

“So-Called Ancillary Markets”

New Line Takes the Margins to the Mainstream

Despite its successes during the 1960s and 1970s, New Line Cinema remained a small player in the American movie business at the start of the 1980s. For many film historians, the shift from the 1970s to the 1980s marks the end of Hollywood’s momentary openness to artistic experimentation, after it had ceded some control over film production to several visionary directors who construed themselves as auteurs.¹ The “Hollywood Renaissance,” which generated offbeat but financially successful films like *Bonnie and Clyde* (1967) and *Easy Rider* (1969), facilitated the entry of new, young, and often university-educated directors such as Francis Ford Coppola and Martin Scorsese into the Hollywood system. These Hollywood virtuosos fashioned blockbuster films, including *The Godfather* (1972), *The Exorcist* (1973), *Taxi Driver* (1976), and *The Deer Hunter* (1978), that reworked conventions of established genres in ways that appeared to demonstrate Hollywood’s artistic validity.

This renaissance did not constitute Hollywood’s only mode during this period, as generic blockbusters were also successful, such as the disaster films *Airport* (1970) and *The Towering Inferno* (1974). Further, scholars point toward the immense financial success of *Jaws* (1975) and *Star Wars* (1977) as ushering in a version of “New Hollywood” based on tent-pole pictures that could spin off into sales of “ancillary” goods, such as soundtrack albums, toys, and branded clothing.² The failure of some auteur-driven films in the early 1980s, like *One from the Heart* (1982) and *Heaven’s Gate* (1980), ended the temporary power of young directors in Hollywood, while the success of films like *The Empire Strikes Back* (1980), *Raiders of the Lost Ark* (1981), and *E.T. The Extraterrestrial* (1982) confirmed that fantasy films and their sequels mapped Hollywood’s path forward through the ensuing decade.

Just as New Line Cinema illustrates an untold story of American movie culture in the 1960s and 1970s, the company also complicates our understanding of the movie industry and culture of the 1980s. Although it began the decade as a struggling independent film company, in 1990 New Line distributed the most successful independent film up to that time: *Teenage Mutant Ninja Turtles*. If it seems strange that the same company that released *Pink Flamingos* to stoned midnight movie audiences in 1973 would distribute this child-oriented fantasy film, it may be equally surprising that it was New Line's success with the *Nightmare on Elm Street* (NOES) series that prepared the company to succeed with *Turtles*. Indeed, in many ways the NOES films defined New Line Cinema in the 1980s. During this decade, New Line continued its approach of opportunistic eclecticism. This strategy led the company to broaden even further into new genres and engage with different audience groups as such opportunities appeared. In turn, this eclectic expansion impacted, altered, and complicated New Line's ongoing legend in the movie business. Much of this expansion was supported by the extraordinary success of *A Nightmare on Elm Street* (1984) and the ensuing franchise.

It was during this time that new niches opened as viable consumer markets. New Line capitalized on them at the same time that it altered its business practices to draw niche audiences and genres to the mainstream media business. The 1980s were defined by the movie industry's expansion into home video and cable.³ The decade was when movies were increasingly tied in with other commodities, including toys, clothes, and lunchboxes. Although there is a long history to such practices of "industrial intertextuality," Derek Johnson has shown that franchising developed as a coherent strategy for media production during this decade.⁴

While Hollywood perfected franchising, as evidenced by the transmedia barrage of *Batman* (1989), New Line Cinema experimented with and refined analogous industrial practices.⁵ In the 1980s, New Line walked a line between practices typical of small, independent distributors and those of the Hollywood majors. Coming from the industry's margins, New Line helped innovate the very franchise logic that the Hollywood studios adopted as a primary strategy. Although this chapter tracks a number of New Line's releases in the 1980s, I focus on NOES, the *Critters* films, and *Teenage Mutant Ninja Turtles* to show that the company innovated franchising practices in ways that reflected its marginal industry status but that allowed the company to become more central to the American media industry.

With NOES, New Line catered to the existing market for slasher films of the 1970s and 1980s and built on this success by releasing multiple sequels, as was the case with other slasher film series. Unlike many horror series, however, New Line extended NOES into multiple media platforms and consumer products, including a television series, computer video games, Halloween costumes, and other merchandise. Thus, as this chapter shows, New Line brought the Freddy

Krueger character out of the slasher genre and into a wider popular culture through franchising practices. In doing so, the NOES franchise propelled New Line more squarely into the larger, mainstream media industry. Whereas its industrial identity and cultural legend had been eclectic—perhaps erratic—in the 1970s, New Line appeared somewhat less disjointed in the 1980s with its focus on the *Nightmare on Elm Street* films. A 1992 article in *Premiere* about New Line was titled “The House That Freddy Built,” and this moniker stuck with the company for decades to follow.⁶

THE HORROR: ADJUSTING TO THE 1980S

New Line’s first significant release of the 1980s was John Waters’s *Polyester* (1981), which was produced by Waters’s Dreamland Productions. In this case, however, New Line took a role in the film’s development. As Matt Connolly has discussed, Waters sought to make a film that “look[ed] better” than his previous films and, consequently, sought a larger budget than he had previously worked with.⁷ New Line helped to finance the film, budgeted at \$300,000.⁸ Famously, *Polyester* featured the use of scratch-and-sniff cards, promoted as “Odorama” technology, which enabled audiences to smell things occurring on screen when cued.

New Line president Robert Shaye took an active role in aspects of *Polyester*’s production, giving feedback on drafts of the script.⁹ As Connolly notes, Shaye commented on the number and placement of different smells in the film, generally calling for fewer smells than Waters had planned.¹⁰ In addition to such script and Odorama issues, it appears that Shaye had final approval over the film’s casting.¹¹ *Polyester* uses Waters’s usual ensemble less than his previous works, and although the film does star Divine, it also engaged in a bit of “stunt casting” with the appearance of fading Hollywood star Tab Hunter.¹²

The film was a financial success, especially when compared to Waters’s previous two films, *Female Trouble* and *Desperate Living*. In an ad for the film following its release, New Line indicated that the film had made \$450,000 at fifty-two theaters in New York City and was successful in theaters elsewhere as well.¹³ The film was reported to have earned over \$1 million by July 1981, though its revenues quickly declined following its opening dates.¹⁴ *Polyester* continued New Line’s association with John Waters and demonstrates the company’s continued ambition to engage more consistently in film production.

But, just as the company had found it difficult to sustain regular productions in the late 1970s, it was not especially successful in producing films in the early 1980s, either. It distributed a mix of films, including the New York punk culture films *Underground U.S.A.* (1980) and *Smithereens* (1981). Yet New Line’s releases of several low-budget horror films during this time are more notable, because they represent a new genre for the company and they anticipate its eventual release of *A Nightmare on Elm Street* in 1984.

New Line experimented with horror cinema previously when it handled a reissue of *Night of the Living Dead* in 1976. This paradigmatic zombie movie was originally released in 1968 and had become an underground hit, earning \$5 million during its initial run.¹⁵ As it had done previously with *Reefer Madness*, New Line was especially opportunistic in capitalizing on the fact that *Night of the Living Dead* had entered the public domain and released the film alongside a number of other companies that obtained prints of the film; New Line catalogs indicate that it continued to distribute the film until at least 1979.¹⁶ As a cult film, *Night of the Living Dead* already fit within New Line's established identity, and the film played not just at drive-ins but also at midnight movie screenings and on college campuses. Importantly, New Line's distribution of *Night of the Living Dead* overlapped, at least momentarily, with the release of the sequel, *Dawn of the Dead* (1978), which was heavily advertised and financially successful.

New Line also handled a re-release of *The Texas Chainsaw Massacre* in 1980. Like *Night of the Living Dead*, *The Texas Chainsaw Massacre* had been produced on a small budget and proved to be a massive financial success, earning "more than \$6 million in rentals" during its initial run in 1974 and 1975.¹⁷ New Line acquired *The Texas Chainsaw Massacre* after the original distributor, Bryanston, lost control of the rights in a legal battle.¹⁸ Crucially, New Line's reissue of *Texas Chainsaw* followed a wave of "teen slasher" films, such as *Halloween* and *Friday the 13th*. In this way, New Line situated the film amid a larger generic cycle at the time.¹⁹

New Line demonstrated ingenuity in its release of *The Texas Chainsaw Massacre*. One of the major innovations transforming the distribution sector in the New Hollywood was "saturation booking," in which a film would be released simultaneously in theaters across the country. This contrasted with an earlier model in which a film would be rolled out to major downtown theaters in certain cities and over time would play in other cities, eventually making its way to smaller neighborhood theaters. New Line didn't have the capacity to manage a nationwide release for *Texas Chainsaw*, so instead engaged in a "region-by-region saturation" pattern of release. The company booked the film simultaneously in eighty-five theaters in New York in May 1981, after having played it in multiple theaters in Chicago, Cleveland, and other markets around the country.²⁰ This strategy proved successful and New Line earned \$6 million from the film in 1981 alone.²¹

In addition, New Line sold the home video rights for the film to Wizard Video for \$200,000, "the highest price ever paid for an independent film up until 1982."²² In this deal, New Line aligned with a larger industry trend of film distributors licensing their films to home video outlets, a strategy that had already proven to be a growing market since the introduction of VCRs in the United States in the mid-1970s. Indeed, home video became a crucial element of the new, multimedia "film" industry in the 1980s, and horror films such as *The Texas Chainsaw Massacre* were vital to the early growth of this sector.

In 1983, New Line released another film that would mark an important entry in the horror genre, *The Evil Dead*, by Sam Raimi. Raimi made the film in 1980 in Tennessee and Michigan on a budget of \$400,000.²³ As it played at various festivals, the film gained a reputation for its intense depictions of graphic violence. It got a promotional boost when Stephen King lauded the film after seeing it at the 1982 Cannes festival.²⁴ New Line acquired the North American distribution rights in January 1983. The company released *Evil Dead* without a rating, apparently because it did not want to release the film with an X rating.²⁵ The film's advertisements stated, "The producers recommend that no one under 17 be allowed to see *The Evil Dead*."²⁶ The film did well financially, earning over \$600,000 in its first week in New York.²⁷ It got positive reviews, with *Boxoffice* writing that it featured some impressive camerawork as well as "extreme, non-stop gore effects."²⁸ Likewise, *Variety* gave the film an excellent review, and asserted that it balanced "considerable black humor" with "showy outbursts of special effects gore and graphic violence."²⁹

In addition to these reissues and pickups, New Line became involved in the production of two horror films prior to *A Nightmare on Elm Street*. The first was *Alone in the Dark* (1982). Starring recognizable stars Jack Palance, Martin Landau, and Donald Pleasance, the film is an odd horror film about violent patients at a mental asylum breaking out and causing havoc. Mixing violent mayhem with a goofily humorous tone, it features several scenes of suspense and violence, along with one in a punk rock club. *Variety's* review of the film stated that this scene, along with a sex scene, would "help [the film] grab its fair share of young suspense fans."³⁰ New Line premiered the film at Cannes in May 1982 and put it into theaters in October. The company opened the film in Detroit and Cleveland, where it did reasonable business, and then expanded to New York and other areas.

The company also cofinanced a British sci-fi horror film, *Xtro* (1983), which featured many practical special effects. Shaye acted as the executive producer of the film and tried to get additional production financing for the film by preselling foreign distribution rights.³¹ The film tells the story of a man who gets abducted by aliens, who then replace him years later with a murderous doppelganger. *Xtro* features several scenes of visceral splatter, such as when a woman gives birth to a fully formed alien duplicate. New Line promoted the film in contrast to *E.T.*, with advertisements that depicted an alien attacking a woman in a sexually suggestive pose, with text that reads, "Some extra-terrestrials aren't friendly."³² The film received a miserable review in *Variety* that mentioned the ads' comparison to *E.T.*

Despite the lack of success with these two original productions, New Line's focus on the horror genre in the early 1980s is important in several ways. First, the move toward horror should be seen in the context of the company's greater library of films. When New Line went to Cannes in 1983, it intended to acquire around six "mass market" films, as well as "six to nine" art films.³³ At this moment, New Line's eclectic and wide-ranging approach toward cinema appears to have been

consolidated into two groupings, which remained eclectic all the same. "The very diversity of New Line's portfolio," *Film Journal* observed, "works against easy identification of a 'New Line picture,' but the vast majority of its product falls into one of two categories: exploitation . . . and various offbeat foreign/art/underground pictures."³⁴ New Line's horror films—its "mass market films"—constitutes yet another genre in its collection of specialty genres. The company's legend was still in formation, characterized in part by a lack of clear definition.

Although horror films may have been somewhat marginal when compared to Hollywood blockbusters like *Superman* (1978) or *Raiders of the Los Ark*, the genre was certainly part of mainstream movie culture in the late 1970s and 1980s. Films like *The Exorcist*, *The Amityville Horror* (1979), and *The Omen* (1976) had all been blockbusters, and even lower-budgeted, independently produced films like *Halloween* and *Friday the 13th* did exceptional business in theaters. Thus, a second significant aspect of New Line's entry into the horror market was that it placed the company in a new industrial situation. By 1982, the company had five different divisions: production, domestic and international theatrical distribution, nontheatrical distribution, and speaker presentations.³⁵ New Line was a more robust and rationalized operation than it had been in the previous decade, earning \$6 million in revenue and \$500,000 in profit in 1982.³⁶

Third, New Line's expansion into horror films in the early 1980s meant that it competed differently with companies in different strata of the industry. This included New World Pictures, which distributed horror films like *The Evil* (1978), *The Brood* (1979), and *The Slumber Party Massacre* (1982). At the same time, New Line faced new competition also in the realm of specialty cinema, as some larger studios opened divisions that handled such fare. For instance, United Artists turned its United Artists Classics into an art house division in 1980, while Orion Classics began operation in 1983.³⁷ Stanley Dudleson went so far as to say that New Line was "forced into the commercial picture business by the fact that the majors started getting into the art business."³⁸

Fourth, entering the market in horror films also signaled a *cultural* shift for New Line and its identity. In the late 1960s, the company had offered "New Films for the New Audience," hailing the college-based youth culture in its marketing and advertising of nonmainstream films. New Line continued to seek out youth audiences, among other groups, through the 1970s, through its exploitation and East Asian action films. But by the 1980s, those populations were no longer young, and the contemporaneous youth culture had different tastes. The "youth" of the late 1970s and early 1980s was *not* the same group as had attended university in the 1960s or been energized by the counterculture of that era. As many of the baby boomers who had made up this movie culture established careers, bought homes, and had children, the composition of youth movie culture necessarily shifted. This new group was more attuned to the post-Watergate, post-Vietnam, comparatively conservative consumer culture of the moment. Horror films allowed New Line to

maintain its appeal to youth audiences seeking sensational entertainment, even while the sensibilities of those youth shifted along with the forms of sensationalism they desired.

DREAMS COME TRUE

New Line developed *A Nightmare on Elm Street* amid its other horror films, but the project was distinguished for having a better pedigree. Director Wes Craven wrote the script around the time that his film *Swamp Thing* (1982) finished production, and New Line got involved in 1982. In addition to *Swamp Thing*, Craven had established a reputation as a successful director of horror films, beginning with the notorious *The Last House on the Left* (1972) as well as *The Hills Have Eyes* (1977).

Initially, *NOES* was intended to have a \$2.5 million budget, and New Line sought financial partners for the film in 1982 and continued to seek production funds through 1983.³⁹ The eventual financial arrangements for the film reflected New Line's established business practices and augured its future success in multimedia licensing. New Line gained some production funds by preselling the film's distribution rights to foreign distributors.⁴⁰ In this respect, *NOES* built on New Line's established connections to international markets achieved in the 1970s.

However, as much as half of the production budget for *NOES* was supplied by Media Home Entertainment (MHE).⁴¹ Founded in 1978, MHE was one of the earliest and most successful home video distributors in the United States. By funding the production of *NOES* through preselling the movie's home video rights, New Line tapped into a new industry sector that was altering the landscape for the movie business generally. Movies were no longer bound to the theatrical market, and television no longer served as the only secondary market for feature films. With the rise of home video and pay cable networks, movies now had multiple possibilities for commercial exploitation. Home video was becoming *central* to the movie industry of the 1980s, even as it was decentering that industry. With *NOES*, New Line actively participated in and capitalized on this industry change.

NOES began production in summer 1984. The film tells the story of several teenagers who are terrorized in their dreams by Freddy Krueger, a scary and verbose figure whose face is disfigured by burn scars and who wears a glove with razor claws at the tip of each finger. In these nightmares, Freddy can enact real violence and even kill people; the film plays on confusion between what is real and what is a dream. After Freddy vanquishes several of her classmates and friends, the protagonist Nancy squares off against him in a "final girl" scenario.⁴² The film dramatizes a split between the teenagers and their parents, as the teens do not trust their parents with the truth about Freddy because, as the film reveals, the adults burned Freddy alive after he'd killed several children. Freddy's pursuit of the teens is in retribution against their parents.



FIGURE 8. The dream logic of *A Nightmare on Elm Street* created opportunities for surrealistic imagery, such as when the villain Freddy Krueger surprisingly stretches his arms across an alleyway.

Stylistically, *A Nightmare on Elm Street* has a number of features that distinguish it from previous slasher films. The film's conceit of blurring waking reality and dream allows for a number of scenes with bizarre and fantastical imagery and illogical juxtapositions. These moments take on the character of surrealist oneirism, such as when Freddy stretches his arms ten feet in length so that he may scratch the sides of an alleyway with his claws while stalking a victim, or when his tongue erupts from the speaker of a rotary telephone while conversing with Nancy. While these images and scenes add a level of formal sophistication to the film, its more defining characteristic is Freddy's talkativeness, including one-liner zingers in the fashion of James Bond, Dirty Harry, and other male action movie figures. Unlike the decidedly mute Jason Voorhees in *Friday the 13th* and Michael Myers in *Halloween*, Freddy taunts and torments his prey verbally. This banter displays a corny, crude wittiness on Freddy's part and, in this way, connects him to audiences by letting them in on the "jokes." This verbal comedy would grow with each subsequent entry in the franchise and contributed also to Freddy's ability to find popularity beyond the confines of the slasher movie genre. Indeed, Freddy's repartee grew increasingly cheesy and juvenile as the series went on and New Line pushed to have the franchise address broader—and younger—audiences.

Upon its release in November 1984, *A Nightmare on Elm Street* was something of a blockbuster, earning moderate reviews but significant income at the box office. New Line placed it on 165 screens nationwide, then expanded to hundreds more when the box office and word of mouth proved excellent.⁴³ Driving this success, New Line promoted the film heavily prior to and during its release. As Richard

Nowell has argued, inventive marketing and advertising propelled the wave of teen slasher films of the early 1980s, and New Line in particular was innovative by “adopting the synergetic marketing tactics used for contemporaneous Hollywood blockbusters.”⁴⁴ In this case, the main ad image for *NOES* features a female teenager staring out from bed, with an obstructed, menacing figure dangling razor claws above her head. Other advertisements would supplement this image with details regarding the film’s financial success, along with quotes from positive reviews.

New Line tried to create a legend for *A Nightmare on Elm Street* early on by suggesting that the film was bigger, better, and more culturally legitimate than other slasher films. Nowell asserts that New Line promoted the *Nightmare* films “as youth event pictures.”⁴⁵ Especially in the film’s press kit, if not always in its public advertising, New Line differentiated *A Nightmare on Elm Street* from previous teen slasher films by promoting the film as “female-friendly, middle-class-centered.”⁴⁶ The company used the film’s remarkable box office numbers in its advertisements, hoping that popularity would generate more popularity. The film earned \$4 million in its first week and \$16 million in its first four months of release.⁴⁷ The film was also a major hit on home video, with MHE handling the release; *NOES* was still number eight on the rental charts thirteen weeks after its video release, and 110,000 copies of the video were eventually sold.⁴⁸ This success on home video was particularly important in bringing Freddy to young audiences that could not get into movie theaters because of the film’s R rating. A news article from 1987 reported that market research commissioned by New Line indicated that Freddy’s “core audience” was fourteen to twenty-four years old.⁴⁹

IMAGINING A FRANCHISE

The commercial success and widespread recognition of *NOES* and the Freddy character had concrete, positive effects on New Line Cinema. In January 1985, while *NOES* was still playing in theaters, New Line made a deal with RCA/Columbia Home Video. No doubt inspired by the success of *NOES*, Columbia agreed to pay New Line \$30 million for ten of the company’s upcoming productions; excluded from this deal was *NOES* itself and any related sequels, which remained with MHE.⁵⁰ The agreement provided New Line with a significant infusion of capital, enabling the company to adjust its industrial and cultural standing. Shaye indicated that the new slate of films generated out of the RCA/Columbia Home Video deal would aim for a more general audience. The films, he said, “would resemble ‘Nightmare on Elm Street’ in terms of their comparatively low cost and their appeal to a broad-based, youthful audience.”⁵¹

Here, Shaye used a rhetorical strategy that would encompass a larger cultural and industrial strategy that New Line used with *NOES* and other films and franchises: New Line attempted at every turn to take what might otherwise be seen as a marginal film, from a nonblockbuster genre, and position it in such a way as to

make it appealing to audience groups not customarily linked to that genre. The company would, in other words, take the marginal to the mainstream.

The deal with RCA/Columbia points to the changing industrial environment that New Line operated in and demonstrates the company's skill in changing its business practices to exploit this new industry situation. Home video was crucial to the spread of many films and genres from the late 1970s through the 1980s, from low-budget horror films to blockbuster hits like *Star Trek II: The Wrath of Khan* (1982). It provided a new playing field for movies, one where otherwise small, marginal companies could compete with the Hollywood majors.⁵² With the blockbuster success of *NOES* in theaters and on video, New Line was poised to create a multimedia franchise.

With his distinctive appearance, signature razor gloves, and characteristic verbosity, the Freddy Krueger character was the most distinguishing feature of *A Nightmare on Elm Street* and in many ways functioned as a "star" that accrued a cultural life and identity transcending its representation in a single film. New Line managed to license the Freddy character into a small number of related products based on the first *NOES* movie. In 1984, for instance, a company called Comics Images released packs of *NOES* stickers as well as a thirty-two-page sticker album. Though limited in its reach, this kind of licensing facilitated the dissemination of the Freddy character through paratexts aimed at consumers under the age of seventeen. Further, the kind of collecting behavior these stickers solicited indicates New Line's aim to create a longer-term relationship between consumers of any age and the Freddy character.

Yet New Line's efforts to create sequels based on the first *NOES* film outshined these early attempts at transmedia franchising. In this respect, New Line navigated a course somewhere between the independent exploitation sector and Hollywood. Perhaps more than any other genre or cycle, horror films appeared especially apt for sequelization in the 1970s and 1980s. The blockbuster success of films like *The Exorcist*, *The Omen*, and *The Amityville Horror* prompted the quick turnaround of sequels. Perhaps more important, sequels were a definitive element of the teen slasher cycle of the late 1970s and early 1980s, with four additional *Halloween* and seven more *Friday the 13th* films appearing before the end of the 1980s. Paul Wells has referred to this sequelization as a "McDonaldisation" of the horror genre, whereby these cultural products were evacuated of meaningful substance through the process of being serialized.⁵³

By invoking McDonalds, Wells gestures toward the ways the sequelization of horror films in the 1970s and 1980s aligned with broader efforts by the big media companies to create film franchises. Although Hollywood developed sequels to a number of blockbuster hits during this period, including the *Star Wars*, *Indiana Jones*, and *Superman* series, the major studios, with only a few exceptions, refrained from producing or distributing horror films. As James Kendrick notes, "The majority of horror films were therefore handled by smaller, independent

production and distribution companies such as New Line Cinema.”⁵⁴ It appears there were two parallel forms of re-exploiting intellectual properties at the time, and New Line navigated the space between them with *NOES*. For Wells, the *NOES* films epitomize the “McDonaldisation” of horror.⁵⁵ But whereas Wells suggests that the result was the genre’s degradation, it seems more fruitful to examine how such horror sequels bolstered New Line Cinema and helped innovate film franchising more generally.

The *NOES* franchise properly began with the release of *A Nightmare on Elm Street 2: Freddy’s Revenge* in November 1985. The first *NOES* film had been released on video a few months earlier and remained a successful rental when *Freddy’s Revenge* entered theaters. From the start, the sequel was imagined as part of a greater series. The press reported, “Shaye believes that he has on his hands a full-fledged ‘horror franchise’ along the lines of that which accrued to the producers of the original ‘Friday the 13th’ terror feature.”⁵⁶ The film takes place five years after the first and features a family with a teenage boy, Jesse, who gets terrorized by Freddy in nightmares after moving into the house where Nancy had lived. Aside from Freddy, *Freddy’s Revenge* features none of the characters from the first movie. Over the course of the film, Freddy takes possession of Jesse and, through him, kills several people, while Jesse struggles to keep Freddy from taking complete control. The sequel is distinctive in reversing the gender dynamics found in many slasher films, as well as in featuring a mass killing of teenagers on Freddy’s part, as opposed to the single-kill scenarios more typical of the genre. It ends with an explicit opening for a sequel, just as the first film does.

New Line opened the film on 520 screens and planned to have it play on 1,600 screens during its theatrical run.⁵⁷ New Line advertised *Freddy’s Revenge* so as to invite a large, general audience. Nowell has asserted that “the marketing campaign [for *Freddy’s Revenge*] . . . highlighted the film’s focus on young love so as to invite comparisons to youth-oriented Hollywood hits.”⁵⁸ The film’s poster features a young man caressing a woman in a negligee, looking past her into a mirror image in which he appears as a Freddy-like monster. Hinting at the film’s possession narrative, the poster combines the threat of violence with sexual innuendo, in keeping with the tropes of slasher films.

Freddy’s Revenge capitalized on the positive reception the first *NOES* film had generated and proved to be even more financially successful than the first film. In fact, this pattern of increasing financial returns persisted for the *NOES* franchise through *A Nightmare on Elm Street 4: The Dream Master* in 1988. *Freddy’s Revenge* earned over \$3 million in its opening weekend and more than \$30 million in total at the box office.⁵⁹ Further, as one article noted, *Freddy’s Revenge* “is shaping up to be a monster home video hit. According to various reports, Media [Home Entertainment] has shipped nearly 200,000 copies to distributors and retailers. It’s Media’s biggest seller by far.”⁶⁰

Strategically, MHE dropped the price for the original *NOES* video from \$80 to \$20 in July 1986, simultaneous with the video release of *Freddy’s Revenge*.⁶¹ This

pricing strategy conformed to a larger move toward sell-through in home video during the mid-1980s, especially for blockbuster hits.⁶² Although it is unclear whether this decision affected video sales for the first *NOES* movie, MHE's strategy reveals that the company believed it had already saturated the rental market and could use a promotional boost. It also shows that the company treated the film as an A-grade video title comparable to something like *The Wrath of Khan* or *Top Gun* (1986). In fact, when MHE released *Freddy's Revenge* on video in the summer of 1986, the company engaged in an extravagant promotional campaign that brought Freddy into a wider public arena and helped establish *NOES* as a multimedia franchise. Instead of the film's poster imagery, the cover of the VHS tape depicted Freddy's face staring out from the box, with his gloved hand prominently displayed. It appears MHE and New Line recognized that, by this point, Freddy had become such a draw for the films that he should be isolated and featured in advertising. MHE spent more than \$1 million on the promotional campaign and distributed materials that included "the industry's first three-dimensional molded plastic poster and a six-foot [sic] standee" cutout of the Freddy character.⁶³ In addition, the company distributed Freddy merchandise, such as calendars, and apparently had people in Freddy costumes appear at various locations.⁶⁴ These promotional efforts extended Freddy far beyond the textual bounds of the two feature films, placing him widely into everyday cultural life.

Just prior to the theatrical release of *Freddy's Revenge*, Shaye announced that New Line was trying to license Freddy for a video game and "other licensed merchandise."⁶⁵ Yet New Line faced challenges in this endeavor. Shaye said that New Line, as primarily a film company, did not make movies to *intentionally* franchise them into other products. He also acknowledged the difficulty in getting "youth-oriented licensing deals for R-rated films, 'unless the film happens to be Rambo.'"⁶⁶ Although Shaye sought to position *NOES* as a transmedia franchise, the text posed problems for the creation of paratexts. New Line's efforts to franchise Freddy were linked to having the character transcend the demographic for R-rated films and enter the realm of kids' media culture specifically.

ATTEMPTS AT EXPANSION

The success of the first *NOES* film prompted New Line to reimagine itself as a company that generated film franchises that could gain broader audiences. It was one of many moments when the company assessed its capabilities and successes and vied to augment its cultural presence. *Critters* represents the company's attempt at expanding beyond the *NOES* series in this way. It was the first film that resulted from New Line's home video deal with RCA/Columbia, a product of the company's efforts to attain a more prominent position within the media industry.⁶⁷ New Line endeavored to augment its industrial reputation when it used *Critters*, in combination with *A Nightmare on Elm Street 2*, to assert the company's growth and larger status at the 1986 Cannes Film Festival.⁶⁸

New Line developed *Critters* in early 1985, with a planned budget of \$3 million, and shot the film in summer 1985.⁶⁹ It released the film on April 11, 1986, on over 600 screens, making it the company's largest theatrical release to that point.⁷⁰ By comparison, Paramount initially released *Top Gun* on 1,028 screens and Tri-Star placed *Short Circuit* (1986) on 1,064 screens when those films debuted the following month.⁷¹

Critters begins with the titular creatures escaping from a prison on an asteroid. Two shape-shifting, alien bounty hunters track them to a small town on Earth. There, the film focuses on the Browns, a family with a teenage daughter and a pre-teen son. The critters' ship lands near the Browns' farm, and the creatures, which roll speedily across the ground, begin attacking everyone and everything in sight. Amid this mayhem, the film maintains moments of quirky humor, such as when one stares down and bites the head off an E.T. doll. Eventually, the bounty hunters arrive at the Brown farm and eradicate the critters. The last image of the movie promises a sequel, however, by showing unhatched critter eggs in the barn.

Critters earned mixed reviews, many of which compared the film unfavorably to *Gremlins* (1984). A critic at the *Boston Globe*, for instance, wrote, "'Critters' seems to want to do nothing more than rip off 'Gremlins' and half a dozen other sci-fi outings."⁷² Such comparisons to *Gremlins* are unsurprising, as that film had been released nearly two years earlier and garnered lots of press. New Line did little to avoid these comparisons with *Gremlins*, and in fact New Line executives referred to the film as a "thematic mix of 'Gremlins' and 'The Terminator.'"⁷³ Although film distributors commonly associate their films with successful similar films, *Critters* was firmly associated with the mainstream hit *Gremlins*, both by New Line and within the wider critical discourse.

Critters contributed to a broader wave of "little monster" movies appearing in the mid-1980s. Although *Gremlins* initiated it, the cycle was largely regarded as trash cinema. In another review of *Critters*, the *Los Angeles Times* movie critic wrote, "Two years ago we had 'Gremlins' . . . it was a good movie. . . . Last year we had 'Ghoulies' . . . a stinker [that] cleaned up at the box office. . . . And now we have another species: 'Critters.'"⁷⁴ Aside from *Gremlins*, *Ghoulies* (1984), and *Critters*, other films in this wave included *Munchies* (1987) and *Hobgoblins* (1988). In all of them, small, mischievous, or outright malevolent little monsters wreak havoc on a family or an entire community. Unlike *Gremlins*, however, which had a respectable production budget and got a major release by Warner Bros., all the other little-monster films were produced inexpensively and distributed by small, independent companies. The cycle, then, largely fell into the realm of cult or exploitation cinema, as a result of the films' industrial conditions and apparent derivativeness.

Yet it appears that New Line hoped to emulate *Gremlins*' mainstream success, in particular by drawing on the company's experience with the first NOES film. Before *Critters* was released, New Line situated the film as a franchise-in-the-making by pairing it with *Freddy's Revenge* in publicity and advertisements. New Line took

out a two-page spread in *Variety* in May 1985, for instance, to promote its films to international and home video distributors; the left-hand page advertised *A Nightmare on Elm Street 2*, and the right side was devoted to *Critters*. This cartoon ad prominently featured the gun-toting alien bounty hunters from the film, standing above a pile of critters with glowing eyes huddled into a pile, and had the tagline, "They're loose, hungry and in pre-production."⁷⁵ Here, the company presents the two films side by side as though they are both related to the success of the first *NOES* film, as though they both somehow extend from that film. Similarly, New Line ran a two-page advertisement in *Variety* regarding the company's participation in the 1986 ShoWest convention, and highlighted *Critters* alongside details about the financial success of *Freddy's Revenge*.⁷⁶ In combination, these ads suggested that *Critters* could earn revenues comparable to the *Nightmare* sequel's. *Critters* was a modest financial hit, though more modest than *Gremlins* or New Line's own *Nightmare on Elm Street*, earning \$4.7 million in North American theaters.⁷⁷

Propped up by the financial success and public awareness of the *NOES* films and *Critters*, New Line announced in July 1986 its plans to become a publicly traded company. It planned to offer more than 1.6 million shares of common stock, aiming for a price of \$10–\$13 per share. Investment bank Drexel Burnham Lambert underwrote this initial public offering (IPO), hoping to raise \$20 million.⁷⁸ Although boosted by the \$30 million from the deal with RCA/Columbia Home Video, this IPO represented an attempt by New Line to attain more robust and stable financing, as well as a more significant and competitive place in the larger media industry.

By this point in the 1980s, all the major Hollywood studios were part of larger conglomerates and, as a result, could draw on substantial financial resources. Indeed, most of the conglomerates that owned major studios saw significant gains in stock price that year. Moreover, New Line's public stock offering was part of a wave of IPOs by a range of media companies in 1986 that sought to capitalize on what was then a bull market (in advance of the financial crash of 1987). Other media companies that went public that year included Carolco, De Laurentis Entertainment, News Corp., and Aaron Spelling Productions.⁷⁹ Thus, in its attempt to create larger, more mainstream film series and franchises, New Line also engaged in larger, more mainstream industrial endeavors. Shay indicated as much, and said that he hoped the money gained through the IPO would "provide us with the wherewithal to expand in intelligent directions"—i.e., film production and general corporate purposes, as well as to repay some \$5,500,000 in corporate debt.⁸⁰

The company received good press in advance of the IPO, with one investment review stating that New Line was a "producer and distributor of trendy horror films, such as *Nightmare on Elm Street I* and *II*."⁸¹ The company went through with the IPO in late September, but the stock offering quickly proved a disappointment. Of the 1.6 million shares offered, only 800,000 were sold, and instead of \$10–\$13

per share, the stock sold at \$8. Although the IPO raised only \$6.4 million, Shaye maintained that the revenue generated would facilitate the company's growing slate of original productions, as well as pay marketing expenses and support other corporate purposes.⁸² Reflecting the company's new corporate stature, New Line ran advertisements in trade publications in October carrying the slogan "New Line Cinema. Where entertainment gets down to business."⁸³

New Line's internal business documents from this time also indicate continued hopes for expansion. The company's 1986 annual report, its first since going public, declared, "Our fiscal performance in 1986 achieved record levels, primarily as a result of the success of *Critters* and *A Nightmare on Elm Street 2: Freddy's Revenge*, in both the motion picture and home video marketplaces."⁸⁴ The company earned revenues of over \$26 million in 1986: significantly smaller than the earnings of a major studio but remarkable for an independent distributor. The NOES films and *Critters* were multimedia victories that included home video. Moreover, these achievements generated additional productions, particularly sequels for both *Critters* and *Nightmare on Elm Street*.

FRANCHISING FREDDY

New Line Cinema's 1986 annual report contains a revealing statement: "Although New Line Cinema generates most of its revenue from the theatrical distribution of its films, so-called ancillary markets like home video, cable and broadcast TV have become increasingly important profit centers for the Company."⁸⁵

As New Line thus conceived of itself, it was broaching mainstream media industry practices while still holding to its position as an independent film distributor. As the industry transformed around it, New Line endeavored to bring its content into a much broader cultural arena, and did so by adopting, adapting, and innovating the business practices of multimedia licensing and merchandizing. These were only "so-called ancillary" markets because, in fact, Hollywood was proving that licensing and merchandising could be central to the contemporary media business.

New Line realized this ambition most fully with *A Nightmare on Elm Street 3: The Dream Warriors* (1987). Production on the film began in October 1986 with a budget of \$4.6 million.⁸⁶ In the film, Freddy Krueger once again terrorizes a host of teenagers, but this time all are patients at a psychiatric hospital where Nancy, the protagonist from the first NOES film, works as a therapist. Nancy and the teens work together through hypnosis to have collective dreams in which they develop skills to fight Freddy. They work to secure the physical remains of Freddy in order to lay him to rest and eliminate him forever. They are successful, it seems, though Nancy and several of the teens are killed in the process.

For *Dream Warriors*, New Line engaged in its first nationwide release in February 1987, opening the movie in 1,300 theaters across the country.⁸⁷ The company

spent more than \$5 million promoting the film, including placing television advertisements in 220 markets around the United States.⁸⁸ These ads highlight Freddy and show various characters encountering spooky, surreal environments. Posters and newspaper ads for the film situated it as a youthful adventure film, with four teenagers brandishing different weapons and facing down an immense image of Freddy's face, his razors pointed outward. With the teens' backs to the viewer, Freddy serves as the primary draw for the film. Reviews of the film were positive and noted that its tone benefited from self-conscious humor delivered largely through Freddy's banter.⁸⁹ Supported by this marketing push, *Dream Warriors* earned nearly \$9 million in its first weekend, which was the best opening weekend of any film to date that year.⁹⁰ The film would go on to garner a total of \$45 million at the box office and sell 185,000 video units.⁹¹

In addition to ads, *Dream Warriors* was accompanied by a wave of cross-promotion and, eventually, concerted efforts at transmedia franchising. Freddy appeared in several promotional spots on MTV prior to the film's release, and the character served as a guest host on the station. In addition, the heavy metal band Dokken recorded the film's title song, and the music video for the power ballad premiered at the time of the film's theatrical release. In typical crossover video fashion, it depicts segments from the movie interspersed with images of the band performing; Freddy also appears at the end of the video, breaking the fourth wall by asking viewers, "Who were those guys?"

A news article from the time took stock of *NOES* as a cultural phenomenon and of Freddy as an unlikely star. It began: "The folks at New Line Cinema knew that Freddy Krueger was on his way to official cult status when the display art began to disappear from video stores and theater lobbies. The cardboard cutouts and gory one-sheets . . . were pilfered or, in some cases, sold to teen-age Freddy worshippers." However anecdotal this claim may be, it suggests that New Line's efforts at promoting Freddy via advertising paratexts helped to generate a greater appetite for additional paratexts that could be sold as commodities. "In the coming months," the article observed, "there will be Freddy T-shirts and Freddy bubble gum, Freddy wall posters . . . wall hangings and pillowcases."⁹² The pillowcases represent an especially ironic form of merchandising, given that Freddy kills his victims while they sleep.

For New Line, the cross-promotion and licensing of Freddy entailed a strategic endeavor. The company's 1987 annual report stated that New Line had recently completed business deals that had the "potential to significantly broaden the Company's operations," particularly through creating television spin-offs and licensed merchandise. The report claimed that licensing and merchandising its film properties was "yielding a new and growing source of revenue."⁹³ It detailed how Freddy Krueger had been successfully merchandised in the form of Halloween costumes and reported that "model kits, *Elm Street* board games, hologram watches, skateboards, and a seven-foot blow-up Freddy figure are all now on the market."⁹⁴

The practice of creating merchandise based on successful films was not unusual in the mid-1980s. For film historian Justin Wyatt, films like *Grease* (1978) epitomize the “high concept” trend of the 1970s and 1980s, in which a film was merely one element in a larger, coordinated effort to exploit an intellectual property in multiple media forms.⁹⁵ In this context, sequels were just one manifestation, among many, of a recycled intellectual property. What makes the *Nightmare on Elm Street* franchise so remarkable is the way New Line managed to transcend the traditional market for teen slasher films and bring the Freddy character into a cultural mainstream.

This popularity and financial success were all the more notable for the way *NOES* engaged child consumers. Many children accessed the *NOES* franchise in some manner or other during the decade. As Nowell observes, New Line courted preteen consumers to the *NOES* franchise through merchandise and spin-off products.⁹⁶ Ian Conrich has likewise noted that savvy marketing and merchandising of the Freddy Krueger character likely helped the character appeal particularly to children.⁹⁷ Admittedly, *NOES* was not the first R-rated film series to be franchised across media in ways that engaged with multiple demographics. Similar merchandizing occurred with Jason Voorhees from the *Friday the 13th* films, as well as Leatherface from *The Texas Chainsaw Massacre*, including clothing, comic books, and video games. Similarly, as Shaye noted, the Rambo character from *First Blood* (1982) and *Rambo: First Blood Part II* (1985) appeared in numerous products, including action figures from Coleco, and in other media like video games and the animated series *Rambo: The Force of Freedom* (1986). Thus, rather than calling the multimedia franchising of *NOES* to children unique, it is more accurate to say that *NOES* contributed strongly to the franchising logics of the time, which included the proliferation of texts and products that crossed previously assumed divisions between “adult” and “child” consumers.

Freddy Krueger was reported to be the best-selling Halloween costume in 1987.⁹⁸ Marty Toy Company made a version of Freddy’s glove, with plastic blades extending from the fingers. The package reads: “Not recommended for children under 10 years of age. Caution: do not use this glove in any violent manner. Do not wave, poke or jab this glove at anybody’s face, eyes, ears, or nose.” Designed both to thrill children and appease concerned parents, the package features a picture of Freddy extending his claws while reassuring buyers, “Soft plastic blades! No sharp edges!” and “It’s play safe!” Collegeville Costumes also produced a Freddy costume in 1987, which included a mask of Freddy’s burned face and packaging indicating that a “medium” was the right size for trick-or-treaters seven to eight years old.

Similarly, a *NOES* board game was released in 1987 for “ages 8 to adult,” the box advised. Retailing for \$24.95, the game was produced by Victory Games, a subsidiary of Avalon Hill, known for publishing war and role-playing games. Also in 1987, New Line worked with the Moss Music Group to release a novelty album, “Freddy’s Greatest Hits,” which was released on Moss’s sublabel RIC Records. Primarily a female synth pop album, it consists of original compositions and cover

songs, with Freddy Krueger occasionally interjecting roars and sinister laughs, including “Wooly Booly,” “Do the Freddy,” and “In the Midnight Hour.”

The *NOES* franchise continued to proliferate across texts and products beyond the *Dream Warriors*. In the summer of 1988, the rap group the Fat Boys released the album *Coming Back Hard Again*, which featured the song “Are You Ready for Freddy?” This track features the Freddy character talking and rapping along with the Fat Boys. The song was released in the wake of another song that invoked Freddy and *NOES*, “Nightmare on My Street,” by DJ Jazzy Jeff and the Fresh Prince, which appeared on the album *He’s the DJ, I’m the Rapper*, released in March. Documents show that New Line negotiated with representatives for DJ Jazzy Jeff and the Fresh Prince to create a video based on *NOES* at the same time the company was working out a similar deal with the Fat Boys. Negotiations with the Fresh Prince broke down, however, just as *He’s the DJ, I’m the Rapper* came out, which still included the *NOES*-themed song. Moreover, a music video for “A Nightmare on My Street” was produced that featured characters and settings that resembled the *NOES* films. New Line sued the music company responsible for the video, and a court upheld an injunction against it being aired. Instead, the video for the Fat Boys’ “Are You Ready for Freddy?” aired on MTV in fall 1988 and depicted the Freddy character terrorizing the Fat Boys.

Court documents from the lawsuit state that New Line sought a rap song specifically because the company understood that “40 percent of the *Nightmare* series audience was Black.”⁹⁹ Whether or not this figure was accurate, the document shows that New Line aimed to create paratexts that appealed to specific demographics, in this case defining audiences in terms of race. Franchising, in other words, served as a way of confirming and strengthening a relationship between the distributor and a specific consumer group, however imagined or real that group might be. This document suggests how New Line used the lessons it learned on college campuses in the 1970s in the 1980s. The company conceived of audiences as having tastes and preferences based on their social identity. Clearly, in the case of *NOES*, this was not a simple matter of representation, of showing Black characters in a film so as to invite Black viewers, for instance. Rather, it shows New Line’s more flexible understanding of taste, content, and social identities. This instance of marketing to social identity does not just point to New Line’s history but also to its future, as the company would increase its focus on Black audiences through the use of hip-hop and hip-hop culture in its movies in the 1990s.

With the Fat Boys’ song and video now circulating among the many other iterations of Freddy across pop culture, New Line launched the fourth *NOES* film in August 1988, *The Dream Master*. Produced for \$6 million, the movie opened on more than 1,700 screens.¹⁰⁰ The company spent around \$10 million in promoting and advertising the film, helping it earn \$12.8 million in its opening weekend.¹⁰¹ *The Dream Master* reached \$50 million overall at the box office and sold about 300,000 video units, once again surpassing the film that had come before.¹⁰² Then,

in October 1988, a new *NOES* television program went on the air, *Freddy's Nightmares—A Nightmare on Elm Street, the Series*. *Freddy's Nightmares* was an anthology horror series, somewhat resembling *The Twilight Zone* (1959–64) or *Tales from the Dark Side* (1983–88), with each episode centered on a different short, independent, spooky story. Freddy provided introductions and epilogues to each episode and appeared in several of the stories as well. The program was not especially popular, but it managed to bring the *NOES* franchise into people's living rooms via broadcast.

New Line continued to proliferate Freddy through 1988 and 1989. There was a pay-per-minute 900 number with a trivia game. Freddy appeared in Marvel comic books. There continued to be stickers and collectible cards (TOPPS and IMPEL), and another board game was released in 1989, this one by Cardinal Industries.¹⁰³ Freddy appeared in video games as well, following such horror movie game adaptations as *Texas Chainsaw Massacre* for the Atari 2600 in 1982 and the *Friday the 13th* game on Nintendo. The *NOES* game came out in 1990 on the Nintendo Entertainment System, and other versions of a *NOES* game appeared for home computers. Produced by LJN, known for making games based on movies, the Nintendo game is a side-scroller in which players navigate a spooky house and fight off various creatures. In the end, players confront a giant, flying Freddy head and then a disembodied Freddy glove.

The process of making *NOES* a widely popular media franchise, and of bringing the Freddy character into the realm of kids' media culture more particularly, was not always smooth. In 1988, New Line worked with Matchbox to create an action figure of the character, and in 1989 the toy company released a Freddy doll that spoke when one pulled a drawstring. However, religious groups threatened a boycott, which prompted Matchbox to release fewer dolls than planned and halt all advertising for the figures. Similarly, after Marvel published a Freddy comic book in 1989, at least one comic shop allowed only patrons sixteen years or older to purchase it. In the face of this policy, one fourteen-year-old customer said, "It's so stupid, when you've already seen the movie [on home video] . . . I don't see how the comic could be more violent or more frightening."¹⁰⁴ New Line also garnered criticism when a survey of ten- to thirteen-year-olds conducted by the National Coalition on Television Violence found that more kids could identify Freddy than could identify Abraham Lincoln or Dr. Martin Luther King Jr.¹⁰⁵

Despite such difficulties, New Line's efforts in franchising *NOES* remained strong; in some ways, the survey cited above serves as evidence of New Line's success. These franchising activities were so systematized that in 1989 New Line distributed an "Elm Street Catalog" of "gifts and collectibles." In addition to offering many of the products sold in stores individually, including games, action figures, posters, and T-shirts, the catalog also showcased *NOES*-themed jewelry, watches, and sunglasses, as well as videos for all *NOES* films made to that point. Projections indicated that retail sales of *NOES*-related products might reach \$15 million in

1988.¹⁰⁶ Legal documents indicate that New Line earned over \$2 million in 1988 from licensing fees and royalties from the NOES films.¹⁰⁷ As Nowell indicates, New Line “exerted only partial control over the consequences” of this franchising activity.¹⁰⁸ But as Derek Johnson has pointed out, franchising relies on partnerships among different firms in their shared exploitation of intellectual property.¹⁰⁹ Thus, rather than seeing New Line’s “lack of control” as a weakness, it seems more accurate to point out, first, that New Line did indeed approach franchising from a position of industrial marginality and, second, that these licensing deals spread Freddy more widely through culture and, in the process, generated additional value for the films themselves.

CORPORATE, INDEPENDENT

In spring 1986, on the heels of the success of *Critters* and the first two NOES films, New Line opened a number of branch offices in cities around the country, including one in Los Angeles that was soon listed as the primary address for “New Line Distribution, Inc.” in the company’s advertising and promotional materials.¹¹⁰ Although New Line maintained its headquarters in New York during this period, by 1990 the Los Angeles office was so active that more than half of the company’s employees worked there.¹¹¹ This included New Line executive Sara Risher, for example, who had worked at New Line since 1974 in a variety of publicity and production positions before becoming the president of New Line Productions in 1987.¹¹² In public discourses Shaye and other New Line workers continued to situate the company in an ambivalent relationship to Hollywood. But from the mid-1980s onward, the company’s growth, expanding production and distribution capacity, and business practices increasingly aligned it with the mainstream movie business. In terms of business practices, this move toward the mainstream included New Line’s use of external market research for its films. In the 1960s and 1970s, and even to a large degree in the early 1980s, New Line depended on a closer connection to its intended audiences and employed marketing and distribution practices that engaged these communities, whether through on-the-ground marketing on college campuses or releasing films in slow but flexible, regional theatrical rollouts. Now answerable to shareholders, the corporate incarnation of New Line sought to rationalize its marketing, advertising, and distribution efforts.

Justin Wyatt has argued that the New Hollywood, or “High Concept” cinema, is defined largely by the integration of marketing and filmmaking, and by the commonplace use of market research. “Although market research in the film industry can be traced back to forecasts of market demand for movies in 1915,” Wyatt writes, “market research did not become an integral part of the film industry until the late 1970s.”¹¹³ This entailed the outsourcing of research regarding audiences’ tastes, interests, and preferences to specialized firms, particularly National Research Group (NRG). As of 1986, NRG handled test screenings for “two-thirds of all

movies released in the United States.”¹¹⁴ Test screenings and other forms of market research carried out before the release of a film entail measuring audience members themselves, and not just their tastes. In this regard, NRG and similar companies use social scientific methods, including questionnaires and focus groups, to link cinematic tastes to demographic characteristics of audiences, including gender and age. NRG and market research more generally systematized a practice that New Line had developed more fluidly in the 1970s, orienting its marketing and advertising efforts around the idea that social identities affect audience tastes.

Hollywood’s increased reliance on market research was intertwined with conglomeration. Because these companies were now so large, diversified, and accountable to corporate shareholders, market research promised a rational way to assess an otherwise difficult cultural terrain.¹¹⁵ Accordingly, New Line’s outsourcing of market research to NRG in the late 1980s speaks to the company’s changing conditions and its less proximal connection to its audiences. These shifts become apparent in the company’s handling of John Waters’s film *Hairspray* (1988). If *Polyester*, with its R rating and toned-down weirdness, marked a move toward the mainstream by Waters, then *Hairspray* appears to approach the mainstream even more. Filming for *Hairspray* occurred in the summer of 1987, and it featured an “all-star” cast including singers Debbie Harry and Sonny Bono.¹¹⁶ The budget for the film was around \$2 million, the largest ever for a Waters film.¹¹⁷ The movie tells the story of a young woman in 1960s Baltimore, Tracy, who rises to fame by appearing on an *American Bandstand*-type dance show; along the way, Tracy helps to make the program racially integrated. It earned a PG rating from the MPAA.

New Line worked hard to make the film a breakout hit. The company employed PMK Public Relations to handle a wide-scale promotional campaign for the film in advance of its release in late February 1988. PMK coordinated reviews and feature stories in a number of national and international magazines, including *Elle*, *Premier*, *Vanity Fair*, and *Teen*. It also organized advanced screenings of the film for critics at a number of long-lead magazines, such as *Newsweek* and *Time*.¹¹⁸ Whereas in the past, New Line handled its own promotion for its films, the company’s work with PMK indicates that it required assistance in handling the wide-ranging promotional efforts that a national theatrical release required.

New Line also worked with NRG to assess the effectiveness of *Hairspray*’s trailer and print ads. NRG conducted intercept interviews with roughly 250 people in five cities across the United States, breaking these groups down according to age and education. In addition, NRG categorized respondents according to their viewership of “eleven sophisticated movies,” thus aiming to identify the cinephiles among them.¹¹⁹ The firm also conducted intercept interviews in eight cities for the film’s print ads, and divided the research population according to age, gender, and film-viewing habits. Although the trailer tested badly among all moviegoers, it appears that the audience clearly identified the film as a comedy with music and dance and expressed some interest in the film’s dancing element.¹²⁰ The print ads also tested

badly overall, but viewers responded most strongly to images of people dancing.¹²¹ Indeed, the ad that New Line actually placed in newspapers across the country shows only the legs of a man and woman dancing.

In light of these market research reports, New Line opened the film in only seventy-nine theaters following its premier in Baltimore. The film did modestly well, however, and earned \$1.5 million in its first ten days of release, prompting New Line to expand it into more than two hundred theaters.¹²² Sadly, Waters's star Divine, who played the protagonist's mother in *Hairspray*, died just as the film spread to more theaters. The movie received positive reviews, and much of the discourse about the film centered on how "mainstream" it was.¹²³ Although it earned only \$2.7 million over the course of 1988, the film marked a significant success for Waters as a director and helped sustain New Line's growth at the time.¹²⁴

The late 1980s were difficult for a number of publicly traded, independent media companies, a situation not helped by the stock market crash of 1987. In August 1988, the De Laurentiis Entertainment Group filed for bankruptcy.¹²⁵ The Securities and Exchange Commission sued Cannon Films for misrepresenting its earnings, and the company was subsequently dismantled and sold to other media companies.¹²⁶ New World's stock price plummeted as well.¹²⁷ New Line stood out in this context as an anomalous, though still modest, success. As one news story put it, "New Line remains an almost solitary exemplar of an independent film company whose ambitions have not outstretched its resources."¹²⁸ News articles detailed how financially conservative and reliable New Line was, even if its stock performance was mediocre.¹²⁹

Beginning in 1988, New Line planned to double its production slate in an attempt to diversify into new genres and pursue franchises beyond *NOES*. An internal memo from 1988 referred to *A Nightmare on Elm Street* and *Critters* as "tried and true" examples of the company's efforts to make "teenage movies for a mass audience."¹³⁰ A New Line marketing executive remarked, "It would be nice if *Critters* turned out to be the same kind of franchise as *Nightmare*."¹³¹ Similarly, the company's 1987 annual report notes the company's success in licensing *NOES* and then states, "Similar exploitation of items from *Hairspray* and *Critters* are now being explored."¹³² New Line also toyed with the idea of a *Hairspray* television program.¹³³ Although it does not appear that any *Critters* merchandise or a *Hairspray*-based TV program was made, the annual report makes clear that New Line sought to expand both films into a multimedia franchises.

But the *Critters* series demonstrates that New Line needed to be flexible with its franchising activities. The company released *Critters 2: The Main Course* in April 1988. The film's story follows the first, with the critters back to terrorize the same small town, and several characters from the original appear in the sequel. It made nearly \$2 million in its opening weekend.¹³⁴ Its revenues dropped quickly in the following weeks, however, and the film earned around \$3.8 million during its theatrical run.¹³⁵

The film's performance raised questions about the potential for *Critters* to find widespread popularity. A review in *Boxoffice* put it this way: "This klutzy sequel to the 'Gremlins' rip-off managed to gross only \$3.3 million in its first two weeks, meaning that we've probably seen the last of those rotten old Crites."¹³⁶ Further, a number of the other, low-budget "little monster" movies were released in the late 1980s. In addition to *Munchies*, which came out in 1987, both *Hobgoblins* and *Ghoulies 2* came out the following year. By this point, films like *Critters 2* that featured small mischievous monsters were more associated with cheap exploitation cinema than with Hollywood franchises like *Gremlins*.

Following the theatrical run of *Critters 2*, Shaye defended the film: "Critters' was less successful at the box office (than 'Elm Street'), but the greatest financial success of 'Critters' came through television and home video."¹³⁷ Shaye here indicated that those "so-called ancillary markets" actually serve as an important source of revenue. "There's equivalent interest for 'Critters 2,'" said Shaye. "If it's as strong as it seems, there might be a 'Critters 3.' But if we don't have an idea for it, there won't be one."¹³⁸ Although New Line may have hoped to generate multiple transmedia franchises, it remained flexible as it tried to exploit an intellectual property as much as possible. In fact, *Critters 2* was not a hit on video.

New Line produced the sequels *Critters 3* and *4* back to back in the summer of 1991.¹³⁹ The company used this cost-saving strategy years later with the *Lord of the Rings* trilogy. But that is where comparisons to *The Lord of the Rings* end, as *Critters 3* and *4* are decidedly low-budget, campy films aimed at an audience of cult horror fans. Although New Line attempted to generate interest in the films in various markets, both sequels were direct-to-video releases, with *Critters 3* coming out in 1991 and *Critters 4* in 1992. It appears that New Line was resigned to the idea that *Critters 3* and *4* occupied the same disreputable cultural zone as *Ghoulies 2* or *Munchies*. The straight-to-video releases of *Critters 3* and *4* show how the company still had one foot in exploitation cinema and another in mainstream, transmedia franchises.

OUT OF THE SEWERS

New Line took additional steps toward the mainstream of the movie business and popular culture in the early 1990s. It promoted several executives in 1989, including making Janet Grillo the vice president of creative affairs for the East Coast.¹⁴⁰ By 1991, she served as the East Coast director of development and eventually worked as the senior VP of production in the East Coast office. In September 1990, the company made a major addition to its management team when it hired Michael Lynne as its president and chief operating officer. Shaye had known Lynne when the two were enrolled at Columbia Law School in the 1960s, and Lynne had worked in entertainment law for several decades.¹⁴¹ After reconnecting with Shaye in 1984, Lynne served as outside counsel for New Line and as a company board

member.¹⁴² With Shaye maintaining his position as chair and chief executive officer, the addition of Lynne inaugurated a wave of industrial expansion. A news article stated that Lynne would assist New Line “as it expands into other sectors of entertainment, such as television production, home video and pay-per-view television.”¹⁴³ Lynne added, “I will become primarily responsible for expansion of the business base of the company into new areas, and to insure that those expansions are properly managed.”¹⁴⁴

In June 1990, New Line invested in the television production company RHI Entertainment, thereby significantly expanding New Line’s TV division, which had previously produced *Freddy’s Nightmares*.¹⁴⁵ In November, New Line formed its own home video division, New Line Home Video.¹⁴⁶ Although RCA/Columbia continued distributing some New Line titles, the creation of the new division indicates New Line’s growing capabilities and, perhaps more important, its ability to better control the exploitation of its films across different media.¹⁴⁷

In fact, New Line bought the home video rights to the NOES franchise from MHE for between \$5 and \$6 million in 1991.¹⁴⁸ Further, as part of the deal with RHI, New Line acquired the rights to around one thousand films and television programs held by RHI’s corporate parent, which the company could then distribute on home video.¹⁴⁹ Similarly, in May 1991, New Line acquired the rights to the library of six hundred titles held by Nelson Holdings for \$15 million, including *The Graduate* (1967) and *When Harry Met Sally* (1989), as well as all current and future films by Castle Rock Entertainment.¹⁵⁰ This gave New Line the video rights to the horror film *Misery* (1990), which was a big hit on video. New Line was now a full-fledged multimedia company, involved in theatrical, television, and home video distribution as well as film production.

The NOES franchise continued to succeed during this period, though not so well as it had previously. *A Nightmare on Elm Street 5: The Dream Child* opened in 1,900 theaters in August 1989, but it garnered largely negative reviews, many of which indicated that the NOES franchise felt spent.¹⁵¹ The film earned around \$21 million at the box office, which is substantial but represents less than half the amount made by the previous NOES film.¹⁵² A sixth NOES film, *Freddy’s Dead: The Final Nightmare*, was released on Friday, September 13, 1991, and featured a 3-D sequence at the end of the film.¹⁵³ New Line promoted the film heavily, including a promotional documentary aired on MTV.¹⁵⁴ In addition, New Line secured a product tie-in for the film with Barq’s Root Beer whereby Barq’s distributed coupons for the film’s 3-D glasses.¹⁵⁵ The film grossed \$35 million at the box office.¹⁵⁶ Thus, even though it might be slowing down, the NOES franchise remained highly successful.

But New Line found its greatest economic and cultural success to date by attaching itself to the Teenage Mutant Ninja Turtles (TMNT) franchise. For Marsha Kinder, the Teenage Mutant Ninja Turtles epitomize a media “supersystem,” in which a specific figure or property gets wrapped up in an intertextual, industrial

network that spans media and collectible merchandise, targets different consumer populations, and takes on the cultural impact of an “event.”¹⁵⁷ The Turtles were, in other words, the very picture of a transmedia franchise in 1989. In a counterintuitive kind of way, *TMNT* perhaps best embodies New Line Cinema’s opportunistic eclecticism in the 1980s. Counterintuitive because, as part of a popular franchise, the *TMNT* movie was aimed squarely at bigger, broader, more general audiences than any previous New Line film. But that is exactly what made the film such an oddball addition to the New Line repertoire—one the company achieved in an unusually successful exercise in opportunism.

TMNT began as a small, independently produced, black-and-white comic book. Written by Kevin Eastman and Peter Laird and published by Mirage Studios in 1984, the comic featured four anthropomorphic turtle characters named after Renaissance artists—Leonardo, Michelangelo, Donatello, and Raphael—who live in the sewers of New York and emerge to fight crime. The characters gained mainstream popularity after Laird and Eastman worked with a licensing agent, Mark Freedman, to license the characters.¹⁵⁸ In 1986, Freedman licensed the Turtles to Playmates Toys, which at the time was a relatively small company based in Hong Kong with an office in California.¹⁵⁹ Playmates worked with Group W Broadcasting to produce a *TMNT* animated series, which first aired in 1987 and entered syndicated broadcast in 1988. The show made several alterations to the characters, many of which helped make the Turtles more child friendly, such as a reduction in the comic’s grittiness and violence and the addition of catchphrases like “Ninja power!” As one reviewer of the program remarked, “The designers have softened the bold lines of the comic book figures and made the Turtles look like muscular Muppets.”¹⁶⁰

A plethora of *TMNT* toys and merchandise appeared in stores simultaneously with the program’s premier. This first wave of merchandise maintained the brighter aesthetic of the cartoon to appeal to younger consumers. The television show also inspired a new comic book, *Teenage Mutant Ninja Turtles Adventures*, published by Archie Comics, which paralleled the original comic but featured the more kid-friendly version of the Turtles. By the end of 1988, Playmates had sold more than \$23 million’s worth of action figures and related toys, while an additional \$20 million had been generated through other licensed *TMNT* products, including “hats and caps, sleeping bags, tricycles, coloring books, puzzles, board games, watches and posters.”¹⁶¹ By the following summer, Turtlemania was raging, and the characters appeared on “lunch boxes, backpacks, calendars, drinking straws, decals, shampoo, toothbrushes and, of course, the obligatory Nintendo video game.”¹⁶² By 1989, Turtle products and cross-promotional deals had generated more than \$250 million in revenue.¹⁶³

A *TMNT* film began production in 1989 on a budget of around \$12 million.¹⁶⁴ Filmed in North Carolina, the movie was produced independently of the Hollywood studio system by the Hong Kong-based studio Golden Harvest, known

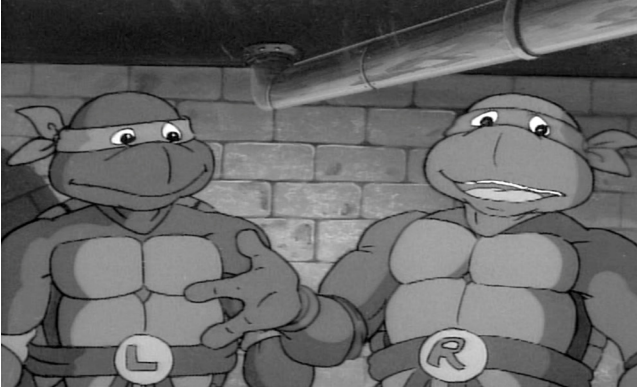


FIGURE 9. The Teenage Mutant Ninja Turtles franchise included a popular television cartoon that featured silly, child-friendly versions of the characters.

for making action movies aimed at the East Asian market.¹⁶⁵ Jim Henson's company designed and produced the suits for the Turtles, which included remote-control animatronics that allowed the characters to move their mouths and change facial expressions.¹⁶⁶ Although Golden Harvest promoted the *Turtles* film at the American Film Market in 1989 and then at the Cannes Film Festival that year, the company had difficulty securing a distributor for North America.¹⁶⁷

New Line Cinema acquired the North American rights to the film in 1989. *Screen International* reported that the film would be "the most expensive feature New Line has released to date."¹⁶⁸ Intense cross-promotion was already in the works when New Line bought the rights, including tie-ins with Burger King, a breakfast cereal company, and a soda company, as well as plans for a promotion on MTV.¹⁶⁹ As New Line was only a licensee of *Teenage Mutant Ninja Turtles*, its participation in the franchise was somewhat marginal. But it coordinated its business practices with other aspects of the franchise to benefit from the network effects. Sandra Ruch, the copresident of New Line Marketing at the time, put it this way: "There were a tremendous amount of licensees already in place by the time we decided to take on this movie. New Line does not own the licensing rights, but we were able to contact all the licensees and try and do tie-ins specifically for the movie. Since we had people in place, what we did was piggyback and capitalize on it and exploit it, if you will, even further."¹⁷⁰

As just one of many different companies that proliferated the Turtles through popular culture, New Line held a contingent relationship with the franchise as a whole. Nevertheless, this film played a crucial role in the TMNT franchise and in New Line's expansion as well.

Prior to the film's release, New Line conducted considerable marketing and advertising. Whereas the company had carved its place in the movie industry by identifying and cultivating distinct audience communities, such as college students, the art cinema crowd, or teenage horror fans, the *TMNT* film represented something aimed squarely at the cultural mainstream. Although New Line had

promoted the *NOES* films as broad-based teen pictures and had even sought out child consumers, *TMNT* was even more clearly tailored for a “general” audience. New Line executives noted the challenge that *TMNT* presented to the company; the president of distribution said that “it was harder [to promote] than ‘Nightmare on Elm Street’ . . . because we wanted to go for everybody and that’s expensive.”¹⁷¹ Shaye expressed concern that the film would “only appeal to little kids,” but successful test screenings at two universities suggested that teenagers and college-age viewers would also have interest.¹⁷²

New Line also conducted recruited-audience test screenings through NRG in February 1990 in order to identify how the film played to different audiences. NRG found that “the movie received well above average ratings and recommend scores among regular moviegoers (non-parents 12 and over) and among children.” The study also found that “audience members under 18 rated the movie at much higher levels (strong above average) compared to audience members 18 and over.”¹⁷³ All children gave the film “strong above average ratings.”¹⁷⁴ The NRG report’s overall positivity clearly signaled that New Line had a highly likable film on its hands, one that could appeal to a much broader audience than the company usually targeted. The report also indicated that the film would benefit from the existing *TMNT* franchise, as scores for the film were notably higher among regular viewers of the cartoon.¹⁷⁵ The market research therefore incentivized New Line to advertise the film to a broad audience, and to child fans of *TMNT* in particular.

New Line released the film nationwide in March 1990 on more than two thousand screens.¹⁷⁶ A Hollywood-style wide release, this was a massive undertaking and a greater launch than was customary for the company. As in the comics and cartoons, the film features the four Turtles fighting crime in New York; their nemesis is the “Foot Clan” of evil warriors who are led by a villainous ninja named Shredder. The Turtles become friends and allies with reporter April O’Niel and vigilante Casey Jones. The movie features numerous fight sequences and lots of silly humor, and in the end, the Turtles defeat Shredder and peace is restored. The look and tone of the film reflect a balance of the dark grimness of the original comic, particularly in the cinematography, and the silliness of the cartoon, through characterization and dialogue. One reviewer thought that the movie was “aimed squarely at the single-digit set. People older than 10 are allowed to watch, but they have to keep their objections to themselves.”¹⁷⁷

The film earned over \$25 million in its first week.¹⁷⁸ News stories noted that this figure was especially impressive because so many of the tickets were reduced-price child tickets.¹⁷⁹ This made the *TMNT* film the third-best three-day opening ever, behind only *Batman* at \$42.7 million in 1989 and *Ghostbusters* at \$29.4 million in 1984.¹⁸⁰ Over the remainder of the year, the film earned over \$133 million.¹⁸¹ This was New Line’s biggest financial hit by far and the most successful independently distributed film up to that point.

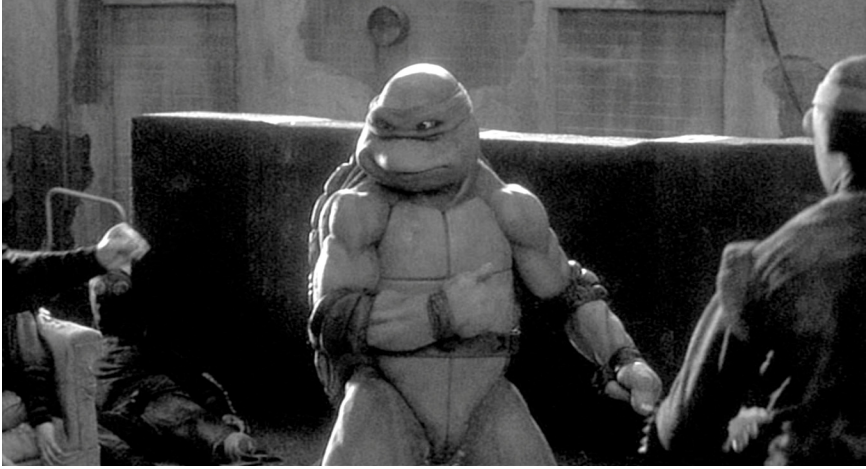


FIGURE 10. The movie *Teenage Mutant Ninja Turtles* was a massive hit for New Line and was the highest-grossing independently distributed film for many years.

A wave of merchandise and cross-promotional tie-ins flowed from the film and connected specifically to the Turtles' cinematic incarnation. The film's soundtrack featured a song by hip-hop star MC Hammer. There was also a storybook for kids, and a television ad for the TMNT breakfast cereal referenced the film, among other promotions.¹⁸² In this way, New Line integrated the *Turtles* film within an already-existing franchise. Shaye used the success of *TMNT* to rhetorically signal the strength of New Line as a company. "Turtles is a great franchise," he declared, "not only a worthy, highly entertaining product, but a superb vehicle for demonstrating to the entertainment and business communities the strong acquisition, marketing and distribution skills that New Line has been building for the past 23 years."¹⁸³

Although New Line came upon this franchise as a kind of tagalong, attaching itself opportunistically and strategically to the TMNT industrial network, the wave of associated promotions and tie-ins helped to establish the importance of the feature film in the overall franchise. Through its association with *TMNT*, New Line itself appeared to be a mainstream success.

It is difficult to overstate the level to which the *TMNT* franchise permeated culture in the period following the film's release. Estimates indicated that *TMNT*-related products would earn \$600 million in 1990.¹⁸⁴ Playmates alone earned \$400 million from Turtles toys that year, and the Turtles were the best-selling action figures in the country.¹⁸⁵ Although New Line did not control the video rights to the first *TMNT* film, it was nevertheless a major success, earning around \$67 million in rentals.¹⁸⁶ A *TMNT* live show called *Coming Out of Their Shells* played in forty

cities, with the Turtles performing musical numbers.¹⁸⁷ This stage show toured continuously from September 1990 through the following summer, at which point a new iteration of the live show was planned.¹⁸⁸ Burger King engaged in a cross-promotional campaign in which the fast food chain sold VHS copies of *TMNT* cartoons, reportedly selling 200,000 videos per day. One industry source estimated that thirty to forty *TMNT*-related products appeared in grocery stores in the fall of 1990.¹⁸⁹

New Line secured the North American rights to the *TMNT* sequel in July 1990, including theatrical exhibition, home video, pay cable, and television.¹⁹⁰ Golden Harvest returned to produce the film, made for around \$20 million in North Carolina.¹⁹¹ Advance promotion for the film, titled *Teenage Mutant Ninja Turtles II: The Secret of the Ooze*, indicated that it would appeal even more to children than the previous film. One review noted that the sequel “will reportedly be brighter and more colorful than the original” and “will also be less violent than the first.”¹⁹² Another review called the sequel a “more lighthearted, brightly colored pic” and noted that it adds “two hilarious childlike monsters.”¹⁹³ Indeed, the film features lots of action, but the violence is even more cartoonish than in the first, and the characters engage in near-constant silly banter along the way. Among the film’s many attempts to appeal to young audiences is a sequence with rapper Vanilla Ice performing the song “Ninja Rap” in a nightclub while the Turtles battle enemies and then dance along.

New Line marketed the *TMNT* sequel heavily at the same time that it engaged in an intense distribution campaign. On March 26, 1991, for instance, the night that the Academy Awards aired on television and just following the premier of the sequel, Barbara Walters hosted an interview with the Turtle characters that parodied Walters’s previous interviews with famous figures. New Line gave the sequel a saturation release, opening the film in some 2,500 theaters.¹⁹⁴ Another surge of *TMNT* merchandise surrounded the sequel, including a new Hostess pie filled with pudding, to match the radioactive ooze that transformed the Turtles into mutant ninjas.¹⁹⁵ “Ninja Rap,” released by SBK Records, was the centerpiece of the soundtrack album, continuing New Line’s efforts to partner with hip-hop artists and derive revenue from music licenses. Yet the *TMNT* franchise declined in popularity from this point forward. The sequel was comparatively less successful than the first film, earning around \$78 million at the box office.¹⁹⁶ New Line Home Video released the VHS of the sequel at the end of July 1991, just four months after its theatrical release, pricing it for sell-through rather than rental at \$22.95.¹⁹⁷ In addition to its sell-through revenue, the *TMNT* sequel made \$41.9 million in video rentals.¹⁹⁸

Even with this reduced revenue and popularity, New Line persisted with the franchise. In March 1992, the company acquired the North American rights to a third *TMNT* film, which included theatrical, cable, and broadcast.¹⁹⁹ In this sequel, the Turtles use a magical device to travel in time to medieval Japan. The film

opened on March 19, 1993, in another saturation release of around 2,100 theaters.²⁰⁰ However, New Line had a more restrained promotional push for the film. “There have been few interviews, no big-time rappers and no cable special,” the *Wall Street Journal* noted.²⁰¹ Further, many of the *TMNT* licensees did not coordinate any promotions with the third film, though Burger King did run some advertisements and Los Angeles mayor Tom Bradley made March 19 “Teenage Mutant Ninja Turtles Day.” Still, there was the perception that kids—and not teenagers or other groups—constituted the majority of the audience for the *TMNT*.²⁰² The film earned nearly \$40 million at the box office, about half what the first sequel had made.²⁰³ Similarly, *Turtles*-related products sold \$200 million in 1992, considerably lower than their earnings during the height of the Turtles’ popularity in the previous few years.²⁰⁴ Although the film series may initially have crossed over into a broad audience, and certainly brought New Line into the center of the cultural mainstream as never before, by this point the franchise appeared to be exclusively for children.

FROM THE MARGINS TO THE MAINSTREAM

In an advertisement that New Line placed in *Screen International* in August 1983, the company referred to itself as “*The Independent for the 1980s*.”²⁰⁵ A bold claim, to be certain, and a clear example of the company trying to establish a legend for itself—a rhetorical strategy devised with economic consequences in mind. But this claim to be the “independent for the 1980s” proved prescient. New Line did indeed succeed during this decade while other independents faltered and disappeared, and it did so in a strange mirroring of the mainstream movie business. It is difficult to recognize the New Line of 1991 as being the same company that released *Get Out Your Handkerchiefs* in 1978. It had moved from releasing a small number of niche films to handling multiple franchises that cut across media and products and, further, garnered immense popularity and revenues that rivaled those of the Hollywood studios. It had become a publicly traded corporation with multiple divisions and more than two hundred employees. In addition to theatrical distribution, the company had an active television division and a robust home video business. Although still independent of the Hollywood studios, New Line resembled these studios in many respects, including its diversification and focus on multimedia franchises.

However unlikely this trajectory may appear, it seems just as surprising that *A Nightmare on Elm Street* could have created such possibilities. But New Line treated *NOES* much the same way that Warner Bros. treated *Superman* or Paramount treated *Raiders of the Lost Ark*: as an industrial success that could prompt the generation of additional films and, ideally, merchandise. In doing so, however, New Line truly helped transform the mainstream media industry and culture in the 1980s, turning a teen slasher film into a multimedia hit for a broad audience.

The company helped show Hollywood and the world how seemingly niche content, such as horror films, could slip beyond conventional markets through continued serialization and, crucially, through franchising across media and products.

New Line's involvement with the Teenage Mutant Ninja Turtles attests to the company's commitment to franchising as a means of accessing mainstream audiences. Despite being produced independently on a comparatively small budget, the first *TMNT* film broke through as a mainstream, child-friendly blockbuster embedded in a transmedia franchise. At the same time, *TMNT* stretched the boundaries that had previously defined New Line. Even the *NOES* franchise seemed marginal by comparison, despite its surprising manifestations as a video game, television program, children's Halloween costume, and so on. *TMNT*, in other words, put New Line's industrial and cultural identity into question—an identity that was already defined by eclecticism, independence, and marginality. *TMNT* firmly situated New Line as a company that catered in transmedia franchises that could cross over into broadly popular success.

For the most part, that is. Alongside the *NOES* and *TMNT* franchises, New Line released several modestly budgeted films that echoed the company's previous specializations in the 1960s and 1970s. In addition to oddball comedies and dramas, cheap sci-fi movies, and horror films, New Line released *The Decline of Western Civilization, Part II: The Metal Years* in 1988, continuing the company's tradition of distributing documentaries on contemporary rock music. Analogously, it released *Pump Up the Volume* (1990), a movie about a disaffected teenager who uses a pirate radio station to rebel against the social norms in his town. The film continued New Line's trend of addressing youth audiences interested in nonmainstream culture but supplanting 1960s-era countercultural politics with 1990s-era Gen X angst.

In a 1991 survey of New Line's progress to date, the *New York Times* stated that the company's strategy was to "keep the costs down, aim at a specific audience [with the hope that] a modest profit may loom."²⁰⁶ The story noted that *NOES* and *TMNT* were the successful products of this tactic, and then called out *Suburban Commando* (1991), a family comedy starring Hulk Hogan and Christopher Lloyd, as a critical failure for New Line.²⁰⁷ Regarding *Suburban Commando*, Shaye admitted, "We may have cast our nets too broadly," and added, "If we'd made it for less money and targeted it more narrowly, it might have worked better."²⁰⁸

Despite the breakthrough success of *TMNT*, Shaye pondered whether the long-standing strategy of targeting niche audiences through eclecticism would remain New Line's strength going forward. To a degree, it would. But as the following chapter shows, New Line grew by leaps and bounds during the 1990s, first when it was purchased by Turner Broadcasting System and then, as part of the Turner media empire, when it became part of Time Warner. Chapter 3 thus tells the continuing story of New Line's changing industrial identity and evolving legend, and details how the company transformed its logic of opportunistic eclecticism into one of incorporative heterogeneity as it was integrated within the Hollywood system.