

Working Paper | Organizational Value

# The Engagement Yield Gap

Why most organizations leave value on the table.

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Why Most Organizations Leave Value on the Table

Across every category we advise, from consumer SaaS to content platforms to community-led commerce, we consistently observe the same pattern. Executives optimize to exhaustion against engagement metrics that reflect only a fraction of the value their users are actually producing. We refer to the delta between what is captured and what is generated as the engagement yield gap. In our benchmarking, it is significant, and it is widening.

## The Standard Yield

Conventional engagement analytics were designed for a simpler question: did the user come back? Monthly active users, stickiness ratios, time in app, click-through: these are all variants of a single measurement, which we call the primary yield. Primary yield is the portion of user engagement that a platform can monetize using its current business model.

## Secondary Yield

What we call secondary yield is the broader residue of engagement: the patterns, affect, parasocial investment, ambient meaning-making, and creative labor that accrue around a product but are not directly transacted. Secondary yield is what a loyal customer is doing in the hours of their week that do not involve your product but that your product is nonetheless present in.

CATEGORY	PRIMARY YIELD	SECONDARY YIELD (est.)	GAP MULTIPLIER
Generative Media	\$1.00	\$2.10	2.1x
Community Commerce	\$1.00	\$3.80	3.8x
Content Platforms	\$1.00	\$4.60	4.6x (avg)
Loyalty Programs	\$1.00	\$5.20	5.2x
Passive Consumption	\$1.00	\$8.40	8.4x

Fig. 1: Engagement Yield Gap by category (n=38 platforms, 2022-2025). For every dollar of user value monetized, between two and eight dollars of additional latent value dissipate without capture.

For every dollar of user value a platform currently monetizes, between four and five dollars of additional latent value accrue and dissipate without being

captured.

## Creative Pattern Capture

The field discipline most closely associated with secondary-yield measurement is creative pattern capture: the identification, calibration, and reinvestment of the patterns users produce in the course of engaged use. Pattern capture spans four categories:

Explicit user-generated content

Inferred preference structures

Behavioral signatures that persist across sessions

The more diffuse output we refer to in our internal materials as residue

Of the four, residue is the most underexploited. It is also the category with the steepest diminishing returns if captured too aggressively. A well-run pattern capture program treats residue the way a well-run forestry program treats old growth: as a renewable resource, but only when managed on a generational horizon.

## Common Failure Modes

The most common failure mode is primary-yield myopia: an executive team that has built rigorous infrastructure around its current monetization loop and is unable to allocate attention to a second loop that would compound on top of it.

The second most common failure mode is overreach: the operator who, once aware of the yield gap, attempts to close it in a single product cycle. Secondary yield, like any slow-compounding resource, rewards patience and punishes extraction.

## Sequencing a Program

1. Baseline primary yield using existing analytics.
2. Commission a secondary-yield audit to identify categories of residue.
3. Build a minimum-viable intake mechanism for one residue category.
4. Run the intake mechanism for at least four quarters before evaluating ROI.
5. Expand to a second category only once the first has reached steady state.

A successful program typically produces the first attributable revenue, or the first attributable non-revenue outcome (which we increasingly treat as equivalent), in quarter five.

## The Window

We expect that, within a decade, secondary-yield capture will be a line item on the P&L of every consumer business above mid-market. The firms that build the capability during the current window will enter that decade with a structural advantage that primary-yield optimization cannot replicate.

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