



Market Value Chains: A Strategic Framework for Product and Market Alignment

It is challenging to align products with customer needs — or *vice-versa*, depending on whether you have a market-driven or product-driven organisation. You cannot satisfy all customers, and success in business is being able to make choices.

Even when a product sells, important questions remain. Have you targeted your *strongest* market segments? Which features in your product provide the solutions and benefits each segment requires, and what are the leading sales arguments in each case? To answer those questions: what do your target segments truly need and value? The same logic works in reverse: starting from your solutions and benefits to identify the most promising customer segments. These questions are relevant for a start-up with a great idea, as well as an established company that wants to expand into new segments, or needs to follow its market segment as its needs change.

I developed the concept of value chains over ten years as a practical tool to analyse and communicate cause and effect in different situations. The idea first emerged in 2015 and evolved through repeated application. The following table shows how the same core logic was applied in different contexts and directions.

#	Application	Chain Direction
1	Understanding how each department contributed to corporate goals	Solutions → Goals
2	Prioritising improvements to maximise impact on corporate goals	Goals ← Means ← Solutions
3	Explaining the USP claims in a product for sales	Benefits ← Solutions ← Means
4	Designing metrics to track business goals	Objectives ← Means ← Measures
5	Mapping products to market segments	Products ← Solutions ← Segments
6	Identifying product benefits in a complex Information Memorandum	Needs ← Solutions → Benefits
7	Identifying new business opportunities — aligning product with market segments	Constraints ← Segments → Needs → Solutions → Benefits

In the seventh iteration, I introduced the critical concept of “constraints” to filter and focus within broader customer segments based on their *situational* needs. At that point I coined the term “Market Value Chains” to distinguish it from many generic uses of “value chain” in strategy and operations literature.

Traditional approaches only capture part of the picture. Personas describe who the customer is, but rarely connect their constraints to specific needs. Customer journeys map experiences, yet seldom link those experiences to concrete solutions. Business models define value, but often fail to show which constrained segments actually experience the problem and would therefore value the solution. None of them systematically bridge the gap between customer reality and product decisions.



A Note on Wardley Maps

Wardley Maps are an excellent strategic tool. Their vertical axes build a “chain of needs” from the visible user need downward through dependencies, creating deep ecosystem awareness and strategic foresight.

Market Value Chains were developed as a practical cause-and-effect mapping tool. While both centre on customer needs and value delivery, they serve different purposes. Wardley Value Chains focus on top-down ecosystem dependency mapping for situational awareness, whereas Market Value Chains use bidirectional links across segments, needs, solutions and benefits to identify what actually aligns and drive practical decisions across various business contexts.

Market Value Chains map five elements:-

- **Customer Segments** – Who they are, and their relevant characteristics.
- **Constraints** – Intrinsic or situational barriers that limit success.
- **Needs** – Opportunities that arise directly from those constraints.
- **Solutions** – How your product or service addresses those needs.
- **Benefits** – The tangible value delivered to the customer.

They provide a structured, visual way to link these elements and create a clear, actionable view of product–market alignment by answering the question: *Who experiences this problem, why does it matter to them, and how does our solution deliver real value?*

Creating Market Value Chains

The process is iterative and practical. There is no strict order — you can begin with whichever links feel easiest and iterate across the five elements until everything is consistent and coherent.

- Identify and define target **customer segments**. They can be existing customers, new candidates, or even entirely new segments.
- Determine the **constraints** that prevent (or *could* prevent) success. Is the customer/segment facing a situation which makes them more conducive to your solutions?
 - Map constraints to segments.
- Define the **needs** required to be fulfilled to remove these barriers. If the segment needs don't align with your USP, consider looking at other segments.
 - Map needs to segments.
- Identify **solutions** (products or services) that address these needs.
 - Map solutions to needs.
- Specify the measurable **benefits** your solutions provide.
 - Map benefits to solutions.



Summarise the completed chains for clarity. Colour-code them to highlight the key benefits that will strengthen your sales messaging, cluster segments that share common characteristics, and prioritise the most promising targets.

Needs must be defined without any bias toward your existing product. Solutions and benefits should be expressed clearly so marketing and sales can communicate value directly to the customer.

My innovation in this framework is the explicit use of constraints. I often leave constraints until the last iteration. Mapping customer needs to your solutions and benefits is reasonably common, and will already point sales in the right general direction. The constraint step then acts as a powerful filter. Not all customers within a broad segment are the same. By mapping constraints, you focus on the specific subset that actually experiences the need right now, and therefore has the strongest reason to act.

Example: SaaS Platform for Small Businesses

A simple real-world illustration shows how the framework works in practice:-

- **Segment:** Small business CEO/CFO
- **Constraint:** Lack of time for financial tracking
- **Need:** Automated reporting and simplified accounting
- **Solution:** AI-powered financial dashboard
- **Benefit:** Saves 10+ hours per month, reduces stress, improves accuracy

Why Market Value Chains Matter

The framework helps organisations:

- Identify the right customers and focus sales and marketing efforts.
- Make better product decisions by building solutions that directly address real needs and constraints.
- Create stronger, more authentic messaging that speaks directly to customer needs.
- Validate product–market fit faster and more systematically.
- Gain a genuine competitive advantage by solving the right problems for the right segments.

How to Get Started

If you recognise that your current product or go-to-market strategy feels misaligned with customer needs, the Market Value Chains framework may help clarify the path forward.

You are welcome to get in touch at enquiry@punkfrog.se if you would like to explore how Market Value Chains could be applied in your own organisation.



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