It is used with nouns referring to people, groups of people, countries, and animals. 'Belonging to' or 'ownership' is one of the relationships it expresses:

John owns a car. ('John' is the possessor or owner)
It is John's car.

America has some gold reserves. ('America' is the owner)
They are America's gold reserves.

Form
To form the possessive, add 's ('apostrophe −s') to the noun.
If the noun is plural, or already ends in −s, just add: ' (an apostrophe).

For names ending in −s:
In speaking− we add the sound /iz/ to the name, but −in writing− the 's form is common. e.g. Thomas's book, James's shop.

Examples:
The car of John = John's car.
The room of the girls = The girls' room.
Clothes for men = Men's clothes.
The sister of Charles = Charles's sister.
The boat of the sailors = The sailors' boat.

The possessive is also used to refer to shops, restaurants, churches and colleges, using the name or job title of the owner. Examples:

the grocer's the doctor's the vet's
the newsagent's the chemist's Smith's
the dentist's Tommy Tucker's Saint Mary's

I've got an appointment at the dentist's at eleven o'clock.

TEST Say if these sentences are correct or wrong.

1. Peter's boat is really beautiful. 2. I like dog's John. It is so cute! 3. I had a walk with Thomas's girlfriend. 4. Women's jobs are very hard! 5. I went to the dentist.

ANSWERS 1. Peter's boat is really beautiful. OK 2. I like dog's John. It is so cute! WRONG > John's dog | 3. I had a walk with Thomas's girlfriend. OK | 4. Women's jobs are very hard! OK | 5. I went to the dentist. WRONG > to the dentist's.