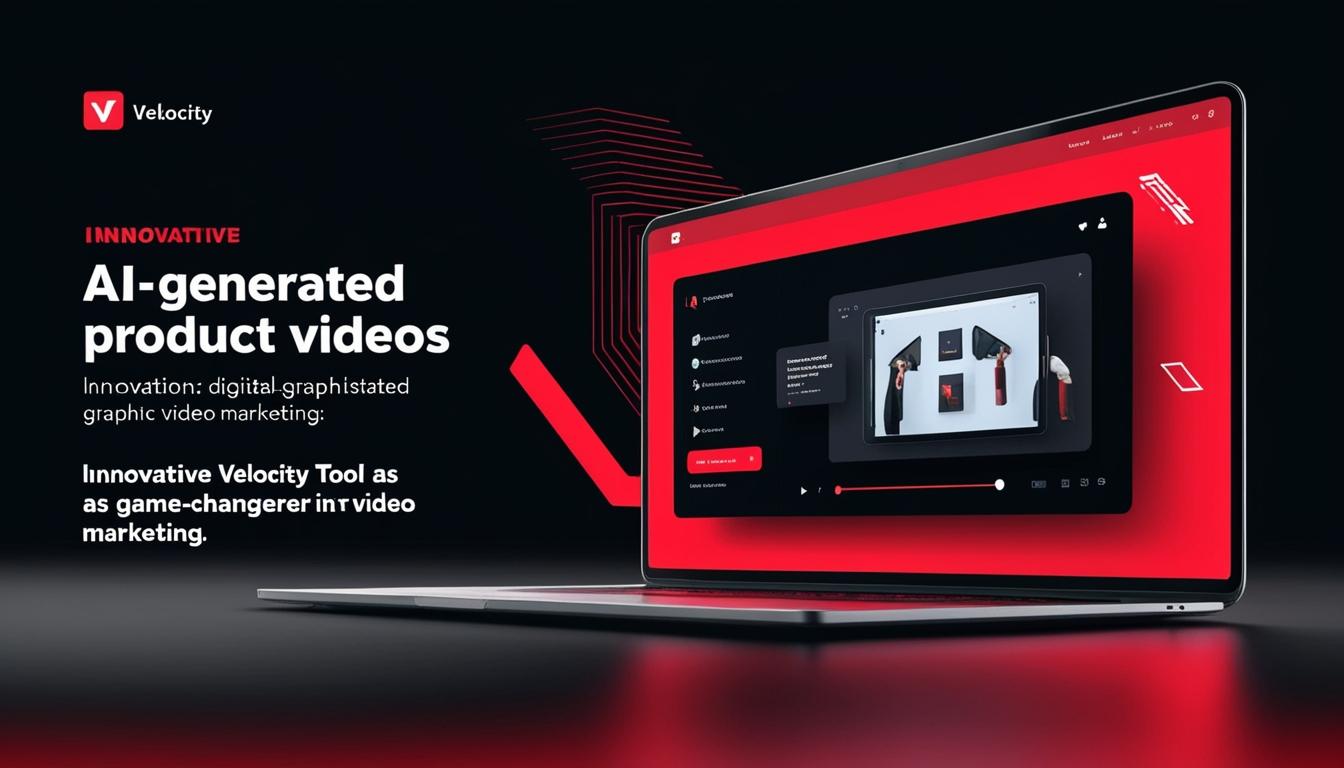
# Avataar launches AI video creation tool to streamline marketing for businesses



A significant development in AI automation has emerged as generative AI models establish themselves as capable of producing videos based on simple inputs such as an image or a brief text description. This advancement aims to simplify the video creation process for businesses, allowing them to generate promotional content more efficiently than ever before. With videos generally outperforming static images or documents in engagement metrics, the market for AI-powered video tools is rapidly expanding.

On Monday, Avataar, a startup supported by Peak XV and Tiger Global, unveiled its new tool named Velocity. This innovation enables users to create product videos directly via a product link, placing Avataar in competition with larger entities like Amazon and Google that are also venturing into AI-enhanced video advertising solutions. Sravanth Aluru, the founder of Avataar, shared insights on their approach to video creation, stating that "the cost of video creation is getting lower, and you can generate clips in bulk." This reflects a broader trend of democratizing video production for brands.

Founded in 2015 by Aluru, who previously held positions at Microsoft and Deutsche Bank, Avataar has raised over $55 million to date. Initially, the company specialised in developing interactive experiences and AI-driven imagery for e-commerce; however, it has now shifted its focus to AI-generated video content. The company claims that while 3D models and interactive experiences may yield higher conversion rates, video content garners more viewer engagement, making it a preferred medium despite potentially lower conversion figures.

In February 2024, Avataar commenced the commercial testing phase of its video tool with select clients, assisting them in the video creation process. By September 2024, the fully automated Velocity system was launched, enabling companies to generate promotional videos with minimal human involvement. Current clients utilizing the Velocity tool include notable brands such as HP, Victoria’s Secret, Lowe's, Newegg, Marina, TVS, and Bajaj.

Avataar posits that their Velocity tool can be particularly valuable for products that do not typically receive a significant budget for video marketing. The capability to create informative AI-generated videos en masse could enhance customer experience and improve conversion rates. Aluru elaborated on this potential, stating, "We could cover entire catalogs and have videos created for all items in them through Velocity."

The company has developed an application programming interface (API) that allows other businesses to integrate their video creation capabilities into existing platforms. Aluru indicated that Avataar's models differentiate themselves by leveraging extensive data collected through 3D rendering, which enhances product presentation reliability. He explained that "our models understand different sub-categories of products and attributes associated with them," ensuring that the portrayals align with the respective product characteristics.

In its offerings, Avataar aims to instil an aspirational quality to its product videos in addition to providing essential details. The startup has implemented safety measures and quality assurance practices to mitigate inaccuracies in product presentations, actively checking for any discrepancies before finalising video outputs.

Industry insights from Amir Konigsberg, an investor and former e-commerce entrepreneur, highlighted the market potential for unique video content within the online sales domain. He remarked, "Video generation from product links is a natural extension of automating e-commerce pipelines," acknowledging video as a powerful tool for enhancing engagement and conversion. However, he cautioned that several competitors already address various aspects of video generation, pointing to the challenges of distinguishing one’s offerings while maintaining consistency and adherence to licensing standards.

Konigsberg noted that despite brands previously hesitating to adopt AI-generated video solutions due to quality concerns, recent advancements in technology may enable these tools to be effective for mass market applications. As generative AI continues to evolve, companies like Avataar are at the forefront of transforming the landscape of video marketing in e-commerce.

Source: [Noah Wire Services](https://www.noahwire.com)

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