

Quality vs Cost

Whether you're standing in front of a shelf at the grocery store, shopping online, or even walking around a car dealership, you may wonder: Do I go for the "nicer," more expensive option or choose the cheaper one to save some money? At the end of the day, what you're really debating is quality vs cost.

Why the Difference?

There are a few broad assumptions that we make when it comes to why an item could cost more than something similar:

- It's made with higher quality ingredients or parts.
- Something about it is more rare or difficult to obtain or make.
- It's associated with a well known or trusted name brand or company.

Often, those three points can lead to these assumed outcomes:

- The item may do whatever it does better.
- You may spend less in the long run on repairs or maintenance.
- The item may last longer.
- The seller or maker may offer a better warranty on the product, be easier to work with, or provide an overall better buying experience.
- The item may have a higher value and hold it better, meaning you would get more for it if you were to sell it again.

We usually make the opposite assumptions about lower priced items (they are made with lower quality materials, they won't last as long, etc). While these assumptions can be a helpful starting point, they won't be true in every situation.

Don't Be Duped

Sometimes sellers rely on these assumptions to get you to spend more than necessary. They know you'll assume that because an item is priced higher, it must be better or of higher quality, but that's not always the case. Depending on the products and significance of the price difference, you may not be able to tell the difference between the two items in practice. If it's something that needs to do a specific job, such as a piece of equipment, the less expensive option may do that job just as well or better than the pricier option.

Also, a higher priced product may include bells and whistles that, frankly, you don't need. While it may be nice to have every possible upgrade and fancy new addition, the product may work fine in its intended purpose without them. In other words, it's often unwise to pay a higher price for features that really aren't necessary.

But there are some instances where it will probably be worth it to pay more for what may be an overall better item. For example, if a broken or malfunctioning product could be dangerous to you or someone else, it may be worth getting the item that you have the most confidence in, even if it's more expensive. Also, if a company is known for making good products, timeliness, and excellent customer service, you may want to consider paying more to get an item from that company. Researching different options can help you make an informed decision.

Taking the Gamble

What the cost vs quality debate really boils down to is risk level and priorities. Are you willing to gamble that the cereal for \$1.50 will taste fine compared to the cereal for \$3.50? Perhaps. But it quickly becomes more complicated when the stakes get bigger. Are you willing to risk that a cheap car will last as long or hold its value as well as a car that's more expensive? Maybe or maybe not.

Of course, the reasons for selecting one item over another will be as varied as the items themselves, but these three considerations can help you find the balance between what you're willing to risk and what you need to prioritize:

- The possibility and severity of a negative outcome should the item not work as well as another.
- The price of upkeep, repairs, or replacements.
- What others have said about the quality of the item.

Overall, higher costs are often associated with benefits of some kind, but whether or not those benefits are worth the increased price depends on the item and the purpose that you're buying it for. There are certainly times when it will be better to go with a more expensive, higher quality product, but that won't be the case for everything. Do your research to help you decide where you can save and where you need to be willing to spend a little more.

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