



New Codes of Luxury in Saudi Arabia

TOGETHER GROUP

THE : FUTURE : LABORATORY

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TOGETHER GROUP

Together Group is a curated collective of creative consultancies, technology and production studios, crafting the future of luxury and lifestyle. Together, we create and elevate brands, experiences and destinations of the future. Through our profound understanding of consumers needs and desires, imaginative and immersive storytelling and innovative use of technology.

In 2023, Together Group launched its offices in Riyadh and appointed Ada Renedo as regional CEO for the Kingdom of Saudi Arabia and the Middle East, working to support the region's most ambitious luxury and lifestyle projects.

www.together.group

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The Future Laboratory is one of the world's most renowned futures consultancies. We deliver foresight through a number of products and services, including our trends intelligence platform, LS:N Global, our Bespoke Foresight and commissioned content offering, and through our Strategic Advisory.

Our strategic foresight helps our clients to harness market trends, understand and adapt to emerging consumer needs, position their brands for success and keep them ahead of their competitors. Since 2000, we have worked with more than 1,000 businesses on over 5,000 projects in 50+ countries. In 2022, The Future Laboratory became part of the Together Group.

www.thefuturelaboratory.com



Foreword

*by Ada Renedo,
regional CEO,
Together Group, Middle East*

Since 2021, I've been a resident of Saudi Arabia. Here, I've observed a country rich in heritage, natural beauty and culture – eager to showcase itself to the world as it undergoes transformation. The next generation especially is engaged, driven and upbeat about the emerging opportunities of Vision 2030. This positive atmosphere extends from city to village, creating a buzz of optimism and forward momentum. Most importantly, I've felt the warmth and generosity of a people who know that no endeavor begins without welcoming you to their Majlis.

What is most certain about KSA is that to fully understand it, one must experience it at first hand. Distinct from the rest of the Gulf region, it remains largely unexplored by the world. In my view, few truly grasp the monumental strides the country is taking.

It is increasingly evident that the world is starting to take interest. People are gravitating towards the Kingdom, full of curiosity. This led us to consider how we could offer a comprehensive overview of luxury here, covering creative industries, culture, heritage, technology and innovation. Our goal is to provide an inside-out perspective, highlighting the rising trends in the Kingdom from which the world can learn.

With the collaborative efforts of our world-renowned foresight team at The Future Laboratory and the invaluable contributions of esteemed colleagues and guest experts, I am delighted to introduce – for the first time – a platform that captures the voices

of both visionary Saudis, passionate about their country's evolution, and trailblazing expats who have embarked on this journey into the future.

For us at Together Group, a leading collective of creative consultancies and technology and production studios, our ambition for this region is to help shape the future of luxury in Saudi Arabia by putting the best talent at the service of those transforming one of the world's most exciting territories. We serve as a point of entry for those who want to understand this country, and as a point of access to resources and creative genius for those working to make things happen here.

These days, there seems to be a collective sentiment among everyone I engage with in the Kingdom. 'This is the time to be in Saudi,' they say. I couldn't agree more. Without a doubt, Saudi Arabia today is a place for dreamers, visionaries and builders.

Welcome to The New Codes of Luxury in Saudi Arabia.

Executive Summary

Under the framework of Vision 2030, Saudi Arabia is entering a new era of innovation and enterprise – emerging as a nexus of locally relevant yet internationally networked luxury. This report offers a comprehensive exploration of this dynamic luxury market.

The Saudi Luxury Consumer Landscape

Saudi Arabia is made up of diverse yet equally vital luxury audiences. Comprising key cohorts for the future, multiplying numbers of ultra-high-net-worth and high-net-worth individuals (U/HNWIs), a sizable youth population and empowered women are all driving luxury directions.

Overarching Saudi Luxury Mindsets

As the Kingdom continues to broaden its horizons, invest in its youth, and construct a legacy aligned with its Vision 2030 aspirations, a host of trends are flourishing – facilitated by Saudi Arabia's commitment to technological innovation and ambitious hospitality and tourism projects.

Creating Future Saudi Luxury Experiences, Destinations and Brands

KSA's new codes of luxury will fundamentally redefine what is considered premium, as well as why. Understanding new notions of authenticity, uniqueness and cultural relevance – underpinned by the evolving preferences of sophisticated consumers – will be essential.

Key Findings

- : The growing number of U/HNWIs in KSA, with a net worth exceeding \$30m, are shaping new standards of ultra-luxury and bespoke experiences.
- : Owing to reforms and diversification in career opportunities, women's increasing economic influence in the workforce and beyond is expanding the range of luxury product categories they are purchasing – from fashion to automotive.
- : KSA boasts a youthful population, with 63% under 30, influencing the creative and luxury sectors. Youth prioritize luxury experiences, digital engagement, and local and global cultural identity. Brands will need to find a balance between international appeal and respecting Saudi culture to capture this youth market.
- : Our **FuturePoll™** survey results reveal that affluent Saudis prioritize innovation, customizability, technology integration and exclusivity in luxury purchases.
- : The Kingdom is investing heavily in digital technologies and start-ups to create seamless luxury experiences. This digital leap means awareness of NFTs, the metaverse and cryptocurrency is rising, offering new opportunities for brands to engage with increasingly tech-savvy consumers.
- : Saudi Arabia is experiencing a growing interest in health and wellbeing, shifting the concept of luxury. Here, consumers recognize the connection between luxury and wellness, emphasizing holistic health benefits. Saudi Arabia has the potential to become a top destination for wellness tourism in the future.
- : Saudi Arabia is strategically positioning itself as a destination for awe-inspiring experiences, capitalizing on its diverse and dramatic contrasts in nature, culture, technology and history to meet ambitious visitor targets in the years ahead.
- : Saudi's creative economies and cultural sectors are in growth mode. The domestic fashion industry, led by the Fashion Commission, is gaining international recognition. Events like Riyadh Season, the Diriyah Biennale and the Red Sea International Film Festival, along with investments in the entertainment and video game sectors, are helping establish Saudi Arabia as a leisure hub.
- : Investment in 'made in Saudi' brands, spanning various industries, will play a crucial role in defining the next generation of luxury. These brands will need to resonate globally while maintaining a strong and clear sense of cultural identity.

FuturePoll™ is The Future Laboratory's quantitative division, which offers a blend of consumer database insights, bespoke ethnographic and polling research, trend and market sizing services, and much more. For this report, primary research was conducted online from 1–18 September 2023 among 500 adults aged 18+ in Saudi Arabia with a household income of SAR500,000 (\$133,333) or more.

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creative director, Azaz Architects

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: Rae Joseph
creative consultant, founder, 1954 by Rae Joseph & Ghaïa

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Introduction

The Kingdom of Saudi Arabia (KSA) is renowned for its storied history and culture. Now, it is emerging as a highly influential hub for luxury living – one that is opening its doors to the world. As it embraces transformation at a truly remarkable pace and scale, the Kingdom's pioneering Vision 2030 is paving the way for a bright future.



Top to bottom: Habitas AlUla, Saudi Arabia; Asteri, Saudi Arabia

Vision 2030 is a government programme launched by KSA that aims to achieve the goal of increased diversification economically, socially and culturally, in line with the goals of Saudi Crown Prince and Prime Minister Mohammed bin Salman Al Saud. It is built on three pillars: fostering a vibrant society, cultivating a flourishing economy and nurturing an ambitious nation. When combined, these provide the perfect conditions for a new generation of luxury. Major commitments are being made to diversify Saudi Arabia's economy and celebrate its local treasures in global lights.

Moreover, a substantial youth population – 63% are under 30, according to a 2022 census, making it one of the most vital Zalpha (Gen Z and Gen Alpha) markets globally. And significant purchasing power means it is firmly poised to be the next great wealth capital, with a potent luxury market expected to reach a staggering value of \$15.8bn by 2028, according to International Market Analysis Research and Consulting (IMARC) Group.

The flurry of cultural activity taking place is the result of a huge effort spanning both public and private investment. Today, the country's creative sectors are in their infancy, but a larger number of home-grown brands are coming to the market, and established luxury names are eyeing KSA. As a result, tourists will soon find more reasons to visit the country and Saudis will find many more possibilities nationwide.

By 2030, KSA will have firmly and boldly put itself on the luxury map. 'I want it to be the number one luxury market in the world – to really be leading,' says HH Prince Bandar bin Saud bin Khalid Al Saud. 'We have what it takes: I don't think we lack the will, and I don't think we lack the imagination or the ambition.'

Martin Raymond, co-founder of The Future Laboratory, agrees: 'This is foresight on a transformative scale and there is a lot of giga-ambition here. It is about defining tomorrow in ways that are extraordinary, sustainable and awe-inspiring.'

This report, led by The Future Laboratory on behalf of Together Group, highlights the emerging trends and shifting mindsets that are manifesting this vision, while considering the abundant opportunities for the sector to meaningfully move forward.

Taking an inside-out approach, our research is supported by an illustrious line-up of experts, including entrepreneurs who are building the nation's cultural industries, and proprietary data from The Future Laboratory's own survey of affluent Saudi nationals. **FuturePoll™** is The Future Laboratory's quantitative division, which offers a blend of consumer database insights, bespoke ethnographic and polling research, trend and market sizing services. Together, we create a clear view of the key success factors for brands. By supporting local visionaries in creating new experiences, destinations and brands, the aim is to encourage the next generation of Saudi-first enterprise to thrive.

Part one

The Saudi Luxury Consumer Landscape

The luxury sphere in Saudi Arabia is made up of diverse audiences that hold significant implications for brands. Comprising key cohorts for the future, the Kingdom's multiplying number of ultra-high-net-worth and high-net-worth individuals (U/HNWIs), sizable youth population and the wave of women transforming the workforce are all driving luxury directions



As the market enters a period of unprecedented growth, the expectations of these audiences are shifting too. HNW consumers are pushing the boundaries of ultra-luxury, women are expressing their creativity and personal style in new ways, and younger generations are balancing global trends with their identity.

Between these groups, the meaning of luxury will continue to evolve in the years ahead. 'Their demands and their desires – and what they expect from the market – are changing,' explains Rae Joseph, a creative consultant and founder of 1954 by Rae Joseph & Ghaïa, who is based between the Gulf Area and New York. 'They expect something that looks like them, that acts like them, that relates to them, as opposed to something that is entirely imported.'

Far from being static in their choices, they are dynamic and open to change, with preferences that encompass a broad spectrum of tastes. Prestigious brands hold appeal, but authenticity and craftsmanship also matter, as shown by growing interest in locally crafted luxury. Likewise, brand recognition might be important, but they also prioritize quality, value and purpose.

When asked what elements define modern luxury, our **FuturePoll™** survey shows that Saudis are most likely to opt for innovation and cutting-edge design (51%), along with customization and personalization (44%), seamless integration of technology (41%), and exclusivity and limited availability (39%). Furthermore, 91% mention that convenience is important to them when considering a luxury purchase.

'Saudis expect something that looks like them, that acts like them, that relates to them, as opposed to something that is entirely imported'

*Rae Joseph, creative consultant, founder of 1954
by Rae Joseph & Ghaïa*

Recognizing these realities will be crucial for brands. 'The first thing businesses should do before coming to Saudi Arabia is to throw the ideas that they have about Saudi consumers out the door,' explains HH Prince Bandar.

91%

of affluent Saudis mention that convenience is important to them when considering a luxury purchase

Source: FuturePoll™

'Saudi consumers are very sophisticated, well educated and have been traveling for a long time. They have deep knowledge of brands and services in luxury and other sectors because of their exposure to the world'

HH Prince Bandar bin Saud bin Khalid Al Saud

Dispelling Luxury Stereotypes

'Saudi is a huge market so, naturally, different groups will have different perceptions of what luxury is and how they prefer to consume it. Until recently, the Saudi luxury consumer was often seen through the eyes of an outdated stereotype, which was inconsistent with the reality of who these consumers are and what they look for. Saudi luxury consumers are educating themselves about what they consume; they want to understand the narrative of the brand, its history, what makes it special or luxurious and how that can relate to their world view.'

: *Rae Joseph, creative consultant, founder of 1954 by Rae Joseph & Ghaïa*

'Brand recognition is still an important aspect of what they look for. There is a decent-sized segment of people that would define luxury the same way their counterparts in Paris, London or New York would. It's really about quality, craftsmanship and history. It's about how it's made. But then you have the other segment of luxury, which is more obvious, more blatant.'

: *Sinan Al Saady, CEO, Cool Inc*

'Saudi consumers know what they want. They understand luxury. They follow trends, but they also set trends. For many of them, luxury is quality. It's not about the brand name, it's about the craft or the product itself. And then you have people that shop more for the brand name. To them, luxury is a form of validation.'

: *Razan Alazzouni, fashion designer and founder, Razan Alazzouni*

'There is still some value placed on status and overt luxury. But that is absolutely changing. There is more conscious consumerism around sustainability, around experiences, around time, around health and wellbeing. To Saudis, luxury is connection with the rest of the world. It's having entertainment and lifestyle at your fingertips. It's having pride in Saudi-born products and services.'

: *Skye Fisher, chief experience officer, Mohammed Bin Salman Nonprofit City*

Ultra-luxurians

With the Kingdom forecast to be home to 203,000 millionaires by 2030, according to Euromonitor International, Saudi Arabia's surging concentration of wealth is set to shape luxury within the country and beyond. The number of UHNWIs – those with a net worth exceeding \$30m – rose by 17% in 2022 and is predicted to grow by 10.4% in 2024, according to Knight Frank.

These consumers, who are known for their discerning, cosmopolitan tastes, are well versed in all things luxury and hold the highest standards. 'Saudi consumers are very sophisticated, well educated and have been traveling for a long time,' explains HH Prince Bandar. 'They have deep knowledge of brands and services in luxury and other sectors because of their exposure to the world.'

Indeed, the fact that travel markedly informs the perspectives of this wealth class is echoed by Sinan Al Saady, CEO of Cool Inc, which is in the business of enriching the Kingdom's cultural, creative and leisure sectors. 'Travel is a huge component among affluent and UHNW Saudis,' he says. 'The top end of luxury tends to shop and look for luxury outside of Saudi. But the growing middle- and upper-middle income segment is the one that could enjoy a Saudi-first definition of luxury in the near future.'

'There is little tolerance for pseudo-luxury. They are more honest and more focused on quality and craft'

Georgia Fendley, founder, Construct

Significantly, they are fueling ongoing demand for the lofty, exclusive realms of ultra-luxury. 'There is little tolerance for pseudo-luxury,' says Georgia Fendley, founder of luxury design agency Construct, which has created branding for the likes of Aman and Net-a-Porter in addition to several high-profile projects in the region. 'They are more honest and more focused on quality and craft. For me, that's exciting because a lot of what we're seeing in other markets presented as luxury is not luxury at all, it's a manufactured memento of luxury.'

This discernment is evident among U/HNWIs in Saudi, who are financially savvy, seeking wealth protection from geopolitical risks while cultivating legacy creation. Privacy and security are also chief considerations. Notably, the Kingdom's high earners

exhibit an appetite for truly bespoke experiences. It is therefore key to tailor luxury to the individual. 'At this level of luxury, we're speaking to an audience of one,' adds Georgia Fendley. 'So we try to avoid ever thinking about a demographic.'

In our **FuturePoll™** survey of Saudi nationals, more than half (54%) of those with a household income of between 900,001 and 1m Saudi riyal (SAR) (\$240,000–266,666), and 60% of those earning over SAR1m, say personalized offerings significantly affect their decision to engage with a luxury brand or service. The higher income brackets also use luxury services the most frequently: 42% of those whose income is over SAR1m say they use concierge-style services in the context of luxury at least once a month.

Within Saudi society, their influence and spending power enable them to be key contributors to the growth of the luxury market. Secondly, their preferences in fashion, art and lifestyle are, where visible, closely watched and emulated by a wider audience, thus shaping the tastes and aspirations of the emerging affluent class. This helps set the tone for brand innovation and creativity.

U/HNWIs will be instrumental in promoting Saudi Arabia as a luxury destination. Their lifestyles and choices will create a ripple effect, attracting global luxury brands to establish a presence in the country. This not only enhances the domestic luxury market, but also positions Saudi Arabia as a sought-after hub for premium experiences, further bolstering its reputation on the international stage.

Shifts in the High-End Home

'The perception a few years back was the bigger the plot, the more luxurious the house. That has changed. A lot of people would rather spend their money on smaller plots where they can customize and plan very well. For the luxury segment, the plot size is no longer a measure of how luxurious the home is. Many of our private clients are looking for minimalism in terms of the overall space, but innovation in terms of materials. Introducing art within residential projects has also become very popular, whether it's art on the walls or sculpture.'

: *Abdullah Al Azzaz, creative director, Azaz Architects*

Women's Wealth

As women in Saudi gain even greater independent economic influence, they are becoming integral to a new era of luxury consumption. The Vision 2030 initiative, which aims to create one million jobs for women in the Kingdom, has increased their presence in the workforce and spurred a wave of women-led entrepreneurship and family businesses. Reforms have also played a crucial role in boosting gender equality.

According to Saudi fashion designer Razan Alazzouni, women simply have more choices. 'It's not about opportunities, it's about more choices and the different professions that they can go into. That's why more women are joining the workforce in that way,' she explains. The shift extends to education too. Luxury car-maker Bentley's Extraordinary Women initiative, for example, has recently expanded to Saudi Arabia and includes students at Dar Al-Hekma University, with the aim of fostering the next generation of women leaders in tech, engineering, business and design.

'In terms of automobiles, dealerships must cater for women's tastes too. You're seeing smaller and more sleek-looking cars, which previously wouldn't have been supplied to the market'

Razan Alazzouni, fashion designer

The Middle East, particularly Saudi Arabia, has seen a surge in women entrepreneurs, with one out of three new businesses in the region now founded by women, according to figures from WealthBriefing. Saudi Arabia issued 139,754 new commercial licenses to women in 2021, marking one of the largest growth rates, according to records. The increase in working women has contributed to raising the country's employment rate to a record high. If their participation in the workforce continues to grow at the same pace for the next decade, S&P Global estimates the economy could be 3.5% larger.

As a result, there is more diversity in what women consume, leading to the growth of wider product categories. 'We're seeing Saudi women enter the market with higher salaries,' says Jana Bader, founder of Supreme Hospitality Saudi Arabia,

who notes that young women in their 20s are commanding more purchasing power and are investing in everything from clothes and timepieces to cars. 'Automotive brands are skyrocketing, especially with women,' she adds.

88%

of affluent KSA nationals also believe it is important that luxury brands contribute to the empowerment of women in the region

Source: FuturePoll™

Razan Alazzouni observes a similar phenomenon. 'Women now drive, so in terms of automobiles, dealerships must cater for women's tastes too. You're seeing smaller and more sleek-looking cars, which previously wouldn't have been supplied to the market.'

Wardrobes have evolved in line with this, although long-standing traditions, such as wearing abayas, continue to be respected, cherished and even updated. With more people wearing abayas open rather than closed, there is increased demand for modest clothing or abaya-like attire, notes Rae Joseph. 'Socially and professionally, there are more opportunities for women to express their creativity and personal style in public nowadays.'

Lifestyle is another major pillar. As part of KSA's push toward female empowerment under Vision 2030, the Kingdom's Public Investment Fund has established an integrated company to promote quality of life for women. Kayanee will focus on future generations' health and lifestyle through fitness, sportswear, and personal and therapeutic care, as well as nutrition, diagnostics and wellness education.

According to **FuturePoll™**, 88% of KSA nationals also believe it is important that luxury brands contribute to the empowerment of women in the region through their business practices and initiatives. Moreover, as drivers of growth and innovation, the role of Saudi women cannot be overstated: 47% use mostly digital methods for purchasing luxury goods, compared to 34% of men. Innovation and cutting-edge design also resonate more among women (58%) than men (46%).



The Impact of Women's Entrepreneurship

'With Vision 2030, there's been a massive increase in women's employment, which is driving interest in different product categories. Previously, the key product categories for women were mainly evening wear, accessories and fine jewelry. But now there is more interest in contemporary brands, ready-to-wear fashion and athleisure coming out of Saudi Arabia because people are getting dressed for different occasions. They're getting dressed for the workforce.'

: Rachel Ingram, co-CEO, Folk

Youthquake

The Kingdom stands out as an especially youthful market overall, boasting one of the youngest populations in the world. As of 2023, 63% of people are aged under 30, according to census data. The paramount position this vibrant youth culture holds for brands will breathe new life into luxury and power KSA's emerging creative economies.

'They're very innovative. When it comes to being entrepreneurs, I have seen a lot of new initiatives by young Saudi men and women who created their own businesses, whether in Saudi Arabia or abroad,' adds HH Prince Bandar, touching on their contribution to economic transformation. Talent-scouting programs and out-of-school workshops for students are among a host of initiatives aimed at boosting the creative and cultural sector under a new flagship strategy. Mohammed Bin Salman Nonprofit City, the world's first 'non-profit city', will also be a landmark for youth development.

'We are building the city to enable the future of Saudi youth to be tomorrow's leaders,' says Skye Fisher, chief experience officer of Mohammed Bin Salman Nonprofit City. This unique development is destined to become a central hub, where the Kingdom's youth can be nurtured and equipped to realize the nation's 2030 goals. 'We're developing strategic partnerships with a number of the ministries and commissions to support our delivery of a vibrant destination,' adds Fisher, citing fashion production studios to prototype innovation and an incubator cooking school to train next-generation chefs.

Elsewhere, a rise in cultural events and leisure initiatives is a testament to youth's influence. As part of this, young Saudis are embracing new

trends in the food, beverage and hospitality scene, headed by a wave of chefs who are playing with local cuisines and popularizing them for a global palate. One such example is MO, a bakehouse and espresso bar in Khobar, which takes cues from developments in experiential fashion retail, pushing forward with an experience-led dining agenda.

'Young Saudis want to respect their culture and live their culture, but they want to be global. They want to assimilate with the rest of the world'

Skye Fisher, chief experience officer, Mohammed Bin Salman Nonprofit City

More than 90% of the capital Riyadh's 7.8m population eat out at least once a week, according to research by real estate consultant JLL. This growing trend reflects a desire for distinct places beyond homes and workplaces. 'The number of young people who are out and about, who are looking to dine out or go to a coffee shop, is amazing,' says Abdullah Al Azzaz, creative director of Azaz Architects. He explains that going for coffee or food is not functional, it is a deeply social experience.

This is a social generation. Our **FuturePoll™** findings reveal that 66% say they are currently a member of one or more luxury membership clubs, compared with 43% of respondents aged 35–44 and 31% of those aged 45 and over. It follows that their emphasis on luxury experiences is unmistakable, with 72% prioritizing luxury travel and accommodation, and 59% prioritizing fine dining and gourmet experiences.

Digital engagement is, perhaps unsurprisingly, high. Among 18–34-year-olds, 46% use predominantly digital methods for purchasing luxury goods compared to 30% of those aged 45 and over, according to our survey. Their taste for tech also extends to gaming and even crypto investments. To win the loyalty of Saudi's young luxurians, brands need to craft unique offerings that emphasize ease, quality and continuous innovation.

Social media is informing their choices, with Snapchat proving particularly popular. 'These are Millennials and Gen Z with spending power, and they're highly engaged on social media,' explains Rachel Ingram, co-CEO of Folk, a creative agency building social strategy and social commerce offerings for luxury brands. 'That's where they're chatting to their friends. That's where they're browsing and that's where they're shopping.'

95%

of affluent 18–34-year-old Saudis think it is important to support and engage with Saudi-first enterprises, and celebrate local craft and design

Source: FuturePoll™

As such, young Saudis still largely associate luxury with European brands, but they retain a clear and meaningful sense of cultural identity, according to our **FuturePoll™** results. While 44% of 18–34-year-olds prefer European or Western luxury brands compared to 24% who prefer local brands, national

pride is clearly important to these consumers. More than three quarters (77%) believe that luxury brands should offer localized collections or special seasonal offerings for occasions like Ramadan. Furthermore, 95% of 18–34-year-olds think it is important to support and engage with Saudi-first enterprises, and celebrate local craft and design.

While international brands still hold sway, luxury brands should strive to strike a balance between global and local appeal. 'They want to respect their culture and live their culture, but they want to be global,' says Fisher. 'They want to assimilate with the rest of the world.' Understanding this unique blend of international sophistication and national nuance is key. 'We're heading in a direction where customers, especially young customers, want brands to speak a language they understand and they relate to,' says Rae Joseph. Ultimately, brands should view Saudi's youth as a long-term investment.

Building Vital Youth-Frastructure

'Young Saudis want to create for themselves here so that Saudi Arabia is thought of as a generator of world-class talent, and products, services and experiences. One big thing is training and development for Saudis. So, infrastructure, investment, training and development, and partnerships are everything. We've got an incubator cooking school in partnership with Le Cordon Bleu where we are training the chefs of tomorrow, for example.'

: Skye Fisher, chief experience officer, Mohammed Bin Salman Nonprofit City

Part two

Overarching Saudi Luxury Mindsets

After establishing a better understanding of the consumer landscape, we next delve into the key mindset shifts remaking luxury on KSA's own terms



The first Saudi door of the Kaaba on display at the Islamic Arts Biennale, Jeddah, Saudi Arabia

From the foundations of a new technological hub to an influx of high-profile hospitality and tourism-related projects, contemporary trends are flourishing as Saudi continues to open itself up, nurture the next generation and build a legacy that aligns with its aspirations.

Much of this, as we will see, is the result of the trickle-down effect of visionary development, radically re-invented infrastructure and the incubation of a competitive new creative class. We explore the outlook through the following themes:

- : Embracing convenience and personalization
- : Health, wellbeing and beauty rising
- : Celebrating Saudi enterprise

When it comes to luxury, Saudi Arabia is a blank canvas, according to Sinan Al Saady. ‘There’s a lot to do in the luxury space, and the appetite is here,’ he says. ‘There is the opportunity to develop Saudi as a cultural destination, but it will take time. We’re trying to build everything. Over time, we’re going to show people what Saudi luxury is.’

‘There is the opportunity to develop Saudi as a cultural destination, but it will take time. We’re trying to build everything. Over time, we’re going to show people what Saudi luxury is’

Sinan Al Saady, CEO, Cool Inc.

I Embracing Convenience & Personalization

Luxury mindsets in Saudi Arabia are being shaped by trends for convenience and personalization, with consumers increasingly seeking seamless experiences. This echoes sentiments captured in our **FuturePoll™** survey, where 90% of nationals emphasized the importance of personalization in luxury experiences. Likewise, convenience takes center stage for the 91% who value it in their luxury purchases.

Clearly, a one-size-fits-all approach is no longer sufficient, and luxury brands should focus on carefully designing their customer journeys, raising the standards of service and offering unique benefits. Even in an increasingly digital world, service and care remain important. These attributes must now be applied to omnichannel experiences, tailoring touchpoints and creating innovative avenues for brand engagement.

The Great Tech-celeration

Saudi Arabia has set its sights on the digital horizon as a cornerstone of its exciting economic vision. The ambition is to claim a position among the world's top 20 digitally innovative nations. So far, the country has invested \$6.4bn in future technologies. As the Kingdom advances toward its objectives, this digital leap will extend across various domains – from sustainable connectivity solutions to a growing start-up culture – all of which are converging to disrupt notions of luxury.

The support for the start-up culture, including the Crown Prince's \$200m fund for high-tech enterprises, mirrors broader diversification efforts. This dynamic environment has led to remarkable growth in tech sectors, providing luxury brands with an opportunity to leverage digital platforms and novel touchpoints. 'Technology in KSA is exceeding my expectations in terms of acceleration,' says Jana Bader.

46%

of affluent 18–34-year-old Saudis use predominantly digital methods for purchasing luxury goods

Source: FuturePoll™

To boost sustainable and rapid connectivity in Saudi Arabia, Red Sea Global – the Public Investment Fund-owned multi-project developer behind the regenerative tourism destinations, the Red Sea and Amaala – has partnered with Zain KSA to launch the world's first zero-carbon 5G network. This innovative project, introduced at the Six Senses Southern Dunes resort on the Red Sea, is powered entirely by renewable energy from over 760,000 solar panels installed by Red Sea Global. It signals a major leap in sustainable technology.

One of the Kingdom's biggest strengths lies in its very young, well-educated population, which is highly engaged in technology. Robust adoption of e-commerce, fintech, buy-now, pay-later services, and a growing interest in cryptocurrency are creating the right conditions for a new breed of luxury. In addition, Vision 2030's aim to achieve 70% cashless transactions by 2030 further reflects the pace of this digital transformation. Luxury brands are thus advised to adopt more high-speed and seamless technologies.

Across the GCC, including Saudi Arabia, awareness of NFTs (non-fungible tokens), the metaverse and crypto is heightened, according to Chalhoub Group. By 2030, it predicts luxury metaverse retail will hit \$50bn. SOL3MATES, Chalhoub's Web3-native sneaker brand, launched its inaugural NFT collection in 2023. Each sneaker has an NFC tag linking it to blockchain for ownership-tracking and product information. In addition, NFT holders in Saudi Arabia, the UAE and Kuwait can access exclusive releases early and upgrade to an exclusive level of membership.

Similarly, at the third Riyadh Season, attendees could use NFT access cards for entry. These cards offered season-long access to Boulevard Riyadh City and Boulevard World, the festival's key entertainment zones. They also allowed holders to partake in various activities, including electronic games, festivals, concerts and exhibitions. This points to a future of boosted brand engagement, loyalty and connected luxury business models.

Neom's digital twin metaverse platform, XVRS, marks a move from 'mega cities' to 'meta cities' – and will revolutionize the virtual realm. Combining digital and physical architectures with hyper-connected technologies and AI features, XVRS will enable seamless integration of the virtual and real worlds. This dynamic mixed-reality urban living model, which will unlock the potential of next-generation cognitive cities, features immersive entertainment and social experiences, and a built-in digital marketplace.



The Mukaab in New Murabba district, Saudi Arabia

Phygital Revolution

KSA has long boasted a market of luxury-conscious clientele, but much of their shopping has happened abroad historically. During the pandemic, however, more people stayed in the region, prompting a surge in e-commerce that has continued to grow as these newer spending habits have been maintained. As advances in KSA continue, there is potential for increased domestic expenditure, underpinned by key trends that include a demand for convenience, and secondly, a strong appetite for unique experiences.

According to **FuturePoll™**, 60% of Saudis say they now use a mix of digital and traditional methods when purchasing luxury goods, while 39% now predominantly use digital platforms. Moving toward local platforms and hybrid players, the local retail sector is eyeing significant growth due to e-commerce, with 74% of online shoppers in the Kingdom expected to shift from global to local platforms, according to global management consultancy Kearney and Saudi consulting firm Mukatafa. In 2022, e-commerce sales nearly doubled from pre-pandemic levels to reach \$6.25bn, and are expected to reach nearly \$10bn by 2025, according to Euromonitor data.

Luxury brands are also expanding their digital presence in Saudi Arabia. While Saudi clients continue to have online orders delivered to apartments in Europe, there is also a significant increase in domestic demand, thanks to retail infrastructure. 'If you're buying luxury online, you're expecting to have that delivery within the next two hours maximum,' explains Jana Bader. 'You're expecting loyalty points, and if you need to return it, you're expecting to do so with no issue whatsoever.'

German luxury e-tailer Mytheresa is finding success thanks to its carefully curated selection and exclusive capsule collections. In early 2023, Mytheresa made waves by hosting an event in Riyadh and partnering with Saudi influencer Nojoud Al-Rumaihi for its 2023 Ramadan and Eid campaign. With ambitions to further establish its footprint in Saudi Arabia, Mytheresa is increasing its local presence through the addition of on-site personal shoppers, ramping up local PR initiatives and exclusive events for very important customers (VICs). But it faces competition from rising regional stars such as luxury retail platform OUNASS.

Retailers have a significant opportunity to blend their digital offerings with physical spaces, creating a seamless consumer experience that combines the convenience of online shopping with the personalized interaction unique to bricks-and-mortar stores. As malls have matured beyond mere retail outlets to become social and entertainment hubs, the retail sector is becoming increasingly experiential.

60%

of affluent Saudis say they now use a mix of digital and traditional methods when purchasing luxury goods

Source: FuturePoll™

'The stores and the physical footprint of luxury is starting to increase. Now, in retail, we are starting to see a drive toward more experiential luxury spaces,' says Myf Bagnold, group chief marketing officer at Cenomi Group, the Kingdom's largest fully integrated retail and shopping center organization, which creates omnichannel lifestyle experiences.

For this reason, physical retail outlets continue to thrive, driving new store formats, services and shopping destinations – in some cases led by technology. One such example of future-facing shopping is Mwaz, a new luxury retail destination at the Via Riyadh development. The innovative store caters for the growing demand for unique in-store shopping experiences, combining interactive technologies and design across four personalized 'frontiers', integrating AI, projection-mapping and holograms.

Similarly, the Mukaab is a proposed cube-shaped skyscraper set to redefine downtown Riyadh. It will house a blend of retail, culture, tourism, residential, commercial and recreational spaces, spanning 2m square meters. By integrating physical elements of the metaverse, it shows promise for experiential, digitally enhanced shopping that embeds tech, including holographic experiences and augmented reality product displays.

‘There has been a surge in demand for second, third and fourth homes away from home, and a desire for seamless turnkey recreational homes that can be cared for when away’

Mark Noë, founder, Noë & Associates

Concierge Culture

An on-demand, highly personalized and service-driven form of luxury is a natural fit in Saudi Arabia. Although there has been a shift to digital platforms, personal service and care remain important. New concierge services and luxury membership clubs are now catering for the market, providing varying levels of exclusivity and curation.

‘Anybody who has money can build a beautiful hotel, residence or restaurant, but at the end of the day, it’s the service that will actually differentiate you,’ says HH Prince Bandar. Our **FuturePoll™** data shows that 90% of KSA nationals say personal service and care are important in providing luxury experiences in a highly digitized environment.

Spanning customized products and tailored shopping experiences, high-end malls and retailers in Saudi Arabia are personalizing shopping experiences to attract and retain customers. They are also elevating the retail experience with amenities like valet parking and concierge services. Via Riyadh features an Indulge in Luxury Center, which provides fashion services, personal shoppers and a team of experts.

For top clients, brands are becoming curators of ‘money-can’t-buy moments’, treating VICs to lavish and sometimes far-flung private events. Piaget, for example, sponsored a series of exclusive events in the AlUla region of Saudi Arabia. At an open-air concert in the desert, VICs were joined by the company’s chairman Yves Piaget and former CEO Chabi Nouri.

In luxury real estate, branded residences have become coveted status symbols, providing lock-up-and-leave property investments that boast a range of amenities. ‘There has been a post-pandemic surge in demand for second, third and fourth homes away from home, and a desire for seamless turnkey recreational homes that can be cared for when away,’ says Mark Noë, founder of Noë & Associates, a brand consultancy with a focus on luxury, architecture, design and the built environment. ‘Large hospitality brands are being brought in to manage residential offers as well.’

The 34 branded residences at Aman Wadi Safar, due to open in 2026, and the 64 private residences at The Four Seasons in Jeddah’s Corniche District, opening in 2024, epitomize this trend. Setting new standards in luxury living, these properties offer top-tier levels of convenience, with spacious apartments, 24-hour security, concierge services, housekeeping and access to hotel amenities like swimming pools and spas.

The allure of exclusivity is the driving force behind luxury members’ clubs. According to **FuturePoll™**, 50% of Saudis say that enjoying exclusive experiences and amenities would be the top motivation for joining a luxury community or members’ club. As many as 91% have been a member of a luxury members’ club, with 52% currently holding memberships. The most valued offerings are luxury travel packages (48%), exclusive access to new products (46%) and hospitality experiences (45%).

This trend extends further into travel, with Almosafer Concierge, a premier service from the Saudi omnichannel travel brand of the same name. Geared toward individuals seeking to venture to remote and exotic locales, it has introduced this exclusive service for a members-only group of eligible customers. Almosafer Concierge is the first all-encompassing luxury travel concierge service tailored to meet the sophisticated requirements of travelers hailing from the Kingdom.

Overcoming Unique Challenges

‘Since tourism didn’t exist, the professional hospitality industry didn’t exist. The same is true for restaurants, which meant that the supply chain didn’t exist because we didn’t need to import high-end ingredients. This also meant that we didn’t have the chefs or the waiters. It’s going to take time to build, but the government has done a great job in improving the supply chain and removing the obstacles that came up. It’s going to be a matter of how supply is brought to Saudi.’

: Sinan Al Saady, CEO, Cool Inc

‘For global luxury brands wanting to enter Saudi, the first challenge will be the prices and the VAT, unfortunately. That is a big challenge – figuring out how to give those consumers the prices that they are getting abroad. Is it logical for them to open there? A lot of people don’t buy those items in Saudi because of the cost. You will also be in competition with new Saudi brands which the global luxury market doesn’t know about yet.’

: Jana Bader, founder, Supreme Hospitality Saudi Arabia

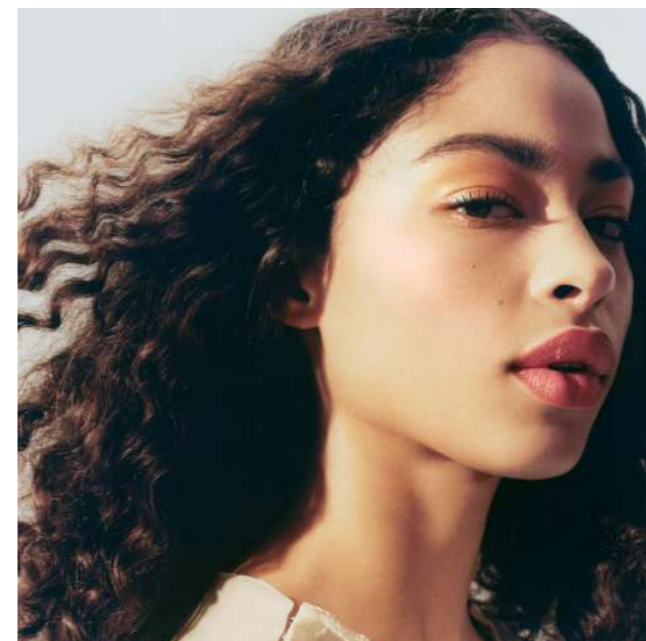
II Health, Wellbeing & Beauty Rising

Although still nascent, a notable shift toward health and wellbeing is quietly altering the concept of luxury in Saudi. The Kingdom's commitment to fostering a health renaissance aligns with global trends that prioritize wellbeing, with high-end retreats and holistic beauty brands all on the rise. Thanks to increased connectivity, inspirational marketing campaigns and simplified visa processes, Saudi Arabia's wellness tourism industry is blossoming.

'Wellness is very new to the Saudi market; it's very, very new,' says Jana Bader, who believes there is still a journey to go on when it comes to more directly connecting luxury and wellness in the minds of Saudi consumers. But **FuturePoll™** reveals that as many as 60% of KSA nationals believe that wellness is a form of luxury and an essential aspect of high-quality lifestyle, while just 2% believe that wellness and luxury are unrelated concepts. Moving forward, brands and hotels will be key in spearheading this convergence.

A-Beauty Ascending

In KSA, the concept of beauty is in flux, fueled by a generation of home-grown brands and the dawn of A-Beauty (Arab Beauty). Seen as more than mere physical appearance, beauty and grooming are intertwined with overall wellbeing and self-care sentiments. It therefore makes sense that, when considering a luxury purchase, 89% of KSA nationals say they give at least a moderate amount of emphasis to products or services that promote health benefits or overall wellbeing, according to **FuturePoll™**. This is giving rise to new brands with a more holistic and cultural focus.



Asteri, Saudi Arabia

Women in Saudi Arabia top the global charts in spending on make-up and skincare products, reports e-commerce platform Picodi, leading with an average annual spend of \$909 on make-up and cosmetics. In the wider GCC, women spend 55% more than men on average, with most beauty categories driven by women shoppers. But fragrance is an exception, where men tend to shop 20% more frequently, finds Chalhouh.

Consumers are also pushing back against European beauty ideals, with one in two (49%) of young individuals in MENA using beauty and grooming products to celebrate their heritage, according to data from Vice Media. In tandem with this empowered sense of self, Saudis are seeking brands that align with their values, such as halal beauty as well as sustainable, clean and cruelty-free products. This extends to products rooted in traditional practices and ingredients, albeit updated for modern needs, including those suited to the climate.

Local pioneers like Asteri Beauty are taking the lead by formulating 'desert-proof' products designed to withstand the environmental conditions of the region. Founder Sara Al-Rashed emphasizes that Asteri is the one of the only brands to conduct a desert-proof test in a lab, ensuring product longevity in extreme heat and humidity. MZN Bodycare, another Saudi brand, focuses on natural bodycare products to address common skin issues. Notably, the products are heavily inspired by the plants of Saudi Arabia, including date seed oil, prickly pear oil and pomegranate extract.

In the fragrance category, which is deeply rooted in Saudi Arabian culture, Taraf stands out as a brand produced entirely within the Kingdom. Each fragrance draws inspiration from the region, celebrating Saudi excellence and offering a luxury scent that competes on the global stage. The brand's initial collection of six genderless fragrances is designed to evoke moments from Saudi Arabia's rich past.

As Saudi Arabia incubates its own beauty brands in greater numbers, the A-Beauty trend hints at a promising future. The fusion of relevance, performance and wellness will position local brands as innovators with a global appeal, carving a distinct niche in the competitive international landscape of luxury beauty.

Cultural Sources of Sustainability

'The global sustainability wave has hit the Saudi shore and there is immense support for it among individuals, as well as on an institutional and governmental level, such as the Saudi Green Initiative. A lot of cultural rituals that Saudis practice are rooted in the concept of 'Ihsan', which is a core belief that instructs its followers [individuals and masses] to build the Earth and do what they can to sustain, beautify and limit harm against it. That said, there is a disconnect in linking sustainability as a concept to these cultural rituals; they are rarely dubbed 'sustainable' or 'mindful' simply because they were introduced at a time when these terms were not commonly used. But if you examine them objectively, their impact fits squarely into the aims of sustainability; it's just a branding issue.'

: Rae Joseph, creative consultant, founder of 1954 by Rae Joseph & Ghaia



Eco-luxury Oases

Saudi Arabia's move away from an oil-dependent economy is cultivating regenerative infrastructure and slowly sowing the seeds of eco-luxury through more sustainable values. Although this is new, residents of the Kingdom are gradually joining the dots between these ideas. 'It is important to note here that the concept of sustainability and mindful consumption – of conscious consumerism – is something that has existed in our culture for decades, long before it gained the popularity it has today,' says Rae Joseph.

Embracing the outdoors is part of this trend, with 88% of Saudis saying it is important to engage in outdoor activities for their health and wellbeing, according to our **FuturePoll™** survey, which also reveals that 87% of respondents consider it important to engage with luxury brands that prioritize sustainability and ethical practices. 'The younger generation especially are at the frontier of this,' explains HH Prince Bandar.

The improvement of urban environments will significantly drive progress. Green Riyadh – a major urban reforestation project – will transform the Saudi capital through the planting of 7.5m trees. Sustainability is also a key theme in Riyadh's plans for the 10-square-kilometer Alnama Smart City, which will be the capital's first zero-carbon city, housing some 44,000 people when completed, according to Knight Frank. Developments like the aforementioned Mohammed Bin Salman Nonprofit City also demonstrate this shift. 'At the head office of Misk Foundation, 42% of our footprint is green,' says Skye Fisher. 'We're creating a real 15-minute, sustainable, smart city.'

Elsewhere, Saudi Arabia's ambitious plans include the construction of the Oxagon Floating City in Neom, which will partly float on the Red Sea – a colossal endeavor 33 times larger than New York. Beyond being a tourist destination, it aspires to be a center for clean energy, vertical farming, robotics and smart technology, standing as a testament to the country's commitment to move away from fossil fuels.

Gradually, this thinking is trickling down into gastronomy. Indulge Thyself is a zero-waste private fine-dining restaurant and catering service that champions sustainability without compromising on quality. A first-of-its-kind experience in the country, Indulge Thyself is an advocate for inventive environmental solutions, transforming leftovers and organic waste to create natural compost and, in the process, showing that luxury and circularity can coexist harmoniously.

Beyond city limits, the emergence of eco-luxury can be found in the Azulik AIUla Resort, which seamlessly blends with AIUla's Nabatean Horizon

District. Developed by the Royal Commission for AIUla (RCU), the resort integrates ancient rock art inscriptions, utilizes natural waterways for irrigation and prioritizes eco-friendly mobility, creating a luxury experience that is in harmony with its natural surroundings.

The Red Sea destination is another jewel in Saudi Arabia's crown – one that will redefine luxury eco-tourism. As a desirable destination for nature enthusiasts and adventure-seekers, it is spread across an archipelago of islands, miles of sweeping desert and dramatic volcanic landscapes. With every aspect of the guest journey and activity supported by teams of environmentalists, this premier coastal haven will soon transform luxury experiences in the Kingdom, while preserving and spotlighting natural beauty.

To boost inclusion, the Red Sea destination has also committed to being fully accessible for guests with disabilities, specific needs and access requirements. 'We are challenging ourselves at group level,' says Rosanna Chopra, executive director of Red Sea Global (RSG). Spanning built environment, mobility, operations, wayfinding and signage, experience design and destination marketing, Project Aurelia is RSG's commitment to accessible tourism. For Chopra, it is a universal initiative. 'It is as much for those whose lives are affected by giving care and commitment to the wellbeing of others as it is for the individuals who have physical or cognitive disabilities.'

Adventure Tourism's Changing Profile

'The profile of adventure tourism has changed significantly in a post-Covid world. It's been one of the fastest-growing areas within travel. The definition of luxury itself has also shifted; it became a luxury to travel, it became a luxury to enjoy the simpler things in life. When you look at Red Sea, the simplicity is in its natural beauty. We're not going to be a theme park. We are going to be constantly working with our natural environment to learn more about it. At every opportunity, we will be inviting those who have come for an adventure to learn more about it with us. That is this discovery. Discovery is the keyword.'

: Rosanna Chopra, executive director,
Red Sea Global

Optimization Destinations

Embracing the emerging paradigm of 'health as the new wealth', Saudi Arabia is the next top destination for wellness tourism. The rising tide of holistic hospitality is a savvy strategy – one the Saudi private sector is leveraging through its competitive advantage in hospitality, infrastructure and technology. From government health initiatives to new hotels, fitness-first luxury concepts, health optimization and cutting-edge longevity research are all bringing something new to the region.

60%

of affluent KSA nationals believe that wellness is a form of luxury and an essential aspect of high-quality lifestyle

Source: FuturePoll™

In the GCC, the robust expansion of the health and wellness market – which IMARC Group forecasts will reach \$94.7bn by 2028, up from \$63.4bn in 2022 – is being fueled by a wider health awakening and the consequent dawn of a new age of self-improvement. KSA has announced it will spend 2.5% of the country's GDP, or \$16bn, in 2040 on R&D primarily focusing on aging and chronic diseases. It has also launched the Hevolution Foundation, a \$20bn initiative to extend human life.

Now, the opportunity for wellness tourism is clear. With international wellness tourists spending, on average, 35% more than traditional leisure tourists, the global sector will reach a value of \$1.3 trillion by 2025, according to the Global Wellness Institute. But there is also an opportunity here for domestic tourism.

In collaboration with Red Sea Global, Swiss spa clinic Clinique La Prairie is creating a high-end resort focused on health and longevity. Envisioned as a cluster of white buildings with distinctive trapezoidal roofs, architect John Heah drew on Islamic architecture for the design. The concept includes a Longevity Plaza and emphasizes medical care, nutrition, movement and wellbeing, offering a range of services and anti-aging treatments, from cryo-chambers and hyperbaric suites to IV infusions.

Equinox Resort Amaala, designed by Foster + Partners, is another project focusing on high-performance living. Boasting an exceptional wellbeing offering inspired by the Red Sea, it provides a holistic experience that spans wellness, art, adventure, sport, yachting and lifestyle – all aligned with the DNA of the Equinox brand. This venture caters for individuals seeking an immersive and active lifestyle, including programming and amenities around movement, nutrition and regeneration.

In the next decade, the integration of health optimization and longevity services into the fabric of hospitality will not only enhance the Kingdom's appeal for luxury travelers, but also establish the country as a leader in the global wellness economy.

The Domestic Tourism Opportunity

'Saudis are going to look for luxury resorts on the Red Sea or in the southern region – the mountain regions of Abha and Al Bahah. Places like the Red Sea destination or Neom or Amaala are going to be popular not only in the summer, but also in the winter.'

: HH Prince Bandar

'In KSA, we're starting to see longevity and the idea of 'healthspan' as a new concept for luxury living and a more progressive way of looking at health and wellness through the lens of transformative travel'

Chris Sanderson, co-founder, The Future Laboratory

III Celebrating Saudi Enterprise

As Saudi expands its influence, it aims to promote culture, conserve heritage and boost sustainable development. The Kingdom's ultra-ambitious giga-projects, burgeoning entertainment sector and fledgling creative industries reflect strong investments in local enterprise, including fashion, art, film and architecture.

Saudi Arabia continues to raise its visitor targets and hopes to welcome 150m tourists a year by 2030, Crown Prince Mohammed bin Salman has said. Meanwhile, in the Middle East, KSA is leading the region's investment in hospitality and residential projects, with \$1.2 trillion worth of developments in the pipeline.

For more than a decade, the government has also been investing heavily in educating its youth, sending many students overseas on full scholarships to study at leading academic institutions around the world. As they return home to be part of Vision 2030, that investment is starting to pay off. 'In the next few years, you will see a lot of international companies that are Saudi-based, Saudi-created and run by young Saudi men and women,' says HH Prince Bandar.

Giga Grandeur

Saudi's urban landscape is being completely redesigned. The Kingdom is harnessing visionary architecture and planning to manifest a new age, resulting in designs for futuristic floating cities, monumental new cultural epicenters and expansive transportation systems unlike anything the world has seen. This progressive, multi-faceted approach to urban design and management is also forging new connections between people and place – bringing near-limitless possibilities for luxury.

According to Mark Noë, these audacious developments express 'a new way of thinking about living, hospitality, destinations, residential, commerce and social infrastructure. It's creating a new world to a certain extent. It's pure transformation.'



Diriyah Gate by Diriyah Gate Development Authority as part of the Public Investment Fund's Vision 2030, Saudi Arabia

In this context, placemaking will be a crucial element in connecting luxury brands with the cultural significance of these endeavors, enabling them to capitalize on the exclusivity and innovation embedded in the designs of these giga-projects. They will provide a grand canvas for brands and large-scale, immersive luxury experiences.

As part of the Vision 2030 project, the planned construction in the Kingdom will make Saudi Arabia the largest construction site the world has ever known, according to Knight Frank. From transformative giga-projects to sprawling luxury real estate, the vast scale of Saudi Arabia's development is creating new opportunities for affluent nationals and international investors, setting new standards for high-end living.

In part due to this ongoing development and the allure of world-class amenities, cities like Jeddah, Riyadh and Khobar are also experiencing a surge in demand for luxury real estate. New incentives are attracting both affluent nationals and international investors thanks to a simpler property registration process and a forthcoming new system for foreign ownership of real estate, which will invigorate the sector.

Giga-projects Neom, Amaala, Qiddiya, the Red Sea project, Diriyah Gate and AlUla are all huge in scale and ambition – and many are directly funded by the country's sovereign wealth fund. These stand-alone super-cities are expected to boost the construction sectors, accelerating value and imparting new technologies. Neom's sub-cities like Trojena and The Line will also set new benchmarks for luxury in KSA.

Arguably the Kingdom's flagship giga-project, the expanse of Neom will include The Line, an innovative linear city concept in the northwest Tabuk province. The urban development will host car-free, hyper-connected communities, all powered by clean energy. It will be instantly recognizable with its distinctive mirrored façade.

Within the Riyadh province, the historic city of Diriyah – known as the 'birthplace of the Kingdom' – is a cultural capital in the making, joining forces with Neom and The Red Sea Global to propel Saudi Arabia's destination marketing. The ongoing development is turning Diriyah Gate into a mixed-use landmark, featuring cultural facilities, hotels and residences that all showcase different facets of Saudi Arabian history.

The Next Wave of Saudi Pride

'Previously, many Saudi youth studied and applied their knowledge and skills abroad. Then Crown Prince Mohammed bin Salman opened up the country and gave us the ability to apply everything we've learned and give it back. A whole generation of youth are being given the opportunity to own their successes. Unlike most other GCC countries, where the workforce is largely from countries like India and The Philippines, in Saudi Arabia there's a sense of pride in having locals return, generate income and actively contribute to moving the country forward.'

: Jana Bader, founder, Supreme Hospitality
Saudi Arabia



Resetting Hospitality Standards

'The luxury hotel sector was built on an understanding of European hospitality. The revolution that followed was Asian – now is the time for Saudi hospitality to become the new luxury benchmark and set the global standard. What I see is bigger than the opportunity for more luxury hotels in the Kingdom; this is about a Saudi way being the new global proposition. The purpose of the Boutique Group of unique palace properties is to reveal the very special nature of Saudi culture, heritage and hospitality.'

: Mark De Cocinis, CEO, Boutique Group

Al Hamra Palace by Boutique Group, Saudi Arabia

New Recreation Realms

As seen in the boom in arts and entertainment, Saudi Arabia is super-charging its cultural sectors. Events like Riyadh Season, the Diriyah Biennale, Saudi Design Week, Noor Riyadh and the Red Sea International Film Festival in Jeddah are making significant strides in establishing Saudi Arabia as a leisure powerhouse.

For brands, participating or associating with cultural events such as Saudi Design Week and the Red Sea International Film Festival means they can align themselves with a new arts hub. Meanwhile, partnerships with Saudi's entertainment leaders could see brands curate exclusive experiences within the Kingdom's coming rush of entertainment districts, offering a fusion of high-end retail, dining and leisure activities.

Consider Wadi AlFann, the Valley of the Arts, a desert enclave for contemporary art, featuring works by renowned artists like James Turrell and Michael Heizer. It sprawls over a 65-square-kilometer area, and features monumental pieces ranging from mirrored installations mimicking mirages to labyrinthine towns crafted from adobe walls.

Saudi Entertainment Ventures (SEVEN) is investing heavily to establish nationwide entertainment destinations across multiple cities in the Kingdom, and has secured partnerships with Mattel, Hasbro and Warner Bros Discovery. These developments, strategically located in Riyadh, Madinah, Tabuk and Yanbu, will cater for the country's huge youth population with indoor arenas, arcades, bowling alleys, indoor golf, climbing facilities, indoor surfing, skydiving centers and cinemas.

The country also aspires to be a prominent player in the global video games industry. Through the Public Investment Fund, Saudi Arabia is venturing into game development, publishing and acquisition, led by Savvy Games Group. Aiming to support an early-stage gaming industry in Riyadh, this focus underlines the Kingdom's commitment to being a force in the \$184bn global gaming market.

HyperSpace, which designs, builds and operates 'future-forward' theme parks in shopping centers that mix physical and digital entertainment including gaming, shows the cross-sector opportunity. Backed by Riyadh Season, the Saudi entertainment initiative and annual arts and culture festival, a new space is set to open in Riyadh.

Sport is another growth area. The Ministry of Sport aims to raise physical activity levels in the Kingdom to 40% by the end of the decade, paving the way for

sportswear and general athleisure apparel to become highly dynamic product categories. Saudi Arabia has also secured the right to host the 2029 Asian Winter Games at its Trojena resort — a haven for outdoor activity designed by architecture heavyweights like Zaha Hadid Architects, UNStudio, Aedas, LAVA and Bureau Proberts.

'What the investment in sport is doing is actually investing in people,' explains Red Sea Global's Chopra. 'You're investing in an entire nation. You are motivating them, you are inspiring them, you are driving them. You are showing that you are committed to them. And we will do the same through sailing, we will do it through cycling. We will invest in these sports formats because we are investing in the people – to inspire them.'

With 41% of Saudi residents very open to foreign involvement in these sectors, according to Morning Consult, the Kingdom is embracing this future of cultural activity and innovation. As Saudi Arabia's entertainment and leisure landscape continues to mature, we can anticipate new and exciting intersections between luxury and recreation.

Seismic Shifts in Food and Beverage

'We have witnessed what I would call a revolution in the F&B space. You would be amazed to see how many young people are just hanging out at coffee shops even late at night. That just goes to prove that it's more of a cultural movement than a functional movement. What's become very important is to create a unique experience, to create something that is more inviting. That's where interior design comes into play.'

: Abdullah Al Azzaz, creative director, Azaz Architects

'Food and beverage are seeing a seismic shift within Saudi. It's one of the fastest growing sectors because it plays a big part in Saudi social life, which is very familial. We're seeing a huge growth in cafés, and this is where I think there is an interesting link with luxury. This will be a big trend that we will start to see where you have a much stronger integration of food and beverage within a luxury retail environment.'

: Myf Bagnold, group chief marketing officer, Cenomi Group

Future Fashionomics

The soft power of Saudi Arabia's young fashion industry is a pivotal element of Vision 2030. Spearheaded by the creation of the Fashion Commission led by Burak Çakmak, fashion is being hailed as catalyst for change – one that is flourishing and expected to contribute 1.4 % to the Kingdom's GDP, or about \$12.5bn in additional value, according to Forbes. 'There's going to be a huge uplift in Saudi designers who are going to be showcasing their designs worldwide within the next five years,' says Jana Bader.

This promising trajectory is being propelled by the return of young nationals from abroad, equipped with top design knowledge – setting the stage for a unique blend of luxury that is steeped in tradition, yet globally tuned in. 'We're building the infrastructure of the fashion industry in Saudi Arabia; we're essentially building our legacy in this global industry, which is a very exciting thing to be a part of,' says Rae Joseph. 'Saudi designers bring to the table a mix of their unique cultural background and a refined palette due to their global exposure through travel education and, in the context of luxury, through being connoisseurs themselves.'

The Saudi 100 Brands initiative was established by the Saudi Fashion Commission to help develop and refine the skills of 100 Saudi fashion brands while enabling them to interact with their international peers. This initiative not only supports Saudi fashion brands in gaining recognition, but also provides them with a global platform. Through this venture, a curated selection of Saudi brands have been showcased at Paris and Milan Fashion Weeks, showing the traction these brands are now achieving.

Bolstered by the launch of its own Fashion Week, capital city Riyadh is emerging as a formidable contender in the global fashion industry. Featuring designers like Yousef Akbar, Atelier Hekayat and By Sadeem, its mission is to spotlight Saudi talent. Ethical luxury brands like Abadia, founded by Shahd Al Shehail, are among those redefining fashion for the modern woman while preserving craft through artisan partnerships.

'The spending power of the region is one that many luxury brands are well aware of,' explains Andrew Lister, executive vice-president of Purple PR, a global communications agency for luxury brands, which was appointed to manage international communications for the inaugural Riyadh Fashion Week. 'The development of luxury retail locations such as Via Riyadh, alongside developing fashion brands, is forging ahead to make Riyadh an authentic destination to discover talent and to experience the forefront of luxury.'

Fashion already leads much luxury spending in the Kingdom. Our **FuturePoll™** findings show that 50% of Saudi nationals who are open to local brands are buying mainly fashion and apparel, followed by jewelry (40%), and beauty and wellness products (40%). Meanwhile, 44% believe both fashion and tech are the arenas where local brands will excel in future.

A common theme is the significant potential for Saudi abaya designers, especially with shifts in women's wardrobes, such as daywear and work attire, and the desire to balance modernized dress codes with traditional cultural significance. 'Abayas are going to become a universal language; they are going to go international in a very fashionable way,' says Bader. Joseph agrees: 'I see the abaya getting exported.'

Well positioned to trade in the GCC's fast-growing fashion market, the next step for the nation is developing a domestic manufacturing sector, which will champion the 'made in Saudi' label. The Fashion Commission's upcoming product development studio aims to accelerate designers' entry into the market by providing cutting-edge technology. Sustainability is another future focus, with the Fashion Commission setting up a research center at King Abdulaziz University's Science and Technology Center (KAUST) to explore innovative sustainable solutions in textile science.

By cultivating a thriving sector equipped to manage all aspects of design, manufacturing, logistics and retail, Saudi Arabia will create a wide range of fulfilling employment opportunities while reducing its reliance on overseas fashion imports. 'Saudi's young population will ensure that enough talent is produced to supply a growing workforce across all segments of the fashion value chain, as long as we inspire and invest in them,' says Burak Çakmak. By 2050, he suggests this brave new world will be defined by 'elements that are locally relevant, but also fully networked internationally'.

International Influence Meets Local Nuance

'I think the Saudi market is determining a new type of cultural sensitivity. There are certain aspects where internationalism is having a big impact. But Saudis are incredibly proud of their heritage. So you are ending up with this delightful balance between international influence and cultural sensitivity, with the history and beauty of the country being protected.'

: Myf Bagnold, group chief marketing officer,
Cenomi Group



Part three

Creating Future Saudi Luxury Experiences, Destinations and Brands

Supported by expert input, we outline the themes of innovation that can be converted to create the luxury experiences, destinations and brands of tomorrow. These strategic areas of opportunity build on the drivers, trends and mindsets discussed in the previous sections of the report

Fuse Future and Heritage for Timeless Innovation

Taking a distinctive approach to branding and placemaking

By activating and promoting its most valuable heritage assets, Saudi can craft new cultural legacies. 'With Vision 2030, we're seeing places made, brands born, partnerships created and culture ignited,' says Construct's Fendley. 'Previously hidden layers of communication are being expressed to a new audience. All these things come together to make for exciting challenges.'

Fendley emphasizes the significance of in-depth research to aid a thorough understanding of the cultural context in Saudi Arabia. For Construct, this means delving deeply into the setting, often requiring access to private archives and consultations with specialists who oversee historic data.

The focus on reviving heritage sites plays an important role in taking the past into the future and fostering pride across generations. For architecture, placemaking, retail or spatial design, this could mean blending traditional building methods and materials with forward-looking, other-worldly urbanism. Diriyah, for example, brings together 300 years of history through a unique heritage experience and world-class residential living. The AIUla Project – dubbed an open-air living museum – is similarly developing an archeological, cultural and tourist complex in a region as vast as Belgium.

These sites also provide opportunities for design-led storytelling and experiential entertainment. They have the power to create deep human connections that more profoundly build a sense of collective identity, transforming historical spaces into places of sensory escapism and community that will result in new luxury landmarks. Across the full spectrum of design and placemaking projects, brand management that aligns with a keen understanding of modern luxury will be key.


Georgia Fendley, Construct *On crafting luxury graphic languages*

'Wadi Safar is one of the most significant luxury projects driven by the Kingdom of Saudi Arabia's Vision 2030. Construct was selected by the Diriyah Gate Development Authority (DGDA) to lead the brand strategy, positioning, visual identity and creative direction for Wadi Safar. This was a project that fully embodied our experience guiding the world's leading luxury brands through significant moments of change, and we worked in close collaboration with a dynamic client team to deeply understand the culture, history and ambition of both project and place.'

The brand really belongs to our client, not us, as it is the result of a significant contribution on their part,

which therefore means that we're creating luxury brands that belong to the Kingdom, are created by the Kingdom and are born there.

Most designers are designing through the lens of a non-Arabic eye, and then attempting to reverse engineer what they've created in Arabic. That ends up feeling corporate and clunky – it's not the language of super-luxury. That's not what we do. We're constantly thinking right to left and left to right, and we have created logotypes with both Arabic characters and Roman typography. We think in a holistic sense because we want the brand to have grown out of the place rather than be superimposed on it.'



WADI SAFAR

Find Awe in Saudi's Spectacular Dimensions

Re-inventing destination marketing and experiential paradigms

Saudi Arabia is developing a strong branding strategy that positions the Kingdom as a premier destination for unique immersion in awe-inspiring spaces and places. Offering a unique blend of nature, culture, technology and history, the country's diverse and dramatic contrasts will be a major selling point for its experience economy.

'In Saudi, we are witnessing the future being conceived on a grand scale,' says The Future Laboratory's Martin Raymond, 'especially in the world of luxury and destination, where the focus is on culture, health and wellbeing – three of the most powerful and prescient pillars emerging globally. We coined the term 'Awe Economy' to define this very shift to the transformative age, but the Kingdom is already pushing into this space, building tomorrow while many of us are still debating it.'

Promoting awe as a new code of luxury will not only be limited to nature, but will also extend to the sweeping scale and design of new smart cities and their skylines – some of the largest, most complex infrastructure projects in the world. Among these, striking a balance between economic progress and environmental conservation will unlock the full potential of their long-term outlook, with innovative ecological design and construction techniques embedding eco-tourism hubs into expansive landscapes and nature reserves.

'Imagine your own private dining room in an area of incredible, geological fascination,' says Rosanna Chopra. 'You will be sitting at your table and we will blow the candles out and you will look straight up to the stars and you will have your own observatory.'

For next-generation luxury destinations, authenticity will also act as a powerful force of attraction for travelers seeking novel experiences. 'As Saudi innovates and grows these global amazing hubs, it must not lose that sense of place and that sense of culture because that will be the draw for tourists,' explains Jonathan Travers-Smith, founder of Hot Pot China.

Jonathan Travers-Smith, Hot Pot China

On attracting the Chinese traveler to Saudi destinations

'For the most worldly and switched on Chinese travelers and consumers, experience is coming into play. The cultural sites in Saudi are unique; they're different, they stand out. There's a chance to engage with the natural environment in ways that maybe others have not done.

People love the idea of a newly found sense of adventure, but within very safe confines and ideally a sense of comfort. Designations that are visually dramatic and uniquely Instagrammable will have a 'must-go' pull effect, making them a good target

for HNW and affluent Chinese travelers. These will chime nicely with the unique, audacious architectural projects that China is seeing currently, with a desire for experimentation and a sense of the future.

Social media and influencers and key opinion leaders are utterly critical for Chinese audiences. Mainland Chinese consumers considering travel will open up Xiaohongshu [Little Red Book] and look immediately at posts from that region, be it London, Paris, Milan or Saudi Arabia. So these new and upcoming luxury travel destinations need to have a strong presence in the future.'

Accelerate the Next Generation of Hero Brands

Nurturing the growth and global influence of Saudi talent

Investment into ‘made in Saudi’ brands that resonate globally will lead the next generation of luxury. The Kingdom’s future wave of national talent will amplify this across fashion, beauty, jewelry, design, hospitality and F&B. Acting as new taste-makers, they will make tacit preferences and desires explicit. ‘It’s about a new era of cultural influence that is really exciting and well overdue,’ says Fendley.

‘There’s a big drive to support local brands,’ says Folk’s Rachel Ingram, speaking about the rise of local development studios and grants for up-and-coming designers. To transcend regional boundaries, however, understanding how to connect with a global audience becomes a crucial aspect of strategy. ‘These brands will also need to appeal to a broader market too, so that’s where we at Folk can help people to know how to talk to a European shopper,’ she adds.

Saudi’s soft power will lead to increased competition among luxury brands – both those emerging from Saudi Arabia and those entering the market. To differentiate themselves, they will need to innovate, adapt quickly to changing trends and find new ways to create value for consumers. Communications, campaigns, location programming and events will all be critical and decisive.

As noted by Oliver Hicks, founder of North Six – a global production agency that helps luxury brands execute creative ideas across stills, motion and event experiences, and which has worked across the region for the likes of Harper’s Bazaar Arabia and Qatar – success for all brands calls for both creativity and sensitivity. ‘We’re constantly aware of finding that fine line between maintaining the DNA of the brand while respecting and understanding the sensitivities of cultural nuances in the different markets. This means working closely with casting, photography and styling, from pre-production to planning ahead of photoshoots, ensuring that imagery is sensitive,’ he explains.

Embrace Seamless Living Beyond Boundaries

Forging new frontiers for mixed-reality experiences

Saudi Arabia’s embracing of tech will rapidly alter luxury and transcend its traditional boundaries, creating innovative, immersive storytelling and wraparound consumer experiences. This will open the door to multi-dimensional living – something seamless, hyper-connected and highly imaginative.

Turning digital products, services and experiences into a new code of luxury will disrupt the ways it intersects with everything, from entertainment and retail to real estate and hospitality. Luxury will no longer be confined to physical spaces but will instead revolutionize the virtual realm. As seen by Neom’s digital twin metaverse platform, XVRS, mixed-reality urban concepts and ‘meta-cities’ will encompass entertainment, social interactions and in-built digital marketplaces.

‘In terms of immersive, digital luxury experiences, the biggest opportunity we’ve seen is engaging people with these unbuilt projects on a massive scale,’ says Mark Noë. Making the sci-fi fantasy of the metaverse a potent reality, he envisions a virtual world where individuals can interact, exchange ideas, see live performances and engage with a place before it’s physically built. This digital transformation aligns with Saudi Arabia’s embracing of technology as part of everyday life.

Noë & Associates is taking the concept of digital twins to new heights. The agency collaborates with architects, visual effects experts, artists and brands to transport people into future cities through digital innovation. ‘We can create a digital twin or a digital replica of a place that is so photorealistic that it feels like you’re there,’ says Noë. ‘Bringing something that is so fantastical in so many people’s minds to reality through digital experiences is a massive opportunity.’



Mark Noë, Noë & Associates

On next-generation storytelling and immersive digital experiences

Neom’s latest destination, Leyja, announced in October 2023, is a place where three boutique hotels promise the pinnacle of luxury within a majestic wadi on the coast of the Red Sea.

Working with Neom for the past three years, Noë & Associates has been collaborating to develop best-in-class, innovative digital solutions to present the Treasures of Tomorrow to the world. Conceived by Noë & Associates, the culmination of this work is a

digital twin of Leyja and its surroundings within Neom. This has allowed us to create an entirely photorealistic world of the existing natural environment and the incredible unbuilt places to come.

Working as creative directors and producers with our technical partners, the architects and internal teams at Neom, the campaign fully utilized the technology, including the commercials and explainers created by Neom’s assigned agencies and Noë & Associates.

Conclusion

The journey to becoming a luxury frontrunner is not simply an aspiration for Saudi Arabia, but a reality that is already creating a new world order. More than just a reflection of economic prosperity, it mirrors a cultural shift that brands must navigate to remain relevant. Those that harmonize with KSA's evolving mindsets, local customs and a commitment to innovation stand to make a lasting impact



But the real opportunity is for those who not only view Saudi Arabia as a key market for selling their luxury products and services, but who are also ready to engage in the region to support the visionaries and ambitious entrepreneurs co-creating the new codes of luxury in Saudi Arabia from the inside out rather than from the outside in.

What sets Saudi Arabia's burgeoning breed of luxury apart is its unique blend of tradition and transformation, where demographic shifts, cultural influences and technological strides converge to bolster the Kingdom as a powerful global player. This report has delved into the intricacies of consumer demographics, the driving forces behind evolving trends and the emergence of a distinct Saudi-first ethos.

Beyond the echoes of heritage, we are challenged to ponder the future legacy of Saudi Arabia – how it will look, feel and be expressed in unprecedented ways, even forming new global codes, supported by best-in-class examples from a new kind of nation. 'My ask to the world is to allow this incredible nation, full of bright, young, brilliant people, to grow and evolve,' says Rosanna Chopra of Red Sea Global.

Here, the possibilities to create something never seen before are boundless. This report points to a future where the sensations of luxury are redefined, and where the country takes a leading role in crafting an authentic, compelling narrative. As the curtain rises on Saudi Arabia, innovators are invited to forge brands, experiences and destinations that are not just in the Kingdom, but of the Kingdom – a bespoke, Saudi-born luxury that melds heritage with a thoroughly forward-looking vision.

'My ask to the world is to allow this incredible nation, full of bright, young, brilliant people, to grow and evolve'

Rosanna Chopra, executive director, Red Sea Global

A person wearing a brown coat and a hood is walking away from the camera in a futuristic, curved architectural space. The walls and ceiling are composed of many thin, parallel lines that create a sense of depth and curvature. The lighting is dim, with a soft glow from the person's coat. The overall atmosphere is mysterious and futuristic.

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