



Venture Capital Funding Quarterly

**Internet • Digital Media
eCommerce • Software**

3rd Quarter, 2014 – North America

Publisher

[VentureDeal](#)

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Summary

During the third quarter of 2014, 650 companies in the Internet, Digital Media, eCommerce and Software sectors raised \$5.8 billion in venture capital funding in the aggregate, a decrease of 38% in total funding amounts versus 2Q 2014 and a 4% decrease in the number of companies funded.

All four sectors showed significant decreases in funding amounts as well as the number of companies funded, with the Internet sector posting the greatest decrease in deal volume and companies funded versus the previous quarter.

Funding Activity

Internet

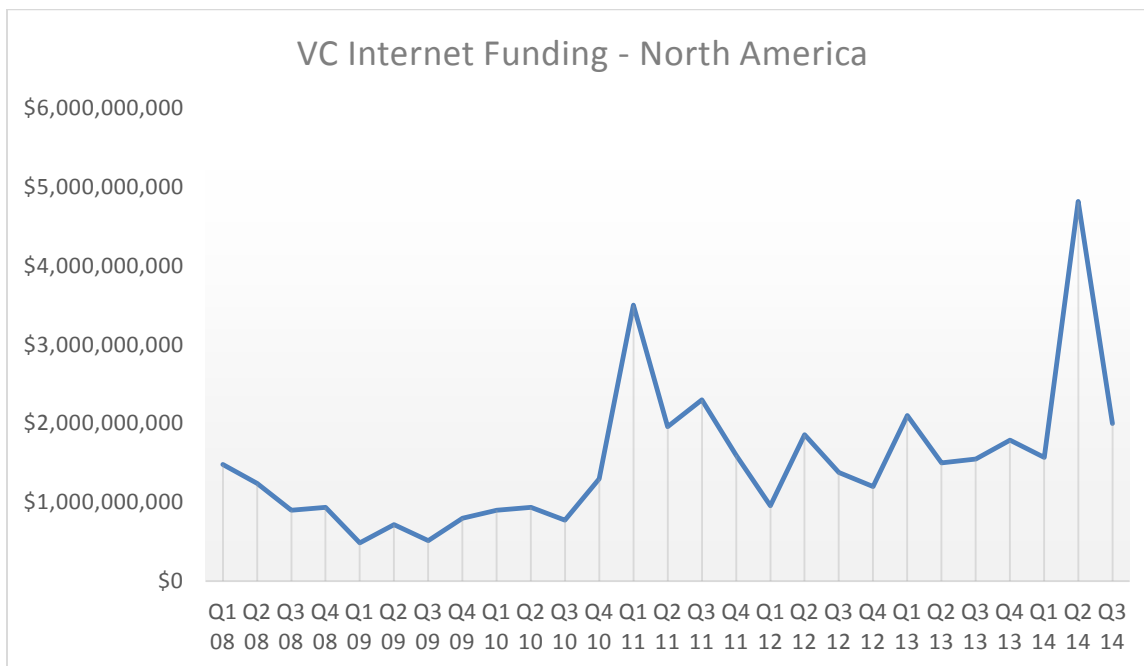
Internet sector company fundings reversed their previous quarterly increase by registering a funding percentage decrease of 59%. The sector received \$2 billion in venture capital funding during the quarter, allocated among 238 companies – a decrease in the number of companies funded of 14% vs. 2Q 2014.

San Francisco-based [Kabam](#) secured the largest funding during the quarter, receiving \$120 million in financing from corporate investor [Alibaba Group](#). Kabam is a developer of popular mobile game titles and Alibaba has also entered into an agreement to distribute Kabam games in China, starting with the Lord of the Rings series. Published reports put the round valuation at \$1 billion.

At the seed stage, [WeddingSpot](#) raised \$3 million in financing from institutional venture capital and individual investors. The company is developing an online marketplace that enables users to search price and compare hundreds of wedding venues. The company said it would use the proceeds to expand the team and accelerate its footprint expansion to all 50 states in the US.

San Francisco-based [Good Eggs](#) landed \$21 million in its Series B financing round. The company is developing a premium grocery delivery service and was backed by [Index Ventures](#) and other undisclosed investors.

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Chart 1 – Internet Funding


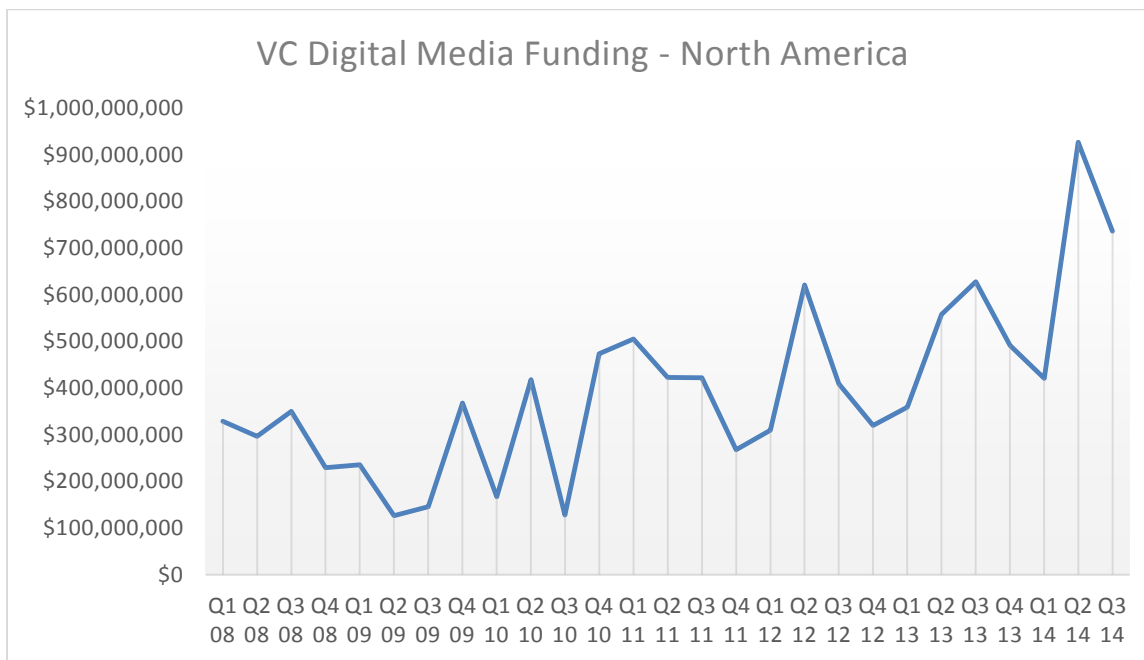
Digital Media

Digital Media funding reversed its previous quarterly result of aggregate funding increase. 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 21% to \$736 million, with 85 companies being funded, a decrease of 1% in companies funded versus the previous quarter.

[VICE Media](#) raised the largest round during the quarter, receiving \$250 million in venture capital investment from [Technology Crossover Ventures](#). The company said it would use the proceeds to create proprietary technologies for distributing media across mobile, web and social outlets.

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Chart 2 - Digital Media Funding



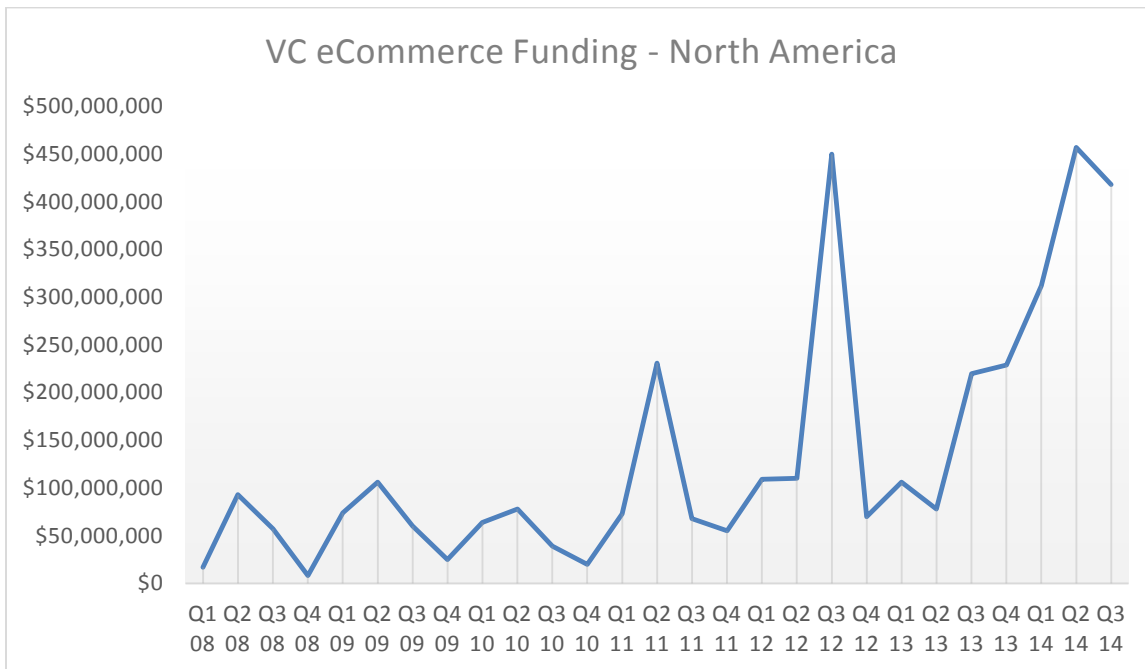
eCommerce

The eCommerce sector decreased its quarterly funding level, with 40 companies receiving a total of \$418 million in funding, representing a 9% decrease in financing amounts versus the previous quarter's tally.

Stealthy Jet.com raised \$70 million in two separate early stage equity and debt financings from a syndicate of top-tier venture capital firms and lenders. Jet is developing what it refers to as a "new shopping experience that will empower customers like never before." The company says that it is planning to launch in early 2015.

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Chart 3 - eCommerce Funding



Software

During the quarter, Software company fundings represented the largest sector of the grouping, raising \$2.6 billion between 287 companies. This activity represented a quarterly decrease of 19% in total funding amounts and a 3% increase in the number of companies funded.

Palo Alto, California-based [Palantir Technologies](#) landed \$165 million in new investment, according to an SEC regulatory filing. Palantir has developed an analytical platform that enables government agencies and security firms to “explore and analyze the subtle connections that exist within fast networks of heterogenous information.” Palantir is backed by a syndicate of venture capital and private equity firms, as well as [In-Q-Tel](#), the investment arm of the Central Intelligence Agency.

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[DataStax](#) raised \$106 million in a new round of investment from a sizable syndicate of venture capital and strategic investment firms. The company said it would use the funds to accelerate growth plans for its Apache Cassandra technologies.

At the seed stage, Rochester, Minnesota-based [DroneDeploy](#) garnered \$2 million from a syndicate of California venture capital firms to continue developing its platform for smart drone management. The company said it plans to use the funding proceeds to develop industry-specific applications for first responders, media and entertainment companies.

Chart 4 - Software Funding

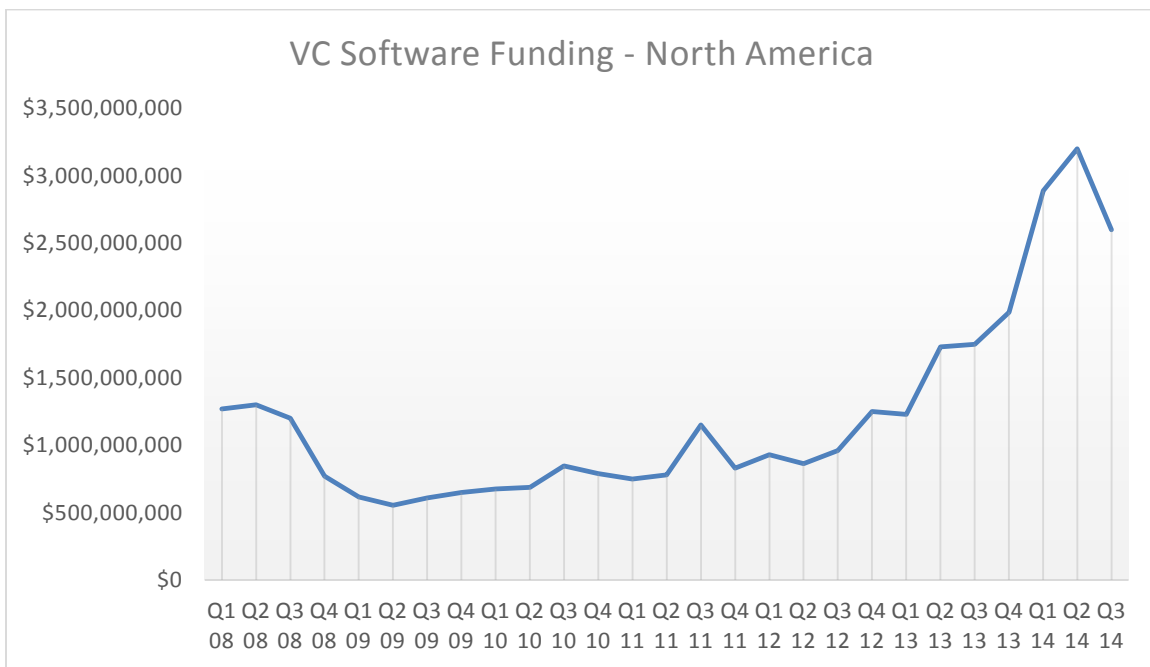


Table 1

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Venture Funding Activity – 3rd Quarter 2014

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Internet	\$2 billion	- 59%	238	- 14%
Digital Media	\$736 million	- 21%	85	- 1%
eCommerce	\$418 million	- 9%	40	+ 25%
Software	\$2.6 billion	- 19%	287	+ 3%
Total	\$5.8 billion	- 38%	650	- 4%

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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