



Venture Capital Funding Quarterly

**Internet • Digital Media
eCommerce • Software**

1st Quarter, 2014 – North America

Publisher

[VentureDeal](#)

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Summary

During the first quarter of 2014, 607 companies in the Internet, Digital Media, eCommerce and Software sectors raised \$5.2 billion in venture capital funding in the aggregate, an increase of 16% in total funding amounts versus 4Q 2013 and virtually no change in the number of companies funded.

Ecommerce and Software sectors showed significant increases in funding amounts as well as the number of companies funded, while the Internet and Digital Media sectors posted 12% and 14% lowered deal volume respectively between fewer companies funded than the previous quarter.

Funding Activity

Internet

Internet sector company fundings reversed their previous quarterly increase by registering a funding percentage decrease of 12%. The sector received \$1.57 billion in venture capital funding during the quarter, allocated among 239 companies – a decrease in the number of companies funded by 4% vs. 4Q 2013.

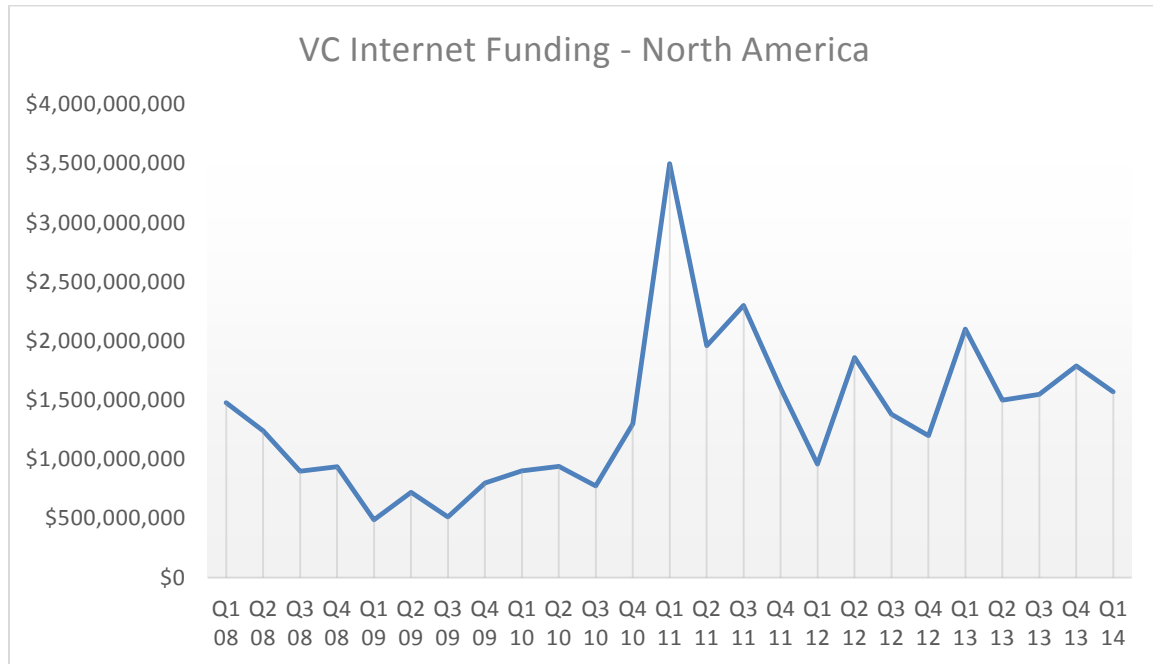
Boston, Massachusetts-based [Wayfair](#) secured the largest funding during the quarter, receiving \$157 million in its second round of financing from late stage investor [T. Rowe Price](#) and others. Wayfair carries a large catalog of “the world’s home stuff in one place.” The round was reported to be at a valuation of \$2 billion. Specific proceeds purposes were not disclosed.

At the seed stage, [Sightly](#) raised \$1.7 million in financing from investors including [Google](#) Chairman Eric Schmidt’s [TomorrowVentures](#). The company is developing technologies that help local businesses increase their online and in-store traffic.

New York, New York-based [Lotame](#) garnered \$15 million in its Series D round from a syndicate of venture capital firms from both coasts. The company said it would use the funding to accelerate development of its cross-device data platform to deliver advanced revenue solutions in the social media space.

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Chart 1 – Internet Funding



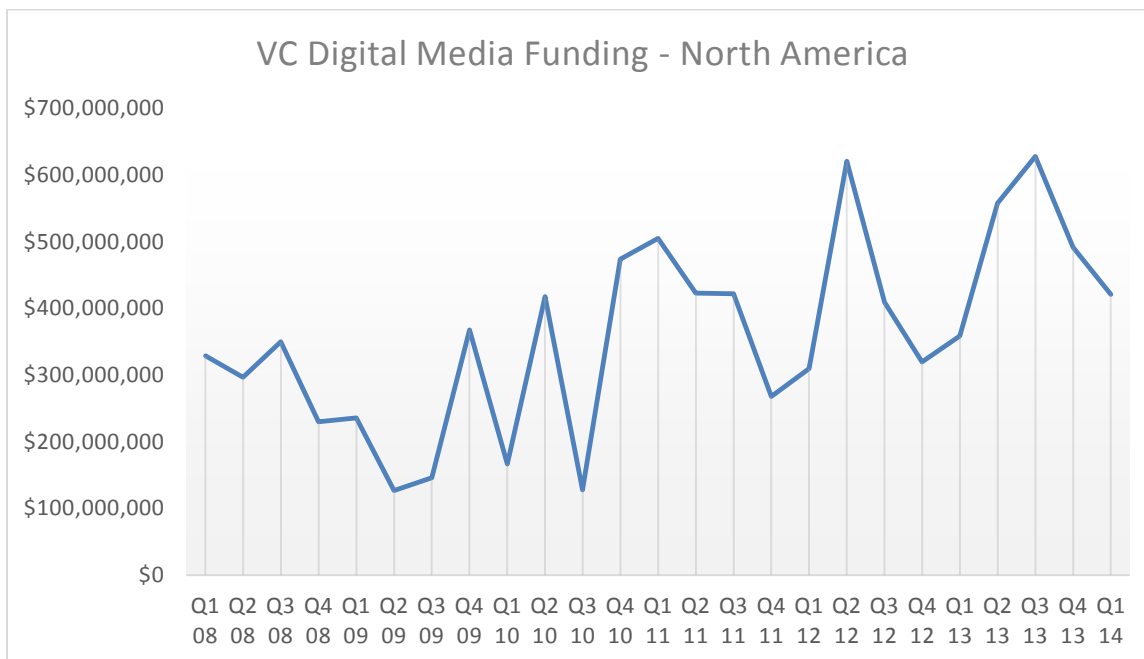
Digital Media

Digital Media funding reversed its recent quarterly trend of aggregate increases. Digital Media companies for the purposes of VentureDeal's definition are generally either video/casual game developers or online advertising networks. Total funding decreased quarter over quarter by 14% to \$421 million, with 79 companies being funded, a decrease of 8% in companies funded versus the previous quarter.

New York, New York-based [Kaltura](#) raised \$47 million in venture capital debt and equity during the quarter from a large syndicate of corporate, venture capital and other investors. The company said it would use the proceeds to accelerate product development and extend its operations into countries such as China, Brazil, Japan, Mexico, Australia and others.

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Chart 2 - Digital Media Funding

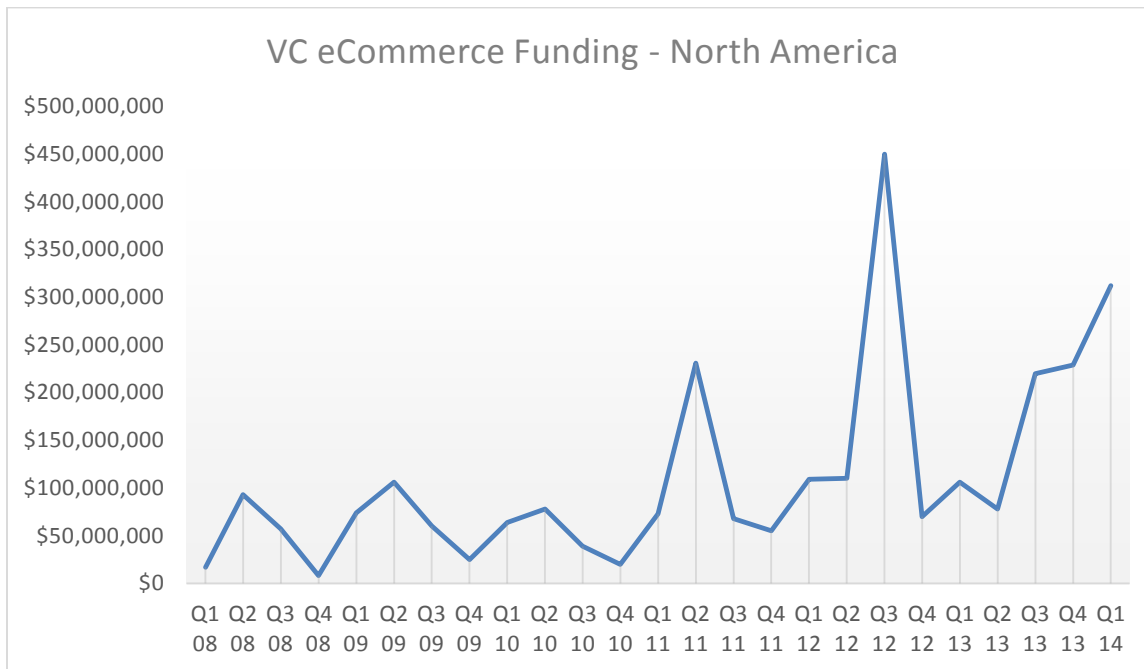


eCommerce

The eCommerce sector increased its quarterly funding level, with 30 companies receiving a total of \$312 million in funding, representing a 36% increase in financing amounts versus the previous quarter's tally.

Payments technology company [Stripe](#) raised \$80 million from a syndicate of top-tier venture capital and private equity investors for its latest funding round. Stripe has developed a developer-friendly online payments service that is "rooted in code, not finance". The company's valuation was reported to be \$1.75 billion. Stripe said it would use the financing to fund its international expansion initiatives.

Chart 3 - eCommerce Funding



Software

During the quarter, Software company fundings represented the largest sector of the grouping, raising \$2.89 billion between 259 companies. This activity represented an quarterly increase of 45% in total funding amounts and a 7% increase in the number of companies funded.

Support software company [Cloudera](#) received \$540 million in separate financing commitments for its software that provides enterprise-level support to users of Apache Hadoop. \$380 million of the total was funded by [Intel](#) as part of a broad strategic technology and business alliance. Valuation of Cloudera was reported to be \$3.1 billion concurrent with the financings.

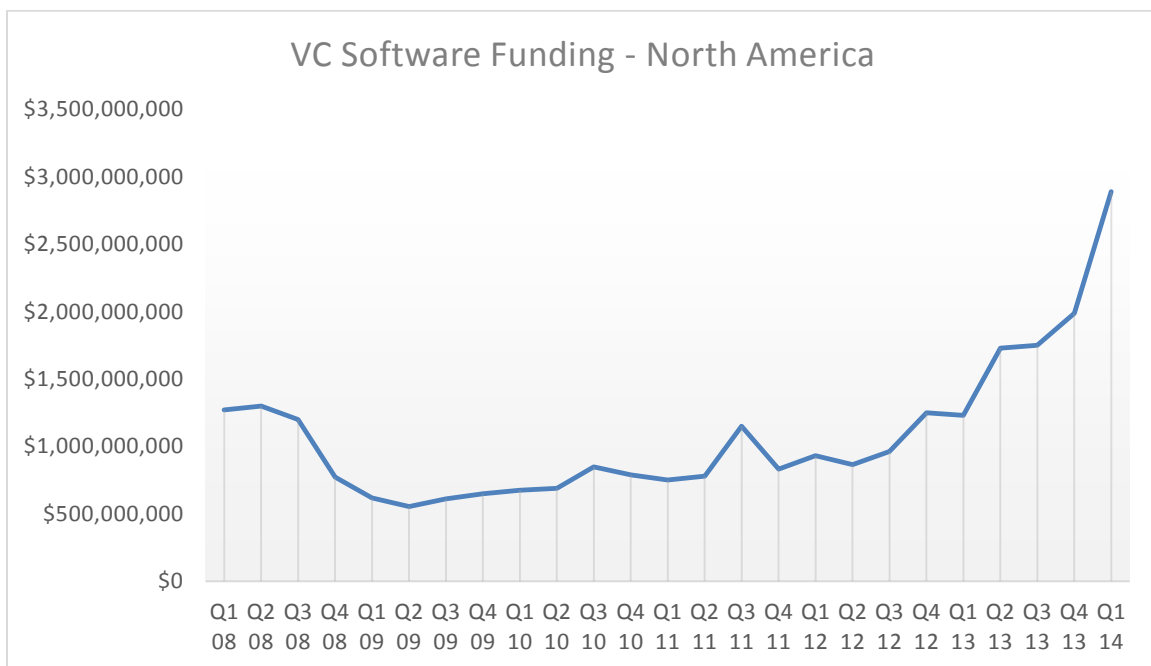
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In the database space, [MemSQL](#) raised \$35 million in its second round of investment from top-tier venture capital firms. The company said it would use the funds to “expand product development, support its growing customer base and capitalize on the market for big data technologies.”

At the seed stage, [Bench Accounting](#) garnered \$1 million from a syndicate of New York-based venture capital firms for its software and individualized “professional online bookkeeper” service that aims to disrupt the online accounting software space. The company said it plans to use the funding proceeds to support its continued user growth demands.

San Mateo, California-based [Coupa Software](#) received \$40 million in its Series F financing round from a large syndicate of eight venture capital firm investors. Coupa was founded in 2006 and said it would use the proceeds to extend its suite of solutions and continue its expansion internationally.

Chart 4 - Software Funding



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Table 1

Venture Funding Activity – 1st Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Internet	\$1.57 billion	- 12%	239	- 4%
Digital Media	\$421 million	- 14%	79	- 8%
eCommerce	\$312 million	+ 36%	30	--
Software	\$2.89 billion	+ 45%	259	+ 7%
Total	\$5.2 billion	+ 16%	607	--

Notes

This report was prepared by the staff of [VentureDeal](#).

The information source used was the VentureDeal database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology Companies, venture capital firms and transactions in The United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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