

**PREDICTING THE DEMAND FOR SRI LANKAN VALUE-
ADDED COCONUT FOOD PRODUCTS IN THE FOREIGN
MARKET.**

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Abstract

Sri Lanka is the third largest coconut products exportation country besides the Philippines accounting for 41.7 per cent and Indonesia with 19%. Further, Germany, the USA, China, the UK, Japan, Australia and the Netherlands are major markets for Sri Lankan coconut products. Further, predicting the market demand is the most significant step in business planning including the food exportation industry. This research study was directed to robust regression model development that enables demand prediction of coconut-based products in the foreign market. The study recognized product, country of destination, product category, HS code, unit price, quantity, year and month as independent variables that may affect the foreign market demand for Sri Lankan value-added coconut-based products. This study used 1430 data over the past three years, sorted as well as assessed according to the relational nature between the independent factors variables and the demand for the coconut products of export orders. Conversely, this study found the best model based on the higher R-square value and other statistical analyses. Further, this research study concluded that the product, product category, year, month, country of destination, HS code, unit price and quantity variables are the most significant independent factors that affect the prediction of the international market demand for coconut products. Finally, a prediction model was improved to be used to market demand prediction in future.