Turo Peer-to Peer Car Sharing (2025): A Strategic Analysis

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ABSTRACT
the authors of this manuscript have conducted a strategic analysis of Turo, a peer-to-peer car sharing company that allows individuals to rent out their personal vehicles through a user-friendly digital platform. Similar to Airbnb, Turo rents or leases vehicles without providing drivers, setting Turo apart from ridesharing services like Uber and Lyft. Turo's car sharing mission is "to put the world's 1.5 billion cars to better use." This analysis describes the firm's mission and generic strategy (Porter, 1985) employing the following strategic tools: PLEST, Five Forces, VIRO, Value Chain and Functional Analyses culminating in an integrated SWOT analysis. These qualitative assessments are then subjectively quantified and reported in Table format. The SWOT table then integrates the prior calculations for each instrument, producing a summated score for OT/SW. The study concludes that Turo operates within a monopolistic competition market structure, characterized by many firms offering differentiated but substitutable products. Numerous misalignments between the firm's strategy, internal and external environments are denoted followed by suggested actions for realignment and actions needed to be taken.
Keywords: *Car sharing, business strategy, internal and external analysis*

INTRODUCTION

Turo is a peer-to-peer car sharing company that allows individuals to rent out their personal vehicles through a user-friendly digital platform. Operating within the Passenger Car Rental industry, Turo is classified under the North American Industry Classification System
(NAICS) Code 532111: Passenger Car Rental and the Standard Industrial Classification (SIC) Code 7514: Passenger Car Rental and Leasing. These classifications are designated for businesses that rent or lease vehicles

without providing drivers, setting Turo apart from ridesharing services like Uber and Lyft. (U.S. Census Bureau, 2022).

Turo's business model differs significantly from traditional car rental companies. Rather than owning and maintaining a fleet of vehicles, Turo facilitates a platform where individual car owners, known as hosts, can list their personal vehicles for rent. These hosts have the autonomy to set pricing, availability, and vehicle-specific requirements. Renters, referred to as guests, use

Turo's mobile app or website to search for available vehicles, compare options, and book cars that meet their needs. This peer-to-peer model offers both a diverse selection of vehicles for renters and a revenue-generating opportunity for vehicle owners. Turo operates internationally, with services available in the United States, Canada, the United Kingdom, and Australia, enabling broader market access and user engagement (Turo, n.d.).

Mission/Vision/Objectives

Turo's peer-to-peer car sharing mission is "to put the world's 1.5 billion cars to better use" (Turo, n.d.-a). This mission reflects the company's dedication to transforming traditional car ownership by empowering vehicle owners to turn their idle cars into income-generating assets. Through its platform, Turo promotes a more sustainable, efficient, and community-driven approach to mobility, allowing individuals of all backgrounds to access vehicles for various needs, such as vacations, business travel, or local errands.

While Turo does not have an official vision statement, its overall messaging and branding communicate a clear strategic vision; to become the world's largest and most trusted peer-to-peer car sharing marketplace. Turo envisions a future in which shared vehicle use becomes the norm and access to transportation is more flexible and convenient (Turo, n.d.-b). This vision aligns with broader mobility trends, including the global shift toward the sharing economy and the reduction of private vehicle dependency (PwC, 2015).

Turo's main objective is to scale its platform across global markets while increasing participation among both vehicle owners (hosts) and renters (guests). The company also aims to innovate its technology infrastructure to enhance trust, safety, and overall user experience. Strategic initiatives include expanding vehicle availability in more locations, leveraging automated pricing tools, and maintaining a competitive advantage through comprehensive insurance coverage and user-friendly application and website design. Additionally, Turo strives to foster a strong community among users by continually improving platform security, review systems, and customer support features. These objectives not only support the company's ongoing growth but also help advance its strategy to reshape the way people rent and access vehicles.

Toro's Generic Strategy

Turo aligns closely with the Prospector strategy (Miles and Snow,1978), consistently seeking new ways to expand and enhance its offerings through innovation. As Turo's Chief Product Officer Tom Wang (2024) explains, the company recently introduced a "limitless search" feature, enabling guests to explore the full inventory of vehicles ranging from EVs to exotic models without inputting dates or locations. This tool allows users to browse over 1,600 vehicle models and discover options before deciding when and where they want to book. This type of exploration first design, which includes curated Collections and shareable favorite lists, is unprecedented in the car-sharing space and underscores Turo's commitment to delivering a personalized, user-centric experience (Turo.com).

Turo's business strategy is best described by Michael Porter's (1985) differentiation strategy, which focuses on delivering unique value rather than competing solely on cost. Unlike traditional car rental companies that manage standardized fleets, Turo uses a peer-to-peer model, empowering private car owners (hosts) to rent their personal vehicles. This approach gives guests access to a broader variety of cars from everyday sedans to luxury and vintage models along with flexible booking options and personalized service. Turo also leverages a tech enhanced platform with features such as dynamic pricing tools, contactless check-ins, integrated insurance, and in-app messaging, all of which streamline the booking process and enhance customer experience (Turo, n.d.-a).

While Turo maintains competitive pricing in some categories, its core advantage lies in its broad differentiation and innovation-driven platform. By prioritizing user experience, variety, and community trust, Turo positions itself as more than just a car rental service and it becomes a flexible mobility solution. This model resonates strongly with evolving consumer values. As PwC (2015) notes, the sharing economy has shifted preferences toward sustainability, convenience, and access over ownership. Turo's scalable, asset-light model fits this shift by allowing people to earn income from underutilized vehicles while offering travelers a unique, convenient, and tech-savvy rental experience. Through continued platform development and global expansion, Turo sustains its edge as a disruptive leader in the mobility industry.

Environmental/External Analyses (Opportunities/Threats)



Several factors can affect a business or industry such as Turo. However, these effects are not always threats, in fact, many present opportunities for growth and innovation. Conducting a macro-environmental analysis helps identify where Turo can leverage its strengths to improve profitability and where it needs to address potential challenges. A PLEST analysis (Political, Legal, Economic, Social, and Technological factors) is "a framework or tool used by marketers to analyze and monitor the macro-environmental (external marketing environment) factors that have an impact on an organization, company or industry" (Washington State University, n.d.). As can be seen in Tables 1 and 2, below.

Opportunities for Turo include partnerships with hotels, airports, and tourism agencies, which could increase the platform's exposure and booking frequency. However, governmental regulations (*political and legal)* remain a significant threat. Regulations at the city, state, and federal levels may require specific licensing or imposing restrictions that increase operational complexity. While these regulations can be costly or limiting, they may also positively impact Turo by ensuring higher service standards and credibility within the market.

Insurance requirements can be both burdensome and expensive for hosts. For example, in New York State, the Insurance Law and General Business Law § 396z require rental vehicle coverage in addition to standard private insurance (New York State Department of Financial Services, n.d.). This increases the cost and legal responsibility for individual hosts. Furthermore, Turo must navigate varied vehicle inspection requirements by state, which can be time-consuming and difficult to manage at scale. Data protection laws add another layer of complexity—non-compliance or a data breach could result in legal penalties and reputational harm to the brand.

Economic factors such as inflation, rising fuel prices, and increased maintenance costs may reduce Turo's pricing flexibility. Higher costs for vehicle upkeep can deter hosts, and elevated prices may discourage budget-conscious renters. Nevertheless, there is an increasing demand for affordable, flexible, and accessible transportation alternatives, particularly among consumers seeking short-term or one-way trips. Turo is well-positioned to meet these needs by offering a variety of vehicle types and pricing options.

On the *social* front, changing consumer behavior presents both opportunities and risks. As consumer interest in the sharing economy grows, Turo must scale its host base to meet rising demand in specific markets. This may require recruiting more hosts and expanding the variety of vehicles offered. However, some

consumers remain hesitant to rent vehicles from private individuals due to concerns over data privacy and vehicle safety, which Turo must address through transparent communication and strict safety protocols.

Technological factors offer significant competitive advantages. Turo's mobile app and website are intuitive and regularly updated, providing seamless experiences for booking and managing rentals. According to Tan (2025), "for some users, the app is a cheaper alternative to rental fleet companies found at airports, with many vehicles available for under $50 a day." While this accessibility is an asset, the sensitive personal data collected—such as driver's licenses, home addresses, and payment information—poses cybersecurity risks. As Tan (2025) also notes, "much like traditional rental services, Turo customers are required to upload their driver's license, home address and payment information to create an account," which may cause privacy concerns for some users. In addition, the integration of electric vehicles (EVs) into
Turo's offerings align with global sustainability trends and recent hikes in gasoline prices. EV adoption not only helps reduce environmental impact but may also lower fuel and maintenance costs over time. Turo can further leverage data analytics tools to optimize pricing, improve customer targeting, and enhance operational efficiency.

Based on the PLEST analysis conducted for Turo within the car sharing industry, several conclusions can be drawn. The company operates in a macro-environment that presents both opportunities and challenges. On the positive side, Turo stands to benefit significantly from technological advancements and increasing social engagement with consumers. The integration of innovative tools such as keyless entry systems, lockboxes for contactless vehicle handoffs, and a highly functional and easy to use mobile platform enhances the user experience and aligns with the growing demand for convenience and safety.

However, the company also faces notable challenges. Regulatory barriers in different jurisdictions can complicate expansion and operations, especially when legal classifications vary between peer-to-peer platforms and traditional rental services. Economic pressures, including rising fuel and maintenance costs, may limit pricing flexibility and deter both hosts and guests. Additionally, public safety concerns, data privacy issues, and legal insurance requirements can contribute to increased operational overhead and reputational risks.

The environmental score of +0.082 as seen in Table 1 suggests that the macroenvironment is relatively neutral to slightly favorable. This score reflects a balance between opportunities and threats, with a slight leaning toward opportunity. In this context, Turo must continue to innovate technologically, strengthen legal compliance, and engage in proactive risk management to maintain its competitive edge and grow sustainably in the evolving car sharing industry.

Table 1
External Environment: Opportunities and Threats (PLEST)

External Environment and Sub Areas	**Opportunities** *Scale 1-10 1=low, 10=high*	**Threats** *Scale 1-10 1=low, 10=high*
Macro Environment		
Political		
- Government regulation for ride sharing.		
- Partnerships with airports and travel agencies.		**6**
	8	
Legal		
- Insurance and tax laws for ride-sharing vehicles		
- Vehicle safety and inspection		
- Data protection laws for app information		**5**
		6
		8
Economic		
- Increase demand for car sharing.		
- High maintenance cost		
- High fuel costs		**6**
		7
Social		
- Change in consumer behavior: sharing cars instead of owning.	**8**	
- Privacy concerns sharing personal vehicles with strangers.	**9**	
- A wider range of vehicles offered.		**8**
Technological	**9**	
- App and website development and maintenance.		
- Electric vehicles availability		
- Use of data analysis tools to improve their business operations.	**8**	
- Cybersecurity /data breech	**8**	
	7	
		8

Macro Environment	Final Score (O/T)
Political O: 8, T: -6 (8-6) = 2 *Legal* O: 0, T: (-6) +(-6) + (-8) = -18 *Economic* O: 8, T: (-6) + (-7) = 8 + (-13) = -5 *Social* O: 9+9= 18, T: -8 = 18+ (-8) = 10 *Technological* O: 8 +8+7= 23, T: -8 = 23+ (-8) = 15 **Average (Sum of PLEST score divided by 5)**	2/2= **1.00** -18/3= **- 6.00** -5/3= **- 1.67** 10/3= **3.33** 15/4= **3.75** **0.41/5= +0.082**

Industry Analysis (Five Forces)



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Porter's (1985) Five Forces is a strategic framework used to analyze the competitive dynamics within an industry. Developed by Michael E. Porter, the model examines five key forces that shape every market: the threat of new entrants, the bargaining power of suppliers, the bargaining power of buyers, the threat of substitutes, and industry rivalry. Applying this framework to a firm such as Turo helps assess the external pressures it faces and how these forces influence its profitability, market position, and strategic decision-making within the car-sharing industry. As can be seen in Table 2.

Turo's primary buyers are individual renters, ranging from travelers to locals in need of temporary transportation. These buyers hold moderate to high bargaining power due to their ability to easily compare prices and switch between platforms, including traditional car rentals and ride-sharing alternatives like Uber and Lyft (Mitty, 2020). Turo's suppliers consist primarily of the vehicle owners (hosts) who list their cars on the platform. These hosts have high bargaining power, as they are critical to the platform's operation—controlling pricing, availability, and the quality of the vehicle offerings. In addition, insurance providers play a significant role by ensuring trust and safety on the platform, which are essential for user adoption (Turon, Kubik, Folega, & Wilk, 2025). The company also faces strong competitive pressure from substitutes such as traditional rental services (e.g., Hertz, Avis) and ride-hailing services (e.g., Uber, Lyft). These alternatives fulfill the same core transportation need but often with less responsibility on the part of the user. While Turo offers unique advantages, including a broader vehicle selection and competitive pricing, the presence of well-established substitutes limits its overall market power.

Although the initial capital required to launch a car-sharing service is relatively low, significant barriers to entry remain. These include navigating complex legal requirements, securing insurance partnerships, and establishing brand trust and recognition among consumers
(U.S. Chamber of Commerce, n.d.). However, new entrants must overcome challenges related to platform development and achieving a critical mass of both hosts and guests. Turo operates in a highly competitive environment. In addition to direct competitors like Getaround and HyreCar, companies such as Uber and Lyft also serve as mobility alternatives. This rivalry is intensified by factors like aggressive pricing strategies, vehicle availability, and the continuous demand for enhanced customer experience (Turon et al., 2025). To remain competitive, Turo must continue to innovate, leveraging its digital infrastructure and unique peer-to-peer model to adapt within an evolving transportation landscape.

The analysis in Table 2 shows that the scores out of 5 and the corresponding percentage of each factor of Porter's Five Forces model for Turo. Rivalry (5, 30%) and substitutes (4, 25%) exert the greatest pressure, reflecting intense competition from both peer-to-peer platforms and alternatives like Uber and traditional rentals. Buyer power (4, 20%) is also high, due to customer choice and pricing transparency. Suppliers (3, 15%) hold moderate influence, especially vehicle owners and insurance providers essential to the platform. Entrance barriers (2, 10%) are relatively low, given the ease of launching similar platforms, though trust and compliance pose some challenges. The final industry competitiveness score of 4.05 out of 5 indicates that Turo operates in a highly competitive environment, requiring continuous innovation and differentiation to succeed.

Turo operates in a very competitive environment. Their direct competitors include other peer-to-peer car sharing platforms such as Getaround and HyreCar. Getaround offers instant bookings and keyless car access, making it a direct rival in terms of convenience and user experience. (Getaround, n.d.). Similarly, HyreCar caters specifically to rideshare and delivery drivers, positioning themselves uniquely within the gig economy and offering vehicle rentals tailored for commercial use. (HyreCar, n.d.). In addition to these direct competitors, Turo also contends with traditional car rental companies such as Hertz, Avis, and Enterprise, which possess large vehicle fleets, established brand recognition, and airport-based rental infrastructure (Hertz,
n.d.); Avis, n.d.; Enterprise, n.d.). These firms are now enhancing their digital services to remain competitive in a market, increasingly driven by app-based rentals. Furthermore, ride-sharing services like Uber and Lyft serve as indirect competitors, offering convenient transportation alternatives that eliminate the need for customers to drive or rent a car themselves. To continue to set themselves apart from the competitors Turo needs to continue innovation to differentiate themselves in a rapidly technology centered market.

Table 2

Porter's Five Forces Analysis

Buyer Groups	Supplier Groups	Substitutes	Entrance Barriers	Rivalry
Renters Individuals	Vehicle owners (Hosts) Insurance providers	Hertz Avis	Little to no investment Legal requirements (insurance, regulations, license)	Hertz/Avis- typical car rental services or Getaround, HyreCar) in the same business.
Businesses	Technology (app/website) developers	Uber/Lyft	Newcomers take a long time to build brand recognition.	Competitive pricing.

Table 3

Industry Analysis: Summary Chart

Force	Assessment	Weighting	Subtotal	
Buyers	4	20%	0.80	
Suppliers	3	15%	0.45	
Rivalry	5	30%	1.50	
Entrance Barriers	2	10%	0.30	
Substitutes	5	30%	0.80	
Total	**Scale 1-5**	**100%**	**3.65**	**Total=Industry Competitiveness**

Internal Analyses (Strengths/Weaknesses)

The VRIO framework is a strategic analytical tool used by firms to assess their internal resource capabilities in order to determine whether they possess a sustainable competitive advantage. Developed by Barney (1991), the framework evaluates four key dimensions: Value, Rarity, Imitability, and Organization. Each dimension plays a critical role in identifying resources that contribute to long-term strategic success. In the context of the rapidly evolving peer-to-peer car-sharing industry, applying the VRIO framework to a company like Turo enables a deeper understanding of how its internal strengths support sustained market competitiveness and differentiation.

Turo's peer-to-peer business model is highly valuable; however, it is no longer rare, as many competitors now adopt similar approaches. As a result, this model only offers competitive parity (Jones, 2012). Conversely, Turo's integrated insurance system offers a sustainable competitive advantage because it is complex, difficult to imitate, and well-organized to provide trust and safety for users (Turo, 2024), as illustrated in Table 4. Turo's presence in international markets such as Canada and the United Kingdom is valuable and strategically managed, though not rare, leading to only a temporary advantage. The company's extensive host and vehicle network, however, presents a more robust advantage, as its scale and reach are difficult for new entrants to replicate.

Table 4

	Strengths Rate Each 0-10	Weaknesses Rate Each 0-10
Resources/Capabilities		
Tangible Resources	6	4
Intangible Resources	9	1
Core Competences/Rigidities	8	3
Unique Advantages/Benchmarking	9	1
Competitive Advantages/Sustainability	8	2

Moreover, Turo's use of behavioral and pricing analytics allows for personalized pricing and trust-building mechanisms that are both rare and hard to imitate, thereby contributing to a sustainable edge in the industry (Chen & Miller, 2022). While the firm's mobile technology platform is valuable and necessary for user experience, it is not rare and can be replicated by well-resourced competitors, resulting in only a temporary advantage (Lee, 2021). Turo's loyal user base, developed through strong network effects and consistent customer satisfaction, is both rare and difficult to imitate, offering yet another source of sustainable competitive advantage (Smith, 2022). Collectively, these factors suggest that while Turo operates in a market with low barriers to entry and a replicable model, it maintains long-term strategic advantages through its data infrastructure, trust mechanisms, and network scalability.

Value Chain. Turo's firm infrastructure and technology development are central to delivering a secure, scalable, peer-to-peer car-sharing platform. As outlined in Table 5, the company builds trust and ensures regulatory compliance through rigorous verification processes for both hosts and renters, reinforcing safety standards and adherence to insurance and legal frameworks (Park & Tussyadiah, 2020). These safeguards are foundational in minimizing risk and establishing user confidence across diverse markets.

Turo also leverages artificial intelligence (AI) to monitor platform activity in real time, detect fraud, match hosts with renters, and implement dynamic pricing to optimize vehicle utilization. According to Auer et al. (2022), "AI-powered pricing and predictive vehicle availability forecasting significantly reduce idle inventory and enhance platform efficiency" (p. 8). These capabilities not only improve operational performance but also increase platform transparency, which is a critical factor in maintaining trust among users.

As shown in Table 5, within the operations and outbound logistics segments, Turo enhances the user experience through innovations such as Turo Go, which enables keyless vehicle access and streamlined pick-up/drop-off processes (Smartcar, 2021). This technology increases convenience and reduces logistical friction, particularly for tech-savvy users. Turo's procurement strategy supports these advancements through strategic

partnerships with IoT and automotive technology providers, ensuring system compatibility, data security, and compliance with regulatory standards (Turón, 2022).

Internally, Turo promotes agility and innovation through cross-functional teams. As Pavlou (2003) emphasizes, "Effective coordination between technology and customer support functions is crucial for maintaining trust and service continuity" (p. 106). This organizational structure enables the company to respond to regional needs, deliver proactive customer support, and drive continuous platform improvements, essential to host and guest retention.

In the areas of marketing and service (Table 5), Turo uses AI to segment users and deliver personalized marketing via email campaigns, app notifications, and SEO-optimized content. These targeted, data-driven strategies are designed to enhance user engagement and long-term retention, all while adhering to ethical data practices and legal regulations. As Auer et al. (2022) note, "Trust in platform data handling is a prerequisite for user engagement in data intensive mobility ecosystems" (p. 10).

Finally, Turo delivers high-quality customer service through 24/7 in-app support, automated claims processing, and strong partnerships with insurance providers to ensure efficient resolution of issues (Smartcar, 2021; Turón, 2022). These service innovations create a consistent, reliable user experience that fosters brand loyalty and sets Turo apart in the competitive mobility landscape.

Table 5
Value Chain Analysis Matrix – Interrelationships Source and Form of Sharing

Functions	Inbound Logistics	Operations	Outbound Logistics	Marketing/Sales	Service
[1]*Production/Market*	Hosts supply vehicles, and Turo activates them using digital automated vetting through their app. (Smart car, 2020)	Centralized platforms use AI for pricing, fraud detection, host/renter vetting. These tools improve trust and efficiency. (IoT One, n.d.)	Turo Go and flexible pickup enhanced the user convenience. Integration with marketing promotes positive customer satisfaction. (Smartcar, 2020; Ali, 2023)	Data from operations is used to segment users and personalize marketing campaigns via emails, SEO, app prompts, etc. (D3 Harvard, n.d.; U.S. Chamber of Commerce, n.d.)	Turo customer service support is 24/7, automated claims processing and app problem resolution. (IoT One, n.d.; Ali, 2023)
[2]*Firm Infrastructure*	Onboarding new vehicles into the marketplace, verifying user eligibility. Ensure quality, legal and insurance standards are followed. (Ali, 2023)	Automated system monitoring, check compliance and optimize host/renter matching. (IoT One., n.d.)	Matching renters with vehicles, dynamic pricing, trip scheduling, payments processing, etc. (D3 Harvard., n.d.)	Turo manages user data and legal compliance. This enables data driven marketing such as SEO, ads, and the ability to target specific segments of the market. (Ali, 2023, D3 Harvard, n.d., U.S Chamber, n.d.)	24/7 support is enabled by their internal systems as well as in-app problem resolution, which ensure compliance with standards of service set by Turo.

Technology Development	Core product development includes AI driven fraud detection, pricing algorithms, and dynamic vehicle availability. (IoT One, n.d.; D3 Harvard, n.d.)	A.I used for pricing and fraud detection, availability and to enhance platform efficiency. (Auer et.al., 2022)	Build TuroGo apps.	Utilizes predictive analytics for targeted marketing campaigns.	Powers automated in app claims processing, support and real time diagnostic issues.
Human Resource Management	HR develops Cross functional teams across tech, customer success, and trust/safety It enables effective onboarding of hosts, support staff, etc. (U.S. Chamber of Commerce, n.d.)	Integrates cross functional teams in tech operations for ongoing improvement.	Enables staff to maintain keyless pickup and drop off reliability.	Marketing teams are aligns with trust/safety and ensures a consistent message of compliance.	Recruits and trains 24/7 support agents on how to handle specific inquiry aligned with legal and safety protocols.
Procurement	Strategic partnerships with other car companies and insurance companies support inbound	Acquires fraud detection, compliance and A.I tools to ensure smooth operation of each.	Procures telematics tools to ensure Turo Go is functional.	Contracts with digital marketing agencies, ad-technology and various platforms to ensure maximum reach to various segments.	Partners with insurance providers and support technology firms to help with claims and service operation for hosts/guests.

Business Functional Analysis

Turo's innovative peer-to-peer car-sharing platform leverages technology, marketing, and sustainability strategies to disrupt traditional vehicle rental markets, while effectively navigating operational and financial challenges; as identified in Table 6. Operating with an asset-light business model, Turo sources vehicles from individual hosts rather than owning a fleet. This allows the company to minimize inventory costs and instead focus on insurance, safety protocols, and platform development.

Peer-to-peer platforms like Turo rely heavily on brand image and user trust to ensure quality and safety—critical elements for customer confidence and retention (Wilhelms et al., 2022). However, operational variability remains a persistent challenge. Differences in vehicle condition, service quality, and regulatory compliance across regions can impact on the consistency of the user experience, posing scalability concerns.

Turo's marketing strategy is anchored in the four Ps: Product, Price, Place, and Promotion. The core product is its user-friendly digital platform, which enables private vehicle owners to rent their cars as a flexible alternative to traditional rentals. Its dynamic pricing model adjusts based on demand, location, and vehicle type, keeping it competitive and responsive to market trends (Forbes, 2023). Turo's promotional efforts focus on digital marketing and influencer campaigns that appeal to younger, tech-savvy audiences. Incentives for new hosts further boost platform adoption. While this strategy has fueled rapid growth, heavy reliance on promotions may lead to higher customer acquisition costs and could affect long-term profitability.

Technology is central to Turo's competitive advantage. The company invests significantly in R&D and leverages artificial intelligence for dynamic pricing, user analytics, and personalization. Innovations like "Turo Go," which enables keyless car access, improve both user convenience and operational efficiency (Turo, 2024). Future-oriented investments in electric vehicle (EV) adoption and AI-driven personalization also align Turo

with emerging mobility trends. Nonetheless, these technological advancements come with substantial financial commitments and heightened cybersecurity risks (Wilhelms et al., 2022).

Despite recent layoffs reflection of fiscal caution amid economic uncertainty—Turo remains financially resilient. The company maintains lean operations and emphasizes diverse hiring practices to build a scalable workforce (SFGate, 2025). Its sustainability initiatives further strengthen its market position: one shared vehicle on Turo's platform can replace up to ten privately owned cars, reducing carbon emissions and urban congestion (Turo OpenRoad, 2023; Sharing Economy, 2025).

In conclusion, Turo's asset-light, technology-driven model, underpinned by strategic marketing and sustainability initiatives, positions it well for continued growth. However, managing operational inconsistencies and maintaining profitability in the face of high investment and acquisition costs will be key to its long-term success.

Table 6
Analyzing the Firm's Operational Functions

Functions	Descriptions Summarize each function	Strengths List for each function	Weaknesses List for each function
Finance **Budgeting** **Financial planning** **Funding for growth**	Handles budgeting, revenue management, investment decisions and financial risk. Ensures Turo is profitable and has funding for growth/expansion.	Strong venture capital backing. Investing in innovation and market expansion.	Relying on investors/external funding. Profits are vulnerable to economic downfall that impact consumer spending. Profits may be less than growth vice versa.
Marketing **Influencer campaigns** **Incentives for hosts ●** **Four P's (Product, price, place, promotion)**	Manages brand awareness, acquiring new hosts for peer-to peer car sharing. Engagement of influencers campaigns, promotions and incentives for hosts. Operates in multiple locations US, Canada UK, etc. Dynamic pricing models.	Boost brand awareness from influencers campaigns. Incentives can attract new hosts. Strong brand image and digital marketing presence in multiple places.	Marketing costs may affect profits. Market saturation can limit the impact of influencer campaigns.
Information Technology **Turo Go keyless technology Scalable data/analytics**	Develops and maintains the technology used for business; app, website, data analytics, etc.	Keyless technology improves host/guest convenience. Strong app experience improves host/guest engagement.	Cyber threats are higher with tech reliance. Costly maintenance fees for maintaining and upgrading.
Human Resources **Small teams** **● Layoffs in 2025** **● Technology and diversity recruiting**	Manage employment and recruitment of hosts, cultural diversity, workforce planning.	Hiring a diverse group of employees/hosts.	A small team may not be suitable for growth. 2025 layoffs impacted employee/host retention.
Production/Operations **Peer inventory** **Insurance** **Safety measures**	Oversee the operation of the car sharing, insurance obligations, safety concerns and efficiency of the technology platform used for the car sharing booking,	Peer-to-peer business model reduces capital requirement for vehicles from Turo. Insurance partnerships build trust with hosts/ guests. Flexible vehicle supply from	Vehicle quality may differ from various hosts. Regulations may be different in different states, countries, etc. Liability issues with vehicles and occupants/guests.

	etc.	various hosts/locations.	
Research & Development **New feature on app** **EV fleet growth** **AI incorporation**	Primarily focuses on the app and website development along with other developments.	New features on app, incorporating new technology with older one (AI)	Costs may be high for continuous research. Technology adoption and integration may take a long time. May not be able to keep up with competitors.

SWOT Analysis

A SWOT analysis provides a structured evaluation of a firm's internal strengths and weaknesses, as well as the external opportunities and threats it faces in its respective industry.
This framework helps identify how Turo can leverage its advantages and address challenges to sustain growth and innovation. According to the data shown in Table 7, Turo's strengths significantly outweigh its weaknesses, with an average score of 7.6 compared to a weakness score of only 2.5. This suggests that the firm possesses a solid foundation of resources and capabilities, particularly in technology, marketing, and brand positioning. As Shaheen and Cohen (2020) note, peer-to-peer car-sharing platforms like Turo benefit from asset-light business models and innovative digital platforms, which provide a sustainable edge in a highly competitive and rapidly evolving industry. The main weaknesses identified—operational inconsistency and host quality control—can be effectively addressed through targeted improvements.

Externally, Turo's opportunities also appear stronger than its threats. Expanding globally to meet growing demand for electric vehicles and capitalizing on the increasing resistance to traditional car ownership provides substantial room for growth. Although regulatory challenges and competition from both traditional rental companies and peer-to-peer startups exist, they are not insurmountable. Turo's strong brand recognition and technological leadership position it well to capture market share and shape consumer expectations. The major implication is that Turo is strategically well-positioned for continued growth in the car-sharing industry. It should focus on leveraging its strengths, especially technology, user trust, and operational flexibility— while investing in improved operational processes and regulatory engagement to mitigate risks.

Table 7

	Strengths Rate Each 0-10	Weaknesses Rate Each 0-10
Resources/Capabilities		
Tangible Resources	6	4
Intangible Resources	9	1
Core Competences/Rigidities	8	3
Unique Advantages/Benchmarking	9	1
Competitive Advantages/Sustainability	8	2
Value Chain - Primary Activities		
Production linkages	7	3
Marketing linkages	8	2
-Secondary Activities Linkages		
Inbound Logistics	7	3
Operations	8	2
Outbound Logistics	6	4
Marketing & Sales	8	2
Service	7	3
FUNCTIONS		
Finance	8	2
Marketing	8	2
Technology	9	1
Human Resources	6	4

Production & Operations	7	3
Average Score (Sum of column/N items in column)	**7.6**	**2.5**

STRATEGY AND MISALIGNMENTS

Turo operates within a monopolistic competition market structure, characterized by many firms offering differentiated but substitutable products. This environment enables a high degree of product differentiation, which aligns well with Turo's asset-light, peer-to-peer car-sharing model. As a platform offering a wide range of vehicles—from budget to luxury—Turo delivers highly personalized rental experiences that traditional rental companies often cannot match.

According to the U.S. Chamber of Commerce, "The whole experience is streamlined for both the guest and the host through the Turo app," emphasizing the platform's user-friendly interface and efficient service delivery (U.S. Chamber of Commerce, n.d.). While this strategic alignment benefits Turo's market position, it also exposes the firm to unique misalignments that may
disrupt its competitive edge if left unaddressed.

These misalignments exist between Turo's strategy and certain operational or environmental realities. For example:

1. *Regulatory misalignment*: Turo's decentralized, host-driven model often clashes with local transportation and insurance regulations. Suspensions in states like New York and legal disputes in major cities expose gaps between strategy and external legal environments. The company was fined $200,000 for false advertising and operating without proper insurance licensing (Insurance Journal, 2020). These issues illustrate the difficulty of applying traditional regulatory frameworks to digital platforms and expose vulnerabilities that competitors are able to manage.
2. *Operational misalignment*: Turo's platform depends heavily on individual vehicle owners, which introduces inconsistencies in vehicle quality, cleanliness, and safety. This undermines Turo's ability to deliver consistently reliable user experience, which is essential for trust and brand loyalty. Forbes (2023) warns, "The lack of a standardized inspection process for every listed vehicle creates potential safety gaps that wouldn't exist with traditional rental fleets." To mitigate the potential risks of this Turo can implement a standard inspection policy for all hosts to follow this will ensure these needs are met.
3. *Support system strain*: As a two-sided marketplace, Turo must meet the needs of both hosts and guests. But rising user expectations around customer support, vehicle condition, and dispute resolution are not always met, especially as the company scales. Business Insider (2022) notes, "Managing a peer-to-peer marketplace becomes increasingly complex as the platform scales, especially when user expectations around reliability and support continue to rise." Without scalable, reliable systems, Turo risks service inconsistencies that could damage its reputation in a highly competitive market.

While Turo's strategy is sound and well-suited to its mission and the broader mobility trend, internal operations and regulatory challenges are not yet fully aligned. Addressing these gaps through stronger compliance frameworks, platform standards, and support infrastructure will be essential for sustaining growth and maintaining its competitive edge.

Suggestions for Realigning the Firm

To ensure long-term success, Turo must ensure that their mission, strategy and market are all aligned. While its strategy of product and market development is aligned with this mission, misalignments in regulation, operational consistency, and customer support threaten execution.

To ensure total alignment within all areas Touro can utilize its strong technological infrastructure as a critical asset that can be used to improve operational consistency and customer trust—two areas where the firm currently faces challenges. One major improvement would be the implementation of automated vehicle verification and diagnostics tracking. This could include features like:

- Smart vehicle integrations that use telematics to monitor vehicle health, mileage, maintenance schedules, and driving patterns.

- Mandatory digital check-ins or self-inspection photos from hosts before and after trips, verified by AI for damage detection.

These systems would not only improve vehicle safety and reliability but also enhance transparency and trust for guests. According to Deloitte (2023), "Digital vehicle diagnostics and telematics are transforming fleet management by improving transparency, safety, and asset utilization," a trend that Turo can adopt even without owning the vehicles directly. By setting a higher standard across its decentralized network of hosts, Turo can better align with customer expectations and regulatory standards, without compromising the peer-to-peer flexibility that differentiates it from traditional rental companies.

Turo has built significant brand equity and consumer recognition as a leading alternative to traditional car rental firms. This trust can be extended to the regulatory and institutional level to help address ongoing legal challenges and prevent future operational suspensions such as the one in New York. Actions may include:

- Creating a designated team who are dedicated to ensuring all policy and government affairs team to work with lawmakers and insurance commissioners in major markets are met.

- Hosting roundtables with city and state regulators to advocate for updated mobility laws that accommodate peer-to-peer car sharing.

As McKinsey & Company (2021) notes, “Digital platforms that engage early and frequently with regulators are better equipped to shape favorable policy environments and scale sustainably.” This strategy helps mitigate legal friction and supports market entry into tightly regulated regions. By framing itself as a partner in sustainable urban mobility, rather than a disruptive outsider, Turo can gain regulatory goodwill and establish clearer pathways for long-term market access especially in regions that currently treat it like a traditional rental company, imposing outdated restrictions.

Turo’s asset-light platform model is aptly suited for growth and market adaptation. Without the burden of owning a fleet of vehicles, Turo can scale into smaller or underserved urban markets that traditional rental firms often ignore. However, this requires a localized strategy that takes into account each market’s unique transportation needs and customer behavior. Suggested actions include:

- Identifying urban or suburban areas with limited access to public transportation or high car ownership costs, then launching hyper-localized marketing campaigns.
- Tailoring vehicle types and listings based on location, for example, more compact vehicles in dense cities, or 4x4s in rural or mountainous regions.
- Partnering with local hosts and service providers (e.g., garages, cleaning services) to create a decentralized support network and improve host readiness.

This geographically adaptive strategy aligns well with Turo’s mission to “put the world’s 1.5 billion cars to better use” and helps the company expand sustainably into high-potential but low-competition markets. According to PwC (2023), “Successful platform businesses tailor expansion strategies to local infrastructure and consumer behavior, enhancing adoption while maintaining scalability.” This strategy allows Turo to expand without diluting brand focus or operational efficiency.

Actions Needed to be Taken

To ensure that the success of the firm is long term Turo can take the following actions:

Immediate actions (Short term):

- Standardized Vehicle Inspection Protocol- Turo should enforce a mandatory inspection checklist for all hosts to ensure vehicle safety and cleanliness. This can be submitted through the app with supporting photos. A consistent process will address safety concerns and build guest trust.
- Enhance Customer Support Improving support for disputes, cancellations, and claims is essential. Turo should expand its support team and integrate faster response tools. A more responsive system will improve user satisfaction and platform reliability.
- Establish a Legal and Regulatory Team

Creating a legal team focused on compliance will help Turo stay ahead of policy changes. This team would monitor insurance laws and local regulations to prevent future legal issues. Proactive regulation management supports smoother expansion.

- Launch a Host Incentive Program

Introduce a guest rating system focused on host service quality—cleanliness, communication, and punctuality. High-rated hosts could receive rewards like bonus payouts or better visibility. This encourages higher service standards across the platform.

Long term actions include:

- Expand into Emerging Urban Markets

Turo should enter urban markets in regions with growing smartphone use and limited car access. These areas present high demand for flexible transportation. Vehicles should be tailored to local needs, for example, compact cars for dense cities or hybrids where fuel efficiency is prioritized.

- Develop a Host Training Program

Creating a structured training and onboarding program will help hosts meet companywide service and maintenance standards. This can include modules on communication, safety, and platform rules. A formal system ensures consistency and professionalism as the platform scales.

- Form Fleet and Vehicle Partnerships

Turo can partner with car manufacturers or dealerships to offer host incentives such as discounted leases, branding support, or maintenance perks. These partnerships encourage more high-quality vehicle listings and reinforce Turo's market presence. They also support brand alignment and promote EV adoption where relevant.

These combined short- and long-term actions align Turo's operations with its mission and strategic goals by addressing current weaknesses and preparing for sustainable expansion. They strengthen service consistency, legal compliance, and partner integration, key elements for scaling in a competitive and regulated industry. As Tiwana (2014) highlights, platform-based businesses thrive when they "align internal processes with ecosystem evolution," a principle Turo can adopt to lead the future of peer-to-peer mobility.

CONCLUSIONS

Turo is well positioned within the peer-to-peer car-sharing industry due to its asset-light model, strong brand recognition, and advanced digital platform. Its strengths significantly outweigh its weaknesses, and its opportunities surpass the threats it faces. However, to ensure long-term success, Turo must address key misalignments identified through strategic analysis; specifically in areas such as safety standards, regulatory compliance, and host quality control. By implementing standardized vehicle inspections, enhancing customer support systems, and establishing a dedicated legal and regulatory affairs team, the company can correct operational inconsistencies and strengthen user confidence.

To overcome its current challenges, Turo can leverage its technology infrastructure to introduce automated systems that monitor vehicle condition and host performance, reducing variability and improving service quality. Its strong brand equity should also be used to build partnerships with regulators, automakers, and urban transportation initiatives, helping the platform navigate expansion more smoothly. Furthermore, Turo's global reach and flexible model enable it to scale quickly into emerging markets with high demand for alternative mobility solutions. By investing in host training, strategic partnerships, and localized service adaptations, Turo can sustain its competitive edge. As Tiwana (2014) notes, digital platforms that evolve with their ecosystem and align internal operations with external demands are more likely to achieve lasting success in dynamic industries. With the right balance of strategic refinement and operational investment, Turo is well-positioned to lead the next phase of growth in global shared mobility.

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