# Analyze\_ab\_test\_results\_notebook (NEW)

# August 26, 2021

# 0.1 Analyze A/B Test Results

You may either submit your notebook through the workspace here, or you may work from your local machine and submit through the next page. Either way assure that your code passes the project RUBRIC. Please save regularly.

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

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#### ### 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 ecommerce 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

To get started, let's import our libraries.

```
In [2]: import pandas as pd
    import numpy as np
    import random
    import matplotlib.pyplot as plt
    %matplotlib inline
    #We are setting the seed to assure you get the same answers on quizzes as we set up
    random.seed(42)
```

- 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:

```
In [3]: ab_test = pd.read_csv('ab_data.csv')
        ab_test.head()
Out[3]:
          user_id
                                                   group landing_page converted
                                    timestamp
           851104 2017-01-21 22:11:48.556739
                                                              old_page
       0
                                                 control
                                                                               0
          804228 2017-01-12 08:01:45.159739
                                                                               0
       1
                                                 control
                                                              old_page
          661590 2017-01-11 16:55:06.154213
                                               treatment
                                                             new_page
                                                                               0
          853541 2017-01-08 18:28:03.143765
                                               treatment
                                                             new_page
                                                                               0
          864975 2017-01-21 01:52:26.210827
                                                 control
                                                             old_page
                                                                               1
```

b. Use the cell below to find the number of rows in the dataset.

```
In [4]: ab_test.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
                294478 non-null int64
user_id
timestamp
                294478 non-null object
                294478 non-null object
group
                294478 non-null object
landing_page
converted
                294478 non-null int64
dtypes: int64(2), object(3)
memory usage: 11.2+ MB
```

c. The number of unique users in the dataset.

d. The proportion of users converted.

```
In [6]: ab_test.converted.mean()
Out[6]: 0.11965919355605512
```

e. The number of times the new\_page and treatment don't match.

```
In [7]: ab_test.groupby(['group', 'landing_page'])['landing_page'].count()
Out[7]: group
                   landing_page
        control
                   new_page
                                     1928
                   old_page
                                   145274
        treatment new_page
                                   145311
                   old_page
                                     1965
        Name: landing_page, dtype: int64
1928 + 1965 = 3893
In [8]: # number of times when group is not treatment but langing page is new page
        groupA = len(ab_test.query('group!="treatment" and landing_page=="new_page"'))# number of
        # number of times when group is not control but langing page is old page
        groupB = len(ab_test.query('group!="control" and landing_page=="old_page"'))# number of
        group=groupA+groupB
        group
Out[8]: 3893
  f. Do any of the rows have missing values?
In [9]: #check for missing values
        ab_test.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
                294478 non-null int64
user_id
                294478 non-null object
timestamp
                294478 non-null object
group
landing_page
                294478 non-null object
                294478 non-null int64
converted
dtypes: int64(2), object(3)
memory usage: 11.2+ MB
```

## **COMMENT**

There are no missing values

- 2. For the rows where **treatment** does not match with **new\_page** or **control** does not match with **old\_page**, we cannot be sure if this row truly received the new or old page. Use **Quiz 2** in the classroom to figure out 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**.

b. There is one **user\_id** repeated in **df2**. What is it?

Out[12]: 290584

c. What is the row information for the repeat **user\_id**?

In [15]: #Row information for the duplicated user\_id

d. Remove **one** of the rows with a duplicate **user\_id**, but keep your dataframe as **df2**.

- 4. Use df2 in the cells below to answer the quiz questions related to Quiz 4 in the classroom.
- a. What is the probability of an individual converting regardless of the page they receive?

```
Out[18]: 0.11959708724499628
```

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

```
Out[19]: 0.1203863045004612
```

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

```
Out[20]: 0.11880806551510564
```

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

e. Consider your results from parts (a) through (d) above, and explain below whether you think there is sufficient evidence to conclude that the new treatment page leads to more conversions.

## ANSWER:

Based on the analysis so far, conversion from control group is just a bit higher than conversion from the treatment group.

Probability of individual converting given individual is in control group is 0.1203 or 12.03% while

Probability of individual converting given individual is in treatment group is 0.1188 or 11.88%

The difference between 'control' and 'treatment' is not significant enough to conclude evidence that the new treatment page leads to more conversions

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

Notice that because of the time stamp associated with each event, you could technically run a hypothesis test continuously as each observation was observed.

However, then the hard question is do you stop as soon as one page is considered significantly better than another or does it need to happen consistently for a certain amount of time? How long do you run to render a decision that neither page is better than another?

These questions are the difficult parts associated with A/B tests in general.

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.

#### H0: 0 #### H1: > 0

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 **conversion rate** for  $p_{new}$  under the null?

b. What is the **conversion rate** for  $p_{old}$  under the null?

Out[23]: 0.11959708724499628

c. What is  $n_{new}$ , the number of individuals in the treatment group?

Out[24]: 145310

d. What is  $n_{old}$ , the number of individuals in the control group?

```
Out[25]: 145274
```

e. Simulate  $n_{new}$  transactions with a conversion rate of  $p_{new}$  under the null. Store these  $n_{new}$  1's and 0's in **new\_page\_converted**.

```
Out[26]: array([0, 0, 0, ..., 0, 0, 0])
```

f. Simulate  $n_{old}$  transactions with a conversion rate of  $p_{old}$  under the null. Store these  $n_{old}$  1's and 0's in **old\_page\_converted**.

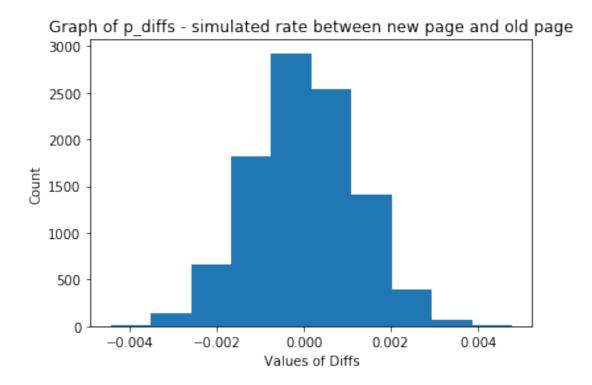
```
Out[27]: array([1, 0, 0, ..., 0, 0, 1])
```

g. Find  $p_{new}$  -  $p_{old}$  for your simulated values from part (e) and (f).

```
Out [28]: -0.00057340524796956061
```

h. Create 10,000  $p_{new}$  -  $p_{old}$  values using the same simulation process you used in parts (a) through (g) above. Store all 10,000 values in a NumPy array called **p\_diffs**.

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.



j. What proportion of the  $p\_diffs$  are greater than the actual difference observed in  $ab\_data.csv$ ?

Out[31]: 0.9038000000000005

k. Please explain using the vocabulary you've learned in this course 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?

## 0.2.1 ANSWER

The value calculated is called p-value

The p-value is the probability of obtaining results at least as extreme as the observed results of a statistical hypothesis test, assuming that the null hypothesis is correct.

We computed the actual difference versus observed difference (which we stored in p\_diffs) in means of converted old page and converted new page.

Our p-value of 0.9 exceeds the critical value of 0.05 in this case and so we fail to reject the null hypothesis, we cannot assume the new page is doing significantly better than the old page.

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 the number of rows associated with the old page and new pages, respectively.

```
In [32]: import statsmodels.api as sm
         #rows converted with old_page
         convert_old = len(df2.query('converted==1 and landing_page=="old_page"'))
         #rows converted with new_page
         convert_new = len(df2.query('converted==1 and landing_page=="new_page"'))
         #rows_associated with old_page
         n_old = len(df2.query('landing_page=="old_page"'))
         #rows associated with new_page
         n_new = len(df2.query('landing_page=="new_page"'))
         convert_old, convert_new, n_old, n_new
/opt/conda/lib/python3.6/site-packages/statsmodels/compat/pandas.py:56: FutureWarning: The panda
  from pandas.core import datetools
Out [32]: (17489, 17264, 145274, 145310)
 m. Now use stats.proportions_ztest to compute your test statistic and p-value. Here is a
     helpful link on using the built in.
In [33]: #Computing z_score and p_value
         z_stat, p_value = sm.stats.proportions_ztest([convert_old, convert_new], [n_old, n_new]
         \#display \ z\_score \ and \ p\_value
         (z_stat, p_value)
Out [33]: (1.3109241984234394, 0.90505831275902449)
  n. What do the z-score and p-value you computed in the previous question mean for the con-
     version rates of the old and new pages? Do they agree with the findings in parts j. and
     k.?
In [34]: # Critical value of 95% confidence
         from scipy.stats import norm
         norm.ppf(1-(0.05))
Out[34]: 1.6448536269514722
```

**ANSWER** The z-score of 1.311 is less than critical value at 95% confidence interval, 1.960. Hence we fail to reject null hypothesis.

These values agree with the findings in parts j. and k that we fail to reject the null hypothesis ### Part III - A regression approach

- 1. In this final part, you will see that the result you achieved in the A/B test in Part II above can also be achieved 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?

## **Logistic Regression**

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 in df2 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**.

```
In [35]: #adding an intercept column
         df2['intercept'] = 1
         #Create dummy variable column
         df2['ab_page'] = pd.get_dummies(df2['group'])['treatment']
         df2.head()
Out[35]:
           user id
                                      timestamp
                                                     group landing_page converted \
            851104 2017-01-21 22:11:48.556739
                                                   control
                                                               old_page
                                                                                 0
         1
             804228 2017-01-12 08:01:45.159739
                                                                                 0
                                                   control
                                                               old_page
         2
             661590 2017-01-11 16:55:06.154213 treatment
                                                               new_page
                                                                                 0
         3
            853541 2017-01-08 18:28:03.143765 treatment
                                                                                 0
                                                               new_page
            864975 2017-01-21 01:52:26.210827
                                                   control
                                                               old_page
            intercept ab_page
         0
                    1
         1
                             0
         2
                             1
         3
                    1
                             1
                    1
```

c. Use **statsmodels** to instantiate your regression model on the two columns you created in part b., then 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.

```
In [37]: results.summary2()
Out[37]: <class 'statsmodels.iolib.summary2.Summary'>
                              Results: Logit
       _____
       Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000
                 2021-08-26 10:47 AIC:
tions: 290584 BIC:
                                                      212780.3502
       No. Observations: 290584
                                                      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]
        ______
       intercept -1.9888 0.0081 -246.6690 0.0000 -2.0046 -1.9730
       ab_page -0.0150 0.0114 -1.3109 0.1899 -0.0374 0.0074
       _____
       11 11 11
```

e. What is the p-value associated with **ab\_page**? Why does it differ from the value you found in **Part II**?

## **ANSWER**

The p-value associated with ab\_page is 0.1899 It is different from what was found in parts j and k because the null and alternative hypothesis model assumed that there is an equal probability of the old and new page converting users.

This is not the case in the logistic regression model The Logistic Regression performed a two-tailed test, whereas the computation done in Part II is a one-tailed test.

## **COMMENT**

```
In Logistic regression H1 : Pnew - Pold! = 0
```

```
Part 2 H0: Pnew - Pold < = 0 H1: Pnew - Pold > 0
```

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?

#### **ANSWER**

It's a good idea to consider new factors for the model. Other new explanatory variables that can influence whether an individual converts could be age, income or location.

For example, older users may prefer more information on the conversion pages as opposed to a younger folks, where they may prefer a more attractive page layout

However, we must be careful in adding new variables to our model. The disadvantage here is that we don't know in what direction will the additional variables influence the result.

Adding more factors into the regression model will increase or decrease confidence intervals

g. Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives in. 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 [38]: # Store Countries.csv data in dataframe
         countries = pd.read_csv('countries.csv')
         countries.head()
Out [38]:
            user_id country
         0
             834778
                         UK
             928468
                         US
         1
         2 822059
                         UK
         3
            711597
                         UK
            710616
                         IJK
In [39]: #Inner join two datas
         new = countries.set_index('user_id').join(df2.set_index('user_id'), how = 'inner')
         new.head()
Out[39]:
                 country
                                           timestamp
                                                          group landing_page \
         user_id
         834778
                      UK 2017-01-14 23:08:43.304998
                                                        control
                                                                    old_page
         928468
                      US 2017-01-23 14:44:16.387854 treatment
                                                                    new_page
                      UK 2017-01-16 14:04:14.719771
         822059
                                                      treatment
                                                                    new_page
         711597
                      UK 2017-01-22 03:14:24.763511
                                                                    old_page
                                                        control
                      UK 2017-01-16 13:14:44.000513 treatment
         710616
                                                                    new_page
                  converted intercept ab_page
         user_id
         834778
                                              0
                          0
                                     1
```

```
0
       928468
                           1
      822059
                   1
                           1
      711597
                   0
                           1
                                   0
      710616
                            1
In [45]: #adding dummy variables country column
       new[['UK', 'US']] = pd.get_dummies(new['country'])[['UK', 'US']]
      new.head()
Out [45]:
             country
                                 timestamp
                                            group landing_page \
      user_id
                UK 2017-01-14 23:08:43.304998
      834778
                                         control
                                                    old_page
                US 2017-01-23 14:44:16.387854 treatment
      928468
                                                    new_page
                UK 2017-01-16 14:04:14.719771 treatment
      822059
                                                    new_page
                UK 2017-01-22 03:14:24.763511
                                           control
      711597
                                                    old_page
      710616
                UK 2017-01-16 13:14:44.000513 treatment
                                                    new_page
             converted intercept ab_page UK US CA ab_US ab_UK ab_CA
       user_id
      834778
                  0
                           1
                                  0 1
                                         0 0
                                                  0
      928468
                  0
                           1
                                  1 0 1 0
                                                             0
                                  1 1 0 0
                   1
                           1
      822059
                                                  0
                                                      1
                                                             0
      711597
                           1
                                  0 1
                                         0 0
                                                0
                                                             0
                         1
      710616
In [46]: log_mod = sm.Logit(new['converted'], new[['intercept', 'UK', 'US']])
       results = log_mod.fit()
      results.summary2()
Optimization terminated successfully.
      Current function value: 0.366116
       Iterations 6
Out[46]: <class 'statsmodels.iolib.summary2.Summary'>
                           Results: Logit
       ______
                                  No. Iterations:
                      Logit
                                                 6.0000
      Dependent Variable: converted Pseudo R-squared: 0.000
       Date:
                     2021-08-26 10:50 AIC:
                                                212780.8333
      No. Observations: 290584
                                  BIC:
                                                212812.5723
      Df Model:
                                  Log-Likelihood: -1.0639e+05
      Df Residuals: 290581
                                  LL-Null:
                                                -1.0639e+05
                                                1.0000
       Converged:
                     1.0000
                                  Scale:
       _____
                 Coef. Std.Err. z P>|z| [0.025 0.975]
       ______
       intercept -2.0375 0.0260 -78.3639 0.0000 -2.0885 -1.9866
```

```
UK 0.0507 0.0284 1.7863 0.0740 -0.0049 0.1064
US 0.0408 0.0269 1.5178 0.1291 -0.0119 0.0935
```

Our p-values exceed the critical value of 0.05, indicating that we should fail to reject the null hypothesis and conclude that there is not sufficient evidence to suggest that there is an interaction between country and page received that will predict whether a user converts or not.

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 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 [47]: new['ab_US'] = new['US'] * new['ab_page']
     new['ab_UK'] = new['UK'] * new['ab_page']
In [49]: logit_mod = sm.Logit(new['converted'], new[['intercept', 'ab_page', 'US', 'UK', 'ab_US', '
     results = logit_mod.fit()
     results.summary2()
Optimization terminated successfully.
     Current function value: 0.366109
     Iterations 6
Out[49]: <class 'statsmodels.iolib.summary2.Summary'>
                     Results: Logit
     ______
                 Logit
                           No. Iterations:
                                       6.0000
     Dependent Variable: converted Pseudo R-squared: 0.000
                           1 AIC:
BIC:
                 2021-08-26 10:51 AIC:
                                       212782.6602
     No. Observations: 290584
                                      212846.1381
                          Lu-Null: -1.0639e+05
     Df Model: 5
     Df Residuals: 290578
     Converged:
                 1.0000
                           Scale:
                                       1.0000
              Coef. Std.Err. z P>|z| [0.025 0.975]
     _____
             -2.0040 0.0364 -55.0077 0.0000 -2.0754 -1.9326
     intercept
             ab_page
     US
             UK
             0.0469 0.0538 0.8718 0.3833 -0.0585 0.1523
     ab_US
             ab_UK
     ______
```

H H H

#### 0.2.2 CONCLUSION

Once again we couldn't find anything significant to reject our null hypothesis.

Hence, based on the available information, we do not have sufficient evidence to suggest that the new page results in more conversions than the old page.

RECOMMENDATION: The E-commerce company is advised to keep the old page. This will help the company save money and other resources that will go into creating a new page

#### 0.2.3 SOURCES

https://www.investopedia.com/terms/p/p-value.asp https://stackoverflow.com/questions/49814258/s attributeerror-module-scipy-stats-has-no-attribute-chisqprob course : 2020 Data Science & Machine Learning Bootcamp

## 0.3 Directions to Submit

Before you submit your project, you need to create a .html or .pdf version of this note-book in the workspace here. To do that, run the code cell below. If it worked correctly, you should get a return code of 0, and you should see the generated .html file in the workspace directory (click on the orange Jupyter icon in the upper left).

Alternatively, you can download this report as .html via the **File > Download as** submenu, and then manually upload it into the workspace directory by clicking on the orange Jupyter icon in the upper left, then using the Upload button.

Once you've done this, you can submit your project by clicking on the "Submit Project" button in the lower right here. This will create and submit a zip file with this .ipynb doc and the .html or .pdf version you created. Congratulations!