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## P2P boat sharing model: Is it a wave of the future?

Posted on July 28th, 2014 Written by [Wanda Kenton Smith](#)

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In January I attended the BCS National Championship Game in Pasadena, Calif. Even though my beloved Auburn Tigers lost to the Florida State Seminoles, it was simply awesome to be ensconced in the venerable Rose Bowl, surrounded by screaming thousands of the most passionate college football fans this (Southern) side of the Mason-Dixon line.

We flew out early from Florida and enjoyed pre-game festivities with our friends. We caught a few shows in Las Vegas, then scooted over to Los Angeles, where we discovered Santa Monica Boulevard, dined on the Pier, visited the Hollywood hot spots and cruised down Rodeo Drive. All the while, we navigated heavy traffic, including the gruesome game-day parking gridlock.

While the hubby and I drove around in circles, seeking a parking lot with reasonable rates and safe shuttle access, a few of our friends took a more enlightened approach. They arrived earlier, parked their car in the cheap zone and called Uber, the ride-sharing service. Within minutes, a local driver swung by, picked them up and dropped them within easy hoofing distance of tailgate heaven. When the game was over, we waited nearly an hour and a half before finally boarding a shuttle while our friends got a fast, pre-arranged Uber pickup.

Although I've rented private vacation homes through VRBO during the past few years, this was my latest introduction to one aspect of the emerging reality known as the Sharing Economy, Peer-to-Peer Economy (P2P) or Collaborative Consumption. Through technology and social networks, total strangers are connecting in practical ways that are literally driving new economic opportunities and growth. Whether you're miles — or even continents — from home, you can now make a call or push a button and find someone who will pick you up and deliver you to your destination. Or you can go online and choose a set of wheels to drive solo, selecting the brand and model to rent from a private owner for an hour, a day or a week.

TEDTalk speaker and author Rachel Botsman writes and speaks about the power of sharing through

network technologies. She has defined three distinct collaborative consumption systems.

The first is redistribution. This, she explains, is when you take a pre-owned item and “move it from where it’s not needed to somewhere or someone where it is.” She cites Swaptree, where strangers jump online and barter one thing for another. You have something I want. I have something you want. Voila! We swap and redistribute the goods. Win-win!

The second she calls collaborative lifestyles, including “the sharing of resources of things like money, skills and time.” She cites an example of a gardener in the U.K. who allows a would-be grower to share space in his garden. Collectively, they grow their own food.

The final category is product-service systems, and this is where it gets interesting. As Botsman explains, this is where a person “pays for the benefit of a product” without owning it. Maybe that product is a car or truck, RV, motorcycle, power tool, musical instrument, vacation home or, yes, maybe a boat. This system allows people to offset ownership costs with rental income.

Exciting new enterprises have sprung up around this concept. Companies are launching their own P2P platforms to harness this wave of sharing opportunities in any number of industries and categories, including boats.

Let’s say John Doe owns a boat. According to NMMA statistics, if Doe is a typical owner his boat sits unused 339 days a year. Month after month, Doe and his family shell out cash for the boat loan payment, insurance, storage fees, maintenance and other incidentals. Those same NMMA statistics reveal that 38 percent of former boat owners sold their boats because of maintenance and storage costs.

That’s what creates a market for P2P. What if Doe could rent his boat a few times a month? Perhaps it’s a local who just wants to boat a few times a year or a boating enthusiast visiting the area who wants to grab a little time on the water? Although a few monthly rentals won’t make for a major profit center, they can defray the cost of ownership, making the Does feel better about their investment.

In my due diligence for this column I searched websites and found a handful of new ventures focusing on P2P boat sharing and communicated with a few of the operators. Some of the more robust sites included Boatbound, Boatsetter, Fun2boat, Cruzin and Boatforrent.

Boatforrent says it has 11,434 charter boats in 52 countries and Boatbound reportedly has more than 2,000 boats listed for rent in 47 states and 500 cities. Although there is no charge to list a boat for rent, the boat must meet certain criteria. In the case of Boatbound, for example, the boat must have current insurance, registrations and required licensing or documentation, the insured value must be less than \$2 million and the boat cannot have been modified in any way that would void a manufacturer’s warranty.

Additional documentation and survey is also required for boats older than 10 years, exceeding \$250,000 in value and/or 45 feet in length, having a top speed of more than 50 mph, and hull materials with carbon fiber or wood or a carbon fiber/kevlar mast. Boatsetter takes the concept of trust dynamics to another level, requiring that every boat be inspected before it’s posted.

In general, rental customers must complete a questionnaire and affidavit, meet age requirements, have a valid driver’s license and possess a minimum of two years of boating experience. Most of the P2P boat rental companies handle the financial transaction directly (retain their commission), require an advance deposit, prequalify the prospective renter and provide supplemental insurance options.

According to an online article by Jeanne Craig, Cruzin requires an Experian ID and fraud prevention check

and offers an insured sea trial. In my opinion, the best thing about P2P is that the boat owner has the ultimate decision about whether, when and to whom he rents.

In researching this new model I've discovered that many people have no clue what P2P involves. Others have limited exposure and have expressed concern about everything from renters' competencies to insurance coverage issues to a pride in ownership that prevents some from sharing the object of their affection. Others believe it's an exciting lifeline to boating growth.

On the competency front, some states require proof of a safe-boating course. In any case, the boat owner can question and/or assess capabilities firsthand before handing over the keys. Boatsetter offers a pretty cool option — a portal where renters can pay for and pick from a bevy of captains, guides or area experts to accompany them. Cruzin has a similar program.

Boatbound says its insurance policy, offered through Lloyds of London, provides \$1 million liability coverage on every rental and \$2 million on hull coverage. Boatsetter and Cruzin offer similar options.

The aspect I like best about P2P boat sharing also represents my greatest short-term concern. As with eBay, buyers and sellers are rated on the websites, based on their counterpart's performance. Obviously, if I'm a boat owner and am contacted by a prospective renter who has glowing reviews and ratings from owners from whom he has rented similar products, I'm likely to rent. The success of the sharing and P2P economy really rests on a foundation of proven performance and trust.

The challenge now is that because this model is so new, there simply are few rankings available. Of the dozens of rental boats I viewed on multiple P2P websites, ranging from jet skis in California to deckboats, yachts and sportfishers in Florida, very few had posted customer commentary or ratings. I expect that this will come in time, but for now the early adopters must navigate these uncharted waters.

I was pleased to discover that a growing number of veteran marine organizations have joined the P2P boat rental bandwagon, ranging from large and small marina operators to boat tow companies to dealerships to Brunswick. Bravo!

Besides traditional boat sales, I'm also a big fan of boating clubs and rental organizations — different strokes for different folks. In my opinion, there is plenty of room on the water for everybody. Buy it, club it, rent it — and now, share it!

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