REGAINING REPUTATION: AUCKLAND LUXURY HOTELS A STAKEHOLDERS' PERSPECTIVES

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ABSTRACT

This study aims to identify the importance of the reputation of Auckland luxury hotels in terms of their stakeholders. In this context, the meaning of reputation for Auckland hotels is examined and identified. The analysis included management decisions taken in relation to cost control and the possible effects on the reputation of luxury hotels from stakeholders' perspectives. Possible areas and solutions to regain the prestige of luxury hotels are discussed in situations where managerial decisions caused damage to the luxury hotel's reputation. Practical evidence from industry-wide competitors is provided as justification for the different solutions. Also included is a critical evaluation of possible recommendations for the management of Auckland luxury hotels to regain their reputation from the perspective of their stakeholders.

Keywords: reputation, luxury hotels, stakeholders, corporate social responsibility, COVID-19.

INTRODUCTION

Modern hotels, particularly luxury hotels, do not merely provide accommodation, food, and beverage services; they offer a wide variety of services, many of which are lavish and high cost inclusive. The Asian luxury hotel industry forecasts a 37% to 42% return on investment due to cheap labour and supply costs (Lee & Kim, 2020). At the same time, liberal government policies encouraged the industry to invest more for better revenue generation (Naumik-Gladkaya & Devon, 2018). However, the New Zealand and Australian hotel industry had predicted 24% to 28% revenue generation being due to high hourly employee wages and strict government regulations (Naumik-Gladkaya & Devon, 2018). Additionally, cities such as Auckland and Sydney were categorised under the top 15 most expensive cities to live in the world, making profit generation more difficult. (Harkison et al., 2018). All the above reasons, along with pressure to increase profit margins, were adopted by the management of luxury hotels in Auckland to make cost control decisions which sometimes played a vital role in the luxury hotel losing its reputation. Al-hajla et al. (2017, p. 40) defined a luxury hotel as a hotel establishment "rated five stars on a rating scheme which provides an excellent location, has customised and expensive serviced rooms, a uniquely decorated interior with distinctive furniture, lighting, and facilities, and presents high-quality foods and drinks". The same definition has been used in this study to differentiate between a luxury hotel from other hotels located in Auckland. A widespread perspective that customers have of luxury hotels in terms of the above characteristics, features, and services were considered as reputation.

Critical evaluation of the meaning of reputation to Auckland luxury hotels in the context of stakeholders was undertaken. The identification of managerial issues related to cost control in these luxury hotels and its effect on the stakeholders in terms of loss of reputation was analysed. Possible implementation of solutions by management to regain their reputation are proposed concerning industry-wide competitors, plus recommendations are proposed to support luxury hotels to rebuild and regain their reputation in the perspective of their stakeholders.

METHODOLOGY

No primary data was collected for this study, it is a literature-based investigation and all information and data reviewed are from published sources. This type of study is cost-effective because there was no cost was involved in primary data collection. The quality of literature-based research is dependent on the collection of relevant contemporary information. Most sources used were not only current but were published in the last five years.

CONTEXT OF THE PROBLEM

This section critically evaluates the meaning of reputation for Auckland luxury hotels and analyses their stakeholders to understand why reputation is so important. Additionally, how the cost-related decisions made by management have damaged the reputation of these hotels is also examined in the context of their stakeholders.

Reputation for Auckland Luxury Hotels

Reputation is a crucial component for any luxury hotel and is a primary indicator of its success (Alsop, 2014). It acts as a tool to eliminate consumer dissatisfaction and is an indicator of marketing productivity, customer base, and visitors' loyalty (Qoura & Khalifa, 2016). Same authors have stated that a positive reputation increases stakeholders' trust of the hotel as well as confidence in management. Additionally, reputation is part of hotel goodwill, along with tangible assets such as social assets (positive relationships with customers, vendors, local communities, and regulatory bodies) and environmental assets (surrounding environment, clean water and air, energy, and other resources) (Van Riel & Fombrun, 2007). Reputation for Auckland luxury hotels is important because of its alluring power to attract customers, and thus, improve business for the industry.

A strong reputation is a critical prerequisite for promoting a luxury hotel in the competitive business environment, and an important element in the valuation of a hotel on capital markets (Van Riel & Fombrun, 2007). Williamson (2017) has reported that the Hongkong and Shanghai Banking Corporation Limited (HSBC) has announced their investment of NZ$1.3 billion by 2022 in various luxury hotels in Auckland. This is a good example of how a positive reputation is important in this industry. Alsop (2014) suggested that credibility is also essential and is the secret to having satisfied hotel stakeholders.

Stakeholder Analysis for Auckland Luxury Hotels

Stakeholders are a group who have an interest in an organisation and may either influence the organisation or be impacted by its decisions (Ackermann & Eden, 2011). Any entity with an interest in the performance of an organisation, such as staff, owners, consumers, and regulators can be considered stakeholders. As a component of this investigation, it is important to identify the stakeholders of luxury hotels in Auckland. Xiong & Wu (2009) reported that stakeholders gain benefits or take risks and are also involved in the decision-making process of an organisation. On the other hand, they can be affected by the decisions made by the hotel management. As an example, the announcement from the Auckland Hospitality Union to give Christmas gifts to all parties involved in hotel operations energised the stakeholders (Xiong & Wu, 2009). The presence of representatives from diverse groups of people, namely stakeholders, in various decision-making meetings for Auckland hotels demonstrated the importance of these people.

Farmaki (2019) stated that stakeholders portray a crucial aspect in any industry, however, it is difficult to put them into one basket. As part of this study, all key stakeholders for the Auckland luxury hotels were identified (see Figure 1). Although there are many stakeholders involved with the hotel industry, the most important parties directly engaging with the Auckland luxury hotels are identified and considered in this study. These parties were classified into two categories namely internal and external stakeholders. The main internal stakeholders were employees, managers, and owners, while external stakeholders were suppliers, shareholders, customers, government, and society.

Figure 1. Internal and External Stakeholders of Auckland Luxury Hotels
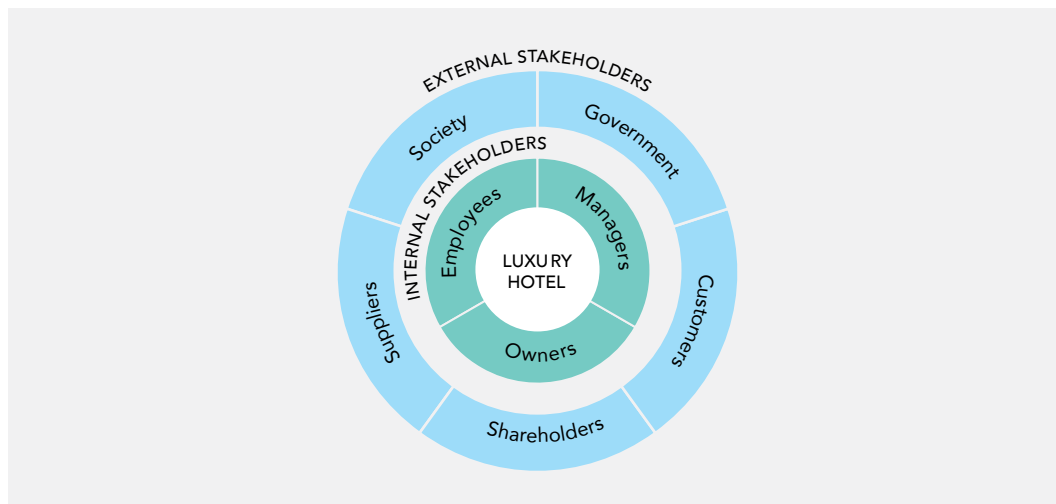
Since reputation plays a vital role in terms of satisfying stakeholders, all Auckland luxury hotels expect industry-wide acknowledgement for their services and brand. However, it is notable that managers of these hotels were compelled to make some significant decisions to reduce the operational costs because it was best method to reduce expenditure (Socialtables, 2021; StayNTouch, 2021). In contrast, these cost-cutting directives may damage the hotels' reputation from a stakeholders' perspective. This is discussed in detail in the following section.

Impact of Cost Control on Stakeholders in the Context of Lost Reputation

Cost management is the method of recognising and reducing an organisational cost to maximise revenues. It begins with the budgeting process of allocating funds to various departments for daily operations (Sun, 2017). However, the pressure from the owners to limit expenses sometimes encourages management to make drastic decisions which can affect the organisation's reputation (Whitla et al., 2017). To illustrate this, the recent COVID-19 pandemic has affected the hospitality industry and has changed the working patterns completely (StayNTouch, 2021). In response, most luxury hotel management took rapid action, such as employee redundancy, to save the business and to control the cost of the operations for future survival in the industry. However, COVID-19 has not been the only reason behind unprecedented incidents of cost-cutting in the past (StayNTouch, 2021). The other possible reasons are competition in the market, the arrival of new rival brands, inflation, and an increase in daily maintenance costs. The following sections are dedicated to the analysis of examples of reputational loss with five key stakeholders. Although there are many examples of lost reputation available for each stakeholder, the most significant for the Auckland luxury hotel context was selected for this discussion.

Customers

Sukmawati et al. (2018) showed that luxury amenities for guests used in rooms and restaurants accounted for 12% of total operational costs in hotels. The most common practice for reducing operational costs is removing some luxury amenities from the daily operations without guests' knowledge (Padma & Ahn, 2020). Based on the same authors, this option has been implemented by some luxury hotels worldwide and most of these decisions were made by management without the owners' consideration or approval. Furthermore, this decision had a significant impact on the reputation of those hotels in terms of poor customer reviews, negative comments on online booking sites, and reduction of personal performance

indicators. Moreover, the ratings for those luxury hotels did drop dramatically on the guest satisfaction survey because of downgraded amenities.

Suppliers

Most of the luxury hotels in Auckland depend on China and India to import luxury supplies for daily operations rather than purchasing from local vendors (Xiong & Wu, 2009). Although the New Zealand products are superior in quality, some of hotel management have decided to go with imported lower quality products (Walton, 2021). Additionally, bulk imports have increased the cost of storage. However, the operational costs for years 2018 and 2019 for many luxury hotels in Auckland registered 17% higher than the previous years (Turner & Hesford, 2019). The same report showed that local suppliers lost 39% of their income from the hotel industry in Auckland in the last few years. The decision made by managers to use imported products can be challenged based on the increased operational costs and loss of business faced by local vendors.

New Zealand Government

Most of the luxury hotels in Auckland took initiatives to install recycling plants for used glass and cans (WasteMINZ, 2021). According to the product stewardship scheme of the New Zealand Government, the hotels were expected to crush the cans and bottles in the plant and pack them according to a set standard (Product Stewardship Council, 2021). However, after installing recycling plants, two luxury hotels failed their audits undertaken by the government. Later, it was discovered that management of some luxury hotels had decided to give their recycling contracts to other hotels to minimise installation costs of recycling plants and thus to reduce operational expenses (Williamson, 2017). Additionally, as reported by the same author, these hotels were fined NZ$ 30,000 and issued a precautionary notice for the same incident from the Auckland Council for Environmental Justice.

Employees

The recent COVID-19 pandemic and border closure has majorly affected international tourism and luxury hotels, particularly in Auckland, have lost the majority of their business (Walton, 2021). To survive during tough time, management has been forced to make immediate and massive cost control decision (Stuff, 2020, August). Dogru et al. (2019) reported that hotel employee salaries and wages cost 27% of the total estimated budget for 2000. One option for controlling costs in a pandemic situation is to restructure hotel staff. As a result of restructuring programmes and thus cost control, most hotels reduced their workforce due to the New Zealand lockdown situation (Stuff, 2020, August). For example, two major luxury hotels in Auckland reduced their workforce by nearly 900 employees (Stuff, 2020). In May 2020, the Chief Executive of the Tourism Industry Aotearoa predicted about 393,000 redundancies in the New Zealand hospitality sector due to having no international tourists (Walton, 2021). Although hotel managements' decision on redundancy appeared financially beneficial, it could lead to negative effects, such as anxiety and no job security for the remaining employees. This would strongly affect the organisations' reputation and could also influence its ability to attract future employees.

Society

New Zealand Government agencies proposed an initiative to give away free accommodation vouchers to homeless people to allow them to stay in hotels (Harris, 2015). However, Harris reported that this welfare proposal did not continue due to perceived issues of safety and security for fellow customers of hotels. Most of the luxury hotels mainly accommodate business-people and tourists. Christoffel (2021) defined hotels as establishments in New Zealand that provide accommodation and food for tourists and travellers. On the other hand, the Government's proposal to give free vouchers for homeless people to stay in hotels is reasonable. However, it can be argued that the hotels did not like this proposal suspecting that they may lose the ability to control hotel prices in the market.

The above discussion explains how cost control decisions made by management have affected the reputation of the hotel industry in Auckland. Since there is a reputational loss from the stakeholders' perspective, brand reconstruction should be the main focus for luxury hotels in Auckland. This will regain the reputation and keep stakeholders satisfied to ensure the future growth of the industry. Different solutions for reputation rebuilding are discussed in the following sections.

SOLUTIONS FOR REBUILDING THE REPUTATION

This part of the discussion critically evaluates the possible solutions for hotel management to rebuild and regain the reputation amongst the stakeholders. Additionally, these solutions would concentrate on controlling costs to improve revenue generation to ensure a promising future for the Auckland hospitality industry. Practical evidence from the industry-wide competitors was considered and referred to in justification of the given solutions.

Use of hotel premises as COVID-19 quarantine facilities

COVID-19 has recently had the most impact on international tourism and revenue generation for the hotel industry in Auckland. The loss to business may have encouraged management to reduce their workforce and save their business through this tough time by controlling the costs. The Australian Government has contracted luxury hotels in Sydney to use hotel facilities as quarantine facilities accommodating returnees to Australia for fourteen days (British Broadcasting Corporation, 2020). The occupancy rate for luxury hotels in Melbourne and Sydney hit 85% because of the Australian Government's decision regarding compulsory isolation (Baum et al., 2020). Additionally, Baum et al. reported that the return on investment increased by 32% for the second quarter of 2020 because of the higher occupancy. Furthermore, the hotel industry in both Australian cities saved 95% of their workers' employment over this difficult period.

Like Australia, the New Zealand Government implemented similar plans and converted luxury hotels in Auckland to isolation facilities (StayNTouch, 2020). The COVID-19 crisis created employee redundancies and played a major role in reputational loss in the hotel industry (Stuff, 2020). The decision to convert hotels into quarantine facilities provided continuous revenue generation for the hotel industry and job security for hospitality employees (StayNTouch, 2020). This decision has created business for the luxury hotels and will continue to do so until the situation returns to normal in Auckland. Successful implementation of isolation facilities helped to regain the reputation of the luxury hotel industry from the perspective of all the above-mentioned stakeholders.

Corporate Social Responsibility

An organisation's Corporate Social Responsibility strategy aligned with the needs of the local society, as well as synergy between business and community, are the main determinant factors of the financial success (De Grosbois, 2012). Sustainable practices bring global recognition and media attention to the hospitality industry by keeping the hotels in the spotlight and increasing the trust of its stakeholders (Jones et al., 2014). Furthermore, the pledge to save resources for future generations and involvement in the welfare of society through social activities provides a competitive advantage in the long run (De Grosbois, 2012). However, the focus on generating revenue for sometimes hinders such responsibilities and limits the activities to the books and records of the hotels for financial audit (Fukey & Issac, 2014).

The hospitality industry produces two million pounds of carbon emissions every year and the global think tanks have raised alarms for the need to minimise this through precautionary measures for hotels (Lenzen et al., 2018). To address this situation, the United States of America (USA) hospitality industry has introduced the initiative reduce, reuse, and recycle concepts within hotels. This helps to reduce the waste from the industry through waste management systems and the recycling of greywater for reuse in toilets. Additionally, the hotels have installed property management systems (PMSs) with automated sensors that switch lights off when there are no activities in a specific area. This saves electricity and reduces the costs for the hotels

as well as contributing to the reduction in the overall carbon emissions produce by the hospitality industry. However, the finance related to the installation of such PMSs often prohibits hotel from participating in such practices (Brackett & Carr, 2015). The Luxury Hotels Association in Africa has started to distribute, through a Non-Government Organisation (NGO), leftover food gathered from all the hotels to local schools and homeless people (Sucheran, 2016). Sucheran reported that this initiative has captured the interest of international media and has become global news contributing to an improvement in the reputation of luxury hotels for its owners, the government, and the local society.

Auckland luxury hotels could take similar steps to restore the reputation of their stakeholders and to recover the media's interest in a constructive manner. Cafes and restaurants in New Zealand generate nearly 25,000 tonnes of food waste annually (Love Food hate waste New Zealand, 2021). Luxury hotels in Auckland dispose of tonnes of surplus food daily from their buffet platters in a city where the homeless beg for a meal. Hotels in Auckland could develop a programme to donate their surplus food to school children in need or to homeless people. Sustainability and CSR activities sometimes require financing but can have a positive impact on regaining reputation.

Continuous Monitoring of Online Review Sites

Hlee et al. (2018) stated that a review culture was developed on the assumption of businesses bend the truth in their marketing. On the other hand, customers do not have the motivation to lie by posting a positive review. If a customer thinks a hotel is good, then, probably it is based on their own experience. This underlining concept has increased the importance of online review sites in order to publish customer satisfaction. Additionally, choosing a hotel is an important decision when the customer is travelling to an unknown place and paying a high price. In this case, online review sites are the best place to find information the customers want (Niu & Fan, 2018). However, difficult and troublesome customers are usually the first to comment on web forums about the interactions they have had with hotel services (Hlee et al., 2018). Therefore, an active role on the part of management is critical in monitoring customer reviews in terms of reputational management.

The best practice model is the Indian luxury hotel industry where there is a designated department in the hotel where the role is to routinely monitor online platforms, such as Make My Trip, Booking.com, Expedia, and Airbnb (Sanjeev et al., 2019). Such departments concentrate on the negative reviews from customers on their hotels and respond to customers quickly with the best possible solutions. Additionally, they track the happy customers through internal mechanisms and convince them to place positive reviews on web forums. As cited in Niu & Fan (2018), the swift reaction from the hotel has a psychological effect on the customer's mind of a satisfactory sense of priority. This process is very cost-effective. After providing satisfactory solutions, the unhappy customers are converted to satisfied customers and their follow-up reviews are mostly positive ones (Niu & Fan, 2018). As a result of having such a system, the average positive review for Indian luxury hotels for the year 2019 was 87% which is the highest in the Asia Pacific region (Sanjeev et al., 2019).

As in the case discussed above, Auckland luxury hotels could adopt a similar mechanism to gain positive comments and resolve negative reviews as quickly as possible. For this process, some investment would be required but the big returns from the point of view of a happy customer would be significant. However, the associated costs of setting up such a department would have a significant effect on the annual expenditure of hotels. It would appear that further research would need to be undertaken or government support needed.

Implementation of a Cost Monitoring Accounting System

The use of cost management systems by the hospitality industry increases the efficiency of the decision-making processes of management. Various costing management systems have been used by this industry; full absorption costing, activity-based costing, marginal costing, and standard costing (Pavlatos, 2015). As

stated by Pavlatos, using the right costing system, combined with the right information technology (IT) support can significantly improve the information flow to the management of the hotel. Additionally, cost management systems can reduce the budget allocation stress from managers, so they can focus on the issues of controlling costs to ensure better revenue generation (Dogru et al., 2018). However, the related cyber security threats and implementation costs for these cost management systems can have a great influence on the overall budget for the hotel (Pavlatos, 2015).

The luxury hotels located in Sydney and Melbourne use Cloudbeds and Opera PMS software which integrates the total departmental spending projection with the projected revenue generation and helps with potential budget allocation estimates (Kim et al., 2017). The information generated by the PMS allows management to take advanced steps in terms of cost control and revenue generation. The advantage of PMS software applications is that management can predict future sales and the software provides data to analyse the business and external markets (Kim et al., 2017). Additionally, this PMS software keeps the inventory up to date with the first-in-first-out (FIFO) concept which helps management to contact vendors promptly. Hotels can save a huge amount of money by preventing the waste of commodities through the use of PMS and thus increase their revenue.

Auckland luxury hotels are using the Hotelogix PMS which is an old product and sometimes creates errors while forecasting budgets (Aryee, 2020). Aryee reported that in 2017 there were a few incidents of security breaches occurring with the Hotelogix systems around the world where all the data was stolen from the database including customer details and accounting information. Cloudbeds and Opera systems are used in the Australian hospitality industry and these systems have advanced cyber security systems, but the implementation and instalment costs are high.

The adoption of Cloudbeds or Opera accounting systems could have a significant effect on management decision-making for Auckland luxury hotels. The cost efficiency and revenue creation could be backed up by effective time management with the introduction of such advanced systems. Timely decisions and secure systems would have positive effects on owners' and customers' mindsets. Management would have better resources to determine employee satisfaction and thus restore the stakeholders' confidence and their reputation.

In this study, four solutions were recommended to luxury hotel management in Auckland to support them to regain their reputation amongst their stakeholders. These solutions are the use of hotels as quarantine facilities, CSR activities, continuous monitoring of online review sites, and the implementation of the latest cost monitoring accounting systems.

ANALYSIS OF SOLUTIONS AND RECOMMENDATIONS

The solutions are discussed above Use of hotel premises as COVID-19 quarantine facilities and Corporate Social Responsibility are recommended as the most suitable practices for the management of luxury hotels in regaining their reputation. Additionally, these solutions would continue to keep hotels growing financially, they are easy to implement and can strengthen future business growth. Continuous monitoring of online review sites and implementation of a cost monitoring accounting system involve a significant amount of monetary expenditure and they are difficult to execute due to the need for extra services (possibly additional staff) within the hotel. Allocation of a significant amount of the financial budget is considered as the main obstacle for this recommendation, especially during the COVID-19 pandemic.

Use as Quarantine Facilities

COVID-19 has had the greatest influence on the Auckland hospitality industry in decades (Walton, 2021). Walton stated that due to the cancellation of flights and border closures, they have lost 75% of the overall tourism market. The COVID-19 pandemic has prompted hotel management to take decisive steps to control the costs in every aspect of the business. Owing to massive cost-cutting decisions, all stakeholders

have been negatively impacted, from staff to vendors, vendors, and customers (StayNTouch, 2021). According to the World Health Organisation (WHO) (2020), after a successful COVID-19 vaccination programme, it would take another year to get things back to normal. The present pandemic has had an impacted on all luxury hotels in Auckland and nearly all stakeholders involved in this industry have been negatively affected (Socialtables, 2021). In this tough time, converting remaining luxury hotels in Auckland to quarantine isolation facilities would appear be the optimal solution.

According to the New Zealand Immigration report, 32,000 Kiwis and other visa holders were stranded overseas due to border closure and getting them back was the prime duty of the New Zealand Government (New Zealand Immigration, 2020). As per the New Zealand Immigration programme, repatriation was considered a high priority, and this continued until May 2021. The majority of New Zealanders have arrived back but booking a quarantine facility is still in high demand. Mandatory isolation for 14 days is in place and some travellers wait weeks to book a quarantine facility (New Zealand Immigration, 2020). Auckland hospitals cannot handle a huge influx of COVID-19 patients in the incidence of another outbreak, therefore the successful enforcement of controlled isolation facilities in Auckland is very important. Since Auckland International Airport is New Zealand's main airport, most of the repatriates come through this airport, therefore Auckland has an obligation to provide more quarantine facilities. Luxury hotels are the most suitable option because COVID-19 isolation standards can be implemented effectively within these facilities. This was the reason for the New Zealand Ministry of Health's approach to luxury hotels being transformed into quarantine facilities where the Government paid all the costs (Socialtables, 2021). This was a golden opportunity for luxury hotels in Auckland to get the business back and regain the reputation from their stakeholders.

With repatriation flights bringing Kiwis back from abroad, the occupancy rate in the quarantine luxury hotels hit a record 87% (Stuff, 2020). Based on the same report, the average occupancy for luxury hotels in Auckland for 2018 and 2019 was 72%. This means the quarantine facilities, in fact, brought more business than pre-COVID-19. A higher occupancy means greater requirements for the commodities and amenities. For example, Sydney hotels have asked suppliers to stock more hygiene and sanitation products such as gloves, masks, sanitisers, and disinfectants (Baum et al., 2020). Additionally, the hotels provide all the meals for those in isolation, meaning higher requirements for raw materials, this has also provided a good opportunity for suppliers. Higher occupancy rates resulted in higher labour requirements, attributed to extended hours and increased tasks required in the quarantine hotels. Lee and Kim (2020) reported that the hospitality industry needed 15% more staff which means continuous employment for existing workers as well as employment opportunities for others.

As a result of paying approximately NZ$3,000 per hotel isolation occupancy, the return on investment for the luxury hotels is expected to reach 32%, which is higher than the normal for the season which is around 25% (Stuff, 2020). Additionally, another cost saving is the bed and bathroom linen would not be changed until a request by the customer. This is a huge cost saving for the isolation hotels and means increased revenue. The share price for luxury hotels is expected to increase by 14% during this period in Auckland, meaning a good return for the shareholders (StayNTouch, 2021). The same article reported that proper conversion of a hotel to a quarantine facility is beneficial to the hotel from a local community perspective as they see this conversion process as a test for Auckland. For example, the media have published favourable reviews for Sydney hotels due to their successful conversion into isolation facilities and thanked the Government for their assistance during this difficult period (Baum et al., 2020).

Since COVID-19 related actions have had the greatest effect on the reputation of the hospitality industry for their stakeholders, being a hotel isolation facility would help to rebuild the reputation of Auckland hotels. However, isolation hotels need to take extra precautions to ensure the health and safety of their employees, returnee customers and others as it is a high-risk and involves handling possible COVID-19 positive cases.

Enhanced Corporate Social Responsibility Activities

Sustainable practices add global awareness and media exposure to the hospitality industry, keeping hotels environmentally-focused by strengthening the confidence of their stakeholders (Jones et al., 2014). Customers are well aware of the ecological policies embraced by luxury hotels in terms of sustainability. The introduction of new eco-friendly practices is believed to be prohibitively costly (Jones at al., 2014). However, as claimed by Hsiao and Chuang (2016), the operating costs of inefficient hotel facilities are always much greater than the initial expense of introducing modern practices.

Influence on customer conduct is an advanced way for hotels to seek environmental protection and thus to capture attention from the media. Organising tree planting programmes through customer groups can bring admiration from eco-friendly people for the hotel. Additionally, these activities could attract the attention of local media enabling the hotel to gain publicity, as well as recognition in the local community. For example, by arranging such activities, Dubai hotels earned large group bookings from Europe every month and thus increased the business operations and reputation industry-wide (Giardina, 2019).

Except for customers, engaging upstream vendors will also help to raise the hotels' environmental sustainability outcomes. Many scholars have studied and stressed that successful cooperation between hotels and mainstream supply chain partners will promote the implementation of environmentally sustainable practices (Kumar & Rahman, 2016). The same authors also suggest that the Marriott Hotel chain has collaborated with suppliers to design lighter paper packages for bathroom facilities, reducing 6,000 kilograms of paper each year (Kumar & Rahman, 2016); this initiative has generated US$16,000 and paid 40% as a bonus to the suppliers.

As employees have direct access to daily activities, hotels can rely on every employee's involvement and constant attempts to take environmentally friendly actions (Jones et al., 2014). It is believed that engaging employees from the very beginning of sustainable initiatives helps them feel a strong sense of ownership, which in turn contributes to higher employee output and loyalty (Jones et al., 2014). For example, as shown by the same author, the Accor Group has installed a five bin system for rubbish collection from the guest rooms where waste such as plastic, cans, papers, bottles, and wet garbage is separated out. The contents of the bins are brought back to be incinerated at the end of each shift and the amount of rubbish is noted by weight in a register. Every month the hotel general manager honours, in the staff meeting, the three employees who collected the highest amount of waste (Jones et al., 2014). Additionally, the British Broadcasting Corporation (BBC) have also created a series on the Accor Group's project, has been enabling them to improve their popularity worldwide, ultimately satisfying their stakeholders (British Broadcasting Corporation, 2020).

Similar initiatives in Auckland luxury hotels would help to restore their reputation worldwide. It would attract the customers' attention and therefore help to improve sales as well as the reputation of the brand. The involvement of the stakeholders in CSR activities would also boost their confidence and help Auckland luxury hotels to rebuild their reputation.

CONCLUSION

This study concludes that management decisions have a significant impact on the reputation of the hotel from the point of view of stakeholders. Therefore, this study focused on Auckland luxury hotels to identify if reputation was lost from stakeholders' viewpoint. The key stakeholders identified were employees, managers, owners, suppliers, shareholders, customers, government, and society. This study discovered that the past managerial decisions have greatly impacted the reputation luxury hotels in Auckland. An industry-wide comparison, including competitors, has shown that cost reduction initiatives made by management have significantly impacted on the loss of reputation from the stakeholders' perspective.

There are four initiatives proposed to regain reputation, namely, the use of hotels as COVID-19 quarantine

facilities, implementing CSR, continuous monitoring of online review sites, and implementation of a cost monitoring accounting system. Each solution was analysed in terms of regaining reputation by stakeholders, cost-effectiveness and the most suitable approaches in a COVID-19 pandemic. The recommendations from this study are use as quarantine facilities and enhanced CSR activities would appear to be the optimum solutions for regaining the reputation of Auckland luxury hotels from a stakeholders' perspective.

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