



Venture Capital Funding Quarterly

**Internet • Digital Media
eCommerce • Software**

4th Quarter, 2012 – United States

Publisher

[VentureDeal](#)

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Summary

During the fourth quarter of 2012, 523 companies in the Internet, Digital Media, eCommerce and Software sectors raised \$2.8 billion in venture capital funding in the aggregate, down 13% in total funding amounts versus 3Q 2012 but up 9% in the number of companies funded.

The Internet, Digital Media and Ecommerce sectors showed a decrease in funding amount. The Software sector indicated an increase in aggregate funding amounts.

Funding Activity

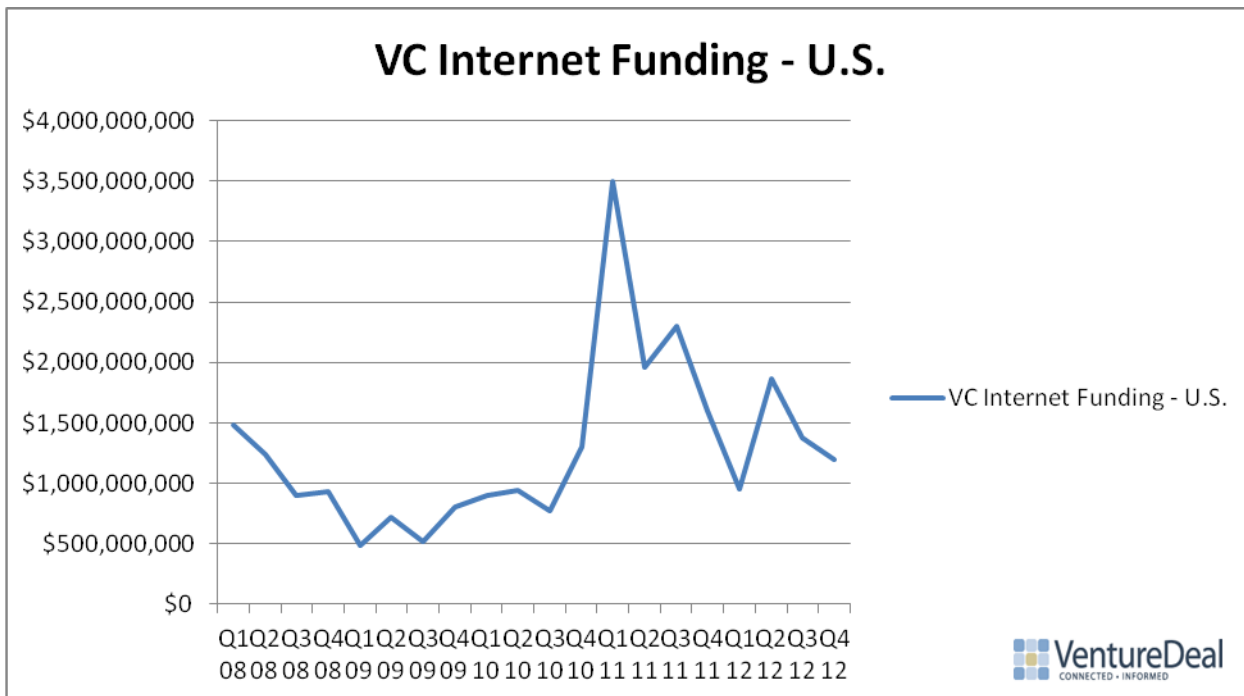
Internet

Internet sector company fundings continued their previous quarterly decrease by registering a funding amount percentage decrease of 13%. The sector received \$1.2 billion in venture capital funding during the quarter, allocated among 242 companies – an increase of 5% in the number of companies funded.

Internet company [Airbnb](#) secured the largest funding round during the quarter, receiving \$117 million in new equity financing, according to an SEC regulatory filing. The company operates an online service that enables individuals to purchase rooms for rent from others.

Sunnyvale, California-based [Bidgely](#) raised \$3 million in its Series A financing round. The company is developing an innovative web-based energy monitoring and management solution and was backed by noted green tech investment firm [Khosla Ventures](#).

Fashion e-commerce site [Rent the Runway](#) landed \$20 million from top-tier venture capital, private equity and corporate investors. The company enables members to rent high cost, fashionable clothing. Rent the Runway has raised more than \$50 million in the last three years.

Chart 1 – Internet Funding


Digital Media

Digital Media funding continued its recent quarterly trend of funding decreases. Digital Media companies for the purposes of VentureDeal's definition are generally either video/casual game developers or advertising networks. Total funding decreased quarter over quarter by 22% to \$320 million, with 71 companies being funded, a decrease of 3% in companies funded versus the previous quarter.

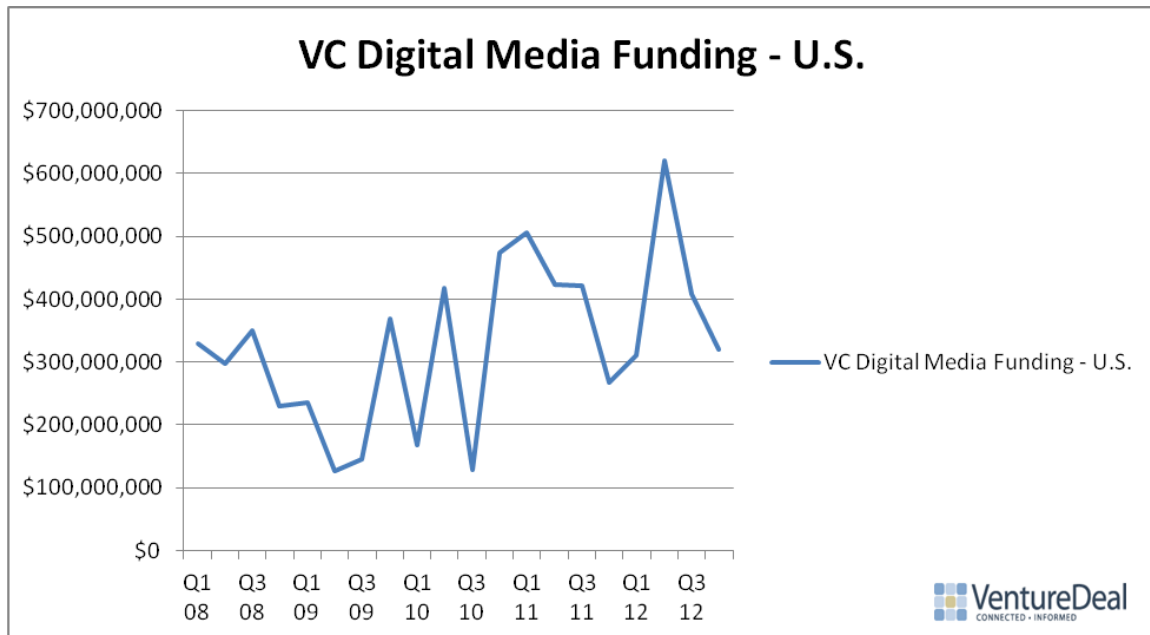
Digital technology company [LiveU](#) raised \$27 million during the quarter from US and Israel based venture capital firms, the largest published round. The Hackensack, New Jersey-based company said it would use the funding proceeds to focus its efforts away from a product-based offering to "solutions-based", mobile offerings.

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In the data space, [Anametrix](#) secured \$4.4 million in Series A financing. The company is developing predictive data solutions for online marketers and said it would use the proceeds to scale its sales and marketing efforts.

New York-based [Ogmento](#) received a little over \$3 million in new investment, according to an SEC regulatory filing. The company is fusing augmented reality functionality with game design to create what it calls "the next generation of video games that are played in the real world."

Chart 2 - Digital Media Funding



eCommerce

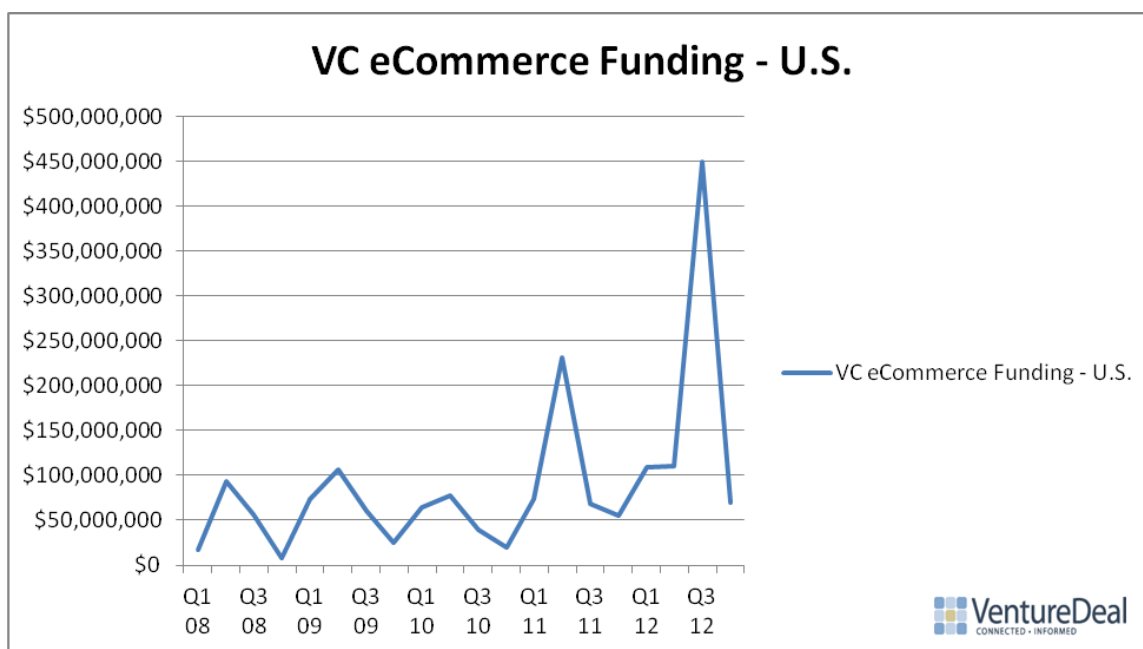
The eCommerce sector sharply decreased its quarterly funding level, with 17 companies receiving a total of only \$70 million in funding, representing a 84% decrease in financing amounts versus the previous quarter's tally.

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Online payment processing company [Braintree](#) raised \$35 million in its Series B from venture capital and corporate investors. The company provides an easy-to-use and integrated payment processing solution for online and mobile websites. Investors in the round included top-tier venture capital firms.

Kansas-based [InvenQuery](#) landed \$650,000 in its Series A round from Midwest venture capital firm [Dundee Venture Capital](#). The company has created an inventory management and point-of-sale solution for specific retail verticals and plans to use the financing to focus its efforts on the reuse vertical sector.

Chart 3 - eCommerce Funding



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Software

During the quarter, Software company fundings represented the largest sector of this grouping, raising \$1.25 billion between 193 companies. This activity represented an increase of 30% in total funding amounts and a 29% increase in the number of companies funded.

The average financing round size registered no change, coming in at \$6.47 million versus \$6.4 million in the previous quarter.

[Cloudera](#) of Palo Alto, California secured \$65 million in its fifth round of venture capital financing, the largest round of the quarter in the sector. The company said it would use the funding to fuel its global sales growth initiatives for its platform for big data.

[ClearCare](#) received \$4.6 million in Series A financing for its software designed for home health-care agency management. As baby-boomers retire at a rate of thousands per day, company investors are betting on a growing market for home health-care service providers and software technology needed to operate efficiently.

Brand intelligence firm [TrueLens](#) raised \$1.2 million in early-stage financing from investors including [Google Ventures](#) for developing technology that promises to help "brands understand high-value truth about their business by empowering them to address the human side of their customers: their interests, expressions, desires and preferences."

Chart 4 - Software Funding – Next Page

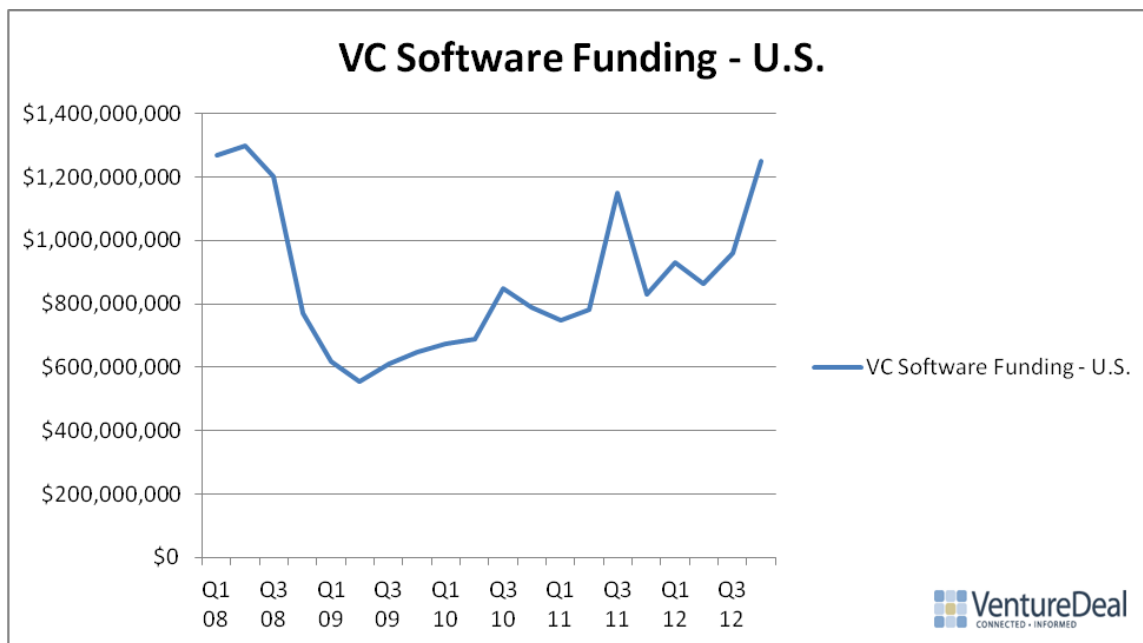
Chart 4 - Software Funding


Table 1

Venture Funding Activity – 4th Quarter 2012

Industry	Total Disclosed Funding	% Change Vs. Prior Quarter	Number of Companies Funded	% Change vs. Prior Quarter
Internet	\$1.2 billion	- 13%	242	+ 5%
Digital Media	\$320 million	- 22%	71	- 3%
eCommerce	\$70 million	- 84%	17	- 41%
Software	\$1.25 billion	+ 30%	193	+ 29%
Total	\$2.8 billion	- 13%	523	+ 9%

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Notes

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

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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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