

## The New Direct Mail List Frontier: Online-Generated Leads

By [Gary Hennerberg](#)

March 3, 2010

As the number of rented names sourced from direct mail has dwindled during the recession, one source of growing list volume is online-generated leads with postal mailing list addresses.

It might seem counterintuitive to use online-generated lists for direct mail, but the fact is the number of online lists — and their universes — is growing.

“Virtually every merchant, nonprofit, publisher and service organization has an online commerce presence,” says [Fran Green](#), president of ALC SMART Data Solutions. “If their list is on the market, then there is a segment that is generated online. This is clearly the direction the population is taking, so the online buyer segments of most files will also continue to grow.”

Indeed, online-generated files are growing exponentially, according to Green. Along with that exponential growth of online-generated leads, Green reports more and more use of these names.

For an insurance client, ALC, in conjunction with Hennerberg Group Inc., began testing online-generated leads in 2006. At the time, it seemed counterintuitive to use online-generated lists since the target market for this insurance product was people in their 50s. Marketers sometimes think of tech-savvy people as those who are younger than 40. But any myths that online-generated lists are age-sensitive were dispelled during these tests.

While the target audience was people age 45+, there was a robust universe of online-generated names available. And when the results were read, many of the online-generated lists, even when mailed printed direct mail offers, were responsive and profitable.

Ultimately, several online-generated lists performed well enough to become continuations, others warranted retests and many simply didn't perform at the level required—about what you would expect with any list testing.

Eventually, it became clear that several online-generated lists would become “go-to” lists with about 10 percent to 20 percent of volume mailed to continuation files coming from online-generated leads.

These results point to evidence that says a multimedia approach—online and direct mail—can work together to produce results no matter the age of the consumer and source of the names.

Yet there seems to be some resistance in the market from traditional direct mailers on testing online-generated names.

“The logic of the resistance is really baffling,” says Green. “It's easy to cling to the fact that the best results over many years came from direct mail. But that record is in decline. No one can deny that there's an exciting, effective and cost-effective channel moving in and that it represents great opportunities.”

One other interesting outcome of the online-generated lists used for the insurance direct mail offer: The creative was not changed to acknowledge the recipient had a predisposition to responding to online offers. And moreover, an online application wasn't offered. The only way the individual could respond was to complete an application and mail it.

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