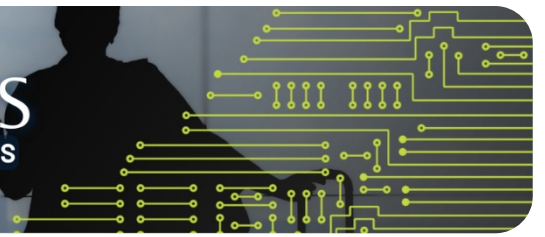




**VELOCITY VENTURES**  
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## **DESTINATIONS AS PLATFORMS IN GCC** **INVESTING WHERE INFRASTRUCTURE MEETS INTELLIGENCE**

The Gulf Cooperation Council (GCC) is pouring unprecedented investment into tourism, aiming to create the world's most immersive travel destinations. In Saudi Arabia and the UAE especially, mega-projects like NEOM, the Red Sea resort development, Qiddiya, Yas Island, and Saadiyat Island are transforming empty deserts and coastlines into high-tech experience hubs. These projects are national priorities, designed not just as attractions but as strategic assets for a post-oil future under initiatives like Saudi Vision 2030 and the UAE's digital economy push. Saudi Arabia, for example, has already surpassed its initial goal of 100 million annual tourists and now targets 150 million visitors by 2030, with flagship developments like the Red Sea Project and Diriyah Gate driving the boom. Each new destination is a billion-dollar bet that blending spectacular architecture with "invisible" technology will redefine tourism and attract smart capital eager to get in early on the future of travel.

### **Next-Gen Destinations as National Treasures**

In Saudi Arabia, tourism mega-projects are integral to Vision 2030's economic plan. NEOM – a \$500 billion futuristic city rising in the northwest – is envisioned as a living lab for sustainable urban living and tourism. It's being built from scratch with technology at its core, to the point of developing a digital operating system for an entire city. The Red Sea Global project, spanning an archipelago of pristine

islands, is another showcase: ultra-luxury resorts built with ecological preservation and smart management in mind. Digital twin models are used to mirror every asset and ecosystem at the Red Sea, helping planners unify sustainability goals with modern infrastructure. Outside Riyadh, Qiddiya is rising as a giant entertainment city. Billed as “the world’s first city dedicated entirely to play,” Qiddiya will host theme parks, sports arenas, and cultural venues – all tied together by a cutting-edge digital ecosystem. A recent partnership with tech firm Globant is creating the “PLAY LIFE” platform for Qiddiya, a seamless digital layer leveraging AI and cloud data to personalize every visitor’s experience from itinerary planning to real-time adventure suggestions. These projects underscore how the kingdom sees tourism infrastructure: not just bricks and mortar, but smart, data-driven cities that can become national economic engines. As a result, private investors and family offices are taking note – many are jumping in early to co-invest in Saudi hospitality and entertainment ventures, knowing that if the Kingdom’s tourism vision succeeds, they stand to benefit alongside it.

Meanwhile in the UAE, Abu Dhabi offers a study in contrasts with two immersive islands targeting different niches. Yas Island has become the region’s adrenaline-fueled playground – home to Ferrari World, Warner Bros. World, water parks, a Formula 1 circuit, malls and hotels all in one destination. From the start, Yas Island’s developer Miral embraced technology to maximize monetization and guest satisfaction. Yas rolled out an integrated digital platform described as a “wall-less resort” that gives each guest a personal digital identity linking all parks, attractions, and services. Visitors receive a digital “key” – think of it as an all-access pass on your smartphone – unlocking seamless experiences across the island, with personalized offers and real-time updates. Behind the scenes, Miral’s cloud-based system crunches data to understand visitor behavior and optimize operations in real time. This frictionless, personalized approach keeps guests spending within the Yas ecosystem (and coming back for more), showing how tech can drive both efficiency and revenue in an experience-led destination.

Just a short drive from Yas, Saadiyat Island offers a more cultural and luxury-driven experience – but it too is leveraging advanced technology in its own way. Saadiyat’s Cultural District is rapidly becoming a global beacon of art and architecture, with the Louvre Abu Dhabi already open and the Guggenheim Abu Dhabi and Zayed National Museum underway. The latest crown jewel is teamLab Phenomena Abu Dhabi, an immersive digital art museum that opened in 2025. Created by the famed Tokyo-based collective teamLab, this 183,000 sq. ft. gallery is filled not with static paintings, but with interactive, multi-sensory installations of light, sound, and motion. Visitors wander through living digital ecosystems – a forest that glows with projected butterflies, water that flows in response to movement – experiencing art as a personalized journey. This marriage of art, nature, and cutting-edge tech underscores Saadiyat’s

differentiation: where Yas is high-octane entertainment, Saadiyat is high-culture augmented by technology. Even the more traditional museums plan to use tech creatively; for instance, augmented reality and AI-driven personalization are on the agenda, so a visitor might have a smart guide that adapts exhibits to their language or interests. Both Yas and Saadiyat illustrate the new playbook of GCC tourism – whether the goal is thrill rides or cultural enrichment, data and digital innovation are the glue that hold these complex experience ecosystems together.

## Tech at the Core: AI, Digital Twins and Invisible Automation

What truly sets these destinations apart is the technology woven into their foundations. They are effectively building smart cities geared for visitors. NEOM's planners often say they are creating a city-wide "operating system" – a platform where AI, robotics, and IoT sensors manage everything from traffic flow to energy use in real time. In fact, NEOM's urban planning relies on a powerful AI engine that fuses data into a real-time digital twin of the city, letting planners simulate thousands of "what if" scenarios for layouts and infrastructure daily. This means decisions about road placement, district design, or even crowd control are tested virtually with AI before any concrete is poured, dramatically speeding up approvals and optimizing city design for efficiency and experience. The Red Sea Project, similarly, uses digital twin technology not only to streamline construction but to protect the environment – every coral reef and lagoon in the resort has a virtual model to monitor and predict human impact. Predictive analytics guide sustainable operations; for example, IoT sensors and AI at next-generation hotels can adjust water and energy systems on the fly, preventing waste (a key part of the luxury-with-sustainability ethos). Qiddiya's "Play Life" digital ecosystem will layer on AI-driven personalization: imagine an app that suggests a schedule tailored to your family's interests, manages your bookings, and even directs you to the least crowded attractions at any moment. On Yas Island, the "wall-less" digital platform already demonstrates how a physical destination becomes smarter – guests are recognized and their needs anticipated across the entire island via one unified system.

In practical terms, these technologies collectively create what one expert calls "invisible hospitality," where service is highly personalized without the guest even noticing the tech. AI algorithms quietly handle crowd management, pricing, and recommendations in the background. Robotics and automation also play a role: autonomous shuttles and drone deliveries are envisioned in NEOM, and Saudi hotels are experimenting with robot concierges and room service bots to enhance service efficiency. The key is balance – GCC destinations are careful to combine high-tech with high-touch. The region's hospitality reputation was built on human luxury, so tech is used to augment staff, not replace them. A tourist at these new destinations might hardly notice the army of algorithms and sensors working behind the

scenes; they'll simply enjoy a seamless, magical vacation, whether that's skipping lines thanks to AI-powered ticketing, receiving bespoke activity suggestions, or entering a "smart" hotel room that already knows their preferred temperature and lighting. By blending architecture with an invisible digital layer, the GCC is turning physical destinations into living platforms that learn and adapt. It's a model where the city itself is a product – constantly updated with new features much like a software platform.

## Startups and Smart Capital: Tackling Complexity Behind the Scenes

Building these hyper-connected tourist cities brings immense operational complexity. This is where an ecosystem of tech startups is stepping in to solve niche challenges and ensure these ambitious projects run like clockwork. For example, predicting travel demand is crucial – airlines, hotels, and parks all need to know when surges and lulls will come. Startups like **Zytlyn, a Velocity Ventures portfolio company**, specialize in exactly this: Zytlyn's AI-driven platform ingests countless data signals to forecast travel demand at both micro and macro levels, helping travel operators plan capacity and pricing with predictive precision. A major travel platform (CWT) recently piloted Zytlyn to anticipate route-level demand, reporting that such tools can boost revenues and cut costs by aligning resources with real-time predictions.

Another pain point is group travel and social trip planning – an important factor for destinations marketing themselves to families and friend groups. Here, startups like **Joyned, a Velocity Ventures portfolio company**, bring innovation by turning trip booking into a collaborative online experience. Joyned's solution lets friends or relatives plan and book together directly on a travel website, chatting and voting on options in real time. This not only makes it easier for groups to coordinate, but also drastically increases conversion and spending on those sites (travel sites using Joyned saw up to 4x higher booking conversion rates by keeping groups engaged on the platform). For places like Yas or Qiddiya that hope to attract groups, such technology can drive higher visitation and ensure no customer drops off just because organizing a group was too cumbersome.

Then there's the challenge of curating and booking local experiences at scale. Tourists visiting the GCC's new mega-destinations won't just stay in one spot – they'll want excursions, adventures, and authentic cultural experiences in the region. **Another Velocity Ventures portfolio company, TripGuru** is one startup addressing this need: it's a platform that connects travellers with curated tours and activities, often grouping like-minded visitors together. A traveller in Dubai or NEOM could open an app and find a desert stargazing tour or a scuba dive at the Red Sea, see who else is going, and book instantly. By digitizing the long-tail of tours and making them easily discoverable, such platforms ensure that

immersive destinations can offer a 360° itinerary (and capture ancillary revenue from tours and excursions).

The common thread is that these tech startups are turning potential headaches of scale into opportunities. They add layers of optimization and personalization that complement the grand infrastructure. Recognizing this, forward-thinking investors are backing these startups and actively linking them to GCC projects. Traditional infrastructure investors – who once might have only funded hotels or theme parks – are realizing they need to think like tech investors too. The value of a gigantic development in the desert is massively amplified by the software and data that run it. Accordingly, we see sovereign wealth funds and venture firms collaborating: Saudi Arabia’s Public Investment Fund is investing in tech incubators; UAE’s tourism bodies are partnering with AI companies for concierge apps.

Venture capital is also taking note: Velocity Ventures, a Travel & Hospitality-focused VC, is working with companies like Zytlyn, Joyned, and TripGuru to support the GCC ecosystem. These specialized investors are ensuring that the startups solving operational complexities have an on-ramp into marquee projects in Riyadh, Neom, or Abu Dhabi. It’s a symbiotic relationship – the mega-projects get cutting-edge solutions, and the startups get a chance to prove themselves on world-stage developments.

## A New Blueprint for Global Travel

As the GCC races forward, one thing is clear: this isn’t just a regional trend, it’s a prototype for the future of global tourism. By building entire destinations around technology, the Gulf states are effectively test beds for how travel may look in 10 or 20 years. We are witnessing theme parks that function like intelligent networks, cultural districts that use AI to personalize art, and resorts run on predictive data more than on gut instinct. Crucially, these initiatives have strong government backing and are entwined with national visions – Saudi Arabia explicitly wants tourism to rise from near zero to 10% of GDP, and the UAE sees digital tourism experiences as part of its strategy to double the digital economy’s GDP contribution within the decade. This top-level commitment means these immersive projects are not one-off experiments; they are central to economic transformation plans. In turn, that stability and ambition are attracting investors from around the world, from sovereign funds to venture capital and corporate partners. The consensus is that the smart money should get in early. Those who invest not just in steel and concrete, but in the software, data and startups powering these destinations, stand to shape the next era of travel. As one industry leader noted, the GCC’s travel sector is moving beyond traditional hospitality to operate like a tech industry – agile, data-rich, and platform-based.

In summary, the Gulf region isn't merely building new attractions; it's engineering an entire paradigm shift in tourism. The Red Sea's marine sanctuaries monitored by digital twins, NEOM's AI-orchestrated city life, Qiddiya's hyper-interactive leisure city, Yas and Saadiyat's contrasting yet tech-linked experiences – all are pieces of a bold vision. These destinations treat tourists not as passive visitors, but as participants in a responsive, high-tech ecosystem. It's a vision both awe-inspiring and increasingly real. For investors, operators, and innovators in the travel space, the message is energizing: the playground of the future is being built now in the sands of the GCC, and those with the foresight to engage early will help define how the world travels for decades to come. The GCC's immersive tourism race is more than an economic development story; it's a glimpse into how technology can elevate human experiences at scale. And as these desert dreams turn into operational realities, they are likely to become the blueprint for experiential tourism worldwide – where entire cities function as platforms, and the only limit to the guest experience is imagination.

See you again, in the next edition...

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