

A number of major record companies began merging with each other. This was because they assumed it would broaden their distribution and link music with other entertainment sales. For example, Warner Brothers and EMI tried – unsuccessfully, as it happened – to join forces, and Vivendi became Vivendi Universal through acquisitions. At the time, sales of recorded music were peaking. They then fell by 5% in 2001 – and again by 9% in 2002. Record companies blame online file-swapping services for this. A court decision closed down Napster, the biggest file-swapping service, in September 2002, but smaller services had already started to replace it. Napster returned, though, as a pay service 13 months later. And another pay service, Apple's iTunes, has been extremely successful. The music industry still hasn't worked out whether it should allow consumers to copy music – or how to get them to start buying CDs again. Let's now speak to an expert on the music industry, Mike Fairfield. Mike, what do you think is the biggest challenge facing the music industry ...?

Note:

The expression “as it happened” means “acontece”.