



## Demand/Value Hypothesis

A **Demand/Value Hypothesis** is a statement that outlines a specific customer need, the proposed solution, and the expected value or outcome. It sets the foundation for your user stories and testing.

### Structure of the Hypothesis

- **For** (target customer/user)
- **Who** (has a specific need/problem)
- **Our product/feature is a** (solution category)
- **That** (provides a core benefit/value proposition)
- **Unlike** (competing solution or current state)
- **Our solution** (key differentiator).

### Example Hypothesis

**For small business owners** who struggle to quickly create professional-looking social media promotional graphics, **our new in-app design tool is a** simple, template-driven editor **that** allows them to generate ready-to-post visuals in under five minutes. **Unlike** complex, dedicated graphic design software, **our solution** is integrated directly into their existing marketing dashboard and requires no prior design skill.



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## User Stories for Testable Solutions

User stories are short, simple descriptions of a feature told from the perspective of the person who desires the new capability, usually a user or customer. They follow the format: "**As a [type of user], I want [some goal], so that [some reason/benefit].**"

The user stories below are derived directly from the value proposition in the hypothesis.

- **User Story 1: Template Selection**
  - **As a** small business owner, **I want** to browse a variety of pre-designed templates for different social media platforms (e.g., Instagram, Facebook, X), **so that** I don't have to start designing from scratch.
- **User Story 2: Text Customization**
  - **As a** small business owner, **I want** to easily edit the text and add my own promotional message to the selected template, **so that** the graphic accurately reflects my current offer.
- **User Story 3: Image/Logo Upload**
  - **As a** small business owner, **I want** to quickly upload my company logo and product images into the template, **so that** the final graphic is on-brand.
- **User Story 4: Final Download/Share**

- **As a** small business owner, **I want** to download the finished graphic in a high-quality, social-media-ready file format, **so that** I can immediately post it to my desired platform.

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## ? Analytical Questions and Measurement

To test whether the solution (the design tool) is actually delivering the promised value (creating graphics quickly and easily), we need to define specific analytical questions and how we'd measure the answers using a tool like Google Analytics (GA4).

| User Story / Feature                 | Key Analytical Question                           | Proposed GA4 Instrumentation & Metrics                                                                |
|--------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Template Selection<br>(User Story 1) | Are users discovering and utilizing the tool?     | Instrument: A <b>page_view</b> or <b>tool_start</b> event when the editor is opened.                  |
|                                      |                                                   | Metric: <b>Tool Launch Rate</b> (Number of users who launch the tool).                                |
| Template Selection<br>(User Story 1) | Do users find the templates relevant and helpful? | Instrument: A <b>template_selected</b> event when a user chooses a template.                          |
|                                      |                                                   | Metric: <b>Template Selection Rate</b> (How often users select a template after viewing the gallery). |
| Customization Steps (Stories 2 & 3)  | Is the tool easy to use (low friction)?           | Instrument: <b>text_edited</b> and <b>image_uploaded</b> events.                                      |

|                                         |                                                         |                                                                                                                                                                                                                             |
|-----------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |                                                         | Metric: <b>Completion Rate</b> (Percentage of users who start the tool and complete all customization events). <b>Time to Completion</b> (Average time between <code>tool_start</code> and <code>graphic_exported</code> ). |
| <b>Download/Share</b><br>(User Story 4) | <b>Does the tool provide the desired outcome/value?</b> | Instrument: The final <code>graphic_exported</code> (or <code>share_button_clicked</code> ) event. <b>This is your ultimate success event (conversion).</b>                                                                 |
|                                         |                                                         | Metric: <b>Conversion Rate</b> (Percentage of users who launch the tool and successfully export a graphic).                                                                                                                 |
| <b>Overall Value</b><br>(Hypothesis)    | <b>Is the new feature driving business value?</b>       | Instrument: Link the <code>graphic_exported</code> event to broader marketing goals.                                                                                                                                        |
|                                         |                                                         | Metric: <b>LTV (Lifetime Value)</b> of users who use the design tool vs. those who don't. <b>Retention Rate</b> of users after using the tool.                                                                              |

## Conclusion: Driving a Testable Solution

The process of connecting the **Demand/Value Hypothesis** to **User Stories** and then to **Instrumentation** creates a **testable solution**.

1. **Hypothesis** defines the **WHY** and **WHAT** (Value).
2. **User Stories** define the **HOW** (Testable functionality).
3. **Analytical Questions/Instrumentation** define the **DID IT WORK** (Measurement of value delivery).

By observing a high **Conversion Rate** (e.g.,  $\geq 25\%$ ) from `tool_start` to `graphic_exported` and a **Time to Completion** of  $\leq 5$  minutes, we would confirm the hypothesis that the tool delivers a quick, high-value solution.