



About VEED

VEED is a pioneering online video editing platform that democratises professional-quality video creation through AI-powered tools. Founded in 2018 by Sabba Keynejad (CEO) and Tim Mamedov (CTO), VEED has evolved from a bootstrapped startup to a globally recognised platform trusted by 76% of Fortune 500 companies, including Google, Meta, Amazon, and Netflix. With over 1.5 million downloads worldwide and thousands of monthly active users growing at 40% month-over-month, VEED's core offering centres on AI-powered auto-captioning supporting 100+ languages, alongside intuitive editing tools that make video creation accessible to businesses, educators, and content creators.

The platform's journey exemplifies resourceful growth, achieving 50,000 monthly active users in six months without external funding through strategic content marketing, community engagement, and innovative free tools. VEED's recent strategic acquisition of Russian AI company SpiritMe (specialists in synthetic avatars and voice cloning) demonstrates their commitment to building in-house AI capabilities rather than relying solely on expensive third-party APIs. By acquiring SpiritMe, VEED gains access to cutting-edge models and full-stack control of their technology. Owning the model meant no more API fees of \$1/minute for video generation; freedom to experiment with product features and UX; a competitive 'moat' against competitors relying on generic LLMs. Now, VEED could run 100% of its pipeline internally - making scale, speed, and cost far more manageable.

Situation

VEED operates at the intersection of two rapidly evolving markets: the expanding video content economy and the AI revolution transforming creative tools. The global video editing software market is experiencing unprecedented growth, driven by the rise of social media, remote work, and digital-first marketing strategies. Content creation has democratised beyond traditional production studios to include small businesses, educators, influencers, and individual creators who need professional-quality tools without the complexity or cost barriers. As an example, a local dentist used AI tools to create a video of a skydiving gorilla that broke its teeth that helped him reach vast audiences [Insta video here - \(excuse language!\)](#)

The company has successfully established itself in the AI-powered video editing space, with auto-captioning as their flagship feature addressing critical accessibility needs - 85% of Facebook videos are watched without sound, and 80% of consumers are more likely to finish captioned videos. VEED's freemium model has proven effective, with 10M+ paid users finding

value in their tools despite the platform's acknowledged limitations (users currently cannot even combine two videos).

Their growth strategy has been remarkably organic, leveraging content marketing, SEO optimisation, and community engagement across platforms like Quora, where they answer over 100 video-editing questions weekly. This approach has generated significant traffic and backlinks while building brand authority in the space.

The team are excited by AI's potential in these areas:

- AI drops the barrier to entry for creators. Anyone can now create studio-quality content.
- High leverage compounding returns: The more the core model improves, the more powerful VEED becomes.
- Owning the model unlocks economic freedom (e.g. in-housing SpiritMe allowed them to control cost and innovate fast).
- The ability to create personalised, beautiful content at scale - for marketers, brands, and solo creators alike.

As CEO, Sabba defines success as:

- 70% year-on-year growth
- Winning on search (SEO) and community-driven growth
- A product that users recommend without being asked
Keeping the scrappy culture and product sharpness, even at scale
- Success also means staying true to their mission: help people tell better stories through video - without needing a team or a budget.

Complication

Despite VEED's impressive growth trajectory to 10M+ users, the company faces several critical strategic challenges that threaten their long-term competitive position and growth potential. The AI landscape is evolving at breakneck speed, with foundation models improving rapidly and new competitors entering the market daily. VEED must navigate multiple complex decisions that will determine whether they emerge as a category leader or become displaced by better-funded, more technically sophisticated competitors. Likewise, there is growing pressure from their investors (Sequoia) to scale fast and reach a 100x valuation, especially post-acquisition and venture backing

Technical and Economic Constraints: VEED's reliance on third-party APIs created unsustainable unit economics - at \$1 per minute of processing with 10 million users, their cost structure was fundamentally broken. While their SpiritMe acquisition addressed some technical gaps, they still face the challenge of building comprehensive in-house AI capabilities across their entire product suite while maintaining competitive performance and features.

Strategic Direction Uncertainty: The company confronts a pivotal strategic choice between vertical specialisation (dominating video editing - like Figma did with design) versus horizontal expansion (becoming a broader creative suite, incorporating a wider range of creative tools - like Canva or Adobe). In an AI-first world where prompt-based interfaces are reshaping user

expectations, the decisions they make now around their product range will determine their future flexibility and market position. Going horizontal could unlock new users - but could also dilute VEED's focus and fragment its engineering resources.

Market Evolution and Competition: The video creation landscape is fragmenting across multiple segments - from Hollywood production studios to individual content creators, from 30-second advertising to educational content. Each segment has different needs, price sensitivities, and technological requirements. VEED's user base is global, but market penetration varies. Where should they focus next?

- **Micro-studios (1–10 person teams)** who want agency-grade tools
- **E-commerce sellers** on platforms like Shopify
- **Hollywood and premium content creators**, now testing GenAI in post-production
- **Audio + video hybrid tools**, to move into podcasting, voiceovers, and more

Simultaneously, well-funded competitors with deeper AI expertise are entering the market, potentially commoditising VEED's current advantages.

Operational Scaling Challenges: As VEED grows, they face internal resistance to AI adoption, resource allocation constraints (the team lacks time for basic marketing activities like posting on social platforms), and the need to build organisational capabilities in AI development, data science, and product management. Their lean team structure that enabled early growth may now constrain their ability to compete with larger, more specialised competitors. Even with great tools, internal adoption is not guaranteed. Some teams resist change - tools aren't perfect, output can feel "robotic," and there's fear around job security.

Unclear Value Proposition Evolution: While storytelling through video remains constant, how AI transforms the creation process, who the ultimate beneficiaries will be, and what role VEED should play in this ecosystem remains uncertain. The company must determine whether to focus on empowering existing creators, democratising access for new users, or enabling entirely new forms of content creation.