Turo's Car-Sharing Business Model

Idea In Short

Turo runs the largest peer-to-peer car-sharing marketplace in the world, connecting vehicle owners who want to earn money from an idle car with renters who want more choice than a traditional rental counter offers. The company owns no vehicles itself. Instead, it takes a commission from every booking, typically 10% to 35% of the trip price depending on the insurance plan a host selects, and layers on smaller fees for delivery and young-driver surcharges. Founded in 2009 as RelayRides and rebranded as Turo in 2015, the company built its business on trust infrastructure, background checks, ratings and bundled insurance, rather than fleet ownership. After withdrawing its IPO filing in February 2025, Turo remains privately held, backed largely by IAC, while competing against a shrinking field of peer-to-peer rivals and traditional rental giants.

From a Cold Boston Morning to RelayRides

Turo traces back to 2009, when Harvard Business School student Shelby Clark biked past rows of parked, unused cars in Boston while searching for a short-term rental and wondered why he could not simply use one of them. He founded the company as RelayRides in 2009 with classmates Tara Reeves and Nabeel Al-Kady, launching the service in Boston in 2010. 1 The company changed its name to Turo in 2015, a blend of "tour" and "turbo," as it shifted focus from short errands to longer trips.

Turo Takes a Name and IAC Takes a Stake

The rebrand coincided with a broader push to be seen as more than a niche car-sharing app, and by 2019 the strategy attracted a major backer. IAC, the media and internet holding company controlled by Barry Diller, agreed to invest $250 million in Turo in July 2019, becoming its largest shareholder in a deal that valued the company above $1 billion. 2 IAC's chief executive joined Turo's board as part of the investment, and IAC's ownership stake has grown since through additional purchases.

A car sitting idle in a driveway is, to Turo, unrealized inventory

Filing for an IPO

Turo filed confidentially for an initial public offering and submitted its S-1 registration with the U.S. Securities and Exchange Commission in January 2022, disclosing a sharp jump in revenue as pandemic-era travel demand recovered. 3 At the time of the filing, the company had roughly 85,000 active hosts and more than 160,000 listed vehicles across the United States, Canada and the United Kingdom. Turo did not complete the offering that year, instead operating as a private company while it waited for more favorable market conditions.

Pulling the IPO and Cutting Staff

That wait stretched on for three years. Turo withdrew its IPO filing in February 2025, ending an effort that had lasted more than three years, and the decision came alongside a workforce reduction of roughly 15%, or about 150 employees. 4 Revenue had reached $958 million in 2024, up from $150 million in 2020, though growth had slowed considerably from the triple-digit expansion the company posted earlier in its history.

The Marketplace by the Numbers

Turo's own regulatory filings describe a marketplace built on scale rather than ownership: roughly 165,000 active hosts listed about 365,000 active vehicles as of mid-2024, serving 3.5 million active guests. 5 In 2024, the platform facilitated $2.5 billion in gross booking value and paid out $1.5 billion directly to hosts, with the company reporting positive earnings before interest, taxes, depreciation and amortization for four consecutive years.

How Turo Takes Its Cut

Every host chooses a protection plan that sets both the insurance coverage on their vehicle and the share of each trip's price they keep, with commissions ranging from roughly 10% to 35% depending on that choice. Hosts who select more coverage and a lower deductible give up a larger share of the booking; those who accept more personal risk keep more of the fare. Guests historically paid a separate trip fee on top of the rental price, but Turo removed that fee on most monthly bookings across its markets starting in March 2025, aiming to make longer rentals more competitive against traditional rental agencies.

A Thinning Field of Rivals

Turo's closest peer-to-peer competitor spent years losing ground before exiting the U.S. market entirely. Getaround, which had operated a similar peer-to-peer model since 2009, wound down its U.S. operations in February 2025 after concluding that a persistent lack of liquidity had made the business no longer viable, selling its European operations separately. 6 That left Turo as the dominant peer-to-peer operator in the U.S. market, competing more directly against traditional fleet-owning rental companies such as Hertz and Zipcar than against another marketplace built the same way it is.

Being the last major peer-to-peer rival standing does not guarantee profitability

Key Partners

Vehicle owners, called hosts, supply every car in Turo's marketplace, making them the company's most essential partner rather than a conventional supplier. Insurance underwriters back the liability and damage coverage bundled into each host's protection plan, a function Turo cannot provide on its own. Payment processors move funds between guests and hosts on every booking, while roadside assistance providers step in when a rented vehicle breaks down away from home. IAC, as Turo's largest shareholder, functions as both an investor and a strategic partner with a seat on the company's board.

Key Activities

Matching hosts and guests through search, pricing tools and a booking engine sits at the center of Turo's daily operations. The company verifies driver identities, screens applicants against driving records and manages insurance claims when accidents or damage occur during a trip. Customer support handles disputes between hosts and guests, a function that grows more complex as the marketplace adds vehicle types beyond standard passenger cars. Marketing and host-recruitment campaigns keep vehicle supply growing in markets where guest demand outpaces the number of listed cars.

Key Resources

Turo's vehicle inventory, contributed entirely by hosts rather than owned by the company, is the core resource that lets the marketplace function without the capital costs of a traditional rental fleet. The Turo brand, built as an early mover in peer-to-peer car sharing, carries recognition that newer entrants have struggled to match. Its technology platform, covering search, pricing, identity verification and payments, supports bookings across dozens of countries. Backing from IAC and other investors gives Turo the capital to absorb insurance costs and fund growth even without consistent profitability.

Value Propositions

For hosts, Turo turns a parked car into an income source, handling insurance, background checks and payment collection so owners do not have to manage those pieces themselves. For guests, the platform offers a wider range of vehicles than conventional rental counters, from economy cars to trucks and specialty vehicles, often at lower prices than traditional agencies. Bundled insurance protects both sides of every trip, with liability coverage available up to $750,000 depending on the plan a host selects. Flexible pickup and drop-off arrangements, negotiated directly between host and guest, add convenience a fixed rental counter cannot offer.

Customer Relationships

Most interactions happen through self-service tools inside the Turo app, where hosts list vehicles and guests search, book and communicate without a company representative involved. A ratings and review system built after every trip lets both sides build reputations that influence future bookings. Customer support intervenes for disputes, damage claims and cancellations that hosts and guests cannot resolve between themselves. Turo also communicates directly with hosts through the app to keep protection plan terms and vehicle listing requirements current.

Channels

The Turo website and mobile apps for iOS and Android form the primary channel through which hosts list vehicles and guests complete bookings. Search engine marketing and social media campaigns drive new guest traffic, particularly around travel-heavy periods and major events. Host referrals and word of mouth extend Turo's reach into new markets without proportional marketing spend. In-app messaging and support channels handle everything from booking questions to trip-related disputes.

Customer Segments

Hosts, ranging from individuals renting a single personal vehicle to small businesses running fleets of dozens of cars, form one core segment. Leisure travelers looking for an alternative to traditional rental counters make up the largest guest segment, drawn by price and vehicle variety. Business travelers and people needing a vehicle for a specific purpose, such as a move or an airport pickup, add a second guest segment with different booking patterns. International guests and hosts, across the markets where Turo operates outside the United States, represent a smaller but growing segment tied to the company's geographic expansion.

Cost Structure

Insurance costs, covering the liability and damage protection bundled into every host's plan, form one of Turo's largest and most variable expenses. Technology spending on the platform, including identity verification, fraud detection and payment infrastructure, adds a second major cost line. Marketing expenses, aimed at recruiting hosts and attracting guests in new and existing markets, compete for budget with insurance and technology spending. Administrative and legal costs, including compliance with local rental and insurance regulations that vary by city and state, round out the structure.

Revenue Streams

Turo's primary revenue stream is the host commission, a share of each trip's price that ranges from roughly 10% to 35% depending on the protection plan a host selects. A separate guest fee, layered on top of the rental price, contributes a second stream, though Turo dropped this fee on most monthly bookings in 2025 to make longer rentals more competitive. Additional charges, including delivery fees and surcharges for younger drivers, add smaller revenue lines tied to specific booking circumstances. Tools sold to high-volume hosts for managing larger vehicle fleets contribute a modest, growing stream on top of the core commission model.

- 1Turo's origins as RelayRides
- 2IAC invests $250 million in car-sharing company Turo
- 3Car-sharing service Turo files for IPO, revenue jump
- 4Turo scraps plans for an IPO
- 5Turo's S-1 registration statement
- 6Getaround announces wind-down of U.S. operations

Summary

Turo's bet is that millions of individually owned cars, parked and unused most of the day, add up to a rental fleet larger than any single company could build or finance. That structure keeps Turo asset-light, but it also ties the company's fortunes to decisions it does not fully control, since hosts can raise prices, pull listings or move to a competing platform. The withdrawn IPO and 2025 layoffs suggest the marketplace has not yet found a straightforward path to the growth investors expect from a public company, even as gross bookings and host earnings continue to climb. Whether Turo eventually returns to the public markets will likely depend on proving that commission revenue can scale faster than the insurance and support costs that come with every booking.