

Midocean University

Faculty of Management

Department of Management



Analyzing the role of Riyadh Season in supporting economic and tourism growth in Saudi Arabia

Student name

Muneera Abdullah Bin Taleb.

Graduation Project – 1

Faculty of Management - Midocean University

Supervisor

Dr. Abdelrehim Nader.

Faculty member- Faculty of management- Midocean University

23 February 2026 – First Trimester 2026

Chapter 1: Introduction

1.1. Research Background

The economy of the Kingdom of Saudi Arabia has been predominantly dependent on oil revenues as the primary source of national income for several decades. This heavy reliance on a single commodity has rendered the Saudi economy structurally vulnerable to fluctuations in global energy markets, a vulnerability that became particularly evident during the oil price decline of 2014–2016. In response to these challenges, the Saudi government launched Vision 2030 in 2016 as a comprehensive national strategic framework aimed at restructuring the economy and reducing its dependence on hydrocarbon exports. Within this framework, the tourism and entertainment sectors were identified as key pillars for achieving economic diversification, generating employment opportunities, and enhancing the quality of life for citizens. Al Naimi (2022) analyzed economic diversification patterns across the Gulf Cooperation Council states and concluded that Saudi Arabia had begun undertaking substantive structural measures to expand its non-oil economic base, with particular emphasis on the service and tourism sectors.

In alignment with the objectives of Vision 2030, the General Entertainment Authority established the Saudi Seasons program in 2019, comprising eleven seasonal festivals distributed across major cities in the Kingdom. Riyadh Season, the largest and most prominent among these festivals, was inaugurated in October 2019 as an annual entertainment, cultural, and sporting event held in the capital city. The inaugural edition extended over a 66-day period and encompassed more than 100 events across twelve designated entertainment zones. According to official estimates, this first edition attracted approximately 11 million visitors and generated revenues of approximately six billion Saudi riyals, accompanied by a 106 percent increase in flight bookings to Riyadh and a 240 percent rise in hotel occupancy rates. Although the festival was suspended in 2020 due to the COVID-19 pandemic, it resumed in late 2021 with expanded scope, featuring approximately 7,000 activities across fourteen zones covering 5.4 million square meters. Subsequent editions have demonstrated consistent growth: the 2022–2023 edition recorded approximately 15 million visitors, while the 2024–2025 edition established a new record of over 20 million visitors from 135 countries, with the overall brand value of Riyadh Season estimated at approximately USD 3.2 billion (Alhebshi, 2024).

The economic significance of large-scale recurring events such as Riyadh Season extends beyond direct revenue generation from ticket sales and event attendance. The influx of millions of visitors over an extended period stimulates demand across multiple sectors of the local economy, including hospitality, food services, retail, transportation, and real estate. This phenomenon, referred to in economic literature as the multiplier effect, describes the process through which initial tourist expenditure generates successive rounds of spending within the host economy. Waheed, Sarwar, and Dignah (2020) empirically examined the relationship between tourism and economic growth in Saudi Arabia and found that tourism, along with non-oil exports, exerts a statistically significant positive effect on long-term economic growth. Their findings provide empirical support for the proposition that tourism-driven initiatives such as Riyadh Season possess the potential to contribute to structural economic transformation, provided they are sustained and effectively managed (Waheed et al., 2020).

Beyond its direct economic effects, Riyadh Season also functions as an instrument of destination branding and image formation. Large-scale entertainment events shape international perceptions of the host destination, which in turn influence tourist decision-making and future visit intentions. Aliedan, Aldiab, Al-Dakhil, and Algarni (2021) investigated this relationship in the Saudi context and found that the quality of city-based entertainment programs has a statistically significant positive influence on destination image and tourist experience quality, both of which serve as mediating variables affecting overall tourist satisfaction. These findings suggest that the impact of Riyadh Season on Saudi Arabia's tourism sector operates through both economic and perceptual channels, reinforcing the strategic rationale for investing in large-scale entertainment as a component of national development policy (Aliedan et al., 2021).

Despite the scale and apparent success of Riyadh Season, the academic literature examining its role in supporting economic and tourism growth remains limited. The majority of available information regarding the event's economic impact derives from official government reports and media coverage rather than from independent, peer-reviewed empirical research. Al-Mohmmad and Butler (2022), in one of the few academic studies directly addressing the Saudi Seasons initiative, observed that while tourism stakeholders generally held positive perceptions of the program, significant questions remained regarding the distribution of economic benefits, the sustainability of visitor growth, and the capacity of small and medium enterprises to capture meaningful gains from the initiative. Alharbi (2023), in a doctoral dissertation examining Saudi

public attitudes toward the General Entertainment Authority, further noted that perceptions of entertainment reforms are shaped by complex generational, regional, and ideological factors that aggregate visitor statistics cannot adequately capture. These observations point to a clear gap between the scope of the Riyadh Season phenomenon and the depth of academic understanding currently available, a gap that the present study seeks to address.

1.2. Research Problem

Riyadh Season has emerged as one of the most significant entertainment initiatives in the Middle East region within a relatively short period, attracting tens of millions of visitors and generating substantial economic activity. However, the rapid growth of the event has outpaced the development of rigorous academic research capable of critically evaluating its contributions to economic diversification and sustainable tourism development. An examination of the existing scholarly literature reveals notable gaps at both the theoretical and practical levels, which constrain the ability of researchers and policymakers to fully understand the mechanisms, outcomes, and limitations of this initiative. The following subsections delineate these gaps and present the main research question guiding this study.

1.2.1. Theoretical Gaps

The prevailing theoretical frameworks employed in the study of mega-events and their economic impacts were developed predominantly in the context of one-time, large-scale sporting events such as the Olympic Games and the FIFA World Cup, hosted primarily in Western and East Asian settings. These frameworks, including economic multiplier models, cost-benefit analysis, and destination image theory, conceptualise the mega-event as a singular, non-recurring episode characterized by substantial upfront capital investment, a concentrated period of activity, and a subsequent legacy phase. Riyadh Season, however, departs fundamentally from this model. As a recurring annual event that has grown in scale and complexity with each successive edition, it generates cumulative economic effects that are not adequately captured by frameworks designed for one-time events. The capacity to distribute investment across multiple editions, to refine programming and infrastructure incrementally, and to build institutional learning over time introduces dynamics that existing theoretical models do not account for. This gap is particularly

consequential in the context of resource-dependent economies, where the relationship between event-driven tourism and structural economic transformation requires specific theoretical treatment (Alhebshi, 2024).

A further theoretical deficiency concerns the disciplinary separation between economic diversification scholarship and event-tourism scholarship. Research on economic diversification in oil-dependent states has traditionally concentrated on sectors such as manufacturing, financial services, and knowledge-based industries, with limited consideration of the entertainment and events sector as a viable diversification mechanism. Conversely, event-tourism research has focused on visitor behavior, expenditure patterns, and destination competitiveness without situating these analyses within broader frameworks of structural economic change. This disciplinary disconnect has resulted in the absence of an integrated theoretical model capable of linking the micro-level economic activities generated by recurring entertainment events to macro-level indicators of economic diversification, such as changes in non-oil GDP composition, sectoral employment shifts, and small enterprise development. Kiani (2026) highlighted this gap in a study published in the *Journal of Economics, Finance and Accounting Studies* and called for the development of comprehensive analytical frameworks that connect tourism-driven entertainment initiatives to measurable diversification outcomes, acknowledging that such frameworks do not yet exist in the literature (Kiani, 2026).

Additionally, the theoretical relationship between state-sponsored entertainment events and soft power remains insufficiently developed for the Gulf Cooperation Council context. While a number of scholars have noted that events such as Riyadh Season serve both economic and reputational objectives, the specific mechanisms through which enhanced international perceptions translate into tangible economic outcomes — such as increased foreign direct investment, sustained tourism demand, or improved trade relations — have not been rigorously theorized. Aldakheel (2026), in a study published in *SIYAR Journal*, examined this question through the lens of public diplomacy and found that while Riyadh Season has demonstrably influenced international media narratives about Saudi Arabia, the causal pathways between improved perceptions and concrete economic indicators remain theoretically underdeveloped and empirically untested (Aldakheel, 2026).

1.2.2. Practical Gaps

At the empirical level, the existing body of research on the economic and social effects of Riyadh Season is characterized by significant limitations in both scope and methodology. The available studies are predominantly descriptive in nature, reporting aggregate visitor numbers and revenue figures without conducting the disaggregated analysis necessary to determine the net economic impact of the event. No published peer-reviewed study has estimated the net economic benefit of Riyadh Season after accounting for public expenditure on infrastructure development, security provision, marketing campaigns, and operational subsidies. Furthermore, there is no sector-level analysis examining the distribution of visitor spending across hospitality, retail, food services, transportation, and other economic sectors. Al-Mohmmad and Butler (2022) identified this limitation, noting that tourism SME operators participating in the Saudi Seasons initiative reported both optimism regarding increased demand and concern that the benefits were disproportionately captured by larger, more established enterprises (Al-Mohmmad & Butler, 2022).

The employment dimension of Riyadh Season represents another area where empirical evidence is notably insufficient. While the event generates a substantial number of temporary and permanent employment positions, the characteristics of these positions — including skill requirements, wage levels, contract duration, and the proportion of jobs filled by Saudi nationals as opposed to expatriate workers — have not been systematically investigated. Alharbi (2023) observed in his doctoral research that while many young Saudi citizens expressed general enthusiasm about entertainment sector reforms, they simultaneously expressed uncertainty regarding the sector's ability to provide stable, adequately compensated career opportunities. This discrepancy between general attitudinal support and specific career expectations warrants empirical examination, particularly in light of the Saudi government's emphasis on increasing national workforce participation in the private sector (Alharbi, 2023).

Environmental and quality-of-life impacts constitute a further area of empirical neglect. The concentration of 17 to 20 million visitors within a single urban area over a period of several months generates considerable pressures on waste management systems, energy infrastructure, water resources, and transportation networks. Alghamdi, Alotaibi, and Bashir (2026), employing machine-learning methodologies to forecast tourism growth trajectories in Saudi Arabia, identified

environmental carrying-capacity limitations as a significant risk factor that current planning frameworks do not adequately address. Despite this, no published study has conducted a systematic environmental impact assessment of Riyadh Season or examined its effects on residential quality-of-life indicators such as traffic congestion, noise levels, and housing affordability during the event period (Alghamdi et al., 2026).

Finally, the absence of comparative analysis in the literature represents a significant practical limitation. No published study has systematically benchmarked the economic performance of Riyadh Season against comparable recurring events in other national contexts, such as the Dubai Shopping Festival, Singapore's Formula 1 Grand Prix, or Qatar's post-World Cup legacy events. Albalawi and Henderson (2025), in a study published in *Energy Policy*, conducted a broad comparison of mega-event strategies in Saudi Arabia and the United Arab Emirates and identified meaningful differences in governance structures, sustainability practices, and economic multiplier effects. However, their analysis did not extend to the event-specific level of comparison necessary for informed policy evaluation regarding the scalability and replicability of the Riyadh Season model (Albalawi & Henderson, 2025).

In view of the theoretical and practical gaps identified above, the present study is guided by the following central research question:

To what extent does Riyadh Season contribute to sustainable economic growth and tourism development in Saudi Arabia, and through what mechanisms does a recurring mega-entertainment event function as an instrument of national economic diversification within the framework of Vision 2030?

1.3. Research Significance

This study derives its significance from addressing a rapidly evolving phenomenon that has not yet received adequate academic scrutiny, namely the role of Riyadh Season in supporting economic and tourism growth in the Kingdom of Saudi Arabia. The significance of this research is articulated at two levels: the theoretical level and the practical level.

1.3.1 At the Theoretical Level

- This study contributes to bridging the existing gap in the academic literature between event tourism theories and economic diversification theories in oil-dependent rentier states. The prevailing theoretical frameworks for analyzing mega-events were developed primarily for non-recurring spectacles such as the Olympic Games, whereas Riyadh Season represents a fundamentally different model as a recurring and incrementally expanding event, thereby necessitating the development of adapted theoretical approaches.
- The study proposes an analytical framework that links the micro-level economic activities generated by recurring entertainment events — such as tourist expenditure, employment creation, and sectoral stimulation — to macro-level indicators of economic diversification, including changes in non-oil GDP composition and shifts in the occupational structure of the labor market.
- The study enriches the body of literature on soft power and destination branding by examining the mechanisms through which state-sponsored entertainment festivals function as instruments for reshaping the international image of the host nation, and by interrogating the causal pathways between improved perceptions and tangible economic outcomes such as increased foreign direct investment and sustained tourism demand.
- The study extends the geographical scope of event tourism scholarship, which has historically concentrated on Western and East Asian contexts, to encompass the Gulf Cooperation Council region with its distinct economic, social, and cultural characteristics, thereby responding to repeated calls in the literature for greater geographical diversity in this field of inquiry.

- The study advances the theoretical understanding of the cumulative impact of recurring events, a concept that has been insufficiently addressed in the mega-event literature, which has predominantly treated each event as a discrete analytical unit without accounting for the compounding effects across successive editions.

1.3.2 At the Practical Level

- The study provides policymakers in Saudi Arabia with independent empirical evidence on the actual economic impact of Riyadh Season, moving beyond the aggregate figures reported in official communications to include analysis of net economic benefits after accounting for public expenditure on infrastructure, security, marketing, and operational subsidies.
- The study generates data on the sectoral distribution of the economic benefits of Riyadh Season, enabling relevant authorities to identify which sectors genuinely benefit from the event and which require additional support or intervention to ensure a more equitable distribution of gains across large enterprises and small and medium-sized establishments.
- The study produces findings directly relevant to the nationalization (Saudisation) objectives of Vision 2030 by examining the characteristics of employment opportunities generated by Riyadh Season in terms of skill requirements, wage levels, contract duration, and the proportion of positions filled by Saudi nationals as opposed to expatriate workers.
- The study contributes to assessing the environmental sustainability of Riyadh Season by examining the pressures that the concentration of millions of visitors places on urban infrastructure, waste management systems, transportation networks, and water resources, thereby informing future planning and mitigation strategies.
- The study provides a basis for comparative benchmarking against similar recurring events in the region and globally, such as the Dubai Shopping Festival, Singapore's Formula 1 Grand Prix, and Qatar's post-World Cup legacy events, enabling decision-makers to evaluate the efficiency of the Riyadh Season model and its potential for scaling and replication in other contexts.

- The study offers evidence-based practical recommendations that can inform the General Entertainment Authority, the Ministry of Tourism, and other relevant bodies in developing future editions of Riyadh Season, with the aim of maximizing economic and tourism returns while mitigating potential adverse effects on residential quality of life and the urban environment.
- The study serves as a reference for researchers and practitioners in other resource-dependent economies that are exploring the use of recurring entertainment mega-events as instruments of economic diversification, thereby contributing to the broader international discourse on post-oil economic development strategies.

1.4. Research Questions

Main Research Question:

To what extent do stakeholders perceive Riyadh Season as an effective instrument for driving economic growth and tourism development in Saudi Arabia under Vision 2030?

Sub-Questions:

- To what extent do tourism and entertainment sector professionals perceive Riyadh Season as a significant contributor to non-oil GDP growth in Saudi Arabia?
- What is the perceived impact of Riyadh Season on tourist spending behavior, average length of stay, and revisit intention among domestic and international visitors?
- How do business owners and managers in the hospitality, retail, transportation, and food service sectors evaluate the economic spillover effects generated by Riyadh Season on their respective industries?
- To what extent do employees and human resource managers perceive that Riyadh Season creates quality employment opportunities in terms of skill development, fair compensation, job stability, and alignment with Saudization targets?
- How do visitors and tourism professionals rate the influence of Riyadh Season on Saudi Arabia's destination image, international attractiveness, and soft-power positioning?

- What are the perceptions of residents, local business operators, and municipal officials regarding the environmental and social pressures associated with Riyadh Season, including infrastructure strain, congestion, waste management, and noise levels?
- How do event management professionals and policymakers assess the competitive positioning of Riyadh Season relative to comparable recurring mega-events in the Gulf region in terms of economic return, visitor satisfaction, and operational efficiency?

1.5. Research Objectives

Main Objective:

To examine the extent to which Riyadh Season serves as an effective instrument for driving economic growth and tourism development in Saudi Arabia within the framework of Vision 2030, based on stakeholder perceptions.

Sub-Objectives:

- To assess the perceptions of tourism and entertainment sector professionals regarding the contribution of Riyadh Season to non-oil GDP growth in Saudi Arabia.
- To measure the perceived impact of Riyadh Season on tourist spending behavior, average length of stay, and revisit intention among domestic and international visitors.
- To evaluate how business owners and managers in the hospitality, retail, transportation, and food service sectors perceive the economic spillover effects generated by Riyadh Season on their respective industries.
- To investigate the extent to which employees and human resource managers perceive that Riyadh Season creates quality employment opportunities in terms of skill development, fair compensation, job stability, and alignment with Saudization targets.
- To determine how visitors and tourism professionals rate the influence of Riyadh Season on Saudi Arabia's destination image, international attractiveness, and soft-power positioning.