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## LivingSocial lands \$400 million venture round

### Groupon 'deal of the day' challenger now reportedly valued at \$3 billion

By Chris Nerney

Shopping deals start-up LivingSocial has scored \$400 million in venture funding as the No. 2 daily coupon website strives to keep up with market leader Groupon.

It's the second major investment in LivingSocial since last December, when the 3-year-old company reported \$175 million in funding from online retail giant Amazon.com and another \$8 million from Lightspeed Venture Partners.

Amazon and Lightspeed led the newest infusion of capital, with a new LivingSocial investor, Institutional Venture Partners (IVP), also participating.

The Wall Street Journal reports that "people familiar with the situation" say the new investment values LivingSocial at \$3 billion.

In contrast, Groupon's latest estimated value has been pegged between \$15 billion and \$25 billion. Chicago-based Groupon landed a \$950 million investment round in January -- which the New York Times Dealbook called "the largest fund-raising effort ever for a start-up" -- and is rumored to be talking with banks about an initial public offering.

LivingSocial, based in Washington, D.C., has doubled its revenue estimates over the past few months.

*From the WSJ:*

*In December, LivingSocial said that it was booking \$1 million a day of revenue on average and was on track to generate more than \$500 million in revenue this year. Now, the company is on track to generate \$1 billion in revenue this year, said one of the people. LivingSocial could not be reached for comment at the time of publication.*

According to IVP general partner, Todd Chaffee, LivingSocial has 26 million members in 250 markets across 12 countries and is adding another 1.5 million members weekly.

Groupon reportedly has more than 35 million members and is in more than 250 markets globally.