



(RESEARCH ARTICLE)



FROM PANDEMIC TO POLICY SHOCK: COMPETITIVE ADAPTATION OF A FOUR-STAR HOTEL IN JAKARTA DURING SUCCESSIVE MARKET DISRUPTIONS

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World Journal of Advanced Research and Reviews, 2026, 32(01), 668–679

Publication history: Received on 02 August 2026; revised on 05 October 2026; accepted on 07 October 2026

Article DOI: <https://doi.org/10.30574/wjarr.2026.32.1.2565>

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ABSTRACT

This study examines the competitive performance dynamics of Hotel HARRIS Puri Mansion Jakarta during periods of market disruption between 2021 and 2025. Using a longitudinal quantitative approach, the research integrates internal Property Management System (PMS) data with CoStar benchmarking data to evaluate hotel performance relative to its competitive set. The analysis employs three key performance indicators, namely Market Penetration Index (MPI), Average Rate Index (ARI), and Revenue Generation Index (RGI), across three market phases: the pandemic period (2021–2022), the recovery period (2023–2024), and the policy shock period (2025). The findings indicate that the hotel outperformed its competitors during the pandemic, achieving superior occupancy, pricing, and revenue performance. However, competitive performance deteriorated during the recovery period as market competition intensified, resulting in lower MPI and RGI values. The implementation of government expenditure efficiency policies in 2025 further reduced demand, particularly from government-related segments, although the hotel demonstrated partial adaptation through pricing stability and market diversification. The study highlights the importance of competitive benchmarking, digital revenue management, and demand diversification in sustaining hotel performance under external disruptions. These findings contribute to the understanding of hotel competitiveness from a longitudinal and market-phase perspective.

Keywords: Competitive benchmarking, CoStar, Hotel performance, Revenue management, MPI, ARI, RGI, Market disruption, Jakarta hotels.

1 INTRODUCTION

The contemporary hotel industry operates in an increasingly data-intensive environment in which competitive performance is no longer evaluated solely through internal operational indicators but also through relative market positioning. Revenue management decisions, pricing strategies, investment planning, and market positioning increasingly depend upon the ability of hotels to benchmark their performance against comparable competitors within the same market environment. Consequently, competitive benchmarking has become one of the most widely adopted

analytical approaches in hotel management, particularly through the use of occupancy, Average Daily Rate (ADR), and Revenue per Available Room (RevPAR) indicators (Madhok & Lew, 2020; Schwartz et al., 2021).

Industry benchmarking systems such as STR and CoStar have substantially transformed the way hotels monitor market performance. Unlike traditional competitor intelligence methods, which relied on manual price surveys and informal market observations, contemporary benchmarking platforms provide aggregated and anonymised market intelligence derived from participating hotel properties. These systems enable managers to evaluate their relative market position, assess pricing effectiveness, identify demand fluctuations, and support strategic decision-making (Magnini et al., 2020; Schwartz et al., 2021).

The literature consistently demonstrates that occupancy, ADR, and RevPAR benchmarking constitutes a fundamental approach for evaluating competitive performance within the hotel sector (Schwartz et al., 2021; Madhok & Lew, 2020). Comparative indicators such as the Market Penetration Index (MPI), Average Rate Index (ARI), and Revenue Generation Index (RGI) have become standard performance measures used by hotel managers to assess market share, pricing power, and overall revenue effectiveness. These indicators support not only operational decisions regarding pricing and revenue management but also broader strategic decisions concerning investment, brand positioning, and asset management (Schwartz & Webb, 2021).

Furthermore, competitive intelligence and benchmarking have been recognised as important mechanisms for reducing managerial subjectivity, improving demand forecasting, identifying pricing errors, and strengthening competitive advantage (Salguero et al., 2019; Zadneprovskaya et al., 2021). Recent developments in big data analytics and digital revenue management have further expanded the role of hotel analytics by integrating predictive forecasting, dynamic pricing, and market intelligence into hotel decision-making processes (Hornig et al., 2022).

Despite these advantages, the effectiveness of hotel benchmarking depends heavily on the design of the competitive set. Schwartz et al. (2021) argue that self-selected competitor groups may introduce substantial bias because hotels may intentionally select favourable competitors, thereby inflating or suppressing performance indices. Similarly, Schwartz and Webb (2021) demonstrate that geographical proximity significantly influences competitive performance measures, particularly RevPAR indices, suggesting that inappropriate competitor selection may distort benchmarking outcomes. Consequently, resource similarity, market commonality, and spatial distribution have become essential considerations in competitive-set construction.

Recent studies also suggest that traditional benchmarking based solely on hotel classification may be insufficient. Customer perceptions, online reviews, service quality, physical facilities, infrastructure, and hotel attributes increasingly contribute to competitiveness assessments (Ye et al., 2020; Xia et al., 2018; Yolcu et al., 2025). Data-driven approaches employing text mining, online reviews, and customer-generated content have been introduced to identify competitive asymmetries and map hotel positioning more accurately (Hu & Trivedi, 2020; Yuan et al., 2022; Zhou et al., 2026). Nevertheless, occupancy, ADR, and RevPAR continue to provide the fundamental analytical backbone for evaluating market performance.

The importance of competitive benchmarking has become even more evident during periods of market disruption. Magnini et al. (2020) argue that competitor benchmarking became increasingly critical during the COVID-19 recovery period because hotels needed reliable market information to support pricing and demand management decisions. However, most previous studies have focused primarily on pandemic-related demand shocks, while considerably less attention has been given to government-induced market disruptions.

This issue has become particularly relevant in Indonesia. As the administrative and business centre of the country, Jakarta possesses one of the largest hotel markets in Southeast Asia, with four-star hotels heavily dependent on government meetings, conferences, and official travel activities. The implementation of Presidential Instruction No. 1 of 2025 concerning expenditure efficiency introduced significant reductions in government travel budgets, meetings, conferences, and MICE activities. Since government-related business traditionally contributes approximately 30–40% of hotel revenue, these policies have generated substantial pressure on hotel performance.

Recent market reports indicate that hotel occupancy in Jakarta declined by approximately 4.7% during 2025, with average occupancy falling to approximately 63.5% during the second half of the year. The contraction of government demand has resulted in estimated revenue reductions ranging from 20% to 60% across numerous hotel properties, thereby threatening profitability, operational stability, and employment within the hospitality sector. Consequently, hotels are increasingly required to identify alternative market segments, optimise pricing strategies, and strengthen their competitive positioning.

Within this context, Hotel HARRIS Puri Mansion Jakarta provides a particularly relevant case study. As a four-star hotel operating under the Ascott management network, the property maintains standardised operational procedures while

simultaneously facing substantial market pressures resulting from declining government demand. The hotel therefore represents an appropriate case for investigating how competitive performance evolves under multiple market disruptions.

This study employs CoStar benchmarking data to analyse the competitive performance dynamics of Hotel HARRIS Puri Mansion during three distinct phases: the pandemic phase (2021–2022), the recovery phase (2023–2024), and the policy shock phase (2025). Unlike previous studies that focus exclusively on single crisis periods, this research adopts a longitudinal perspective that examines competitive performance across multiple market disruptions.

Several research gaps motivate this study. First, existing research predominantly investigates pandemic-related disruptions, whereas government fiscal interventions remain underexplored. Second, empirical evidence concerning four-star hotels in emerging markets remains limited compared with luxury and international chain properties. Third, longitudinal assessments examining competitive performance across multiple disruption phases are scarce. Fourth, relatively little evidence exists concerning government segment dependency as a structural vulnerability within emerging hospitality markets such as Indonesia.

Accordingly, this study addresses these gaps by evaluating competitive performance using Market Penetration Index (MPI), Average Rate Index (ARI), and Revenue Generation Index (RGI) indicators derived from CoStar benchmarking data. Specifically, this study aims to: (1) analyse hotel performance trends using STR indicators; (2) evaluate competitive positioning through benchmarking indices; and (3) examine phase-based performance dynamics under different market disruptions. By integrating hotel analytics and competitive benchmarking within a longitudinal framework, this research contributes to the literature on hotel competitiveness, revenue management, and market resilience during periods of external disruption.

2 METHODS

2.1 Research Design and Study Context

This study adopts a longitudinal quantitative comparative design to investigate the competitive performance dynamics of Hotel HARRIS Puri Mansion Jakarta during different market disruption periods between 2021 and 2025. The quantitative approach was selected because the study focuses on objective measurement of hotel performance indicators derived from operational and market benchmarking data. Quantitative performance analysis has become a standard approach in hotel revenue management studies because it enables objective assessment of market performance and competitive positioning (Madhok & Lew, 2020).

The comparative design enables the evaluation of hotel performance relative to its competitive market environment, while the longitudinal approach allows the observation of performance changes over time. Longitudinal analysis is particularly appropriate for examining hotel performance under different market conditions and external shocks (Magnini et al., 2020). Unlike cross-sectional studies that examine a single period, this research analyses hotel performance across three distinct market phases:

- Pandemic Phase (2021–2022): characterised by severe demand contraction caused by COVID-19 restrictions.
- Recovery Phase (2023–2024): characterised by market recovery and increasing travel demand.
- Policy Shock Phase (2025): characterised by the implementation of Presidential Instruction No. 1 of 2025 concerning government expenditure efficiency, which substantially reduced government-related hotel demand.

Hotel HARRIS Puri Mansion Jakarta was selected as the case study because it represents a four-star hotel operating within the highly competitive Jakarta market and had implemented digital revenue management practices and integrated property management systems prior to the pandemic. The hotel therefore provides an appropriate setting for examining competitive performance across multiple market disruptions.

2.2 Data Sources and Competitive Set

This study employs both primary and secondary data sources to provide a comprehensive assessment of hotel competitive performance. Primary data were obtained from the Property Management System (PMS) of Hotel HARRIS Puri Mansion Jakarta. The PMS provides monthly operational performance data covering the period from January 2021 to December 2025. The internal data include Occupancy Rate (Occ), Average Daily Rate (ADR), and Revenue per Available Room (RevPAR).

Secondary data were obtained from the CoStar (formerly STR) benchmarking platform, which provides anonymised and aggregated market performance information. Third-party benchmarking systems have become increasingly

important because they reduce the limitations of traditional competitor intelligence methods and provide more objective market information (Magnini et al., 2020).

The selection of the competitive set (Compset) represents a critical component of hotel benchmarking because performance indices derive their meaning from the relevance of the comparison group (Schwartz et al., 2021). Previous studies demonstrate that inappropriate competitor selection may introduce substantial bias and distort market performance evaluation (Schwartz & Webb, 2021).

The competitive set (Compset) was established according to three criteria recommended in the literature: (1) similar hotel classification, (2) comparable facilities, and (3) geographical proximity (Schwartz & Webb, 2021). All selected competitors are four-star hotels equipped with meeting facilities and ballrooms and located within approximately five kilometres of the subject hotel.

Table 1: Competitive Set Composition

No	Hotel	Brand Affiliation	Location
1	Hotel Ciputra Jakarta	Swiss-Belhotel International	West Jakarta
2	Hilton Garden Inn Jakarta Airport	Hilton Group	West Jakarta
3	Golden Tulip PIK	Artotel Group	Tangerang
4	Swiss-Belhotel Airport Jakarta	Swiss-Belhotel International	Tangerang
5	Ibis Styles Jakarta Airport	Accor Group	Tangerang

2.3 Research Variables

This study employs three key indicators commonly used in hotel revenue management and competitive benchmarking.

- **Occupancy Rate (Occ):** Occupancy measures the percentage of rooms sold relative to total available rooms.

$$[\text{Occupancy} = \frac{\text{Rooms Sold}}{\text{Rooms Available}} \times 100]$$
- **Average Daily Rate (ADR):** ADR measures the average room revenue generated from occupied rooms.

$$[\text{ADR} = \frac{\text{Room Revenue}}{\text{Rooms Sold}}]$$
- **Revenue per Available Room (RevPAR):** RevPAR measures revenue generated from available rooms.

$$[\text{RevPAR} = \frac{\text{Room Revenue}}{\text{Rooms Available}}]$$

Occupancy, ADR, and RevPAR represent the three fundamental indicators used to evaluate hotel market performance and competitive position (Madhok & Lew, 2020; Schwartz et al., 2021). These indicators have been extensively applied in hotel benchmarking studies and revenue management research (Enz et al., 2009). In addition, this study employs three competitive performance indices:

- Market Penetration Index (MPI)
- Average Rate Index (ARI)
- Revenue Generation Index (RGI)

These indices have become standard measurements for evaluating market share, pricing competitiveness, and revenue performance relative to competitors (Webb & Schwartz, 2017; Schwartz et al., 2021).

2.4 Data Analysis

The analysis was conducted in four stages.

2.4.1 Descriptive Performance Analysis

Occupancy, ADR, and RevPAR trends were analysed annually and according to the three market phases.

2.4.2 Competitive Performance Index Analysis

The competitive position of the hotel was measured using MPI, ARI, and RGI.

- **Market Penetration Index (MPI):**
$$[\text{MPI} = \frac{\text{Occupancy}_{\{\text{Hotel}\}}}{\text{Occupancy}_{\{\text{CompSet}\}}} \times 100]$$

- Average Rate Index (ARI): $[ARI = \frac{ADR_{\{Hotel\}}}{ADR_{\{CompSet\}}} \times 100]$
- Revenue Generation Index (RGI): $[RGI = \frac{RevPAR_{\{Hotel\}}}{RevPAR_{\{CompSet\}}} \times 100]$

The interpretation of the indices follows industry standards: Index > 100: above market performance; Index = 100: market parity; and Index < 100: below market performance.

2.4.3 Gap Analysis

- Gap analysis was conducted to identify performance differences between the hotel and the competitive set.
- $[Occupancy\ Gap = Occupancy_{\{Hotel\}} - Occupancy_{\{CompSet\}}]$
- $[ADR\ Gap = ADR_{\{Hotel\}} - ADR_{\{CompSet\}}]$
- $[RevPAR\ Gap = RevPAR_{\{Hotel\}} - RevPAR_{\{CompSet\}}]$
- Positive values indicate competitive advantages, whereas negative values indicate underperformance.

2.5 Phase-Based Comparative Analysis

Annual performance data were aggregated into three market phases to examine changes in competitive positioning under different external disruptions, Pandemic (2021–2022); Recovery (2023–2024); and Policy Shock (2025). This phase-based analysis enables the identification of changes in competitive performance and strategic positioning throughout periods of market disruption.

3 RESULTS AND DISCUSSIONS

3.1 Evolution of Hotel Performance Across Market Phases

The first objective of this study was to analyse the evolution of hotel performance during the pandemic, recovery, and policy shock periods. Table 2 presents the annual comparison between Hotel HARRIS Puri Mansion Jakarta and its competitive set.

Table 2: Annual Performance Comparison

Year	Occ Hotel (%)	Occ CompSet (%)	ADR Hotel (IDR)	ADR CompSet (IDR)	RevPAR Hotel (IDR)	RevPAR CompSet (IDR)
2021	71.4	59.1	590,145	573,212	399,951	338,771
2022	67.4	66.9	645,037	645,786	434,902	431,705
2023	66.1	75.3	613,777	649,681	405,410	489,525
2024	69.2	77.3	688,690	692,469	476,699	535,150
2025	64.5	69.7	705,332	731,373	454,903	509,972

Source: Processed author's data 2026

The findings reveal substantial fluctuations in hotel performance throughout the observation period. These variations reflect not only internal revenue management decisions but also major external disruptions that affected the Indonesian hospitality industry between 2021 and 2025. The five-year period encompasses three distinct market environments: the COVID-19 crisis, post-pandemic recovery, and the government expenditure efficiency shock.

To better understand these changes, Figure 1 presents the monthly occupancy patterns of Hotel HARRIS Puri Mansion during the study period.

The monthly occupancy data indicate that hotel demand did not recover in a linear manner. Instead, occupancy patterns closely followed changes in mobility restrictions, economic recovery, and government policies.

During the pandemic phase (2021–2022), occupancy averaged 71.5% and 68.7%, respectively. Although these years represented one of the most severe crises in modern hospitality history, HARRIS Puri Mansion demonstrated relatively strong market resilience. In 2021, occupancy exceeded the competitive set by 12.3 percentage points, while RevPAR remained approximately IDR 61,000 above competitors.

This result appears counterintuitive given the severe contraction experienced by Indonesia's tourism sector. International arrivals to Indonesia remained extremely low during 2021, while large-scale mobility restrictions and

public activity limitations substantially reduced hotel demand. However, Jakarta's hotel market differed from many leisure destinations because domestic travel, quarantine programmes, long-stay guests, essential business travel, and self-isolation packages created alternative demand sources.

The monthly occupancy pattern further supports this interpretation. Occupancy increased substantially from only 32.0% in January 2021 to above 88% during the final quarter of the year. This pattern coincided with the gradual relaxation of mobility restrictions and increasing domestic travel activity. Hotels that rapidly adjusted their market segmentation and pricing strategies were able to capture these emerging opportunities.

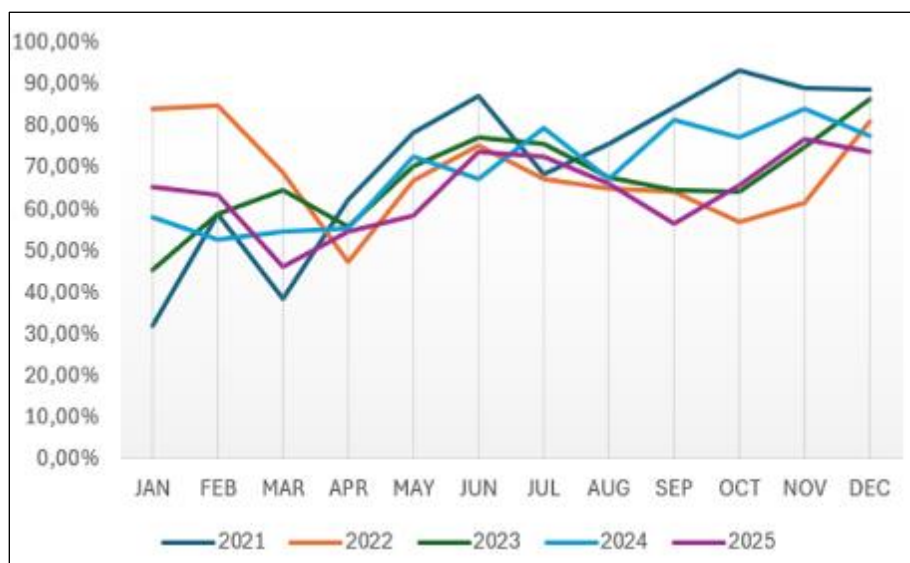


Figure 1: Percentage of Hotel Occupancy from 2021-2025

Magnini et al. (2020) argue that hotels adopting competitor benchmarking and data-driven revenue management during crises outperform those relying solely on historical demand patterns. The superior performance observed during 2021–2022 suggests that HARRIS Puri Mansion successfully implemented this adaptive approach through dynamic pricing and market intelligence.

The recovery phase (2023–2024), however, produced a considerably different pattern. Although Indonesia's tourism industry recovered strongly, hotel performance relative to competitors deteriorated. National tourism indicators showed substantial improvement, domestic tourism trips increased significantly, and Jakarta experienced a revival of business and MICE activities. Nevertheless, occupancy at HARRIS Puri Mansion declined to 66.1% in 2023, while the competitive set achieved 75.3%.

This divergence suggests that market recovery does not necessarily benefit all hotels equally. As demand returned, competitors intensified their revenue management strategies and adopted similar digital technologies, reducing the hotel's previous competitive advantage. Anderson (2023) notes that recovery periods often generate more intense competition than crisis periods because all market participants simultaneously attempt to regain lost demand.

The monthly occupancy trends clearly illustrate this phenomenon. During 2023, occupancy remained relatively stable between 65% and 86%; however, competitors captured a larger share of the recovering market. The occupancy gap reached –9.2 percentage points, representing the largest competitive deficit during the study period.

Another important explanation concerns market composition. Jakarta's four-star hotel market experienced increasing competition from newly developed hotels, serviced apartments, and alternative accommodations. Furthermore, the return of international brands and aggressive promotional activities intensified price competition. Previous studies have shown that technological advantages tend to diminish over time as competitors adopt similar digital capabilities (Schwartz et al., 2021).

The policy shock phase in 2025 introduced a second external disruption. The implementation of Presidential Instruction No. 1 of 2025 regarding government expenditure efficiency significantly reduced government meetings, official travel, and MICE activities. Since government-related business traditionally contributes a substantial proportion of demand for four-star hotels in Jakarta, this policy created a structural demand shock.

The occupancy data clearly reflect this situation. Annual occupancy declined to 64.5%, representing the lowest level since 2023. Monthly occupancy during October and November remained relatively high at 76.7% and 83.8%, indicating that the hotel partially compensated for lost government demand through alternative market segments. However, December occupancy declined sharply to only 43.8%, suggesting continuing market instability.

At the macro level, Jakarta's hotel market experienced occupancy contraction during 2025 as government demand weakened. Industry reports indicate that government and MICE segments previously contributed approximately 30–40% of room demand for many four-star hotels. The reduction of these segments therefore created substantial pressure on occupancy and revenue performance.

Interestingly, ADR continued to increase throughout the study period, reaching IDR 705,332 in 2025. This indicates that the hotel attempted to preserve pricing integrity despite declining occupancy. However, the competitive set maintained higher ADR levels, suggesting that competitors were better able to balance pricing and market demand.

Enz et al. (2009) argue that maintaining high room rates during demand contractions may protect short-term profitability but can also reduce occupancy if competitors pursue more flexible pricing strategies. The findings of this study support this argument. Although HARRIS Puri Mansion maintained relatively strong ADR performance, declining occupancy ultimately reduced RevPAR competitiveness.

Overall, the findings demonstrate that hotel performance evolved through three distinct stages. The pandemic phase was characterised by competitive advantage and market resilience. The recovery phase was characterised by increasing competitive pressure and declining market share. Finally, the policy shock phase revealed the vulnerability of government-dependent hotel demand in Jakarta.

These findings suggest that the external environment exerts substantial influence on hotel performance. While digital revenue management and market intelligence systems contributed positively during the pandemic, sustaining competitive advantage requires continuous adaptation to changing market conditions, diversification of demand sources, and greater resilience against policy-related disruptions. Consequently, the results support the argument that competitive performance should be understood not only as an internal managerial outcome but also as a response to broader economic, tourism, and policy environments.

3.2 Competitive Positioning Using MPI, ARI, and RGI

The second objective of this study was to evaluate competitive positioning through benchmarking indices. Table 3 presents the annual performance indices.

Table 3: Competitive Performance Indices

Year	MPI	ARI	RGI	Performance
2021	121	102	118	Overperform
2022	101	100	101	Overperform
2023	87.7	94.5	82.8	Underperform
2024	89.6	99.5	89.1	Underperform
2025	92.5	96.4	89.2	Underperform

Source: Processed author's data 2026

The results demonstrate a substantial shift in the hotel's competitive position between 2021 and 2025. During the pandemic period, all indices exceeded the benchmark value of 100, indicating that the hotel outperformed its competitive set in terms of market share, pricing, and revenue generation.

In 2021, the MPI value of 121 indicates that the hotel captured 21% more room demand than its competitors. The ARI value above 100 further suggests that the hotel maintained room rates slightly above the market average, resulting in an RGI of 118. According to Webb and Schwartz (2017), hotels achieving both MPI and ARI above 100 generally possess strong competitive positions because they successfully balance occupancy and pricing performance.

This strong performance occurred despite the severe contraction of Indonesia's tourism industry during the pandemic. The findings suggest that the hotel's adoption of digital revenue management, market intelligence systems, and flexible pricing strategies helped maintain demand during periods of uncertainty. Magnini et al. (2020) argue that competitor benchmarking became increasingly important during crisis periods because it enables faster market responses.

However, the recovery phase produced a significant decline in competitive performance. MPI fell to 87.7 in 2023, indicating a loss of market share, while ARI decreased to 94.5. Consequently, RGI declined sharply to 82.8, representing the weakest performance during the study period.

This deterioration coincided with the recovery of Jakarta's hotel market, which intensified competition among four-star properties. As competitors increasingly adopted similar revenue management technologies and aggressive pricing strategies, the hotel's earlier advantages diminished. Schwartz et al. (2021) suggest that technological advantages often become temporary as competing hotels implement similar systems.

The policy shock phase in 2025 shows a modest improvement. MPI increased to 92.5 and RGI rose slightly to 89.2, although both indicators remained below market parity. The implementation of Presidential Instruction No. 1 of 2025 significantly reduced government meetings and official travel, affecting many four-star hotels in Jakarta that depend heavily on government demand.

Interestingly, ARI remained relatively stable throughout the study period. This suggests that the hotel's primary challenge was not pricing competitiveness but rather declining market penetration. Hayes et al. (2021) argue that sustainable revenue performance requires an appropriate balance between pricing strategy and occupancy growth. Although HARRIS Puri Mansion largely maintained its pricing position, lower occupancy ultimately reduced revenue competitiveness.

The findings indicate that the hotel evolved from a market leader during the pandemic into a market follower during the recovery and policy shock periods. The results highlight the importance of market diversification and demand generation strategies to sustain competitive performance in Jakarta's increasingly competitive hotel market.

3.3 Performance Dynamics Across Market Disruption Phases

To address the third research objective, the annual performance indicators were aggregated into three distinct market phases to examine how the hotel's competitive position evolved under different external disruptions. The phase-based approach enables a broader understanding of competitive dynamics beyond annual fluctuations and captures the influence of major environmental changes on hotel performance.

Table 4: Phase-Based Performance Comparison

Phase	MPI	ARI	RGI
Pandemic (2021–2022)	110	102	110
Recovery (2023–2024)	89	97	86
Policy Shock (2025)	92	96	89

Source: Processed author's data 2026

The findings indicate that hotel competitiveness varied considerably across the three phases, demonstrating the significant influence of external market conditions on hotel performance.

The pandemic phase exhibited the strongest performance, with MPI and RGI both reaching 110. These results indicate that Hotel HARRIS Puri Mansion generated approximately 10% higher room revenue and captured greater market share than its competitors. Despite the severe contraction of Indonesia's tourism industry, Jakarta continued to generate demand through essential business travel, long-stay guests, and domestic mobility. The implementation of digital revenue management and market intelligence systems likely contributed to the hotel's resilience. Batiti et al. (2021) argue that predictive forecasting and flexible pricing improve hotel performance during periods of uncertainty.

In contrast, the recovery phase recorded the weakest performance, with MPI declining to 89 and RGI to 86. Although Indonesia's tourism industry recovered rapidly during 2023–2024, competition among Jakarta's four-star hotels intensified. The return of business travel, MICE activities, and domestic tourism encouraged competitors to adopt aggressive pricing and market strategies. Anderson (2023) suggests that competitive pressure often increases during recovery periods as hotels simultaneously pursue market share.

The policy shock phase in 2025 presents a slightly different pattern. While all indices remained below 100, MPI and RGI improved modestly compared with the recovery period. The implementation of Presidential Instruction No. 1 of 2025 significantly reduced government meetings and official travel, creating substantial pressure on four-star hotels that depend heavily on government demand. Nevertheless, the hotel maintained relatively stable pricing and gradually adapted to alternative market segments.

The findings demonstrate that hotel competitiveness is highly dynamic and strongly influenced by external disruptions. The pandemic rewarded operational flexibility, the recovery phase intensified market competition, and the policy shock exposed the risks of dependence on government-related demand. These results support the argument that sustainable competitive performance requires not only effective revenue management systems but also market diversification and organisational resilience.

3.4 Competitive Gaps and Strategic Implications

Gap analysis provides additional insight into the changing competitive position of Hotel HARRIS Puri Mansion Jakarta relative to its competitive set. While benchmarking indices explain the hotel's relative market position, gap analysis identifies the magnitude of performance differences and helps reveal the sources of competitive advantage or disadvantage.

Table 5: Performance Gap Analysis

Year	Occupancy Gap	ADR Gap	RevPAR Gap	Interpretation
2021	+12.3 pts	+16,933	+61,180	Competitive advantage
2022	+0.5 pts	-749	+3,197	Competitive advantage
2023	-9.2 pts	-35,904	-84,115	Competitive deficit
2024	-8.1 pts	-3,779	-58,451	Competitive deficit
2025	-5.2 pts	-26,041	-55,069	Competitive deficit

Source: Processed author's data 2026

The findings reveal a substantial deterioration in competitive performance after 2022. During the pandemic period, positive occupancy and RevPAR gaps indicate that the hotel successfully outperformed its competitors. The occupancy advantage of 12.3 percentage points in 2021 demonstrates the hotel's ability to maintain demand during one of the most challenging periods in the hospitality industry.

However, the competitive gap reversed during the recovery phase. The occupancy deficit reached 9.2 percentage points in 2023, while the RevPAR gap widened to more than IDR 84,000. These findings suggest that the hotel gradually lost market share as competitors benefited more strongly from the recovery of Jakarta's hotel market.

The occupancy gap emerges as the most critical issue throughout the study period. Although ADR differences remained relatively small, occupancy performance deteriorated substantially. This indicates that pricing was not the hotel's primary weakness. Instead, the evidence suggests an imbalance between rate protection and demand generation. Competitors appear to have adopted more aggressive occupancy strategies, while HARRIS Puri Mansion maintained relatively conservative pricing.

This pattern is also evident during the policy shock phase in 2025. Although government expenditure restrictions reduced public-sector demand across Jakarta's four-star hotel market, the hotel managed to reduce the occupancy deficit from -9.2 points in 2023 to -5.2 points in 2025. The improvement suggests that management began adapting to the loss of government business through alternative market segments. Based on the phase analysis, three different strategic positions can be identified.

Table 6: Phase Strategic Position

Phase	Strategic Position	Characteristics
Pandemic	Market Leader	High MPI and ARI
Recovery	Market Follower	Moderate ARI but weak MPI
Policy Shock	Premium Position	Strong pricing but lower occupancy

During the pandemic, the hotel operated as a market leader, benefiting from strong market penetration and effective revenue generation. During the recovery period, however, the hotel shifted toward a market follower position as competitors captured larger shares of the recovering demand. By 2025, the hotel adopted a premium positioning strategy, maintaining relatively stable room rates despite lower occupancy.



Figure 2: Market Segmentation from 2021-2025

These findings suggest that future revenue management strategies should focus primarily on market diversification. The heavy dependence of Jakarta's four-star hotels on government meetings and official travel has become increasingly vulnerable following the implementation of Presidential Instruction No. 1 of 2025. Expanding corporate, leisure, OTA, and domestic transient segments may therefore reduce future demand risk.

Furthermore, internal PMS data indicate a gradual transition from government-dominated demand toward more diversified market segments. Horng et al. (2022) argue that sustainable competitive advantage increasingly depends on diversified customer portfolios and data-driven decision making rather than reliance on a single market segment.

The findings demonstrate that digital revenue management and benchmarking systems contributed positively to performance during the pandemic period. However, sustaining competitive advantage in Jakarta's increasingly competitive hotel market requires continuous adaptation, stronger demand generation capabilities, and a closer alignment between pricing strategies and market demand conditions.

4 CONCLUSIONS

This study examined the competitive performance dynamics of Hotel HARRIS Puri Mansion Jakarta between 2021 and 2025 by employing CoStar benchmarking indicators and phase-based performance analysis. The findings demonstrate that hotel competitiveness is highly dynamic and strongly influenced by external market disruptions, including the COVID-19 pandemic, post-pandemic recovery, and government expenditure efficiency policies.

First, the study found that hotel performance evolved differently across the three market phases. During the pandemic period (2021–2022), the hotel outperformed its competitive set, achieving higher occupancy, stronger market penetration, and superior revenue generation. This indicates that the implementation of digital revenue management practices, market intelligence systems, and flexible pricing strategies contributed to organizational resilience during periods of severe market uncertainty.

Second, the competitive benchmarking analysis revealed a substantial shift in competitive positioning. While the hotel recorded MPI, ARI, and RGI values above 100 during the pandemic period, all three indicators declined below market parity during the recovery and policy shock phases. The results indicate that the hotel's competitive advantage gradually weakened as competitors adopted similar revenue management practices and competition intensified within Jakarta's four-star hotel market.

Third, the phase-based analysis demonstrates that external shocks affect hotel competitiveness in different ways. The pandemic rewarded operational flexibility and rapid market adaptation, whereas the recovery period intensified market competition and reduced the hotel's relative performance. Meanwhile, the implementation of Presidential Instruction No. 1 of 2025 exposed the vulnerability of hotels that rely heavily on government-related demand.

The gap analysis further indicates that declining occupancy and market penetration represent the primary sources of competitive disadvantage, whereas pricing performance remained relatively stable. This suggests that future revenue management strategies should place greater emphasis on demand generation and market diversification rather than relying solely on room rate optimization.

From a managerial perspective, the findings highlight the importance of integrating internal operational data with external benchmarking systems such as CoStar to support evidence-based decision-making. Hotels operating in highly competitive urban markets should continuously monitor competitor performance, diversify demand segments, and reduce dependence on a single customer segment, particularly government-related business.

This study contributes to the hotel revenue management literature by demonstrating that competitive performance should be analyzed from a longitudinal and phase-based perspective. The findings show that benchmarking indicators such as MPI, ARI, and RGI not only measure market performance but also capture how hotels respond to successive external disruptions.

Several limitations should be acknowledged. The study focuses on a single four-star hotel in Jakarta, which may limit the generalizability of the findings to other hotel categories or destinations. Furthermore, the analysis relies primarily on operational performance indicators and does not incorporate customer perceptions, online reviews, or profitability measures.

Future studies may extend this research by incorporating multiple hotels, additional competitiveness variables, customer-generated data, or advanced analytical techniques to examine how digital revenue management contributes to long-term hotel resilience and competitive advantage.

STATEMENTS ON COMPLIANCE WITH ETHICAL STANDARDS

Disclosure of conflict of interest

The authors declare no conflict of interest.

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