? Because it is -- as somebody who's studied these patterns for a while, it's a bigger disconnect and it's been going on for a little longer than I think sometimes makes us comfortable.

**Tony Capuano:** Yes. I suppose there's a few things. You're right. I mean the terrific partnerships we have Chase and American Express on the credit card side. On the long list of benefits of those relationships, we get really great real-time insights into how consumers are spending. At the high end of the income spectrum those consumers continue to prioritize spending on travel and experiences. We see it in the performance of the luxury portfolio, it sets us up really well given our industry leadership, both in terms of footprint and pipeline in luxury.

At the other end of the spectrum, it's not that that profile, or that demographic, doesn't want to travel, but they are feeling more directly the impact of some of these economic headwinds. One of the really interesting things we see in our business, because of that impact I think it's one of the reasons you're seeing more softness on the demand side in the lower chain scales. But within our portfolio, one of the really encouraging signs we've been seeing, our teams are doing an amazing job hanging on to rate, right? You've been through lots of cycles like I have, and there is often a reflexive response to chase occupancy at the expense of rate. Our teams are really working hard to maintain rate even in those chain scales that are challenged from a demand perspective. That's obviously, I think, a great long-term strategy and also does -- goes a long way to helping us preserve margins in that chain scale.

The other thing -- the other dynamic at play, at least in the U.S., which is our biggest market, about 2/3 of government demand that we accommodate is accommodated in the select brand hotels, and that's down double digits.

**Shaun Kelley:** That was exactly where I was going to go. So let's think about the select service chain scales for a minute because one thing that is unique is we actually think those lean a bit more towards corporate, right, especially small and medium-sized businesses, which was a big engine coming out of COVID on the growth side. So what's happening there because we do see this when we just -- you just look at STR index chain scale data, you see the same bifurcation, which again -- so what are corporate leaders telling you at those 2 different levels. At the large corporates, how are they feeling about the world? And is that different than what the small and medium...

**Tony Capuano:** Yes. It's not a perfect analogy, but -- maybe one of the ways I think about it, you've got the high income transient customer continuing to feel optimistic and demonstrating that optimism in their travel spend. That's sort of the case with the larger multinational corporate accounts that we have. You go to the other end of the spectrum, the lower-income transient consumer is a little more nervous, and that's reflected in the performance in the lower chain scales. Similarly, some of the smaller business clients have that same level of hesitation.

**Shaun Kelley:** Okay. So one more question on sort of the demand world. But the group calendar, you mentioned, obviously, 2026 shaping up so strongly. Marriott is not alone in this. I think every company we're seeing there. So what's driving that? Like do we expect that trend to kind of come back in as we get a little closer and we're just booking a little further out right now? Or is there something else going on like what...

**Tony Capuano:** It's a good question. I think I've talked to you in the past. We do 2 events every year, the association masters and the corporate masters, each of which we bring about 400 of our biggest group clients, the meeting planners for our biggest corporate clients or for our big association clients. And you're hearing a few trends from them. Number one, as they're planning for 2026, most of them -- they're in budget season now, but they're going to the budget table with increased travel budgets.

They are hearing from their constituents, maybe we have a corporate policy about business transient travel with some limitations, but the frontline leaders in those organizations say, I need to be on the road, I need to be with my customers, I need to be with my colleagues from around the country or around the world. And group meetings are a powerful vehicle to try and achieve that.

**Shaun Kelley:** So -- now I want to transfer over to the development side, right? I mean, obviously, a hat you've worn and know super well. Help us think through the same pressures because now a few years post pandemic we know that the curve on the U.S. supply growth has come down a lot. What is the development community saying right now? What's their level of

enthusiasm because we could also see where the world out there, the optimism -- look at things like the stock market, obviously, as your sort of your fear and greed gate, looking pretty good on the green side, should -- does that correlate with what the developers are saying?

**Tony Capuano:** Yes. You almost have to look by region of the world, but I'll start with the U.S., where I think your question really lies. The biggest impediment to driving historic volumes of new construction are the construction cost environment and the nature of the construction debt that's out there. The good news is deals are getting financed. They're not at the leverage that our partners would like. They are at higher interest rates than our partners wish they could capture. But deals are getting done. And the deals that are getting financed, the new build deals have the sort of common DNA you would expect.

They're in great locations. They have really strong brand affiliations, and they are with developers who have long-standing demonstrated track records of successful execution. Feels to us, I mean, if you look at the data at the end of Q2, we had the largest under construction pipeline in the U.S. and Canada, our biggest market and the most rooms under construction in the U.S. and Canada. So we feel like we're getting a disproportionate share of the opportunities that are out there.

But some combination of hesitancy around desire for a more stable macroeconomic environment and the construction cost environment and the cost of financing are resulting in not the sort of volumes that we were accustomed to.

**Shaun Kelley:** And what are the complexity of these deals, right? So one thing -- I know Marriott has done really well is when the capital stacks get difficult, you come in, you create solutions. You saw for big full-service JW Marriott City Center major projects. But that world has changed a lot it feels like a last 5 years?

**Tony Capuano:** It has, but I was just -- I had my senior leadership retreat, and we were at the new Gaylord Pacific out -- just south of San Diego. I'm pretty sure I know my friend, Bill Hornbuckle is here somewhere, so he made dispute. But I think at one point, it was the biggest hotel under construction, maybe certainly in the country, maybe in the world. And that's a great illustration of our ability to execute on these really impactful assets, right? It strengthens our lead in the big-box convention network, it strengthens our ability to sell rotations through those Gaylord hotels for groups that can only be accommodated in a set of hotels. So we will continue to be creative and aggressive for those sort of needle-moving projects.

**Shaun Kelley:** But for the bulk of deals that are being done, we've generally...feels like we've gravitated down the chain scale map a little bit, at least in the U.S. More select service, I think the extended stay select service. So what product types is Marriott leaning into? I know StudioRes, I think, is a big initiative...

**Tony Capuano:** Yes. StudioRes is big. We opened our first one this summer down in Fort Myers, and the data is only anecdotal because it's so soon. I said, how is the intent to recommend data

look. And they said it's fantastic. I said great. They said, we have 5 surveys so far. So it's a little early to gauge much, but it's off to a good start. I think we've got another 20 or 30 under construction and the same number in the pipeline behind that. So we're getting really good traction there.

**Shaun Kelley:** What's the backsaw for developers that makes these prototypes work? And how have you kind of improved that relationship maybe in that speed to market?

**Tony Capuano:** Yes. StudioRes is an interesting one, because I think it's maybe in my time with the company, one of the best illustrations of co-creation of a product with some of our most prolific and aggressive development partners. So you think about groups like Noble and Concord, they were really shoulder to shoulder with us as we solved for a prototype that not only resonated with that mid-scale extended stay guests but also solving for an economic model that generated returns they found attractive.

**Shaun Kelley:** So then let's kind of do the journey around the world a little bit on the development landscape. So the place I want to start though is...

**Tony Capuano:** Let me guess, China? Yes.

**Shaun Kelley:** It's like -- I mean, we could just have you host at this point?

**Tony Capuano:** Yes. China is fascinating. It's obviously a critically important market for us. It's our second biggest market. I was there not long ago in Shenzhen, opening our 600th hotel in China, a St. Regis there. We've got another 400 or 500 in the pipeline behind that. So really important market for us.

It's a really interesting set of circumstances right now. In terms of the operating environment, they've got some of the same macroeconomic challenges, some of the same consumer confidence challenges and that bifurcation as well. The high income households in Greater China are absolutely traveling, but they're outbound traveling, which is why you see markets like Japan for us with high double -- high teens, low 20s sort of RevPAR because it's that high-income outbound Chinese traveler.

The lower income Chinese traveler who is doing more domestic travel, they're feeling that same impact from the headwinds. So it's a tough operating environment in the short term. At the same time, you look at our signings in the first half of the year, they're up 20 percent. And so one of the things it demonstrates is that development community in Greater China fundamentally believes in the long-term prospects for travel and tourism across China. And they're not trying to time those investments for the right week or month or quarter. They're making long-term investment bets.

**Shaun Kelley:** **Shaun Kelley:** So would you consider that development environment even despite the macro volatility unchanged from a year ago? Because it felt like a year ago, same

pattern but there was this kind of confidence in the fact that some of the money and the capital that sits behind these projects was looking at a different time frame than current -- still the same or a little bit more...

**Tony Capuano:** Yes. I mean for us, we're seeing an acceleration. Now how much of that is an acceleration of the gross number of volume or whether we continue to take share which is my instinct, but we are seeing an acceleration.

**Shaun Kelley:** And conversions. So we're starting to hear about like a generational shift that first vintage of a lot of Chinese hotel build-out starting to come back to market as a possible opportunity...

**Tony Capuano:** It's a great point. I mean as you know, conversions are a huge part of Marriott's growth story. Until relatively recently, it was sort of the one-off exception that we would do a conversion in China. The vast majority of our deal volume continues to be new construction, 70 percent or 75 percent of that volume is in the select brands, which is an exciting development for us, because it opens up a lot of the secondary and tertiary markets. But we are seeing a volume of conversions that is meaningfully ahead of what we've experienced historically.

**Shaun Kelley:** And now let's extend that kind of around the world, both -- other international markets you'd pick or you'd highlight on the development side? And then same thing for where conversions are working today and what brands are in demand?

**Tony Capuano:** Yes. I think about our strategy a little bit. I was just in Singapore with our APEC team, which has the entirety of Asia except Greater China. And we were having a conversation with the team. If you rewind back to when BRIC was the most important acronym many years ago, I think many of the big lodging companies over indexed on China and India. And to be sure, we made a big commitment to those markets. In fact, we're the biggest lodging company in India right now and growing rapidly.

But we didn't make those decisions to the exclusion of the balance of the markets across the region. And so we've got tremendous activity in Japan. We've got tremendous activity in Vietnam, tremendous activity in Indonesia and so -- I think the APEC region broadly is a really compelling set of markets in terms of unit growth. Similarly, Middle East, we're seeing great volume. And across much of Europe, we're seeing good volume as well. It's really a conversion story there because you obviously don't have the volume of greenfield development sites in many of the -- certainly, the gateway cities.

**Shaun Kelley:** And it was -- was it last year or 2 years ago where we had -- I think it was 2 years ago where we had the MGM deal announcement, which I think was actually coincided with this exact...

**Tony Capuano:** I think that's right.

**Shaun Kelley:** This exact morning. So help us kind of think through both that special partnership, and we will have Bill here a little later today to talk about it on their side, and I know they're really pleased with how it's performed. But also just that -- what these kind of partnership opportunities mean and are there other things in your future?

**Tony Capuano:** Yes. You're asking it much more elegantly than some. Usually, people say, are you going to do more of these deals, when and what are they going to look like? It's a really unique transaction. I mean, when you step back and look at it from 100,000 feet, essentially, you took the biggest lodging company in the world and the biggest gaming company in the world and pulled them together to take advantage of their respective strengths. I'll be anxious to hear Bill's perspective. But certainly, from our perspective, in terms of transient volume generation, in terms of group generation -- lead generation, which I think in some ways, has been the most pleasant surprise from their side, they obviously had a very robust group business there.

And I think when we really -- we got the deal done and we started to compare notes there was not as much overlap as they had expected, which was great news for them because there were deep pockets of potential group clients that they weren't necessarily penetrating in the fashion that they would like. It's been a huge win from our perspective for Bonvoy, it's obviously one of the most desirable destinations in the world and to be able to offer that to our transient guests is a big win.

And the group piece, we shouldn't skip over. I think when I'm at the association or the corporate masters, often the meeting planners kind of jokingly -- I always say to them, what can we be doing better for you? And they say, why can't we book 15 years out? And they say a little bit tongue in cheek, but I think the issue is if you're running one of these huge associations with peak night of 2,500 rooms, it's a relatively short list of destinations that can accommodate what you want to do year in and year out. And so to add 37,000 rooms to add 5 million square feet of state-of-the-art meeting space in a highly desirable easily access destination was a big, big win for how we think about our multiyear group sales approach.

**Shaun Kelley:** You going to F1 this year?

**Tony Capuano:** I am going to F1 this year.

**Shaun Kelley:** Miami or Vegas?

**Tony Capuano:** I'm going to go to Vegas. I happened to be -- I was traveling in Australia, and so I went to the first race of the season in Melbourne, which was amazing. That's the only one I've made this year.

**Shaun Kelley:** Is Bonvoy a sponsor?

**Tony Capuano:** We are -- we're a big sponsor of the AMG Petronas Mercedes team.

**Shaun Kelley:** All right. So you and Toto?

**Tony Capuano:** Me and Toto. When I was in Melbourne, I met their newest driver Kimi, who's 18 years old, very nice young man. Of course, I was a fan because he's Italian and we were chatting with him for a bit. And he said, I'm sorry, I have to run, I have to finish my homework. Still finishing high school...[indiscernible] but they have been such a terrific partner for us.

**Shaun Kelley:** Let's kind of transfer over to some area specific initiatives. First place I wanted to go was -- when I look back on Marriott, you made a pretty unique and probably a very difficult decision to streamline some corporate decision-making and some of your different reporting lines. That was probably back in the late fall of last year when...

**Tony Capuano:** Well, I think it was most of the year last year, we were working through that.

**Shaun Kelley:** But as a CEO, I'd love to just get a little view inside the tent now that we can talk about this sort of thing about what drove that decision at the C Suite member. Why was now the right time? Because as we look at it, hard decisions are often made when the permission is granted, meaning times are tough. A bit unique to do it at that point in time...

**Tony Capuano:** Yes. Although, I actually think it's the perfect timing to do it, right? We look across sectors. We see companies that are under pressure from shareholders or activists or something else. And they're often forced into these exercises not on their own timeline in a really compressed way where they can't be as thoughtful as they might like on their own. I actually think when you're operating from a position of strength, it's the perfect time to do it, number one.

And number two, I think it's the responsibility of every company out there. You look at the best companies and the best leaders in the world. Every morning, they wake up and they say, is our strategy right and they stress test the strategy. Are the objectives that are aligned with that strategy, the right objectives? Do we have the right paths to achieve those objectives? Is the work that we're doing across the enterprise impactful in our pursuit of those objectives.

And if you shine a bright light on it, and the answer is no, you got to have the courage to either pause or even eliminate some of that work. And for the work that is mission-critical, challenge yourself every day. Are we doing it as efficiently and effectively as possible. Are we embracing technology in a way that enhances our efficiency? Are we using technology to create capacity whether that's internally or guest-facing capacity for our associates and their interaction.

And so I often get asked, are you going to do it again? I think we should be doing it every day, right? That was a sort of a spike in the EKG, but every day, the challenge I've given our leaders around the world is to ask themselves those questions.

**Shaun Kelley:** As a leader, when you look back, what was the most impactful change? Was it freeing up responsibility for some people to move up in the organization, was it the way the reporting lines work with some of the owners? What's been some of the feedback to you...

**Tony Capuano:** I don't know that I can pick one. Maybe I'll pick two. I think number one, the level of empowerment that's pushed to the continents – you know, Arne had great foresight to look at the pace at which we were growing our global footprint and saying, a model that involved a lot of command and control from center probably was not sustainable given the pace of our global growth. And so this was a big leap forward in terms of empowering those continents to use their local market expertise and make decisions in real time. I'd say that was one.

I would say, two, we had been on a couple year exercise to make sure we really understood the depth and breadths of our talent bench and start to put together very prescribed development plans for our highest potential talent. Almost the entirety of those identified high potentials found spots in the new organization. And again, this is anecdotal, but the feedback I get from those young leaders is I'm more energized than I've ever been about my career prospects at Marriott because I now see paths to continue to be more and more impactful to the company's future.

**Shaun Kelley:** You mentioned the role of technology, so let's touch on that. You obviously are in the midst of a multiyear journey here. Just give us kind of the quick update on where we sit and what's being rolled out because it's actually some of this, I think, to the select service brands?

**Tony Capuano:** Yes, later this year, it will be rolling out. We -- for anybody that was disappointed because they tried to book a room in Antarctica. We had a made-up hotel in Antarctica, where we started to do some of our testing, that went swimmingly. As a result, we've got some other hotels in testing right now. We are up to our eyeballs in testing the functionality with an eye towards starting to roll out the platforms later this year across many of our select brands.

**Shaun Kelley:** So it would be the first Marriott in Antarctica, right?

**Tony Capuano:** It would, yes.

**Shaun Kelley:** Okay. seven continents, we got them all...

**Tony Capuano:** I may still count it in NUG, but it's not real. But yes, it's exciting for us. And it's exciting, I think, I always describe our job for our company is we are serving three masters, if you will, our own associates, our guests and our owner community, and the transformative impact of this technology initiative, I think, is significant for each of those groups. For our associates, this term of swivel chair of having to look at multiple screens goes away. It creates

capacity for them to be more deeply engaged with our guests on property. It gives them a wealth of information on a single screen to help them better care for our guests.

For our guests, similarly, they're going to get more time kind of face-to-face, eye-to-eye with our associates. They will get the benefits of more immediate credit for their stays, abilities to confirm upgrades, abilities to confirm connecting rooms, all those sorts of things that our friends at the airlines have gotten travelers accustomed to. And then I think for our owners, both on the top line and the bottom line, some really exciting margin opportunities.

I think most of the focus you hear is around technology innovation driving margin enhancement and to be sure that's an opportunity. I think what gets talked about less, and I'm quite excited about, is some of the top line revenue. And the reason I say that, if you look at our platform today, it's great if you want to go book a room. But you think about the breadth of offerings that we have to make available to our guests, food and beverage, spa, golf, retail, it is not as seamless as we would like it to be. And this is a consumer base that's grown up on Amazon. So they are accustomed to shopping across multiple storefronts and dropping those purchases into a single card, that's a good proxy for how our guests will book, not just their room, but every facet of their stay with us, which I think represents a meaningful revenue upside for our owners.

**Shaun Kelley:** You can't possibly do a technology conversation anymore without asking the obligatory AI part -- here comes. I really would love you to touch on how do you think this is going to be most impactful, especially to where you were just going a little bit that customer journey, because I think the whole way people search for, maybe interact with, travel is changing here. So I know there's going to be the standard we're going to save more on data and programming back of house. But you're now probably starting to really think about how this is impacting the front end of that travel journey and how Marriott gets found or Bonvoy gets found from the customer perspective. So can you connect those dots.

**Tony Capuano:** Of course. Yes. I would say maybe we have two parallel streams of activity that are both really exciting in the AI space. One, 1.5 years ago, maybe two years ago, we stood up this AI incubator and that's where we're running some proof of concepts on some smaller projects, but things that wouldn't surprise you. How can we incorporate AI into the concierge function, those sorts of things. But then the other more transformative, which is where I think you were going, is thinking about in the future when every traveler has their own AI agent who has over time, learned more about them and their families travel preferences, and they're using that to plan the entirety of the travel journey.

How do we incorporate that into how we think about selling the products and services that we have available. So we're talking to lots of prospective partners. We're talking a lot about how do we ensure that it is still most compelling to book with us but make it seamless with these Agentic AI tools.

**Shaun Kelley:** So put you on spot, are you using it in your day to day or using it like how and what's the interaction like?

**Tony Capuano:** Yes, yes. We've rolled out at headquarters Microsoft CoPilot. I use that all the time. I think it's fascinating. And then with ChatGPT, I play around with it a lot. I figure -- I'd rather doom scroll on that than TikTok or Instagram. But I do think these are tools that you have an intellectual curiosity about them, but they are going to be impactful to every business out there. And so the challenge we have as leaders is to really think about how you take advantage of these tools and remind yourself how rapidly they're evolving.

I read something the other day, there was an executive that runs Google's AI team. And he suggested that in the last 5 quarters, they've made 30 years of progress on their AI business. And so it's moving at a breakneck pace that requires us to be deeply engaged across every facet of our business.

**Shaun Kelley:** Do you think there's a gap or a change where the discovery process, right, or your -- the way you've kind of engaged with kind of traditional media and getting acknowledged? Is there a gap or a moment where those -- where we haven't yet connected those two pieces where -- they don't know you well enough to know you, but the old tools, the paid search, the click bait, like that isn't working either...

**Tony Capuano:** And it's an interesting question. The evolution, you talked about our technology transformation. And remember, it's the transformation of our three most important platforms. Of course, reservations, of course, PMS but also the loyalty platform. And I do think in many ways, the Bonvoy platform is the secret weapon that goes to the core of your question. That -- use whatever descriptor you want. You could argue Bonvoy is our most important brand. You could argue it's the connective tissue that pulls together this really diverse broad portfolio of brands and geographies.

And I think that's the most powerful tool we have at our disposal. If we continue to evolve it in the way that we are to make sure the traveling public, whether they are part of our 0.25 billion members or they are folks that are early in their travel journey, that they understand the depth and breadth of the Marriott offerings.

**Shaun Kelley:** I know I'm using it now for -- just the recommendations on the margin, right? It's on the trip, but you're looking for -- what do I fill in the gap on this itinerary to your point on the concierge front. It sounds like it's an absolute no-brainer. So Tony, thank you for the time.

**Tony Capuano:** Thanks again for having me.

**Shaun Kelley:** Thank you for coming.

**Tony Capuano:** Of course.

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**Note on forward-looking statements:** All statements in this document are made as of September 4, 2025. We undertake no obligation to publicly update or revise these statements, whether as a result of new information, future events or otherwise. This document contains "forward-looking statements" within the meaning of federal securities laws, including statements related to our RevPAR, rooms growth and other financial metric estimates, outlook and assumptions; cash generation and shareholder returns; our growth prospects; our development pipeline; our expectations regarding acquisition of the citizenM brand and the brand's growth prospects; our Marriott Bonvoy travel platform and loyalty program; our expectations regarding new offerings; and similar statements concerning anticipated future events and expectations that are not historical facts. We caution you that these statements are not guarantees of future performance and are subject to numerous evolving risks and uncertainties that we may not be able to accurately predict or assess, including failure to satisfy the conditions to the consummation of the citizenM transaction; uncertainty resulting from economic, political or other global, national, and regional conditions and events, including related to tariffs, trade, travel and other policies; and the risk factors that we describe in our U.S. Securities and Exchange Commission filings, including our most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q. Any of these factors could cause actual results to differ materially from the expectations we express or imply in this document.