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Reimagining Destination Branding in Emerging Economies: A Stakeholder Perspective from Saudi Arabia

Sufia Ashar Khan¹, Dr. Harsh Purohit²

Research Scholar, Banasthali Vidyapith; Dean, FMS WISDOM, Banasthali Vidyapith

ABSTRACT

Saudi Arabia's Vision 2030 places tourism at the forefront of economic diversification and global image reform. While mega-projects and national campaigns like "Visit Saudi" have increased visibility, concerns remain over authenticity, inclusivity, and stakeholder engagement. This study uses stakeholder theory to assess how government agencies, SMEs, communities, and tourists perceive and shape the Kingdom's destination brand. Based on 30 semi-structured interviews, thematic analysis identified six key findings: narrative fragmentation, the importance of authenticity, limited SME capacity, uneven governance participation, environmental and social concerns, and the role of digital co-creation. Although reforms have expanded outreach, decision-making power remains concentrated among state and corporate actors. The study concludes that sustainable destination branding in emerging economies requires more than investment—it demands active stakeholder alignment, cultural sensitivity, and transparent governance. These findings offer relevant insights for other Gulf states pursuing tourism as a strategic development path.

Keywords: Destination branding; Stakeholder theory; Sustainable tourism; Vision 2030; Saudi Arabia

Introduction

Saudi Arabia's Vision 2030 elevates tourism from a peripheral activity to a cornerstone of economic diversification and social modernisation. The plan seeks to replace petro-rent dependence with an experience-driven economy that creates skilled jobs, stimulates SME growth and projects the Kingdom's soft power. Because leisure visas were issued for the first time only in 2019, academic understanding of how Saudi Arabia is constructing—and how audiences are interpreting—its new destination brand is still limited (Ekiz et al., 2017). To fill this gap the present study adopts a stakeholder-centric lens, arguing that a destination brand can be credible and sustainable only when the aspirations of investors, public agencies, residents and visitors are aligned and continually renegotiated within a framework of transparency and shared value

Background and Context

The national tourism strategy is ambitious: official targets call for 150 million annual trips, a nine-percent tourism share of GDP and one million new jobs by 2030 (Saudi Arabia Tourism Report, 2023). Reforms underpinning these goals range from streamlined e-visas and relaxed social regulations to a USD 4 billion Tourism Development Fund that co-finance private projects. Flagship giga-projects—NEOM, the Red Sea regeneration and Diriyah Gate—promise ecologically sensitive resorts, smart cities and heritage corridors (Saleh, 2023). Heritage development is equally vigorous: UNESCO-listed Al-Ula, the Hegra archaeological site and a string of new museums anchor culture-based itineraries, while the year-round "Saudi Seasons" platform distributes festivals across thirteen provinces.

Domestic demand is being stimulated too. Saudis have historically spent about USD 20 billion a year on overseas holidays; Vision 2030 aims to recapture part of that leakage by launching family-oriented entertainment districts, global sports fixtures and heritage events that encourage citizens to "holiday at home" (Chowdhury et al., 2021). The successful staging of Formula 1 in Jeddah and the Spanish Super Cup in Riyadh illustrates how marquee events can activate local enthusiasm while attracting international media attention. Together, these supply- and demand-side reforms constitute the structural context for the Kingdom's emerging destination brand.

Problem Statement

Rapid investment has delivered signature skylines and attention-grabbing campaigns, yet three inter-related challenges persist. First, message fragmentation: promotional material often privileges futuristic architecture and luxury over place narratives, risking "Disneyfication" and resident backlash (Rehman & Alnuzhah, 2022). Second, stakeholder asymmetry: state agencies and foreign consultancies dominate master-planning, whereas

local SMEs and host communities report limited influence over product design and service standards (Alsaloum et al., 2024). Third, perception inertia: lingering stereotypes about safety, gender norms and religious restrictions still deter many long-haul markets (Rimmawi & Ibrahim, 1992). Unless branding strategy systematically integrates stakeholder expectations, Saudi Arabia may reach its numeric visitation targets yet fall short on authenticity, inclusivity and long-term competitiveness.

Research Objectives

1. Evaluate the effectiveness of current branding instruments—media campaigns, mega-events and digital platforms—in shaping domestic and international perceptions.
2. Map the salience, expectations and power relations of key stakeholder groups (government entities, tourism SMEs, investors, local communities and tourists).
3. Analyse how stakeholder engagement influences perceived authenticity, service quality and environmental stewardship in Saudi tourism initiatives.
4. Produce recommendations that embed stakeholder-theory principles—dialogue, transparency and shared value—into future destination-branding practice.

Significance of the Study

Positioning destination branding within a stakeholder framework converts headline investment into durable socio-economic value. A coherent model will help policymakers avoid boom–bust cycles by establishing key performance indicators (KPIs) for resident sentiment, SME profitability and ecological impact, ensuring that Vision 2030 is judged by more than visitor counts. Clearer stakeholder maps will also reduce reputational risks for investors and guide culturally nuanced marketing. Academically, the study extends stakeholder theory beyond firm-level governance to a national destination, enriching debates on public–private coordination in emerging economies. Practically, the findings will inform the Saudi Tourism Authority’s communication guidelines and offer a diagnostic toolkit that other Gulf Cooperation Council (GCC) states can adapt as they pursue post-oil diversification.

Literature Review

Destination branding. Contemporary scholarship emphasises co-creation, multisensory storytelling and digital engagement as hallmarks of effective destination brands (Barakka, 2021). Empirical studies from Spain, Indonesia and the UAE show that resident endorsement is a prerequisite for authenticity and crisis resilience (El-Kholei & Alotaibi, 2013). Saudi campaigns such as “Visit Saudi” and “Riyadh Season” have broadened narratives beyond pilgrimage by foregrounding hospitality, adventure and heritage. Nevertheless, longitudinal sentiment analysis reveals persistent international scepticism concerning safety and gender inclusivity (Filippi & Mazzetto, 2024). Scholars caution that without consistent community participation and value-laden storytelling, the Kingdom’s brand risks remaining a top-down construct disconnected from lived realities (Al-Mohammad & Butler, 2021).

Stakeholder theory. Freeman (1984) argues that sustainable value emerges when the interests of all parties that can affect or be affected by organisational action are balanced. Applied to destinations, the framework repositions tourists as co-producers, residents as custodians and the natural environment as a silent stakeholder whose degradation erodes competitive advantage (Ibrahim, 2021). Comparative research from Bali, Barcelona and Cape Town confirms that destinations governed through multi-stakeholder councils enjoy higher visitor loyalty and stronger crisis recovery. In the Gulf, Oman’s heritage villages and the UAE’s eco-oases further demonstrate how inclusive governance mitigates cultural resistance and enhances brand credibility.

Integrating branding and stakeholder theory in the Saudi context. Vision 2030 explicitly pledges to “develop tourism in partnership with local communities,” signalling alignment with stakeholder principles. Pilot surveys in Al-Ula and Diriyah reveal that residents endorse tourism when they are consulted early, offered vocational training and assured respect for privacy norms (Alsaloum et al., 2024). Digital ethnography shows that user-generated content—influencer vlogs, pilgrim diaries and expatriate reviews—either amplifies or contests official narratives, making social-media engagement a critical arena for stakeholder dialogue (Filippi & Mazzetto, 2024). At the policy level, the National Tourism Strategy’s call for destination-management organisations (DMOs) in every region echoes global best practice by institutionalising multi-actor coordination. The converging evidence suggests that a stakeholder-anchored branding model can resolve Saudi Arabia’s triple challenge of fragmentation, asymmetry and perception inertia. By incorporating resident narratives, SME capabilities and environmental limits into brand storytelling, the Kingdom can reconcile rapid infrastructural expansion with cultural authenticity, social equity and ecological integrity—cornerstones of sustainable competitive advantage.

Research Methodology

This study adopts a qualitative case study approach, employing semi-structured interviews to explore stakeholder perspectives on tourism development in Saudi Arabia. Participants included representatives from public agencies, tourism SMEs, non-governmental organizations, and local communities involved in tourism and conservation (Al-Tokhais & Thapa, 2019; Anggaini & Juviano, 2023). The goal was to understand challenges, opportunities, and stakeholder engagement in tourism planning, especially in areas undergoing rapid transformation.

Interviews were conducted in both Arabic and English, depending on participant preference, and later transcribed and translated with professional verification to ensure accuracy (Al-Tokhais & Thapa, 2019). Each interview lasted between 15 to 25 minutes, and participants selected their preferred locations to encourage openness and comfort.

A total of 30 interviews were coded and analysed thematically using NVivo software, which supported systematic identification of recurring patterns and narratives (Al-Mohammad & Butler, 2021). This process enabled a deep exploration of how tourism actors perceive coordination, authenticity, power dynamics, and sustainability. Thematic analysis allowed for the extraction of nuanced views on local involvement, revealing the degree of alignment with stakeholder theory principles.

The research was grounded in an interpretivist paradigm, which emphasises understanding lived experiences and meaning-making among stakeholders (Alahmadi et al., 2022). This approach is especially relevant for Saudi Arabia's context, where state-led tourism reform intersects with local heritage and community values. Qualitative inquiry also enabled the study to address gaps in stakeholder representation and highlight the voices of small enterprises and residents, often overlooked in top-down tourism strategies (Espinoza-Figueroa et al., 2025; Dewi & Ginting, 2022).

By mirroring established qualitative protocols, the methodology ensures both rigour and relevance, producing insights that can guide more inclusive and sustainable tourism branding in line with Vision 2030 (Pulido-Fernández & Fernández, 2019; AlGassim et al., 2023; Ngo et al., 2024).

Results

The study generated rich, multi-layered insights from thirty semi-structured interviews with representatives of government bodies, destination-management organisations (DMOs), tourism SMEs, community leaders, and domestic and international tourists. NVivo-assisted thematic analysis produced six inter-related themes that reveal how stakeholder dynamics shape Saudi Arabia's emerging destination brand and how closely practice aligns with the principles of stakeholder theory.

1. Stakeholder Awareness of the National Brand Is High, but Narratives Diverge

Almost all respondents recognised “Saudi Seasons,” “Visit Saudi,” and the flagship giga-projects as the visual shorthand of the national brand. Government officials framed these icons as proof that the Kingdom is “open for business,” while international tour operators interpreted them as “luxury statements.” Domestic tourists, by contrast, associated the brand with “family-friendly entertainment” and “new weekend options.” Such narrative divergence suggests that the top-down campaign has achieved saturation but not yet convergence, mirroring concerns in prior research about message fragmentation (Rehman & Alnuzhah, 2022). One SME owner summarised the mismatch: *“The ministry sells futuristic dreams; we sell tea, dates, and stories—both are Saudi, but they do not always meet.”*

2. Authenticity Emerges as the Central Currency of Trust

Every resident and community leader interviewed considered cultural authenticity the decisive criterion for judging tourism projects. Participants from Al-Ula celebrated the reuse of mud-brick architecture and local craft markets, but those in Riyadh's historic quarter worried that rapid gentrification would “turn our homes into backdrops.” International tourists likewise valued heritage but wanted it “curated with good signage and multilingual guides.” The findings validate the stakeholder-theory proposition that destinations thrive when value propositions resonate with all affected parties (Freeman, 1984). They also echo warnings in the literature that brand credibility erodes when place narratives are displaced by spectacle (Al-Mohammad & Butler, 2021).

3. Economic Opportunity Is Embraced, Yet Capability Gaps Persist

All private-sector respondents welcomed Vision 2030's tourism targets, citing easier finance, tax holidays, and training grants. Yet micro-entrepreneurs outside the major cities stressed that application procedures remain “too technical” and that consultancy fees “consume the subsidy.” A female craft-co-operative in Hail noted, *“We get visitors during festivals but can't scale because we lack packaging and e-payment tools.”* Investors confirmed appetite for boutique lodges but demanded clearer land-tenure rules. These comments illustrate stakeholder-theory's power-legitimacy imbalance: actors with high legitimacy (local SMEs) still lack power to shape brand delivery, while powerful actors (global developers) set service standards that may sideline local suppliers.

4. Governance Structures Reduce but Do Not Eliminate Asymmetry

The creation of regional DMOs was widely praised for “bringing everyone into one room,” yet several interviewees described the forums as information-sharing, not co-deciding, platforms. A community elder in Diriyah stated, *“We listen more than we speak; the plan is largely done before the meeting starts.”* Conversely, ministry officials reported that “local feedback delayed three projects until privacy walls were redesigned,” indicating some responsiveness. Thematic coding showed moderate progress on stakeholder dialogue but limited evidence of shared value creation, a core principle of stakeholder theory. Participants proposed rotating meeting venues and publishing minutes in Arabic and English to level participation.

5. Environmental and Social Safeguards Shape Brand Legitimacy

Interviewees across all groups considered environmental stewardship essential for international credibility. Developers at the Red Sea project cited off-grid energy, coral-safe moorings, and a “visitor-to-carrying-capacity” algorithm as proof of commitment. However, Bedouin leaders argued that grazing routes were still “poorly mapped” in master plans. Residents also raised social impact concerns, noting rising rents near new entertainment zones. One

domestic tourist captured the dilemma: *“We love concerts, but we don’t want to lose neighbourhood culture.”* These tensions highlight the environmental and social components of the “silent stakeholder,” reinforcing Ibrahim’s (2021) call to treat nature and community welfare as co-equal in destination governance.

6. Digital Co-Creation Both Amplifies and Challenges Official Messaging

All tourists in the sample used Instagram or TikTok to plan trips, and many posted reviews in real time. User-generated content (UGC) often celebrated Saudi hospitality yet posts about visa glitches or dress-code confusion received disproportionate engagement. Marketers acknowledged UGC as “the fastest brand amplifier,” but also as a “vulnerability if issues go unaddressed.” Several SMEs reported that viral influencer videos doubled weekend bookings, underscoring tourists’ role as co-marketers within the stakeholder ecosystem. Government stakeholders described plans for a national “brand listening center” to scrape sentiment and respond within 24 hours, signalling movement toward the continuous feedback loops advocated by stakeholder theory.

Synthesis of Themes in Relation to Stakeholder Theory

Taken together, the six themes indicate partial but uneven realisation of stakeholder-theory principles in Saudi Arabia’s tourism branding:

- **Recognition of Stakeholders** is high—everyone knows who the big players are—but stakeholder influence still skews toward actors with regulatory power or capital.
- **Dialogue** mechanisms exist (DMOs, public consultations, social media), yet decision rights remain centralized, limiting co-ownership of the brand narrative.
- **Shared Value** is emerging through job creation and SME grants, but capability gaps and social-environmental risks threaten long-term legitimacy.

Illustrative Stakeholder Quotes		
Stakeholder	Quote	Theme
Community elder, Diriyah	“We want tourists to hear the adhan echoing between old walls, not pop music from rooftops.”	Authenticity / Social safeguards
Tour operator, Germany	“Clients are intrigued by ‘futuristic Arabia’ but still ask, ‘Can my wife drive?’”	Divergent narratives / Perception inertia
SME café owner, Jeddah	“I pay zero tax now, but I need barista training and Instagram ads to survive.”	Economic opportunity & capability gaps
Red Sea environmental officer	“If the reef dies, the brand dies with it; that’s why we designed floating jetties.”	Environmental stewardship

Collectively, these results confirm that aligning tourism branding with stakeholder priorities enhances legitimacy and competitive advantage, but achieving genuine balance demands sustained investment in capability building, transparent governance, and iterative feedback loops—core tenets of stakeholder theory.

Conclusion

This study highlights the crucial role of stakeholder engagement in building a sustainable and credible tourism brand in Saudi Arabia. Vision 2030 has successfully raised tourism’s profile through high-impact projects and campaigns, yet the findings reveal persistent imbalances in stakeholder influence. While communities and SMEs are increasingly involved in consultations, their ability to shape branding outcomes remains limited.

Cultural authenticity, environmental safeguards, and digital narratives emerged as key determinants of public trust and brand legitimacy. Formal mechanisms like DMOs support dialogue, but deeper co-creation is needed to fulfil the inclusive promise of stakeholder theory.

To ensure long-term success, Saudi Arabia must move from top-down branding toward participatory governance, empowering diverse voices in strategy and storytelling. These insights offer broader relevance for emerging economies using tourism to diversify and reposition themselves on the global stage.

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