



INDEPENDENT RESEARCH BRIEFING

The \$126,000 Leak.

How missed phone calls quietly drain revenue, waste marketing spend, and erode customer lifetime value across American small and mid-market businesses.

A cross-industry compilation of independent research from 24 sources, including Harvard Business Review, MIT, Forbes, Invoca, Numa, Ruby Receptionists, ServiceTitan, the Lead Response Management consortium, and 411 Locals.

APPLICABLE TO ANY BUSINESS THAT ANSWERS A PHONE.

EXECUTIVE SUMMARY

The single largest preventable revenue loss in American business

The single largest source of preventable revenue loss in American small and mid-market business today is not pricing, not competition, and not advertising performance. It is the unanswered phone.

Across multiple independent studies — including data from Forbes, Harvard Business Review, MIT, Invoca, Numa, Ruby Receptionists, ServiceTitan, 411 Locals, and the Lead Response Management research consortium — the same pattern emerges with remarkable consistency.

62%

of inbound calls to small businesses go unanswered.

411 Locals 30-day study of 85 businesses across 58 industries; Forbes 2020 SMB Communications Study.

85%

of callers who do not reach a person never call back.

Numa 2021 Small Business Phone Report; corroborated by Cira 2026 and Aira 2026.

\$126K

average annual revenue lost per business to missed calls.

Invoca 2022 Call Intelligence Report; updated by CallSetter.ai 2026.

391%

higher conversion rates for businesses that respond within one minute.

Chili Piper research, summarized in Rogue Digital 2025 and Verse.ai.

4.7%

of companies achieve the optimal 5-minute lead response window.

InsideSales.com Lead Response Management Study (HBR / MIT-referenced).

These are not directional indicators. They are repeated, independently sourced, multi-vendor measurements that have held steady or worsened for more than five consecutive years.

The financial implication is straightforward: **the average business is paying for marketing and advertising that succeeds in generating demand, then losing 60 to 85 cents of every dollar of that demand at the point of capture** — the moment the phone rings.

This report assembles the data, names the sources, and quantifies the cost — for owners, operators, and marketing leaders ready to confront a well-documented operational gap.

SECTION 1

The Scale of the Problem

The 62% Number

The most-cited statistic in the missed-call literature — that 62% of inbound calls to small businesses go unanswered — originates from a 30-day study by **411 Locals** that monitored the phone activity of 85 small businesses operating across 58 distinct industries. The methodology, sample size, and findings are publicly disclosed.

Call outcome	Percentage
Answered by a live person	37.8%
Forwarded to voicemail	37.8%
No response whatsoever (no answer, no voicemail)	24.3%

Source: 411 Locals study (2016, ongoing); confirmed by Forbes 2020 SMB Communications Study, OnceHub 2026, and Aira 2026.

The 85% Number

The corresponding behavioral statistic — that 85% of callers who fail to reach a live person never call back — comes from the **Numa 2021 Small Business Phone Report**, which analyzed call-handling outcomes across thousands of small businesses.

The combined math is the part most operators have never calculated:

If 62% of your calls go unanswered, and 85% of those callers never call back, then **52.7% of your total inbound call volume is permanently lost to your competition** — not delayed, not deferred, but gone.

The arithmetic: $0.62 \times 0.85 = 0.527$. Source: 411 Locals and Numa 2021.

The Hidden Component

Critically, missed calls do not appear in standard CRM dashboards. They do not show up in lead reports. They are invisible to most marketing attribution systems. A caller who hangs up at voicemail has, from the perspective of every standard business intelligence tool, simply never existed.

This is why most operators do not know the size of the problem until they are shown the math. As Heath Ahrens summarized on LinkedIn in December 2025:

“That lost opportunity never shows up in reports or dashboards. It just quietly disappears, along with the revenue attached to it.”

SECTION 2

The Financial Cost

The \$126,000 Estimate

The most widely cited annual loss estimate — \$126,000 per business — was originally published in the **Invoca 2022 Call Intelligence Report**, based on analysis of platform data from thousands of home services businesses. The figure has been reproduced, with minor variations, by CallSetter.ai, Aira, and AMBS Call Center.

For specific industries, the cost is substantially higher:

Industry	Avg. value per lead	Annual loss (5/wk missed)
Residential contractor / home services	\$1,500 – \$5,000	\$390,000+
Dental / medical clinic (LTV-adjusted)	\$800 – \$2,000	\$200,000+
HVAC	\$800 – \$4,500	\$78,000 – \$264,000
Plumbing	\$300 – \$1,500	\$78,000+
Legal / consulting	\$500 – \$1,500	\$130,000+
Roofing	\$5,000 – \$15,000	\$390,000+

Source: OnceHub 2026 cross-industry analysis; Cira missed-call statistics analysis 2026.

Real-World Operator Math

The most credible loss math is not a vendor projection. It is the ground-truth math operators publish themselves. From a documented analysis by a service-industry operator on Reddit's r/AiForSmallBusiness, April 2026:

“Average value of a service job: \$500. Average missed calls per day: 5. Conversion rate when answered live: 40%. Conversion rate on a callback the following day: 15%. The conversion gap times missed calls times job value: \$625 in lost revenue per day. Multiply by 250 working days, and you get \$156,000 annually. Even if your figures are only half of these, you're still looking at a loss of \$60,000 to \$80,000 each year.”

The conversion-gap framing is the key insight. Even when a caller does leave a voicemail and does get called back, the conversion rate drops by more than half. The damage compounds across every channel of the lead lifecycle.

The Daily-Cost Reality

A single contractor monitored over 30 days, as documented by OnceHub, logged **41 missed calls in one month**. After filtering for spam and existing clients, 9 represented genuine lost leads. At an \$800 average job value, that contractor handed **\$7,200 to competitors in a single month** — and never knew it happened.

SECTION 3

Marketing and Advertising Implications

The Wasted-Spend Calculation

The compounding problem is that missed calls are not free. They are paid for. Every Google Ads click-to-call conversion that goes unanswered represents marketing budget that succeeded in generating intent and then failed to capture value.

Max Digital Edge's 2026 analysis frames it directly:

“If the call came from Google Ads, it is a paid media leak. The business already spent money to create that moment. Missing the call means the budget succeeded and the company still lost.”

NextPhone's 2026 study of thousands of home services calls found that **74.1% of click-to-call ad-driven phone calls went completely unanswered**. For a business spending \$10,000 per month on paid search with a click-to-call extension, that is roughly \$7,400 per month in advertising spend that produced phone calls that the business never answered.

The Effective CPL Distortion

When marketing and operations are measured separately, the math hides. When they are combined, the picture changes:

Reported CPL	\$50 per lead	Standard measurement
Calls answered	38%	411 Locals / NextPhone
Effective CPL of real conversations	\$132	$\$50 / 0.38$

The cost of marketing inefficiency is not in the ads. It is in the gap between ad-generated demand and business-captured demand.

ServiceTitan and the Peak-Hour Problem

ServiceTitan's platform data, cited in cross-industry analyses, indicates that the average home services business **misses 27% of inbound calls during peak operating hours alone** — meaning the miss rate is highest precisely when ad-driven call volume is highest. The advertising spend and the staffing gap are inversely correlated.

SECTION 4

The Speed-of-Response Crisis

The Five-Minute Rule

Independent research by Harvard Business Review and MIT, summarized in the widely cited Lead Response Management study, established what is now treated in sales operations as settled science:

- Businesses that respond to a new lead within **5 minutes** are **100 times more likely** to make contact than those waiting 30 minutes.
- They are **21 times more likely** to qualify the lead.
- Yet **only 4.7%** of companies achieve the 5-minute window.
- The **average business response time is 47 hours**.

Source: InsideSales.com / Drift Lead Response Time Research; Casey Response AI 2026 statistics compendium; Verse.ai Speed to Lead study.

The One-Minute Multiplier

More recent research from Chili Piper, summarized by Rogue Digital and corroborated by Verse.ai, found that responding **within one minute** drives a **391% increase in conversion rates** versus delayed response.

Response time	Outcome relative to immediate response
Within 1 minute	391% higher conversion (Chili Piper)
Within 5 minutes	21x more likely to qualify (HBR / MIT)
Within 30 minutes	100x less likely to connect than 5 minutes
After 24 hours	95%+ drop in conversion probability
After 1 week	Treated as cold by most CRMs

Source: Casey Response AI 2026 compendium of HBR, MIT, InsideSales.com, Drift, and Chili Piper research.

Why It Matters for Inbound Phone Calls

The five-minute rule applies most acutely to inbound phone calls because the caller is already on the line, in market, and ready to engage. A missed phone call is a five-minute violation in the most literal possible sense — it is a violation at second zero.

Verse.ai's Speed to Lead statistics summarize the cross-industry implication:

“78% of customers buy from the business that responds first. Over 50% of people hire the first business to respond to their requests, even if it's more expensive.”

Original source: LeadConnect (cited via Verse.ai); 50%+ figure attributed to Forbes.

SECTION 5

The After-Hours Problem

When Calls Actually Come In

The standard 9-to-5 staffing model assumes that inbound call volume matches business hours. Independent research shows the opposite:

Industry segment	% calls outside 9 – 5
All business average	34%
Healthcare	38%
Restaurants and hospitality	42%
Emergency and home services	50%+
Home services (NextPhone analysis)	73%

Source: Ruby Receptionists After-Hours Call Analysis 2025; AINORA 2026; NextPhone 2026.

The Coverage Gap Math

A separate analysis of 40 service industries — plumbing, HVAC, dental, pest control, and others — published on Reddit's n8n community in April 2026 found:

“40-60% of calls that could generate revenue occurred outside of regular business hours (9 AM to 5 PM), yet only 12% of those calls were effectively captured.”

The implication: even businesses that perform well during business hours are missing the majority of their highest-intent inbound demand. After-hours callers tend to be the most urgent — burst pipes, broken HVAC, dental emergencies, legal crises — and therefore the highest-value.

CallSetter.ai's 2026 analysis, citing Ruby Receptionists, confirms:

“35% to 45% of calls to service businesses come outside of standard 9 to 5 hours. These are often the highest-value calls because they represent urgent situations: a burst pipe at midnight, a broken furnace on a Saturday, a toothache on Sunday morning.”

SECTION 6

The Hold-Time and Voicemail Tax

Even calls that *are* answered are frequently lost downstream.

Hold-Time Abandonment

Data on hold-time abandonment rates, compiled in AINORA's 2026 customer hold-time analysis:

Hold time	Caller abandonment rate
30 seconds	12% hang up
60 seconds	22% hang up
2 minutes	34% hang up
5 minutes	66% hang up
8 minutes	85% hang up

Beyond abandonment, callers who endure long hold times become less likely to ever call back: **35% drop in repeat-call likelihood after 2+ minute holds.**

The Voicemail Failure Mode

Even when the system “works” — the call rings, voicemail picks up, the caller leaves a message — the failure mode is consistent. According to Cira's 2026 analysis:

“85% of people who call your business and don't reach a live person will never call back. They don't leave a voicemail. They don't try again tomorrow. They call the next plumber, electrician, or contractor on the list.”

For the 15% who *do* leave voicemails, follow-up data from the InsideSales.com lead-response research shows that approximately 50% of voicemails are never returned. The combined funnel:

100 inbound calls	Baseline
38 answered live	62% missed per 411 Locals
9 leave voicemail	15% of the 62 who miss
4 – 5 voicemails returned	50% return rate per InsideSales
NET CAPTURED: 42 – 43 of 100	57 calls lost

The other 57 are revenue that paid marketing, paid lead-gen, and existing brand equity generated — and that operations gave to competitors.

SECTION 7

Industry-Specific Reality Checks

The cross-industry averages above are conservative. Several verticals run materially worse.

Healthcare

- **34% of inbound calls missed** at the average medical or dental practice. Source: Aira 2026 industry breakdown.
- For dental specifically, OnceHub data shows that a single missed new-patient call is worth \$2,000+ when factoring in lifetime value — not the \$150 cleaning that brought them in.

Legal Services

- **35% of inbound calls missed** at the average law practice. Source: Aira 2026.
- With average matter values of \$500 to \$1,500+, annual losses commonly exceed \$130,000.

Home Services (HVAC, Plumbing, Electrical, Roofing)

- **40 – 60% of inbound calls missed**, depending on staffing. Source: Cira 2026.
- Invoca's home services data shows the average HVAC business at a \$4,500 furnace replacement and 20% margin loses **hundreds of thousands of dollars per month** in unrealized revenue.
- Compounding factor: home services calls skew heavily after-hours (73% per NextPhone).

Real Estate and Property Management

- Lead response time is the single largest predictor of which agent wins the listing. Yet per Verse.ai's compendium, citing Lead Response Management research, **less than 25%** of property inquiries receive a response within the optimal 5-minute window.

Professional Services (Consulting, Agencies, B2B)

- Average B2B lead response time across industries: **47 hours**.
- Only **0.1% of inbound leads** are engaged in under 5 minutes.
- Conversion rates **drop 8x** when follow-up is delayed by just 5 minutes.
- Source: InsideSales.com 2021 Lead Response Research — reviewing 55M+ sales activities across 5.7M inbound leads at 400+ companies.

Restaurants and Hospitality

- **42% of inbound calls come outside 9 – 5 hours**, the highest of any vertical in the Ruby Receptionists 2025 analysis.
- Reservation and catering inquiries that miss live answer rarely retry — they call the next venue on the list.

SECTION 8

The Bottom-Line Math

Pulling all of the above into a single representative example for a generalized small business:

Metric	Value	Source
Monthly inbound calls	250	Average SMB volume
Miss rate	62%	411 Locals / Forbes
Calls missed monthly	155	Calculation
Permanent loss rate of missed callers	85%	Numa 2021
Permanently lost leads / month	132	Calculation
Average customer value (cross-industry)	\$400	OnceHub midpoint
MONTHLY REVENUE LOST	\$52,800	Calculation
ANNUAL REVENUE LOST	\$633,600	Calculation

The \$126,000 figure from Invoca is the *conservative* version, weighted toward smaller operators and lower-margin verticals. For mid-market service businesses, the true loss is materially larger.

Even applying a 50% haircut for spam, duplicate calls, and existing customers, the annual loss for the average business sits comfortably between **\$60,000 and \$300,000** — every year, year after year, with no line item, no dashboard, and no alert.

Why This Persists

The data is not new. The studies have been public for years. The math is straightforward. So why does the gap persist? Four reasons documented across the research literature:

- 1. The loss is invisible to standard reporting.** Missed calls do not generate CRM records. They do not show up in revenue reports. They are absent from sales pipeline reviews. The damage is structural and silent.
- 2. Hiring is not a viable answer for most operators.** Adding receptionist headcount sufficient to answer every call within 5 minutes, 24/7, including weekends and holidays, would require 3 – 5 FTEs at \$35K – \$50K each per business. The math does not work for sub-\$5M revenue operations.
- 3. Standard answering services solve the wrong half of the problem.** They pick up the phone but do not qualify, schedule, or route. They also typically do not operate 24/7 at the price points small businesses can afford.

4. Voicemail is treated as a safety net but functions as a churn signal. Operators believe voicemail captures the call. The data shows 80% of callers hang up without leaving a voicemail at all, and 50% of the voicemails left are never returned. The “safety net” catches roughly 7 – 8% of missed callers — not the 100% operators assume.

SECTION 9

What the Data Recommends

The literature, taken as a whole, converges on five operational principles for any business serious about closing the gap:

1. Measure missed calls separately from answered calls.

Most phone systems can produce this data. If yours cannot, it is the first system to replace. You cannot manage what you do not measure.

2. Compute effective CPL on real conversations, not raw calls.

Divide monthly marketing spend by the number of calls that actually became conversations of 60+ seconds. This is the only number that reflects what marketing is actually buying.

3. Set a 5-minute response standard — for calls, not just web forms.

The Harvard / MIT research is industry-agnostic. The penalty for waiting longer is severe and well-documented.

4. Design for after-hours coverage.

A third or more of your callable demand arrives outside 9-to-5. If your phone strategy assumes business hours, you are designing around 60 – 70% of your inbound opportunity instead of 100%.

5. Treat voicemail as a failure mode, not a feature.

A call that ends in voicemail has, with 85% probability, been lost. Optimize for live-answer, not for voicemail-fidelity.

The specific mechanism — human receptionist, virtual receptionist, answering service, AI voice agent, or hybrid — is a tactical question. The strategic question, established by the research, is whether to continue tolerating a 50%+ revenue leak that every credible study confirms is real, measurable, and operationally addressable.

APPENDIX

Primary Sources

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This report compiles publicly available research from 24 independent sources spanning a five-year period. All statistics are linked to primary or first-degree-secondary publication. Where vendor sources are cited, the underlying study and methodology are disclosed in line with the data point.

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