

BUSINESS CASE	
Proposed Project	GearShare
Date Produced	2024-10-03
Background	<p>This project aims to create a web-based application that allows individuals to rent vehicles directly from other vehicle owners. Unlike traditional car rental services or rideshare platforms like Uber, users of this service would be responsible for selecting and booking a car from other users, creating a peer-to-peer marketplace. Similar to platforms like Turo, this app taps into the sharing economy, offering convenience and cost savings by enabling car owners to monetize their vehicles when not in use. The platform will include features like vehicle listing, search and booking functionality, secure payments, and user reviews.</p>

Business Need/ Opportunity

There is a growing demand for flexible and affordable transportation solutions, especially in urban areas. While car rental companies cater to this need, their services are often expensive and require a time commitment to visit in-person for viewings and placing a booking. On the other hand, many car owners have vehicles that could generate extra income. This project will address both needs by providing a cost-effective way for renters to find and view vehicles, as well as an opportunity for car owners to earn passive income. The peer-to-peer model also expands market opportunities by providing a wider range of vehicles and rental terms.

Options

1. Subscription-Based Model

2. Flexible Pricing Model

**3. Partnership with Local
Businesses**

Cost-Benefit Analysis

1. Subscription Model

Costs:

- **Development Costs:**
- **Marketing Costs:**
- **Operational Costs:**

Benefits:

- **Revenue Generation**
- **User Retention**

2. Flexible Pricing Model

Costs:

- **Development Costs:**
 - **Dynamic pricing algorithm and implementation**
 - **Data analytics tools for demand forecasting**
- **Marketing Costs:**
 - **Campaign to educate users on benefits of flexible pricing:**
- **Operational Costs:**
 - **Continuous data analysis for price optimization**
 - **Customer support for price-related inquiries**

Benefits:

- **Revenue Generation:**
 - **Expected increase in revenue during peak periods**
 - **Attracts price-sensitive users during off-peak times**

3. Partnership with Local Businesses

Costs:

Development Costs:

Partnership management and promotional features

Integration with partner systems (if required)

Marketing Costs:

Joint promotional campaigns with partners

Exclusive deals for partner clients

Operational Costs:

Staff management for partnership relationships

Customer support for partnership-related inquiries.

Benefits:

Revenue Generation:

Estimated additional rentals through partners

Commissions or referral fees from partners

Increased Market Reach:

Access to partner customer bases leading to increased visibility

Net Profit Chart

Year	Subscription	Flexible	Partnerships
0	-100,000	-300,000	-100,000
1	10,000	50,000	40,000
2	10,000	100,000	50,000
3	10,000	150,000	55,000
4	20,000	200,000	45,000
5	100,000	300,000	30,000
Net Profit	50,000	500,000	115,000

Recommendation

We chose to go with the Flexible Pricing Option, where admins can name their price for the rentals.