The two most important factors affecting purchase decisions are customer needs and price. According to a sampling of customers and towel retailers, Hong Kong customers seem to prefer Japanese towels, which are of good quality and not too expensive.

C. PROMOTIONAL ACTIVITIES

There is no appropriate trade fair or exhibition in Hong Kong for towels. The usual way to promote products such as towels in the colony is to furnish samples and introduction letters to importers and distributors in advance, with follow-up trips to consolidate or conclude deals.

D. SOURCES OF SUPPLY AND CHANNELS OF DISTRIBUTION

Department Stores (Domestic and foreign-owned):

1. Lane Crawford Ltd. (Hong Kong)

8/F Summerset House, 28 Tong Chong St.,

Quarry Bay, Hong Kong.

Tel: 880-4488 Fax: 868-4492

Contact: Mr. Geoff Styche, chief buyer; Mr. Fred Doe, president.

2. Hong Kong Seibu Enterprise Co. Ltd. (Japan) Room 1901, Two Pacific Place, 88 Queensway,

Hong Kong. Tel: 877-3628 Fax: 877-0857

Contact: Mr. Ishigami, senior vice-president.

3. The Shui Hing Co., Ltd. (Hong Kong) 23-25 Nathan Road, Tsimshatsui, Kowloon.

Tel: 368-9181 Fax: 721-5210

Contact: Mr. Daniel Koo, chairman; Ms Peggy Wong, buyer.

4. The Dragon Seed Co. Ltd. (Hong Kong)

10/F, 39 Queen's Road C, Central,

Hong Kong. Tel: 524-2016 Fax: 810-4971

Contct: Ms Irene Yeung, buyer. Mr. Jiro Imamura, managing director.

5. Hang Lung Matsuzakaya Co. Ltd. (Japan) 8/F Hang Leung Centre, Patterson Street,