



almost everyday we transact business, whether it is buying gas, stamps, lunch or more substantial and infrequent purchases such as a car, a wedding dress or a house. We also pay for services provided by others – haircuts, doctor and dentist appointments, exercise and fitness programs and interior decoration.

We live in a world where there is intense competition by providers of these items. There are three elements present in every purchase: **1) need or desire, 2) price and 3) value.** Price is often the leading consideration in our search. Value, while important, may take a back seat when we're in the process of looking for a 'good deal'.

Balancing price and value is critical if we are to get the best result. Price is easy to compare, but knowledge is needed to assess value. That is why, in making some purchases, understanding the difference between a transaction and a relationship purchase is important. A *transaction* is often the purchase of a product or service without the necessity of any personal interaction; and a *relationship purchase* is one in which a product or service is bought with the advice and input of another, preferably an expert in that particular area.

We don't usually need someone to help us buy a gallon of gas or a tube of toothpaste, so we use little or no help determining the value for the price we are paying. Some things cannot be done without a specialist – try taking out your own appendix.

There are many examples of services that have reduced costs and attract customers by introducing transaction based practices to replace the traditional 'Buyer-Seller' system of commerce. Some of them work quite well.

The financial services industry is a good example. Technology has made it possible for some insurance, investment, banking and legal services to be purchased without the buyer explaining their need to a seller who can provide a value based solution. A sort of 'one-price-fits-all' approach often supplies a cost effective answer for the buyer who is strictly price comparing.

On the other hand, the buyer may be able to take advantage of an expert's knowledge to get a customized solution that will be of specific value at a price that fits. This relationship purchase offers the buyer the right formula: $Price + Value = Desired Result$.

When you are looking to make buying decisions about family, security, investments, survivorship issues, retirement planning, and the best ways to care for aging parents, among other lifecycle decisions we all face, take advantage of the experts around you. They can guide you through the process of dealing with these issues. Then if you want to go 'shopping' on your own, you will have a track to run on, but you also will have had good, knowledgeable advice and who knows, maybe a new valuable relationship!

For more Information, please contact your trusted advisor at Swartzbaugh-Farber – Client Centered – Client Advocates™.

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