

What a spectator-less PGA Championship means for fans and sponsors

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It's official: When the PGA Championship comes to TPC Harding Park this August, there will be no spectators because of the Covid-19 pandemic, PGA of America confirmed with input from San Francisco public health officials Monday.

That means fans tuning in to watch Brooks Koepka chase a historic three-peat Aug. 6-9 will see a major golf tournament like never before.

Officials could have once hoped for crowds as large as 40,000 per day, similar to the packed scene at Harding Park's last PGA event, when Rory McIlroy won the 2015 Match Play Championship. Instead tickets are being refunded, and the event won't come close to generating the economic impact it could have for the region.

The PGA previously estimated the St. Louis region enjoyed a more than \$100 million boost when it hosted the 2018 PGA Championship, similar to estimates for the local economies in New Jersey and Kentucky in 2016 and 2017. But the San Francisco Travel Association, or SF Travel, says \$100 million was a "conservative" estimate, but did not specify further, based on how the event fared last year at Bethpage Black in New York.

PGA representatives did not return requests for comment on revised estimates of what the tournament could bring to the city economically. It also declined to comment on



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An aerial shot of TPC Harding Park, where the 2020 PGA Championship will play without spectators this August.

how it will placate sponsors who invested in the live portion of the event, whether in agreements for catering and food service to on-the-course hospitality in the form of VIP chalet viewing booths and other perks. Besides advertising to spectators on-site, events like the PGA Championship provide connections for corporate sponsors to further relationships and strike deals with clients.

Ben Shapiro, founder and CEO of San Francisco sports marketing agency Pivot, which specializes in arranging corporate partnerships and travel for major sporting events, told me the PGA will be going "back to the drawing board" to come up with creative ways to maximize sponsorship dollars it can use as tradeoffs for lost ticket sales and on-site sponsorship opportunities. The PGA will also try to capitalize on a moment when digital visibility will be greater perhaps than it's ever been before for a major sporting event, given the dearth of live events in other sports.

"The good thing with sponsorships is that the sky's the limit. Sponsorships are really up to creativity," Shapiro said. "That's going to take a lot of teamwork and better cooperation between the tournament and players, and you're going to try and move content with what everybody wants which is to know what these top golfers are saying and doing."

This could look like sponsored segments for players wearing mics or personal stories from the last few months. Or, he said, the PGA could install digital and physical billboards where there won't be fans, similar to how baseball stadiums have done with branded tarps over empty sections. New kinds of exclusive digital content with players that sponsors could leverage on social media.

"It could even be some sort of video engagement experience for fans who had suites to have private time with these golfers to hear what they're saying post round or small Q&As," Shapiro said. "These are all things on the table. ... I think you're going to see not just from golf but all sports a lot of creativity, a lot of different and unique engagement and experiences."

Adding to the potential for experimentation is that this year's PGA Championship will be the first as part of an 11-year media rights agreement with CBS and ESPN, which will deliver "an unprecedented amount of broadcast and digital coverage" to an audience of more than half a billion households across 164 countries, according to the release.

Chris Thornberg, director of UC Riverside's Center for Economic Forecasting, said that's one thing the city's tourism industry could hope to salvage.

"The only good thing here is that at least they're letting the world know that San Francisco is open for something," Thornberg told me. "The city gets its money from the spectators, and the league gets the money from TV."

Although missing the millions in spending that would accompany visitors to the city, SF Travel will still try to capitalize on San Francisco's media exposure during the PGA Championship, which he said in August would be on par with the Super Bowl — and now potentially higher than before. Around the time of the event SF Travel plans to launch simultaneous television and digital marketing campaigns featuring local celebrities in sports and arts.

"We'll really be able to have one of the first major sporting events since Covid-19," D'Alessandro said in an interview last week. "While it won't be how we hoped it would be a couple of years ago with big audiences ... it will still be a great opportunity to showcase San Francisco."

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