

# A/B Test Report: Price Discount Impact

## Summary of Results

Retention Rate:

- Group A (Control): 49.18%
- Group B (Treatment): 53.73%

Average Revenue Per User (ARPU):

- Group A (Control): \$49.18
- Group B (Treatment): \$42.98

## Statistical Test Results

Retention rate difference:

- Chi-square test p-value: 0.1697  
( $p < 0.05$  indicates significant difference)

ARPU difference (among retained users):

- T-test p-value: 0.0000  
( $p < 0.05$  indicates significant difference)

## Business Interpretation

The treatment group receiving a 20% discount showed a slightly higher retention rate.

This suggests the discount may encourage more customers to stay.

However, the average revenue per user decreased due to the discount.

The statistical tests indicate that:

- The increase in retention is statistically not statistically significant.
- The decrease in ARPU is statistically significant.

Decision makers should weigh the trade-off between higher retention and lower revenue per user.

If retention improvement is important for long-term growth, the discount might be beneficial.

Otherwise, maintaining current pricing might be preferable.

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## Visualizations

