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How Alpha helped Toggle® speed up product development, reducing a projected launch from 18 months to 5 months

Founded in 1928 with "a dream of providing a quality insurance product at a reasonable price," Farmers Insurance® serves more than 10 million households with more than 19 million policies in all 50 states. Always looking for ways to stay ahead of the insurance pack, the industry veteran recently began looking to a younger crowd.

Founded in April 2018	HQ in Woodland Hills, California	Incubated by Farmers®	Renters insurance for modern consumers	Stephanie Lloyd, President of Toggle

Currently the largest living generation group in the U.S., millennial purchasing power is expected to reach $1.4 trillion this year. Farmers saw a ripe audience, to be sure, but not one that would be swayed simply by a change in marketing. The company's service, support and sales models all needed to be reinvented to target this new customer.

So CEO Jeff Dailey convened a group of superstars from within Farmers to operate independently, to develop products and services tailored for modern consumers, and to do so without disrupting the core Farmers system, processes, products or distribution model.

This startup within Farmers quickly started focusing on renters insurance as their first project and named the new business Toggle. According to internal Farmers research, 60% of young

people today rent their homes — a much higher percentage than previous generations — and they rent for longer. But of the 60% of young people who rent, only 40% purchase renters insurance.

Since younger consumers also tend to be very conscious about their financial state, it didn't make sense to the Toggle team that something so inexpensive and easy to do was being overlooked. They needed to find out why.

Creating a Product Tailored for Today's Consumer

Toggle took a deep dive into what makes these consumers tick. Using Alpha's rapid consumer feedback platform, they began conducting consumer insights tests. During the course of the project, Toggle conducted 175 consumer surveys of more than 54,000 participants in 40 specific audiences.

Through Alpha, they discovered three major reasons for the disconnect: First, the audience thought renters insurance was too expensive; second, they didn't think it had anything of value; and third, they felt it didn't fit their needs.

"That's where the light bulb came on for us," says Michelle Dornfeld, head of business development for Toggle. "When we looked around at our industry, we saw many out-of-the-box standard insurance policies that hadn't been updated since the 80s, with coverage for things like grave markers and pewterware. It's no wonder so many young renters didn't feel

like it fit their needs."

A lot has changed since the 80s, especially technology. Toggle looked to both consider and embrace those changes in their offering, to match the day-to-day needs and expectations of the modern consumer. To do so, they let Alpha's research help direct the design of their new fully digital insurance policy and brand.

"We knew there was a problem, and Alpha helped. We used it for every type of research question, all the way down to people seeing literal product screens and doing testing around those."

"My team began by identifying consumer pain points, pet peeves and preferred products beyond just insurance," writes Stephanie Lloyd, president at Toggle. "We needed to figure out what was important for consumers today, and how to bring that to life. Our research revealed that convenience and transparency are more important than they have ever been. Modern consumers desire a greater sense of control and flexibility in their lives and the things they purchase."

Knowing that about their target market, Toggle then built their digital insurance product from the ground up. "We used Alpha testing to make sure we were hitting the mark in how we

explained things and making sure people understood them," says Josh LaRoche, Toggle's research and marketing director. "We knew there was a problem, and Alpha helped. We used it for every type of research question, all the way down to people seeing literal product screens and doing testing around those."

Alpha's platform was so powerful that Toggle only needed to conduct one traditional market research study to complement the Alpha efforts. They used a MaxDiff study, which is an analytical and robust market research technique. "All it did was confirm what we saw in our Alpha testing," LaRoche says. "After that, we felt like if we executed the test properly, we could be confident in the Alpha answers."
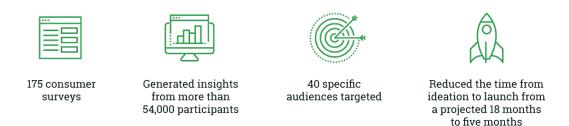
With Alpha's support, Toggle conducted research across the organization's key areas of focus. They used Alpha to validate the renters insurance customer journey; the "getting a quote" process; the preference for packages vs. more customized options; and rental product feature prioritization, bundling options and potential loyalty programs. Additionally, Toggle used Alpha to conduct UX/UI testing of product screens and UX/UI iterations post-launch.

Not only was getting the research done correctly imperative, but it had to be done on a very aggressive timeline — from ideation to launch in a matter of months. Using an agile research tool such as Alpha proved to be key, as it allowed the team to iterate quickly and repeatedly, improving on each idea

until they came up with what LaRoche calls their "minimum lovable product."

"We ended up structuring our packages to how the tests indicated people would respond to them, so that the highest-response packages were put forward first. And we've seen what we've learned in the testing bear out in actual practice, actual behavior."

Research Spurs Results

Toggle is now available in 25 states and the company continues to work with Alpha to explore new markets and states. Alpha data helped the team reduce the time from ideation to launch from a projected 18 months to five months, all while ensuring every decision they made solved the modern renter's pain points and built Toggle's value for customers.

175 consumer surveys

Generated insights from more than 54,000 participants

40 specific audiences targeted

Reduced the time from ideation to launch from a projected 18 months to five months

"The consumer research was really informative, and we were able to get a product design in seven weeks," Dornfeld says. "It was largely due to the learnings we had from the consumer research, and the fact that we started with that."