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PGA Tour, LPGA television rights up for grabs: Where will golf land?

Current rights deals expire in 2021

PGA Tour announces Korn Ferry as umbrella sponsor

Korn Ferry CEO Gary Burnison discusses with FOX Business' Gerri Willis about the newly announced partnership with the PGA Tour and its U.S. player developmental tour, formerly called Web.com Tour.

The [PGA Tour](#) is poised to cash in on growing demand for [live sports](#) content in the cord-cutting era when its current media rights deals expire in 2021 – even if its most recognizable tournaments won't be part of the deal.

Golf's organizing body has fielded offers from several bidders interested in television rights to its tournaments, according to multiple reports. The PGA Tour's current deals with CBS, NBC and the Comcast-owned Golf Channel expire in 2021, and media juggernauts such as Disney-owned ESPN, Fox Sports and AT&T are all said to be interested in acquiring them.

Sporting events are one of the few forms of content still capable of regularly drawing the kind of large live audiences attractive to advertisers as more consumers ditch cable for streaming services. As tech giants such as Amazon and Facebook eye sports content investments alongside traditional media networks, the PGA Tour should be the beneficiary of a bidding war, according to sports media rights experts.

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“They have the benefit of having a good brand name, of having the best golfers in the world, having tons of hours [of content],” said industry veteran Ed Desser, who runs the consulting firm Desser Sports Media. “All those things create value. It’s really a function of trying to figure out how to harness the product in today’s world, which is much-changed from that 40-year-ago benchmark.”

Negotiations on PGA Tour's next rights deal are ongoing, with an announcement expected sometime in 2020, a source with knowledge of the situation told FOX Business.

The PGA Tour is seeking a “significant increase” in value over its current media rights deals, according to the [Wall Street Journal](#). Reached in 2013, the deals with CBS and NBC are purportedly worth \$400 million annually. In 2018, the PGA Tour sold its international rights to Discovery Communications in a 12-year agreement valued at \$2 billion.



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CBS has announced big changes to its broadcast team for the 2020 golf season, and that includes the addition of Michelle Wie. golf.social/2OJ3w2s



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With expiring rights to NFL's Monday Night Football and Sunday Ticket services expected to dominate the conversation in the coming years, the PGA Tour solicited bids on its television deals early. Prospective bidders won't be acquiring golf's four major tournaments – the Masters, PGA Championship, Open Championship and U.S. Open – because they are broken out in separate deals.

“You think about entertainment and sports in general—it's like another golden age for content,” PGA Tour chief media officer Rick Anderson told [Sports Illustrated](#) in August. “I think any rights-holder that could come to market now probably would.”

Golf's television ratings typically lag far behind those of other premium sports properties, such as the NFL and NCAA. However, its audience of older, affluent viewers opens up an array of monetization opportunities for whichever company scores the rights.

Amazon, for example, could leverage a PGA Tour deal to sell branded merchandise on its massive e-commerce platform.

“The idea of creating other ways that a rights-holder could monetize the golf content would be part of the rationale for a higher rights fee,” said Chris Vollmer, managing director at media consulting firm MediaLink. “I think someone who could develop e-commerce around it is a really viable strategy, particularly given the demographics of the audience and the affluence of the audience.”

The battle for subscribers could contribute to a potential bidding war. Disney has spent heavily on live content to power its ESPN+ streaming service, while AT&T is in the process of rolling out a WarnerMedia streaming service. The Journal reported that AT&T is prepared to offer the PGA Tour its own branded network to replace the Golf Channel deal.

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“In terms of competition, there’s no question that there’s now a whole bunch of new parties that didn’t exist the last time the PGA Tour did this,” Desser added. “In and of itself, you would expect that to drive price upwardly.”

With the expiration of its PGA Tour deal less than two years away, CBS has taken steps to put a fresh spin on its golf broadcasts. The network has recently added LPGA star Michelle Wie, former Masters winner Trevor Immelman and longtime Tour mainstay Davis Love III to its broadcasts.

At present, it’s unclear if those maneuvers will entice the PGA Tour to renew its existing deal. A company with strong technological capabilities, such as Amazon or ESPN, could have an advantage as the Tour looks to modernize its product for streaming audiences.

“The other thing the PGA might be looking for is they’re going to want a partner that can also make sure that golf remains contemporary as a video experience,” Vollmer added.

Lagging behind the PGA, is the LPGA Tour. The women's contract with The Golf Channel is coming up for bidding at the same time as the men's tour. While the LPGA had [33 events on The Golf Channel](#) this year, it only had five events on broadcast network TV -- which reaches a much larger audience.

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For this round of contracts, the PGA Tour is negotiating the deals for the LPGA as well serving as the circuit's de facto agent. LPGA commissioner Mike Whan told [Golfweek](#) that he believes the joining of forces could only benefit the women's tour. “I think there’s some value to us in understanding where their future is as well,” said Whan. “It makes us more in tune with what the 2022 and beyond picture looks like for them.”