4IRE

HOW TO LAUNCH A SUCCESSFUL IDO

IDOs have become immensely popular in the past few years. Read on to see how you can create your DEX and launch it hassle-free via an IDO

How to Launch a Successful IDO?

The crypto world has been booming in the past few years, giving project owners and investors immense enrichment opportunities. New cryptocurrencies and tokens are entering the global crypto market every day in various ways. Thus, an ability to distinguish coins with strong potential from a scam is at the heart of successful investing.

For some time, Initial Coin Offerings (ICOs) were immensely popular in this area, but a lack of transparency eroded trust in ICO investment. Initial DEX offerings (IDOs) emerged to resolve this tension and give investors more investment value. Here is a detailed guide about DEX blockchain principles explaining what is an IDO in crypto and giving you a step-by-step guide to launching your own token via an IDO.

What is an IDO – Initial DEX Offering?

So, what is an IDO? The acronym stands for the "initial DEX offering," which is a model of a new token launch via DEX platforms.

If we dig deeper into the IDO crypto meaning, we'll see that it's just another model of a token's launch to the market, in which the IDO launchpad takes responsibility for the project's marketing and initial distribution. The IDO platforms offer the benefit in the form of a large and loyal audience to participating projects. IDO projects, in their turn, share a part of their revenue or allocate some tokens to the IDO platform.

IDOs have emerged as a solution to market participants' dissatisfaction with the lack of transparency and project quality overview associated with ICOs. While ICOs were conducted by the companies owning the project, a reputable decentralized exchange is responsible for an IDO. As a rule, DEXs perform initial project screening against specific quality and reliability parameters so that IDOs presented on their platforms are not scams. Thus, IDOs have become a popular choice among DeFi projects targeting the decentralized crypto market and wishing to raise money more fairly and transparently.

Differences between IDO, IEO, and ICO

In its essence, an IDO is just another form of launching a new cryptocurrency or token to the crypto market, making it available for purchase and trading among retail investors. This is the feature an IDO shares with ICOs and IEOs. Still, there are some fundamental differences between these three methods of new crypto launches, which we present below.

	IEO	ICO	IDO
Approach to raising funds	A new token's release on a centralized exchange (CEX)	Crowdfunding of a new blockchain project before its release to an exchange	A token's launch on a decentralized exchange (DEX)
Marketing	The CEX handles all marketing efforts	The project's owners market it individually	Project owners and DEX market the project
Trust	Trust is high due to KYC/AML verification	Trust issues may arise because of misleading and manipulative marketing information about the project	Trust issues arise because of the absence of transaction oversight and no KYC requirements
Legalities	Rigorous control by a centralized exchange	Regulation is project-specific	No regulation
Commissions	The CEX charges fees for trading and token launch	ICOs are bought from project owners directly at zero fees. Fees are paid on the exchange when the token starts being traded there.	DEXs typically charge no fees, with users paying only blockchain-specific gas fees
Security guarantees	The CEX guarantees security, but the risk of identity breaches and fraud is high.	Security risks are high because of the direct purchase of tokens from the project's website.	No identity breaches are possible due to anonymity, making transactions securer.

How do crypto IDOs work?

So, what does IDO mean in crypto, and how does the mechanism of an IDO launch take place? Here is a brief intro to the process for newbies.

- The first step for a crypto project to conduct an IDO is to contact a DEX of their interest and provide their tokens to it. The DEX undertakes all the final distribution and transfer processes on the IDO it accepts. Everything occurs automatically due to the self-executing nature of smart contract logic.
- The IDO candidate goes through a vetting process during which the DEX platform determines its compliance with quality and safety criteria. Once the vetting step is successfully covered, the project gets approved for the upcoming IDO.
- At this initial stage, the IDO provider needs to supply the tokens to the DEX at a fixed preliminary sale price, which acts as an additional incentive for investors to buy the tokens early with a discount. The DEX freezes the funds paid for IDO tokens for a predetermined period, and the token release takes place during the Token Generation Event (TGE).
- Investors interested in the IDO project should submit their applications and wait for the DEX's selection results. Some DEXs select investors randomly to the whitelist, while others allocate IDO tokens based on the tier system. Interested buyers are also frequently encouraged to complete marketing tasks (e.g., sharing Twitter or Discord posts, joining the project's social media, tagging the project in their posts, etc.) to get higher allocation chances.
- Investors get access to their tokens upon TGE and can immediately trade them on the DEX.

Top 10 IDO Launchpads

Depending on your project's type, scale, and specialization, you can choose among various IDO launchpads. Here is the list of top-10 IDO incubators and launchpads popular among startups today.

#1 BSC Starter

This young and promising IDO launchpad has already helped raise over $20 million for 30+ blockchain projects. It operates on the Polygon blockchain and gives access to early seed and pre-sale rounds of IDOs and other crypto startups.

#2 TrustPad

This multi-chain launchpad has been highly popular among venture investors over the past year. To participate in IDOs, users need to buy the TPAD token on the TrustPad platform. Those wishing to launch an IDO on TrustPad must contact its team, submit the project's technical documentation for review, and determine the token's allocation to TrustPad's community members holding TPAD.

#3 Bybit

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#4 Polkastarter

Polkastarter is another leading IDO launchpad in the blockchain space. You should submit the project's documentation to its Council for review and voting. The team will do all due diligence, evaluating the project's objective value. Polkastarter users will participate by locking their POLS tokens and applying for a part of your allocated token pool.

#5 GameFi

GameFi is a relatively new platform offering excellent ROI potential for startups and investors. It specializes in web3 gaming, so you should consider it if your IDO relates to the DeFi gaming industry. The launchpad is officially supported by crypto giants like DAO Maker, Morningstar Ventures, and Polygon, guaranteeing a quick start for any promising startup.

#6 DAO Maker

DAO Maker has topped the list of venture capitalists' favorite IDO launchpads for a long time. It has already featured almost a hundred projects, with the highest ROI exceeding 3,700%. Projects go through a rigorous selection and review process by the DAO community and are distributed among DAO Maker members locking 2000+ DAO tokens on the platform.

#7 Unicrypt

Unicrypt features IDOs operating on the BSC, Ethereum, xDai, and Polygon networks. The ecosystem started its operation two years ago, in June 2020, currently providing a large spectrum of DeFi services. Its ILO platform operates as a launchpad and incubator for promising startups.

#8 GameZone

GameZone is a launchpad offering all-around assistance to crypto projects at any stage of development. It has incubator functionality, a decentralized marketplace, NFT lending, scholarship features, and many more perks to supercharge the growth and development of web3 gaming ideas.

#9 Pinksale

PinkSale is a feature-rich blockchain ecosystem offering a suite of tools for token creation, launchpad design, and token sale arrangement. It's an all-in-one solution for crypto startups, allowing access to a vibrant investor community. When planning an IDO at PinkSale, you need to pay $900 for the KYC procedure meant to validate your credentials and ensure that investors will trust you.

#10 BSCPad

BSCPad is also one of the crypto market's oldest and best-known IDO launchpads. It operates on the BSC blockchain and reviews all applications for scam risks, market potential, and transparency. Users apply for new IDOs by locking 1,000+ BSCPAD tokens in their accounts and going through the KYC procedures.

How to prepare for an IDO

With a proper understanding of what is an IDO process, you are better positioned to create and release your own project. Look through the following steps to see what is required on your part and what you can delegate to a reputable blockchain company.

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Devise a business strategy

To make people interested in your project, you need to create a distinct business idea. Like with any other business project you would want to monetize, you need to communicate this new IDO's goal, mission, and vision. Explain to people what your project will do, how it will address their challenges, and what development paths you plan for it. Besides, potential investors should understand the tokenomics behind your project. Explain the fund allocation mechanism, the blockchain specifics, and the overall roadmap of the project after the IDO.

Create marketing collateral

The marketing strategy for your project adds meat to the bones of the business strategy. First, you need an informative and inspiring whitepaper for your IDO, listing the basic principles of functioning, the values of your project, and its core features, facts, and figures. Second, you need to invest time and effort in a modern, good-looking website that can present your project in the best light. Visitors of the website should get excited about your brainchild, hasting to invest money into it at its early stages.

Visit a DEX launchpa

The next point is to choose a DEX launchpad among the variety of available options. You need to compare the terms and algorithms of IDO launch to understand what is a IDO process on each of them. Some conditions may suit your business strategy better, while others may be irrelevant to you. Make sure to check the consensus and whitelisting terms on each DEX you're considering to see whether it fits your IDO expectations. Apply for the IDO and wait for the project to be accepted.

Create the cryptocurrency

According to the IDO definition, crypto tokens are launched on the DEX platform using its infrastructure, but the project's owner should create the token itself. So, before a successful launch takes place, you need to partner with a credible cryptocurrency developer to handle the token creation project. Give them all details about your project's goals and strategy, share your vision, determine the right technology, and set the safety and functionality expectations for the partnering team. This process is the pivotal point in the IDO process, and its outcomes affect the results of your token release to a large degree.

Launch the token to start raising funds immediately

Again, returning to the mechanics of IDO implementation, you need to consider that the crypto token's launch doesn't take place on a DEX all of a sudden. It would be best to do some preparatory work to make it technically possible. First, upon the announcement of IDO, the DEX collects money from interested investors and creates a token pool with those funds. Once the TGE occurs, investors can see their tokens on their balances and start trading them. Additional incentives may include a high APY for staking tokens in a liquidity pool, allowing the investors to receive passive income from their coins.

How to launch a successful IDO?

After finishing all the preparatory steps, you face the actual IDO launch. In technical terms, the IDO happens when your project's token starts selling on one of the existing exchanges, and there is a demand for it.

So, at first, you need to choose one of the two public sale approaches for your native token:

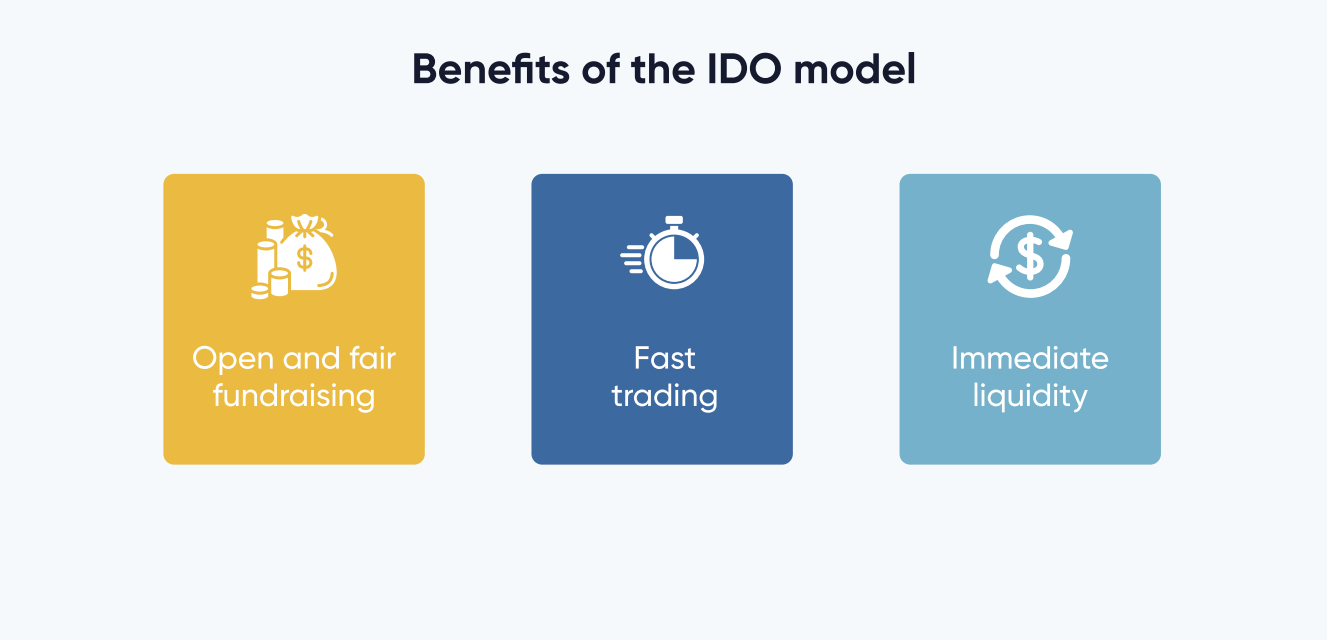
- Token distribution with limit sell orders.
- An auction allowing token distribution based on the demand-supply-driven price dynamics.

Your task at this stage is to provide liquidity for your token for the initial sale. After it, you should work on the setup of the liquid secondary market for your token's circulation. These efforts can be boosted by offering lucrative rewards for mining or token staking, which increase users' loyalty to your project and incentivize its adoption.

To complete this stage effectively, you need to create a loyal, active community of early adopters who will be the first to participate in your project and spread information about it among people. Second, your token should be safe and technically superior, giving users confidence in its prospects and monetization potential.

Third, it's vital to choose a launchpad carefully, picking the one that meets your needs and expectations.

The benefits of the IDO model



Open and fair fundraising

The IDO is a secure and more transparent model of fundraising for projects and investment for users because the DEX platform is a vital intermediary of the process. The DEX screens IDO candidates for safety and reliability, thus giving users access to the most promising projects. In this way, investors don't need to risk their money by buying tokens directly from the project's website. They get the tokens through a reputable DEX.

Immediate liquidity

The mechanism of IDO ensures the assets' immediate liquidity on the DEX platform after the token is released. This outcome is achieved by locking up a portion of funds in the liquidity pools, thus reducing the slippage percentage and affecting the trading volatility positively. The investors receiving tokens before the TGE at a discounted price are often urged to block their tokens for a specific period; these tokens are used in the liquidity pool for smoother operations with the token after its IDO.

Instant trading

The major benefit of IDOs compared to ICOs is a more democratic approach to token staking without the ability to sell them immediately after the IDO. The problem that many users buying tokens at early pre-sale rounds face is that the asset's price rises exponentially in the first minutes after the IDO, then falling below the level of the IDO price. Thus, the investors limited in their ability to sell tokens can lose vital revenue from their investment. Luckily, many IDOs allow selling the tokens generated during TGE immediately after the IDOs, giving investors full control of their funds.

Lower costs

The DeFi sector has done much to democratize retail users' access to finance and investment. Thus, IDOs are a convenient option for people with small deposits interested in crypto investments at the early stages of project launches. Participation in IDOs often comes with lower fees, which gives more people access to them. Besides, the project owners find it much more affordable to launch their tokens via an IDO than to go through a more meticulous and risky process of ICO.

Reliable transactions

Each IDO launchpad has a strong ecosystem uniting liquidity providers, traders, investors, and new project developers. The better the DEX's reputation is, the safer its transactions are regarded to be. Therefore, each interested investor can pick a DEX they like the most and access affordable and lucrative IDO projects with guaranteed allocation and promising revenue potential. Besides, the cross-DEX liquidity pools allow better transaction visibility and lower slippage risks.

How 4IRE can help you with Initial DEX Offering development

Now that you know what is IDO crypto, it's time to launch your own project for monetizing your business ideas in the blockchain world. The 4IRE team of coders and blockchain engineers is ready to assist you in every step of this business venture. Our experienced blockchain project managers and visionaries will help you create a winning business strategy, shape appealing tokenomics, and choose the right technology for building the IDO token from scratch. We offer turnkey solutions from idea to IDO launch, giving you the upper hand in this quickly changing market.

Major Points for IDO Launch

Now, let's briefly recap the prerequisites of a successful IDO. We've searched deep and wide to hand-pick the list of success criteria from dozens of well-known IDO launches. And here are the ingredients of the secret recipe of success:

- Website

No crypto project can succeed without a well-designed, appealing website. Over 70% of users still use the company's website as the primary source of information about it. So, your website should be informative, professional-looking, and convincing.

- Social media presence

Social media marketing and community management are part and parcel of IDO preparation. Remember that a successful IDO means that people are ready to buy your token. Who will buy it if you don't have a loyal, interested community? The best way to grow your tribe is to establish an active presence on social media and publish daily updates on Twitter, LinkedIn, Telegram channel, or Discord. It's also advisable to create a Reddit thread where your followers can team up and share their experiences.

- Whitepaper

The project's whitepaper is a very important document that every serious investor studies before making the purchase decision. Your whitepaper should be informative and competent. It should explain the internal architecture of your project, its mission, vision, and goals, as well as the long-term trajectory of project growth.

- Roadmap

The project's roadmap tells users what will be added to the platform and what features and new opportunities you're planning to add in the coming months. This way, they will get the long-term potential of your token and develop trust in it.

- Team

A star team headed by an experienced, famous founder can boost any project's popularity. However, not all projects are ready to disclose the leaders behind them, and you can benefit from this component only if your founders are ready to go out in public.

- Community development

The role of a loyal, active community can't be overestimated when it comes to IDOs. You need to grow and engage your community daily, offering various loyalty rewards and airdrops. This way, the community will spread word of mouth about your IDO and guarantee its initial liquidity.

- Smart contract audit

Cybersecurity is key in the crypto world, and your token should be technically superior to establish trust and enjoy wider use. So, we recommend conducting an inside-out audit of the underlying smart contract logic before launching the token at the IDO.

- Marketing and consulting

A competent team of marketers and consultants can elevate your IDO's success to a whole new level. A carefully planned promotion campaign will help you reach out to a broader audience, ensuring a smooth start for your project.

- Project advisors

It's also a good idea to get an experienced IDO launch expert on board, at least at the initial stages of your project's life. A project advisor with in-depth industry expertise and strong business acumen can make a real difference, heading your IDO in the right direction.

- The right IDO platform

Looking at our list of top 10 launchpads, you can see that the launchpad terms and requirements differ considerably. Thus, you should carefully analyze the launchpads' distinctions to pick the one meeting your project's specifics.

Conclusion

As you can see, launching an IDO is a manageable task that can potentially increase your project's outreach and give you a smooth start in the crypto market. Use our tips for the IDO launch and turn to our experts for consulting and assistance. We can guide you through the IDO token preparation and launch processes step by step to guarantee good publicity and monetize your crypto startup.

FAQ

What is the best IDO platform?

It's hard to name the best crypto DEX as each platform offers unique terms and benefits for its users, thus winning a loyal customer base. At present, the #1 choice among users worldwide is DAO Maker, which offers a tiered approach to IDO allocation and features many successful projects. Other popular choices are Polkastarter, BSCpad, GameFi, and TrustPad, among others. Read their terms for IDO participation, consider your budget, and pick the best platform fitting your needs.

How do I participate in PolkaStarter IDO?

To gain benefits from IDO launches on platforms like PolkaStarter, you first need to get a good idea of what is an IDO crypto. Understanding all intricacies and involved risks is instrumental in securing your money and getting the most of IDO investments. The first step is to submit your project to the Polkastarter Council for review. Its analysts check the project's quality, security, legitimacy, and decentralization. After the initial application, the due diligence stage, direct assessment, and council vote stages occur. If your project fits the platform, onboarding is allowed upon approval.

What is the difference between an IDO and an ICO?

So, what is a crypto IDO, and how does it differ from an ICO? You can easily distinguish these two models of new token launches by the issuer of tokens and the platform for fundraising. ICOs are typically held by project owners on the project's official website, with all interested investors registering on their platform and sending money directly to the project's account. This fundraising model caused much concern because of many scams and the disappearance of the project altogether after a lucrative token sale. IDOs are different as they are held via reputable DEX platforms (launchpads), with rigorous quality control and fund allocation organized by their functionality.

FAQ

How do I launch IDO?

As soon as you understand the crypto IDO meaning and see that this method of token launch suits you, it's time to plan the IDO launch campaign. It should include the planning stage at which the tokenomics and business strategy of the project is formulated. Next comes the choice of a blockchain platform on which the token will be created. After that, you need to conduct an attention-grabbing marketing campaign to attract your target audience to the project. At the same time, you need to submit the IDO project for approval to one of the available IDO launchpads, preparing the token for release after receiving its approval.