

Total Cost of Ownership (TCO)

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Total Cost of Ownership (TCO) is the purchase price of an asset plus the costs of operation. Assessing the total cost of ownership represents taking a bigger picture look at what the product is and what its value is over time.

When choosing among alternatives in a purchasing decision, buyers should look not just at an item's short-term price, known as its purchase price, but also at its long-term price, which is its total cost of ownership. The item with the lower total cost of ownership is the better value in the long run.

Source: <https://www.investopedia.com/terms/t/totalcostofownership.asp>

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