

Amazon or Spotify could buy Sonos as acquisition potential grows

Article

The news: Amid a leadership shakeup and declining stock value, [Sonos](#) may be scooped up by another tech player.

Last week, CEO **Patrick Spence** resigned following Sonos' stock decline of 26.6% since a disastrous app update in May and an 8% YoY revenues drop.

The most likely contenders to purchase Sonos are **Amazon** or **Spotify**, per [Bloomberg](#).

- While Amazon already has a hardware lineup with its **Echo** speakers, a Sonos acquisition could help it focus more on AI and **Amazon Web Services (AWS)**.
- An acquisition by Spotify could **give the music and podcast service a complementary hardware element**.

Sonos' established brand and fine-tuned tech—which includes wireless speakers, home sound systems, and headphones—could attract companies looking to expand in the smart home market.

How Amazon could benefit: [Amazon](#) recently changed its hardware leadership after poaching **Microsoft** chief product officer **Panos Panay**, and it has the deep pockets to afford the purchase.

The purchase would allow Amazon to hand off its **Echo** speakers to a knowledgeable staff and center its other tech endeavors on [AI supercomputers](#) and the cloud.

However, the **European Commission** has Amazon on its acquisitions radar and previously quashed other M&A plans, such as its [now-canceled deal with iRobot](#).

How Spotify could benefit: Spotify has struggled to break into hardware, and acquiring Sonos would give it an instant entry to that market.

[Software support](#) for its 3-year-old **Car Thing** smart device for vehicles ended in December due to a lack of demand, rendering the product nonoperational.

Spotify might have a better shot when facing EU regulators than Amazon due to its smaller size and European roots.

A wild card: **Apple** could throw its hat in the ring, but with its prior purchase of **Beats** and strong internal capabilities, its audio business may not need the help of Sonos to keep scaling.

Our take: If Sonos continues to decline and no buyer is found, consumers may lose support for low-selling products and access to key features they based their initial purchases on.

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