

Sponsors Featured on 'Restaurant' Menu

By Jesse Hiestand

LOS ANGELES (Hollywood Reporter) - Producers of NBC's new reality show "The Restaurant" believe they have cooked up an innovative way to fund a television series.



The ingredients aren't new -- be they advertiser sponsorship or product placement -- but the six-part program that debuts Sunday brings them together in such a way that NBC doesn't have to pay the standard license fee. And sponsors American Express, Mitsubishi Motors and Coors Brewing Co. get their products and services tightly integrated into the unscripted drama.

The key is that Reveille, Mark Burnett Prods. and Magna Global Entertainment partnered to create, produce and fund the project so that it minimizes the risk for the network and the sponsors.

"Advertisers feel like they're operating in a world of diminishing returns as the audience fragments -- they're paying more and getting less," said Robert

Riesenberg, executive vp at the Magna division, which develops television programming for clients of Interpublic's Magna Global USA. "They want to be more creative, proactive and experimental and are looking to their agencies to provide the solutions."

The concern stems from channel proliferation and technologies like TiVo that allow viewers to easily skip past commercials.

"The Restaurant," a behind-the-scenes look at a restaurant launch, hopes to counter that tendency while testing an emerging funding model.

"We went to NBC with the clear notion of doing it as advertiser-funded because product placement was much more organic to the concept -- it fit in naturally and even lent credibility to the environment of the restaurant," said Ben Silverman, whose

Reveille, a joint venture with Universal Television Group, conceived the show. "I think the audience will decide if it's a good model."

NBC did not have to pay for the show, it only had to commit to air it.

"'The Restaurant' was a unique concept both creatively and financially that seemed like a big risk at first and has now blossomed into a smart and groundbreaking unscripted drama," NBC entertainment president Jeff Zucker said. "We're thrilled to be part of it."

The funding fell to the three sponsors lined up by Magna.

"We're constantly looking for new ways to reach out to new prospects and customers to get our message across," said Kerry Hatch, general manager of the American Express small business service that star chef Rocco DiSpirito uses in the series to get "Rocco's" open in Manhattan. Naturally, DiSpirito also drives a Mitsubishi SUV, and Coors is the featured brew.

Each of the sponsors paid an equal share of the production, and each is pursuing its own show-related marketing campaign as well.

Advertising time will be split 50-50 between NBC and the sponsors, while Reveille and Magna will own the show and exploit it worldwide.

A holdover from the early days of television, sponsorships continue to exist with shows like the Pepsi Smash concert series, which debuted on the WB Network this week. "The Restaurant" takes it a step further by involving the advertisers in the show, though they do not have the creative influence that sponsors did in the early days of TV. "It's a throwback to the way things were done years ago but also a response to current conditions," said David Bushman, a curator at the Museum of Television & Radio in New York. "People today are just so saturated by advertising that they're just sort of zoning out during commercials."

For that reason, ad agencies are increasingly immersing themselves in television production and film production, said Susan Nunziata, executive editor of Entertainment Marketing Letter.

"They're recognizing the fact that consumers have more control over what they're viewing," Nunziata said. "Advertisers also recognize the reach of a hit entertainment property, which is far beyond what a normal TV ad will have."

Advertisers have greater control of the marketing process when they develop a show

from the ground up as opposed to working within the constraints of a particular series or network, said Riesenberg, whose Magna unit is already looking to the next opportunity, that of enabling primetime TV shows to sell products to viewers without interrupting the story flow.

As shows like "The Restaurant" suggest, reality TV is a perfect fit for product placement because it does not interfere with the creative directions a scripted drama or sitcom might take.

Mark Burnett saw that potential early on and adopted it into his hit reality series "Survivor."

"It's a great opportunity for sponsors to have more control and networks to have less risk," Burnett said. "It's a very good business move for them to have integration into the show that can't be TiVo'd out."