

USBS HAVE TWO-FOLD USE FOR CALIFORNIA DEALERSHIP

A California auto dealership purchased USB flash drives for two reasons: promotional marketing and to pilot a digital closing document program.

L. Castro, controller for the dealership, said they give out branded promotional flash drives at a classic car show each year.

They also experimented with loading closing documents onto USB drives last year. It is a program Castro hopes they can expand in the future once California law catches up to the technology available.

Legal catch-up

Castro said many customers ask for closing documents on USB and the dealership's software provider also suggests USBs for those documents. However, California law still requires dealerships to provide those documents in a hard copy format.

"Per California law, dealerships cannot just provide a USB with closing documents, they must provide a hard copy too," she said.

What customers do with those paper documents after the sale is up to them, however. Once the state's law changes, she can already see how USB drives will save the dealership money in the long run.

In that state, there are 35 pieces of paper involved with a closing – both of which must be copied for the customer and the dealership. The customer's copies go into a custom, printed folder – which costs them as much as a branded USB drive from Logotech does, Castro said. Cost-wise, bulk custom USB drives "are equivalent to the folder and it would save us money on paper," to just use them instead, she said.

Lobbying efforts

They and other dealers are working with their lobbying arm, the California New Car Dealer Association, to get the law changed to allow for digital contracts, she added.

"Some customers do prefer the digital copy. When we did the trial run we did ask them to find out and 75 percent said they preferred a digital copy," she said.

"I understand California wants to be green, but the law has to catch up with technology," Castro said.

She also looking at expanding the promotional items they hand out. Castro said she has a medium-sized marketing budget, and the dealership is a presenting sponsor of the annual rodeo every Fourth of July.