

# 3 Seemingly Obvious Tech Mergers We're Still Waiting For

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These top companies do big things separately; imagine what they could accomplish together.

One of the best parts of working in the tech industry is having a ringside seat to watch heavyweights like Google and Apple<sup>[1]</sup> duke it out for market share and to be the first to develop the next big thing.

When tech titans acquire smaller, hotter companies (or struggling enterprises that have been around the block), the result is often an exciting jolt of innovation and the threat of a bold industry upset.

When Google acquired Nest Lab<sup>[2]</sup> this year for example, it was great for business and the consumer. Google had a vision for Nest as a game changer in the smart home category, and Nest enjoyed a long list of benefits. Google accelerated Nest's strategic initiative, took it off the market to prevent its competitors from acquiring it, and boosted its own brand appeal. Nest was young, sexy, and desirable--an image that Apple has dominated for years.

Likewise, Facebook acquired Instagram in April 2012, when it was extremely small, for \$1 billion--inheriting a rock-solid user base and carving out a larger chunk of the social sphere.

Successful mergers drive the tech industry forward and make new devices and services accessible to the average person. In the case of Nest, it made the young company able to reach more consumers with its clean tech initiative, and Instagram's following quadrupled to more than 150 million<sup>[3]</sup> monthly active users after its acquisition.

There are several tech giants that have been dancing around some promising acquisitions for a while now, and I think I speak for everyone when I say they just need to do it already!

## **1. Apple Acquiring Disney or Netflix**

Everyone knows that Apple has a huge war chest to buy relevant companies, and of course they've employed it several times over the years.

While Apple devotees around the world were disappointed to learn an Apple-Tesla merger was not in the cards<sup>[4]</sup> for Elon Musk (at the moment, anyway), a more likely scenario is that Apple will try to acquire a major content company like Netflix<sup>[5]</sup> or Disney in the near future.

Of course, Disney would be a big catch for Apple. The brands both embrace creativity, innovation, and delivering an amazing customer experience. In a merger, Apple would be able to ship the long-awaited Apple TV with access to ESPN, Pixar movies, and other Disney content. Consumers would have access to a much broader content library largely on-demand in the cloud, and Bob Iger and Tim Cook would be a dynamic duo that could boost shareholder confidence and inject innovation into both brands.

Netflix boasts a similar advantage of on-demand streaming and high-quality original content. An acquisition would reinforce Apple's commitment to a seamless customer experience by offering a completely integrated content ecosystem. Owning a major content company would give Apple greater leverage when negotiating other forms of movie, TV, and sports content and make it virtually unstoppable in the media space (beyond its existing bench strength).

## **2. Amazon Acquiring Radio Shack or Best Buy**

Amazon has long expressed a desire to have a retail footprint<sup>[6]</sup>, and Radio Shack and Best Buy both need a savior.

Brick-and-mortar electronics stores<sup>[7]</sup> can't match Amazon prices, but people still want to go into a store to play with the products or speak with a knowledgeable representative. Most people will go to Best Buy to kick the tires, then turn around and buy a product for less on Amazon.

It makes perfect sense that Amazon would want to offer the best of both worlds. Jeff Bezos has expressed the idea<sup>[8]</sup> that he would be interested in physical retail locations<sup>[9]</sup>, but only if Amazon had a “truly differentiated idea.”

What better way to accomplish that goal than to acquire a chain of established stores and existing real estate<sup>[10]</sup> in local neighborhoods?

### **3. Samsung or Google Acquiring Fitbit**

These companies are focused on innovation, delivering seamless data integration across all their devices, and creating functional, stylish products<sup>[11]</sup> that consumers rely on daily.

The race for the ultimate wearable is on, and both Google and Samsung have thrown their hats into the smartwatch solutions<sup>[12]</sup> ring.

Samsung released its Gear Fit<sup>[13]</sup> fitness tracker in April. The verdict is still out about Gear Fit’s performance, but if it’s not a blockbuster success, Samsung may want to consider buying Fitbit to knock out its chief competitor. Samsung would also gain Fitbit’s audience, technology<sup>[14]</sup>, and great customer experience.

Google hasn’t come out with a smartwatch yet, though the Google Gem<sup>[15]</sup> is rumored to be almost ready for market. The Gem is reportedly clunky, so it may fail to take off simply because it’s too large and unwieldy. The ability to offer consumers the sleeker Fitbit may appeal to Google, especially because it would take the company off the market for Apple or Samsung.

Industry behemoths will only make a move to acquire another company when they see the potential for huge returns (or a threat from a partnership with their competitors).

These players are primed to disrupt the industry together, and these acquisitions would also bring exciting changes for the consumer. These companies already provide a great customer experience individually--just imagine what they could do together.

*Correction: A previous version of this article misstated that Google Ventures<sup>[16]</sup> acquired*

*Nest.*

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4. <http://www.fastcompany.com/3026712/fast-feed/elon-musk-an-apple-tesla-merger-is-very-unlikely>
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