Analyze_ab_test_results

November 22, 2017

0.1 Analyze A/B Test Results

This project will assure you have mastered the subjects covered in the statistics lessons. The hope is to have this project be as comprehensive of these topics as possible. Good luck!

0.2 Table of Contents

- Section ??
- Section ??
- Section ??
- Section ??

Introduction

A/B tests are very commonly performed by data analysts and data scientists. It is important that you get some practice working with the difficulties of these

For this project, you will be working to understand the results of an A/B test run by an e-commerce website. Your goal is to work through this notebook to help the company understand if they should implement the new page, keep the old page, or perhaps run the experiment longer to make their decision.

As you work through this notebook, follow along in the classroom and answer the corresponding quiz questions associated with each question. The labels for each classroom concept are provided for each question. This will assure you are on the right track as you work through the project, and you can feel more confident in your final submission meeting the criteria. As a final check, assure you meet all the criteria on the RUBRIC.

Part I - Probability

Question 1. Now, read in the ab_data.csv data. Store it in df. Use your dataframe to answer the questions in Quiz 1 of the classroom.

a. Read in the dataset and take a look at the top few rows here:

```
df = pd.read_csv('ab_data.csv')
        # show top rows
        df.head()
Out[2]:
                                                     group landing_page converted
         user_id
                                      timestamp
        0
          851104 2017-01-21 22:11:48.556739
                                                               old_page
                                                   control
                                                                                  0
          804228 2017-01-12 08:01:45.159739
        1
                                                               old_page
                                                                                  0
                                                   control
        2 661590 2017-01-11 16:55:06.154213 treatment
                                                                                  0
                                                               new_page
        3 853541 2017-01-08 18:28:03.143765 treatment
                                                               new_page
                                                                                  0
            864975 2017-01-21 01:52:26.210827
                                                               old_page
                                                                                  1
                                                   control
  b. Use the below cell to find the number of rows in the dataset.
In [3]: # Calculate number of rows in dataset and display
        df_length = len(df)
        print(df_length)
294478
  c. Number of unique users in the dataset.
In [4]: # Calculate number of unique users in dataset
        len(df.user_id.unique())
Out[4]: 290584
  d. The proportion of users converted.
In [5]: df.converted.sum()/df_length
Out[5]: 0.11965919355605512
  e. The number of times the new_page and treatment don't line up.
In [6]: # Looking for rows where treatment/control doesn't line up with old/new pages respecti
        df_t_not_n = df[(df['group'] == 'treatment') & (df['landing_page'] == 'old_page')]
        df_not_t_n = df[(df['group'] == 'control') & (df['landing_page'] == 'new_page')]
        # Add lengths
        mismatch= len(df_t_not_n) + len(df_not_t_n)
        # Create one dataframe from it
        mismatch_df = pd.concat([df_t_not_n, df_not_t_n])
        mismatch
Out[6]: 3893
```

In [2]: # import data

f. Do any rows have missing values?

Question 2. For the rows where **treatment** is not aligned with **new_page** or **control** is not aligned with **old_page**, we cannot be sure if this row truly received the new or old page. Use **Quiz 2** in the classroom to provide how we should handle these rows.

a. Now use the answer to the quiz to create a new dataset that meets the specifications from the quiz. Store your new dataframe in **df2**.

```
In [8]: # Copy dataframe
        df2 = df
        # Remove incriminating rows
        mismatch_index = mismatch_df.index
        df2 = df2.drop(mismatch_index)
In [9]: # Double Check all of the correct rows were removed - this should be 0
        df2[((df2['group'] == 'treatment') == (df2['landing_page'] == 'new_page')) == False].si
Out [9]: 0
   Question 3
   a. How many unique user_ids are in df2?
In [10]: # Find unique users
         print("Unique users:", len(df2.user_id.unique()))
         # Check for not unique users
         print("Non-unique users:", len(df2)-len(df2.user_id.unique()))
Unique users: 290584
Non-unique users: 1
   b. There is one user_id repeated in df2. What is it?
In [11]: # Find duplicated user
         df2[df2.duplicated('user_id')]
Out[11]:
               user_id
                                          timestamp
                                                          group landing_page
                                                                              converted
                773192 2017-01-14 02:55:59.590927 treatment
         2893
                                                                    new_page
                                                                                       0
   c. What is the row information for the repeat user_id?
In [12]: # Find duplicates under user ids
         df2[df2['user id']==773192]
```

```
Out[12]:
               user_id
                                          timestamp
                                                         group landing_page
                                                                             converted
                773192 2017-01-09 05:37:58.781806
         1899
                                                     treatment
                                                                   new_page
                                                                                      0
                773192 2017-01-14 02:55:59.590927 treatment
         2893
                                                                                      0
                                                                   new_page
```

d. Remove one of the rows with a duplicate user_id, keep dataframe as df2

```
In [13]: # Drop duplicated user
         df2.drop(labels=1899, axis=0, inplace=True)
In [14]: # Check the drop worked
         df2[df2['user_id']==773192]
Out [14]:
               user id
                                           timestamp
                                                           group landing page
                                                                                converted
         2893
                 773192 2017-01-14 02:55:59.590927
                                                       treatment
                                                                      new_page
                                                                                         0
   Question 4
   a. What is the probability of an individual converting regardless of the page they receive?
```

```
In [15]: # Probability of user converting
         print("Probability of user converting:", df2.converted.mean())
```

Probability of user converting: 0.11959708724499628

b. Given that an individual was in the control group, what is the probability they converted?

```
In [16]: # Probability of control group converting
         print("Probability of control group converting:",
               df2[df2['group'] == 'control']['converted'].mean())
```

Probability of control group converting: 0.1203863045004612

c. Given that an individual was in the treatment group, what is the probability they converted?

```
In [17]: # Probability of treatment group converting
         print("Probability of treatment group converting:",
               df2[df2['group'] == 'treatment']['converted'].mean())
```

Probability of treatment group converting: 0.11880806551510564

d. What is the probability that an individual received the new page?

```
In [18]: # Probability an individual recieved new page
         print("Probability an individual recieved new page:",
               df2['landing_page'].value_counts()[0]/len(df2))
```

Probability an individual recieved new page: 0.500061944223

e. Use the results in the previous two portions of this question to suggest if you think there is evidence that one page leads to more conversions? Write your response below.

Given the data in Question 4 so far, the probability that an individual received a new page is roughly 0.5, this means that it is not possible for there to be a difference in conversion based on being given more opportunities to do so. For instance, if the probability of receiving a new page was higher relative to the old page then it would be observed that the rate of conversion would naturally increase.

The probabilities that the control converted at higher rates seems to make sense in the data, however the magnitude of this change is very small(0.2%). It would be good to do a test to see whether or not it is statistically significant. Practically, I would say that the gain of the new site is negligible. I would want to see a larger increase (2-5%) before a decision is made for which site is better.

```
### Part II - A/B Test
```

 $H_1: p_{new} - p_{old} > 0$

Question 1. For now, consider you need to make the decision just based on all the data provided. If you want to assume that the old page is better unless the new page proves to be definitely better at a Type I error rate of 5%, what should your null and alternative hypotheses be? You can state your hypothesis in terms of words or in terms of p_{old} and p_{new} , which are the converted rates for the old and new pages.

```
H_0: p_{new} \leq p_{old} or H_0: p_{new} - p_{old} \leq 0 H_1: p_{new} > p_{old}
```

Question 2. Assume under the null hypothesis, p_{new} and p_{old} both have "true" success rates equal to the converted success rate regardless of page - that is p_{new} and p_{old} are equal. Furthermore, assume they are equal to the converted rate in ab_data.csv regardless of the page.

Use a sample size for each page equal to the ones in ab_data.csv.

Perform the sampling distribution for the difference in converted between the two pages over 10,000 iterations of calculating an estimate from the null.

Use the cells below to provide the necessary parts of this simulation. If this doesn't make complete sense right now, don't worry - you are going to work through the problems below to complete this problem. You can use Quiz 5 in the classroom to make sure you are on the right track.

a. What is the **convert rate** for p_{new} under the null?

Under null hypothesis, $p_{new} \le p_{old}$. Hence, we should calculate the average of the real p_{new} and p_{old} from the data and let this average value be the value we use. (Confusing sentence, hopefully you get what I mean.)

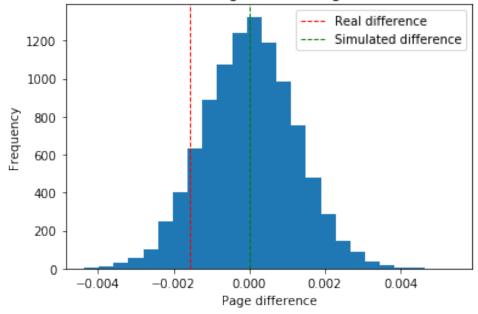
```
In [46]: # Calculate probability of conversion for old page
         p_old = df2[df2['landing_page'] == 'old_page']['converted'].mean()
         print("Probability of conversion for old page:", p_old)
Probability of conversion for old page: 0.1203863045004612
In [21]: # Take the mean of these two probabilities
         p_mean = np.mean([p_new, p_old])
         print("Probability of conversion udner null hypothesis:", p_mean)
Probability of conversion udner null hypothesis: 0.119597185008
In [22]: # Calc. differences in probability of conversion for new and old page (not under H_O)
         p diff = p new-p old
         print("Difference in probability of conversion for new and old page (not under H_0):"
Difference in probability of conversion for new and old page (not under H_0): -0.0015782389853
   Hence:
   p_{new}: 0.1188
   p_{old} : 0.1204
   a. What is the convert rate for p_{new} under the null?
   p_{mean} = p_{old_0} = p_{new_0} : 0.1196
   b. What is the convert rate for p_{old} under the null?
   The same thing.
   p_{new_0} - p_{old_0} = 0
In [47]: # Calculate n_new and n_old
         n_new, n_old = df2['landing_page'].value_counts()
         print("new:", n_new, "\nold:", n_old)
new: 145310
old: 145274
   Hence:
   c. What is n_{new}?
   n_{new}: 145310
   d. What is n_{old}?
   n_{old}: 145274
   e. Simulate n_{new} transactions with a convert rate of p_{new} under the null. Store these n_{new} 1's
```

and 0's in new_page_converted.

```
In [48]: # Simulate conversion rates under null hypothesis
         new_page_converted = np.random.choice([1, 0], size=n_new, p=[p_mean, (1-p_mean)])
         new_page_converted.mean()
Out [48]: 0.11902828435758035
   f. Simulate n_{old} transactions with a convert rate of p_{old} under the null. Store these n_{old} 1's and
0's in old_page_converted.
In [25]: # Simulate conversion rates under null hypothesis
         old_page_converted = np.random.choice([1, 0], size=n_old, p=[p_mean, (1-p_mean)])
         old_page_converted.mean()
Out [25]: 0.11925051970758704
   g Find p_{new} - p_{old} for your simulated values from part (e) and (f).
In [26]: # Calculate difference in p under the null hypothesis
         new_page_converted.mean()-old_page_converted.mean()
Out [26]: 0.00054164875982744276
   h. Simulate 10,000 p_{new} - p_{old} values using this same process similarly to the one you calculated
in parts a. through g. above. Store all 10,000 values in p_diffs.
In [27]: p_diffs = []
         # Re-run simulation 10,000 times
         # trange creates an estimate for how long this program will take to run
         for i in trange(10000):
              new_page_converted = np.random.choice([1, 0], size=n_new, p=[p_mean, (1-p_mean)])
              old_page_converted = np.random.choice([1, 0], size=n_old, p=[p_mean, (1-p_mean)])
              p_diff = new_page_converted.mean()-old_page_converted.mean()
              p_diffs.append(p_diff)
100%|| 10000/10000 [00:40<00:00, 243.96it/s]
   i. Plot a histogram of the p_diffs. Does this plot look like what you expected? Use the
matching problem in the classroom to assure you fully understand what was computed here.
In [50]: # Plot histogram
         plt.hist(p_diffs, bins=25)
```

```
In [50]: # Plot histogram
    plt.hist(p_diffs, bins=25)
    plt.title('Simulated Difference of New Page and Old Page Converted Under the Null')
    plt.xlabel('Page difference')
    plt.ylabel('Frequency')
    plt.axvline(x=(p_new-p_old), color='r', linestyle='dashed', linewidth=1, label="Real ellipt.axvline(x=(np.array(p_diffs).mean()), color='g', linestyle='dashed', linewidth=1,
    plt.legend()
    plt.show()
```





The simulated data creates a normal distribution (no skew) as expected (it was generated at random after all). However, the mean of this normal distribution is 0 which suggests that the old page has the same higher conversion rate than the new page on average. (Which is what the data should look like under the null hypothesis.)

Whether or not real value is different enough to be significant depends on where it falls on this bell curve

j. What proportion of the p_diffs are greater than the actual difference observed in ab data.csv?

k. In words, explain what you just computed in part **j**. What is this value called in scientific studies? What does this value mean in terms of whether or not there is a difference between the new and old pages?

Proportion greater than actual difference: 0.9065

If our sample conformed to the null hypothesis then we'd expect the proportion greater than the actual difference to be 0.5. However, we calculate that almost 90% of the population in our

simulated sample lies above the real difference which does not only suggest that the new page does not do significantly better than the old page, it might even be worse!

The value calculated above is the p-value.

1. We could also use a built-in to achieve similar results. Though using the built-in might be easier to code, the above portions are a walkthrough of the ideas that are critical to correctly thinking about statistical significance. Fill in the below to calculate the number of conversions for each page, as well as the number of individuals who received each page. Let n_old and n_new refer the number of rows associated with the old page and new pages, respectively.

/home/simon/anaconda3/lib/python3.6/site-packages/statsmodels/compat/pandas.py:56: FutureWarni: from pandas.core import datetools

convert_old: 17264
convert_new: 17489
n_old: 145274
n_new: 145310

Out[31]: '\nSome of these values were defined ealier in this notebook: n_old and n_new\n'

m. Now use stats.proportions_ztest to compute your test statistic and p-value. Here is a helpful link on using the built in.

n. What do the z-score and p-value you computed in the previous question mean for the conversion rates of the old and new pages? Do they agree with the findings in parts **j**. and **k**.?

Simply put, a z-score is the number of standard deviations from the mean a data point is. But more technically it's a measure of how many standard deviations below or above the population mean a raw score is

-Source

Given the above definition, it would seem that the differences between the lines shown in the histogram above is 1.26 standard deviations, which looks like a lot but is not satistically sifnificant. The p-value is roughly 20.7% which is the probability that this result is due to random chance which means that we can only really reject the null-hypothesis with a ~75% confidence. (Which you really wouldn't do under normal circumstances, so in reality we fail to reject the null hypothesis)

Part III - A regression approach

- 1. In this final part, you will see that the result you acheived in the previous A/B test can also be acheived by performing regression.
 - a. Since each row is either a conversion or no conversion, what type of regression should you be performing in this case?

You can use a logistic regression.

This will likely be the sm module to use.

b. The goal is to use **statsmodels** to fit the regression model you specified in part **a.** to see if there is a significant difference in conversion based on which page a customer receives. However, you first need to create a column for the intercept, and create a dummy variable column for which page each user received. Add an **intercept** column, as well as an **ab_page** column, which is 1 when an individual receives the **treatment** and 0 if **control**.

/home/simon/anaconda3/lib/python3.6/site-packages/ipykernel/__main__.py:5: FutureWarning: set_home/simon/anaconda3/lib/python3.6/site-packages/ipykernel/__main__.py:6: FutureWarning: set_home/simon/anaconda3/lib/python3.6/site-packages/ipykernel/___.

```
In [36]: # Check everything has worked
        df3[df3['group'] == 'treatment'].head()
Out [36]:
           user_id
                                   timestamp
                                                  group landing_page ab_page \
        2
            661590 2017-01-11 16:55:06.154213 treatment
                                                           new_page
                                                                          1
            853541 2017-01-08 18:28:03.143765 treatment
                                                           new_page
                                                                          1
        6
            679687 2017-01-19 03:26:46.940749 treatment
                                                           new_page
                                                                          1
        8 817355 2017-01-04 17:58:08.979471 treatment
                                                           new_page
                                                                          1
            839785 2017-01-15 18:11:06.610965 treatment
                                                           new_page
                                                                          1
           intercept converted
        2
        3
        6
                 1
                            1
        8
                 1
                            1
        9
                  1
                             1
```

c. Use **statsmodels** to import your regression model. Instantiate the model, and fit the model using the two columns you created in part **b**. to predict whether or not an individual converts.

d. Provide the summary of your model below, and use it as necessary to answer the following questions.

Dependent Variable: converted Pseudo R-squared: 0.000
Date: 2017-11-22 14:04 AIC: 212780.3502
No. Observations: 290584 BIC: 212801.5095
Df Model: 1 Log-Likelihood: -1.0639e+05
Df Residuals: 290582 LL-Null: -1.0639e+05
Converged: 1.0000 Scale: 1.0000

Coef. Std.Err. z P>|z| [0.025 0.975]

```
ab_page -0.0150 0.0114 -1.3109 0.1899 -0.0374 0.0074 intercept -1.9888 0.0081 -246.6690 0.0000 -2.0046 -1.9730
```

e. What is the p-value associated with **ab_page**? Why does it differ from the value you found in the **Part II**? **Hint**: What are the null and alternative hypotheses associated with your regression model, and how do they compare to the null and alternative hypotheses in the **Part II**?

Apparently the p-value associated with ab_page is 0.1899, which is slightly lower than the p-value I calculated using the z-test above. The reason why the value is lower is because I added an intercept which is meant to account for error if my memory is correct. This means that this value is more accurate. (As in, it's probably closer to the true p-value)

However, this p-value is still much too high to reject the null hypothesis.

f. Now, you are considering other things that might influence whether or not an individual converts. Discuss why it is a good idea to consider other factors to add into your regression model. Are there any disadvantages to adding additional terms into your regression model?

There are certainly disadvantages to adding too many features into your analysis. When do you regression or categorization analysis you want to have features which have large impacts on outcome, small impacts are usually not influencial and should be left for the intercept.

I believe there's a statistic which accounts for this, some sort of corrected Rš value (in linear regression at least) which will give lower outputs if "useless" features are added.

However, only one feature was chosen to determine whether a user would convert (beside the intercept) so a couple of added features wouldn't hurt. I would imagine some features like the time spent looking at page and the date the page was designed might be some interesting features to add. The longer a customer spends on a page the more they are likely to be content with it and unwilling to change, it could also be the case that really old pages will not work well and people will want an updated version.

g. Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives. You will need to read in the **countries.csv** dataset and merge together your datasets on the appropriate rows. Here are the docs for joining tables.

Does it appear that country had an impact on conversion? Don't forget to create dummy variables for these country columns - **Hint: You will need two columns for the three dummy variables.** Provide the statistical output as well as a written response to answer this question.

```
In [39]: # Importing data
         df_countries = pd.read_csv('countries.csv')
         df_countries.head()
Out [39]:
            user_id country
             834778
                          UK
         1
             928468
                          US
         2
             822059
                          UK
         3
             711597
                          IJK
             710616
                          UK
```

```
In [40]: # Creating dummy variables
         df_dummy = pd.get_dummies(data=df_countries, columns=['country'])
         # Performing join
        df4 = df_dummy.merge(df3, on='user_id') # df.join is depricated AFAIK
         # Sorting columns
         df4 = df4[['user_id', 'timestamp', 'group', 'landing_page',
                    'ab_page', 'country_CA', 'country_UK', 'country_US',
                    'intercept', 'converted']]
         # Fix Data Types
        df4[['ab_page', 'country_CA', 'country_UK', 'country_US', 'intercept', 'converted']] =
         df4[['ab_page', 'country_CA', 'country_UK', 'country_US', 'intercept', 'converted']].a
        df4.head()
Out [40]:
           user_id
                                                    group landing_page ab_page \
                                     timestamp
        0
           834778 2017-01-14 23:08:43.304998
                                                               old_page
                                                                               0
                                                   control
         1
            928468 2017-01-23 14:44:16.387854 treatment
                                                              new_page
                                                                               1
           822059 2017-01-16 14:04:14.719771 treatment
         2
                                                              new_page
                                                                               1
         3
            711597 2017-01-22 03:14:24.763511
                                                              old_page
                                                                               0
                                                   control
            710616 2017-01-16 13:14:44.000513 treatment
                                                                               1
                                                              new_page
            country_CA country_UK country_US intercept converted
        0
                                1
                                            0
                                                       1
                                                       1
         1
                    0
                                0
                                            1
                                                                   0
         2
                    0
                                 1
                                            0
                                                       1
                                                                   1
        3
                    0
                                             0
                                                       1
                                                                   0
                                1
                                             0
         4
                    0
                                 1
                                                        1
                                                                   0
In [41]: # Create logit_countries object
         logit_countries = sm.Logit(df4['converted'],
                                   df4[['country_UK', 'country_US', 'intercept']])
         # Fit
        result2 = logit_countries.fit()
Optimization terminated successfully.
        Current function value: 0.366116
         Iterations 6
In [42]: # Show results
        result2.summary2()
Out[42]: <class 'statsmodels.iolib.summary2.Summary'>
                                   Results: Logit
```

______ Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000 6.0000 2017-11-22 14:04 AIC: 212780.8333 BIC: 212812.5723 No. Observations: 290584 Log-Likelihood: -1.0639e+05 LL-Null: -1.0639e+05 Df Model: Df Residuals: 290581 LL-Null: Converged: 1.0000 Scale: 1.0000 ______ Coef. Std.Err. z P>|z| [0.025 0.975] ______ 0.0507 0.0284 1.7863 0.0740 -0.0049 country_UK 0.1064 country_US 0.0935 intercept -2.0375 0.0260 -78.3639 0.0000 -2.0885 -1.9866 _____

Df Model:

It seems that country did have some bearing on conversion rate, but not high enough to be satistically significant

h. Though you have now looked at the individual factors of country and page on conversion, we would now like to look at an interaction between page and country to see if there are significant effects on conversion. Create the necessary additional columns, and fit the new model.

Provide the summary results, and your conclusions based on the results.

```
In [43]: # Create logit_countries object
        logit_countries2 = sm.Logit(df4['converted'],
                                df4[['ab_page', 'country_UK', 'country_US', 'intercept']])
        # Fit
        result3 = logit_countries2.fit()
Optimization terminated successfully.
        Current function value: 0.366113
        Iterations 6
In [44]: # Show results
       result3.summary2()
Out[44]: <class 'statsmodels.iolib.summary2.Summary'>
                               Results: Logit
        ______
                        Logit
                                        No. Iterations:
                                                         6.0000
       Dependent Variable: converted Pseudo R-squared: 0.000
                        2017-11-22 14:04 AIC: 212781.1253
290584 BIC: 212823.4439
        No. Observations: 290584
```

Log-Likelihood: -1.0639e+05

Df Residuals:	290580		LL-Null:		-1.0639e+05	
Converged:	1.0000		Scale:		1.0000	
	Coef.	Std.Err.	Z	P> z	[0.025	0.975]
ab_page	-0.0149	0.0114	-1.3069	0.1912	-0.0374	0.0075
country_UK	0.0506	0.0284	1.7835	0.0745	-0.0050	0.1063
country_US	0.0408	0.0269	1.5161	0.1295	-0.0119	0.0934
intercept	-2.0300	0.0266	-76.2488	0.0000	-2.0822	-1.9778

11 11 11

When adding everything together it seems that the p-values for all featues has increased. The z-score for the intercept is incredibly large though which is interesting.

Conclusions

Although it would seem from the outset that there is a difference between the conversion rates of new and old pages, there is just not enough evidence to reject the null hypothesis. From the histogram shown in this report, it seems that the new page does worse than the old pa.

It was also found that this was not dependent on countries with conversion rates being roughly the same in the UK as in the US. The test conditions were fairly good as well, users had a roughly 50% chance to recieve the new and old pages and the sample size of the initial dataframe is sufficiently big such that collecting data is likely not a good use of resources.

I would recommend that the e-commerce company spend their money on trying to improve their website before trying again. If anything, perhaps do some reason into why the page performed so poorly.