

## ***ABSTRACT***

The aim of this study was to examine the effect of product quality ( $X_1$ ) and price ( $X_2$ ) on purchasing decision Ladies Bag in Palembang. Population of this study were all of Palembang soceity who ever had Ladies Bag. Samples were 100 respondents whom determined by using purposive sampling method. Hypotesis testing used SPSS Version 17.0. The result of this study showed that product quality ( $X_1$ ) and price ( $X_2$ ) had effect on purchasing decision Neo Bercy Bag in Palembang.

**Keyword: Product quality, price and purchasing decision.**