

US FTC investigating Amazon's iRobot acquisition

Article

The news: The US Federal Trade Commission (FTC) has officially started an antitrust investigation into Amazon's \$1.7 billion iRobot acquisition, [per](#) The Robot Report.

A clean sweep? The FTC's investigation will reportedly focus on whether the data provided by iRobot's Roomba robot vacuum could be used to give Amazon an anticompetitive leg up

as a retail giant. We **broke down** the deal and potential regulatory issues when it was first announced.

- iRobot's Roomba vacuums map inside people's homes to carry out cleaning tasks. Some models even have cameras to avoid obstacles. **Regulators worry that Amazon could use this information to suggest items for sale.**
- A coalition of more than a dozen interest groups, including the **Electronic Frontier Foundation, Public Citizen, and The Teamsters**, are asking for government regulation. "The proposed deal poses a striking set of concerns related to consumer privacy and market competition," they said.
- There's a precedent for this concern. Amazon's **Alexa smart speakers, which are in almost 30% of US households, are constantly listening**, recording, and studying user behavior.
- Amazon has also given information from its **Ring** cameras to law enforcement without user consent, **per** NPR.

The problem: iRobot CEO **Colin Angle**, who will continue in his role once the deal goes through said, "Our customers control the personal information they provide us, and we use that information to improve robot performance and the customer's ability to directly control a mission."

- iRobot's data collection mandate could change once the company is acquired.
- While Amazon can easily weather a prolonged regulatory inquiry from the FTC, iRobot could stand to lose out if the deal is delayed due to investigation.
- **The uncertain economic climate could water down iRobot's value** and stall any new product releases or updates heading into the busy fall and holiday season.

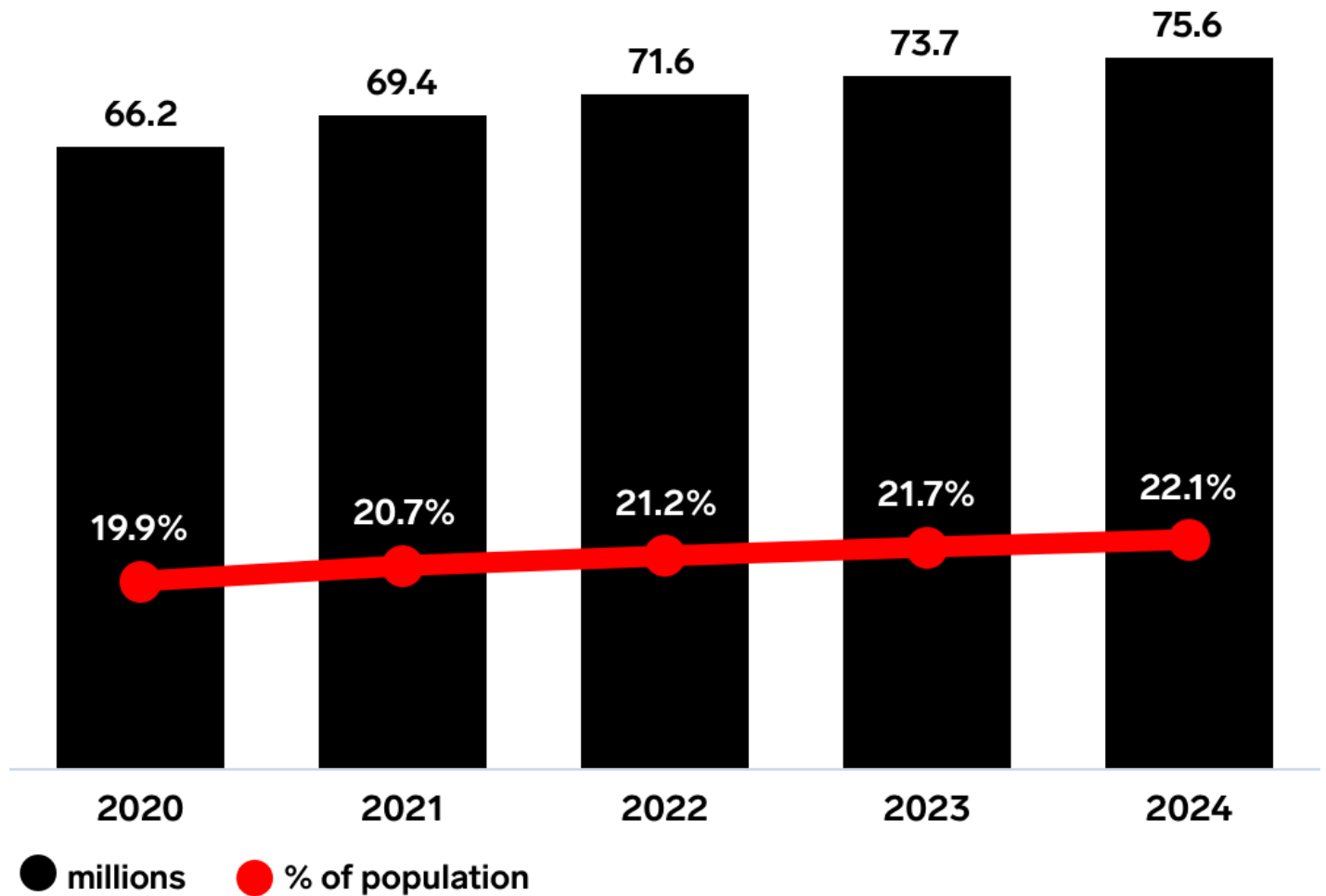
The bigger picture: The FTC is investigating high-profile Big Tech moves that it thinks it has a high probability of enforcing. With the support of more than two dozen interest groups calling for it to block the sale of iRobot to Amazon, the regulator could seek to stall the acquisition with renewed vigor.

- **Amazon will need to ramp up efforts to convince regulators that Roomba vacuums will not feed into its ecommerce business** by leveraging access to people's homes.
- Regulation could mandate sweeping changes in design for robot vacuum cleaners moving forward, costing billions of dollars in product design and development.

- If for some reason the deal does not push through, Amazon can easily build and sell its own robotic vacuum cleaners, while iRobot would be exposed and possibly devalued as a result of failure to close.

Amazon Alexa Users

US, 2020-2024



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