

Crowdfunding to production

Reference for hardware crowdfunding execution — platform selection, pre-launch engineering readiness, marketing budget benchmarks, post-funding production timeline, international fulfilment economics.

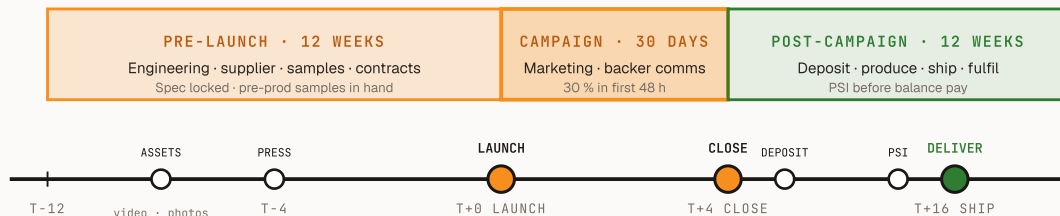
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ABSTRACT

Hardware crowdfunding succeeds when the campaign is treated as a sales event for an already-engineered product: spec sheet locked, supplier chosen, pre-production samples on hand, sales contract signed, fulfilment plan drafted. Production starts within weeks of campaign close, not months.

This document covers platform selection, pre-launch engineering readiness, marketing budget allocation, post-funding production timeline, and the fulfilment economics that determine whether the campaign delivers margin.

CROWDFUNDING TIMELINE — T-12 PRE-LAUNCH TO T+16 DELIVERED



FAILURE MODE 70 % of hardware crowdfunding projects deliver late.
FIX Start pre-launch 12+ weeks out. Campaign is a sales event for an already-engineered product.

T-12 TO T+16 TIMELINE. THE CAMPAIGN IS A MARKETING EVENT FOR AN ALREADY-ENGINEERED PRODUCT. PRE-LAUNCH IS 12 WEEKS OF ENGINEERING; CAMPAIGN IS 30 DAYS; PRODUCTION+SHIP IS 12 WEEKS.

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1. Platform selection

Kickstarter and Indiegogo dominate. The choice comes down to audience, funding flexibility, and company registration.

1.1 Comparison

FEATURE	KICKSTARTER	INDIEGOGO
Hardware audience size	Largest	~50 % of Kickstarter
Funding model	All-or-nothing only	Flexible or fixed
Eligibility	Stricter (25 countries)	Broader
Continued sales	Limited	InDemand (perpetual store)
Platform fee		5 % 5–8 %
Payment processing	3–5 %	3–5 %
Total platform fees	8–10 %	8–13 %
Hardware success rate	~38 %	~30 %
Typical successful raise	\$40k–\$1M	\$30k–\$800k
Time to payout	~14 days after close	~14 days after close

1.2 Registration requirements (both platforms)

– Company

Registered legal entity (LLC, Corp, GmbH, etc.).

– Bank account

Business account in same country as the company.

– Residency

At least one founder resident in same country.

– Government-issued ID

Both platforms verify identity.

– Why these exist

Anti-fraud, tax reporting, backer protection (after FTC actions against failed campaigns 2015–2018).

2. Pre-launch readiness

A campaign promising a finished-looking product but built on rough estimates fails predictably. Have these in hand before launch — not in motion, in hand.

2.1 Engineering side

ASSET	WHY CRITICAL
Complete product specification sheet	Locks materials, components, dimensions, certifications
Approved pre-production samples	Made on actual line; photographed, signed, dated
Tooling commitments	Mold, jigs, fixtures ordered — not "in negotiation"
Compliance plan	Which certifications, which labs, which timeline
QC plan + logistics plan	AQL, freight forwarder, HS code confirmed
Functional prototype video	Show working product, not renders
Renders / hero images	Studio-grade photography or photo-realistic renders

2.2 Commercial side

- **Sales contract with supplier**
Signed. Unit price, MOQ, lead time, payment milestones, late-delivery clause.
- **Multiple supplier quotes**
At least two. Confirms cost isn't an outlier; gives a backup.
- **Pre-production samples on the actual line**
Not the prototype bench.
- **Compliance pre-tests booked**
At least pre-compliance EMC; full certification timeline planned.

2.3 Pricing math you can defend

COST ITEM	% OF RAISED FUNDS (TYPICAL)
Unit COGS	25–40 %
Tooling amortisation	5–10 %
Shipping per zone	8–15 %
Platform + payment fees	8–13 %
Marketing	25–40 %
Returns buffer	5–10 %
Compliance / lab tests	3–8 %
Team labor (not extracted)	0–20 %
Margin (left for next product)	0–15 %

This is why a campaign that "raises 5× its goal" can still be a financial death march. The headline number is gross; net margin after fulfillment is often 5–15 %.

2.4 Marketing budget allocation

Hardware crowdfunding now requires paid acquisition. Free press is not enough.

CHANNEL	PRE-LAUNCH SHARE	DURING CAMPAIGN
Facebook ads	40 %	30 %
Instagram ads	20 %	20 %
Press / PR outreach	15 %	10 %
Influencer partnerships	15 %	20 %
Email marketing (own list)	5 %	10 %
Google Ads	5 %	10 %
Other (Reddit, TikTok, etc.)	0 %	varies

Typical hardware campaign marketing budget: **25–40 % of raised funds**. Allocate at least 50 % of marketing budget to pre-launch (warming the list) vs. during-campaign.

2.5 Pre-launch list size targets

Building an email list before launch is the most reliable predictor of success.

CAMPAIGN GOAL	PRE-LAUNCH EMAIL LIST
\$25k	2 000–4 000 subscribers
\$100k	8 000–15 000
\$250k	20 000–35 000
\$500k+	40 000+
\$1M+	75 000+

Conversion rate from email subscriber to backer: typically 5–15 % (averaging ~8 %). A higher conversion comes from a better-warmed list (deeper engagement, more touchpoints).

2.6 Reward tier structure

Standard hardware tier ladder. Adjust amounts per product price.

TIER	PRICE (USD)	WHY
Super Early Bird	\$79 (45 % off)	First 24–48 h; creates rush
Early Bird	\$99 (30 % off)	First 1 week; sustains momentum
Standard	\$129 (15 % off)	Default tier; majority of pledges
2-pack	\$239 (split discount)	Bundle for couples / sharing
Family / 3-pack	\$329	Gifts, multi-room use
Premium / signature	\$179–249	Higher-margin variant; signed, limited
Retail	\$149 (post-campaign)	Used as anchor pricing

Anchor the retail (post-campaign) price clearly. Backers want to feel they got a deal.

WATCH OUT — THREE BIGGEST MISTAKES

The three most common pre-launch mistakes: 1. **Underestimating supplier sourcing time** — Quoted "2 weeks" becomes 8 weeks first-time. 2. **Underestimating sample iteration time** — Each tooling iteration is 1-2 weeks; 3-5 iterations is typical. 3. **Underestimating all-in unit cost** — Adding compliance, packaging, freight, duty, fulfillment fees doubles the headline "factory unit cost."

Any one of these turns a successful campaign into a 12-month death march. ~70 % of hardware crowdfunding projects deliver late.

3. Campaign + production timeline

Time is the deliverable backers care about. The faster you ship after close, the smaller the refund risk and reputation damage.

3.1 Pre-launch (T-12 to T+0)

WEEK	ACTIVITY
T-12	Lock spec. Final PP samples in hand. Supplier contract signed.
T-10	Marketing assets begin. Photography or rendering.
T-8	Campaign page draft. Video editing complete. Landing page live.
T-6	Email list building (paid ads + content). Press kit ready.
T-4	Press outreach (Engadget, The Verge, niche). Pre-launch ads.
T-2	Final platform setup. Identity + bank verification.
T-1	Beta backer outreach (your own list).
T+0	Launch

3.2 Campaign (typically 30 days)

PHASE	DAY	ACTIVITY
Day 1-3	Backer base activation	Email list + social. 30 % of total in first 48 h.
Day 4-25	Sustained acquisition	Paid ads, press, influencer mentions. Daily backer updates.
Day 26-30	Final push	"Last chance" emails, social posts. Another 20-30 % comes here.
Throughout	Daily updates	Be transparent. Be human. Backers buy you as much as the product.

3.3 Post-campaign (T+0 to T+16)

WEEK	ACTIVITY
T+0 to T+2	Funds transfer (Kickstarter holds ~2 wk; Indiegogo varies).
T+2	Place 30 % deposit with supplier.
T+2 to T+8	Production. Daily WhatsApp/WeChat with supplier.
T+8 to T+10	Pre-shipment inspection (PSI). Pay balance after PSI passes.
T+10 to T+12	Sea freight (or partial air on first wave).
T+12 to T+14	Customs clearance + 3PL receiving.
T+14 to T+16	Fulfilment to backers.

3.4 Reality check

- 70 % of hardware crowdfunding projects deliver late.
- A 6-month estimated delivery often becomes 12 months. Add buffer; communicate honestly.
- Update backers every 2 weeks minimum. Silence kills more campaigns than delays.

4. Fulfilment to backers

Fulfilment consumes margin. Get it wrong and you lose 20 % of revenue you thought was profit.

4.1 Three structures

OPTION	PROS	CONS
A. Ship all to home country, fulfil from there	Simple management	Expensive international
B. Ship to HK 3PL, fulfil globally from there	Lower cost	Skips duties in some markets (DDP issues)
C. Hybrid (domestic + Asia)	Best for most	More setup

Recommend Option C — Domestic backers via local fulfilment (full import compliance); international backers direct from Asia.

4.2 Fulfilment partners

Floship (HK)	Crowdfunding-specialist 3PL; \$1-3/parcel handling
Easyship (HK)	Aggregator across carriers; integrates with platform
ShipMonk (US)	Domestic US, integrates with platforms
E-Services Group	APAC + global hybrid
ShipStation (US)	DIY shipping software for small operations
Pirate Ship (US)	Lowest USPS rates; DIY only

4.3 Customs on fulfilment

TERM	BUYER EXPERIENCE	COST TO SELLER
DDP (Delivered Duty Paid)	Smooth; no surprise charges	+10–25 % per parcel
DDU (Delivered Duty Unpaid)	Backer pays duty on receipt; ~1/3 refuse	Lower per-parcel
Local entry + domestic	Best experience; standard import	Highest set-up; lowest per-parcel

4.4 Shipping cost reality

ROUTE	PER PARCEL (1 KG)	PER PARCEL (2 KG)
HK → EU	\$18–35	\$28–50
HK → US	\$14–25	\$20–38
HK → AU/NZ	\$20–32	\$30–48
US fulfilment → US backer	\$5–9	\$8–14
EU fulfilment → EU backer	\$7–12	\$10–18
Domestic → International	\$25–50	\$40–80

Heavy products (>2 kg) — Disproportionately more. Calculate by zone before pricing reward tiers.

4.5 Common fulfilment fees

ITEM	COST
Receive at warehouse	\$0.50–2.00 per unit
Storage (monthly per pallet)	\$20–50
Pick + pack per order	\$1.50–4.00
Returns handling	\$3–10 per return
Shipping label	varies

4.6 Backer-friendly fulfilment policy

- **Replacement policy**

Defective units replaced free for 6–12 months from delivery.

- **Returns policy**

Most crowdfunding products don't accept returns (custom products); be explicit.

- **Lost shipment**

Insurance covers; replace on photo proof of non-receipt.

- **Customs charges**

If DDU, warn at checkout: "Duties payable on receipt; estimated \$X for your country."

FINAL NOTE. a successful campaign that misses the shipping date by 12 months hurts the brand and the next product. A modest campaign that ships on time builds backers into a loyal early-customer base for the next product. Promise a date you can deliver; ship a product backers want to talk about.