

Breaking down Amazon's Roomba acquisition

Article

The news: Amazon [announced](#) it was buying Roomba maker iRobot last week for **\$1.7 billion**, ostensibly to add to its collection of connected smart home devices and expand its robotics aspirations.

Amazon's ambitions: Amazon, which recently scooped up healthcare provider [One Medical](#) for \$4 billion, has set its sights on the robotic vacuum market by purchasing its way to a leadership position.

- The world's leading consumer robotics company, iRobot makes Roomba vacuums and robo-mops. It's also looking to develop a [robot mower](#).
- iRobot CEO **Colin Angle** plans to stay on as head of iRobot, and the deal is subject to regulatory approval.
- Amazon already has an **Amazon Robotics** division focused on [automating](#) the company's logistics work in warehouses.
- The company also sells a [household robot](#) named Astro designed for home monitoring that pairs with **Ring** smart cameras.

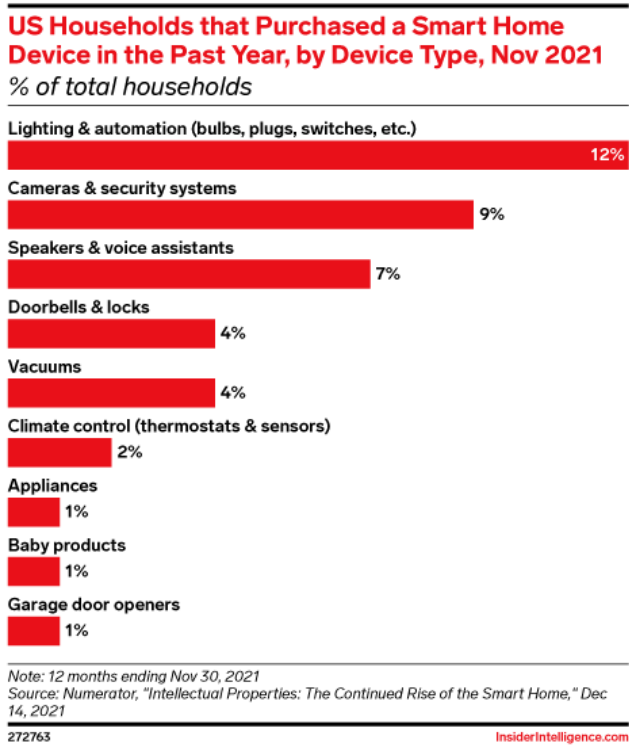
Regulatory red flags: Roomba's acquisition is expected to be met with concerns from data privacy experts and regulators, [per](#) Insider.

- Roomba vacuums map the inside of people's homes to more accurately carry out cleaning tasks. Some models even have cameras to avoid obstacles.
- Privacy experts fear that the robot vacuums could be used to collect user data. In context, its Alexa smart speakers are [constantly listening](#), recording, and studying user behavior.
- Amazon, which has devices in [nearly 30% of households](#), has given information from its Ring cameras to law enforcement without user consent, [per](#) NPR.
- Amazon [launched](#) its **Sidewalk** wireless mesh service in June 2021, effectively **converting 58.3 million [Echo speakers](#), Ring Video Doorbells, Ring Floodlight Cams, and Ring Spotlight Cameras into Wi-Fi hotspots.**
- The move made Amazon a network provider, albeit **one without the consent of customers sharing their home Wi-Fi bandwidth.**

Why this could backfire: "When the company that has its cameras and microphones in your speakers, your doorbell, your security cameras tries to buy the company that knows the shape and contents of your home, it's bad in all the ways," said **Ron Knox**, senior researcher and writer for the **Institute of Local Self-Reliance**.

- Amazon would need to be transparent about its plans for iRobot's products and how they will relate to existing **Alexa** and Ring products.
- Amazon's control of Roomba's online stores could box out the competition.

Key takeaway: iRobot’s market dominance, as well as Roomba vacuum’s access to people’s homes and user data, are two key factors regulators might consider if they aim to terminate the deal under antitrust laws.



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