

How to plan a token sale

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Introduction

While many businesses in the traditional corporate space raise money through IPOs (initial public offerings), there are also cryptocurrency fundraising techniques; one of these techniques is token sales.

When it comes to token sales, planning is vital. To ensure the success of your sale, you need to have a solid plan in place. This guide will walk you through the steps necessary to create a successful token sale. From setting goals and developing a strategy to creating a marketing plan and building a community, we've got you covered.

What is a token sale?

A token sale is an event where a new blockchain-based project issues or sells a portion of its token to early adopters and, in return, gets funds to develop the project.

At the beginning of every new crypto-based project, token sales are a crucial mechanism before the token is put out for public trading. In addition, token sales are the most widely used method for new projects to raise the capital required to continue their product development.

Early adopters and investors can buy a new project's token through an initial coin offering (a type of token sale) before it becomes available on global exchanges. However, the investors in ICOs are frequently required to take particular actions, such as locking up a portion of the tokens they get.

Step-by-Step guide on how to plan a token sale

It is imperative to know that there is no one-way route to planning a token sale. Most times, the success of a token sale highly depends on the adoption and demand of the token in the market.

However, certain factors and steps are required to boost the chances and help drive a successful token sale.

Here is a detailed step on how to plan and launch a successful token sale for your crypto-based project.

Create a competitive product

Creating a competitive product is the first factor when building a tokenised project. One can not overemphasise the importance of a competitive product because thousands of projects are available today, and the competition is fierce.

For this and other reasons, if your token is to make it through this competition, let alone gain any value, it will need to be in high demand. As a result, you should properly think of ways to incorporate a token into your project so that it becomes an essential part of its product.

Thanks to platforms like [BitcoinTalk](#), projects can now quickly get opinions and early feedback on their proposals from potential users and investors. This might help assess and improve projects before the token sales begin.

If your project will succeed, it must provide a solution that the market wants, which must be demonstrably superior to what your rivals are already offering. Here, the best product with the best strategies always wins.

Observe the market and identify competitors

Like any other conventional business, competition is mostly inevitable. So there are chances that your idea has projects with similar offerings, and they are also vying for the same investors' funds.

However, this is not bad; if you do enough research, your competitor's experience and limitations might be instrumental to your project's success.

Have a solid grasp of the market, identify competitors, learn from past projects, identify your target investors and proffer solutions to pressing issues in the market.

Create a token

Your project will have to own its token if it wants to receive funding through a token sale.

A token is a significant element for a crypto-based project and for your company to meet its fundraising target. You are simply exchanging the token's value for an investor's funds, so there has to be a token.

In the blockchain ecosystem, tokens represent fungible and tradeable things like money and virtual assets.

However, when building a project, even before creating a token, one vital factor to consider is the blockchain on which you want to build your token.

Ethereum, Binance (Binance Smart Chain), and TRON are the most often utilised blockchains for creating crypto tokens. They use the ERC-20, BEP-20, and TRC-20 token standards, respectively; however, the first-ever and most used token standard to date is ERC-20.

Seek legal opinions

The legal landscape for token sales is constantly evolving; therefore, getting a qualified legal advisor to oversee every necessary procedure involved in running a token sale for your project is essential. Doing so prevents you from getting into legal troubles with law enforcement agents or even investors, especially since it involves their money.

This step will guarantee your token sale safety for investors and protect the project against any form of fraud.

Create a whitepaper

The first essential step in attracting investors to a project is to publish a whitepaper. It must describe the project and why its token is worth any investment. A well-written, comprehensive whitepaper is essential to attract investor interest and ensure a project's success.

The [whitepaper](#) is a crucial document describing your cryptocurrency project's goal, ecosystem, structure, and technology. A list of other information in a whitepaper includes:

- Problems and Proposed Solutions
- Token Information
- Technical Description
- Roadmap
- Project Schedule
- Team members and Advisors

Ultimately, a whitepaper is essential when planning a token sale to provide a thorough description of the product, define the token's purpose, and reveal how the coins will be distributed.

However, it should be written so that anyone would understand; clarification is of utmost importance.

Build a website

Like any corporate organisation, creating a website is necessary for crypto projects and especially important for marketing during a token sale.

A thorough overview of the token sale structure should be one of the first things a visitor sees on your website. So, prioritise being as transparent as possible when providing information, and make investors know why they shouldn't miss out on your token sale.

Different sections of the website should also include Team members' bio, Partners, Whitepaper, Roadmap and links to the project social networks.

Build a supportive community

In these early stages of the token sale, the community is essential. All cryptocurrency initiatives nowadays are evaluated based on the size and activity of their communities; as soon as you can, start building your community.

You'll require a PR strategy and a Discord community, among any social platform of choice, where you can interact with potential investors. Token sales can be enhanced by a supportive community, which is often instrumental during the initial hype phase of most projects. However, if the community is not established at an early stage, your token might fall over swiftly.

Develop a marketing strategy

Now that everything is in place, the next step is marketing. You cannot overlook the importance of an excellent marketing strategy because you have no prospect of making any money otherwise.

The rising popularity of crypto has made the crypto space competitive. There is no other option besides getting your project in front of as many people as possible. There are different digital marketing strategies such as content marketing, social media marketing and Email marketing available today that you could adopt.

Also, with forums like BitcoinTalk and other social media platforms now, you can raise awareness of your token on multiple platforms and discussion boards.

Distribute tokens

Contacting exchanges to sell your tokens on your behalf is crucial when planning a token sale—this way, people can now buy and sell your products on different exchange platforms.

You must locate the top exchanges that list tokens to increase your chances of success. For example, [CoinMarketCap](#) is a well-known platform for token sales. In addition, the website offers a comprehensive list of coins with their market values.

Finally, it is necessary to determine the type of token to use during transactions for your token sales. It should be stated if the accepted token is Ethereum, Bitcoin or Fiat currency.

Conclusion

It takes a lot to organise a token sale. It calls for efficient teamwork between different people and organisations, which requires thorough planning and coordination.

However, when everything is in place, from the first prerequisite to the last, the likelihood of a successful token sale rises.

Links to source

<https://tokenminds.co/blog/token-sales/steps-to-token-sales/#steps-for-conducting-token-sales-process>

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