

# Shout! Factory/Scream Factory: Niche Labels and Catalog Licenses

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In the mid-2000s the DVD and Blu-ray market began to collapse in the United States. Streaming video services like iTunes, Netflix, and Amazon Prime ate into physical media sales, and the profit margins for the release of physical copies of catalog titles in particular decreased. The major studios and television networks saw little benefit for releasing these titles at all, relegating some of their most-beloved and popular films to on-demand and limited quantity production via small imprints such as Warner Archive. But alongside the collapse of the mainstream DVD and Blu market, the collector's market flourished, with older niche distributors like Kino Lorber, Criterion, Twilight Time, and Shout Factory! (an outgrowth of the defunct Rhino Records) stepping in to release many catalog titles as "special" and "limited" editions, with all the bells and whistles of special features from the heyday of DVD sales in the early 2000s. Part of this success is the lower licensing fees for titles which only a decade ago were unapproachable by smaller labels like Shout! and Kino Lorber. The other major contributing factor to their success is the dedication to physical media by cinephiles and genre fans in particular who have responded to the lack of permanence in the availability of titles on streaming services by purchasing their favorite titles.

An example: Scream Factory, the "genre" label of Shout! which focuses on horror, exploitation, sci-fi, fantasy, and weird cinema, has released virtually all of Universal's John Carpenter catalog on blu-ray, with new 2K and 4K transfers overseen by the films' cinematographers, and new contributions to supplemental materials from key personnel, including Carpenter himself on many of the releases. Carpenter is an interesting case study for this discussion because he is one of the most profitable filmmakers in box office history as well as a horror director with a rather massive fan base. Throughout the 2000s, filmmakers like Carpenter were the bread and butter for studio home video releases, generating a reliable revenue stream while costing them next-to-nothing as the primary rights holder. Now they are among the most profitable titles for these niche distributors. For Scream Factory, Carpenter's films have been a boon for sales, a perennial backbone of profitability for the company, as repeatedly acknowledged by its senior management, Brian Ward and Jeff Nelson. Sales for *The Thing*, *They Live*, and *Escape from New York* have been so good that they have actually allowed Scream Factory to release much smaller titles with much smaller profit margins and fan bases, such as the *Slumber Party Massacre* series.

This case study opens up a few different avenues for further inquiry. First, the success of Carpenter's catalog titles for a small company like Scream has had a huge impact on their ability to release other, much smaller niche releases, often in special editions with all-new materials which were never possible when their original rights holders controlled their physical release. In turn, this has made these independent labels the preferred

venue for purchase for fans of harder-to-find films. The shared benefit is that alongside the rights for physical distribution, companies like Shout! and Kino Lorber frequently also purchase the streaming rights for their releases of the films, which in turn increase their profit margins, albeit only slightly. We might consider the impact of such avenues of distribution on the decisions made by these small companies about what titles they will make available and which ones will continue to languish on studio shelves. Second, because the distribution rights to many mid- and low-budget catalog titles are held by these smaller companies, their availability to commercial audiences may actually be lessened. Some companies like Twilight Time release extremely limited editions of certain films, often with a print run of a mere 5,000 copies. Even Scream Factory has released several films with only runs of 1,000 copies, creating a vacuum in the films' availability beyond the relatively small population who managed to purchase the blu-ray. This makes for greater collectability and inevitably results in higher interest among the most devoted fans of certain labels' releases, but after that limited run, when will the film be available again, and where? There is no clear answer, and the nichification of physical media only perpetuates the availability problem that has driven fans to purchase more physical copies of their favorite films over the past decade. Finally, I want us to consider what the impact of an ongoing physical media environment based almost entirely on cinephilia and niche audience interest means for entertainment distribution moving forward. What is the impact on the standard product of studios and TV networks? What happens to content deemed either financially or artistically uninteresting for distributors?