Analyze_ab_test_results_notebook

August 23, 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 [1]: 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:

```
Out[2]:
          user_id
                                                   group landing_page converted
                                    timestamp
           851104 2017-01-21 22:11:48.556739
                                                             old_page
                                                 control
                                                                              0
          804228 2017-01-12 08:01:45.159739
                                                 control
                                                             old_page
                                                                              0
          661590 2017-01-11 16:55:06.154213 treatment
                                                                              0
                                                             new_page
       3 853541 2017-01-08 18:28:03.143765 treatment
                                                                              0
                                                             new_page
          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 [3]: df.shape #This function returns the number of rows and columns.
Out[3]: (294478, 5)
```

c. The number of unique users in the dataset.

```
In [4]: df.user_id.nunique() #This function returns the number of unique rows
```

Out[4]: 290584

d. The proportion of users converted.

```
In [5]: len(df.index)
```

Out[5]: 294478

In [6]: len(df.query('converted==1'))/len(df.index) #This function returns the value's average

```
Out[6]: 0.11965919355605512
```

e. The number of times the new_page and treatment don't match.

```
In [8]: group=group1+group2
     group
```

Out[8]: 3893

f. Do any of the rows have missing values?

```
In [9]: df.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
user_id
                294478 non-null int64
timestamp
                294478 non-null object
                294478 non-null object
group
landing_page
                294478 non-null object
converted
                294478 non-null int64
dtypes: int64(2), object(3)
memory usage: 11.2+ MB
In [10]: df.isnull().sum() #This function Counts all null value
Out[10]: user_id
                         0
         timestamp
                         0
         group
         landing_page
         converted
                         0
         dtype: int64
```

- 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**.

- 3. Use df2 and the cells below to answer questions for Quiz3 in the classroom.
- a. How many unique user_ids are in df2?

b. There is one **user_id** repeated in **df2**. What is it?

df2['converted'].mean()

2893

c. What is the row information for the repeat **user_id**?

0

new_page

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

773192 2017-01-14 02:55:59.590927 treatment

- 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?

In [18]: # This function issues the probability of an individual converting regardless of the po

The probability of an individual converting regardless of the page they receive is 0.11960

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

Given that an individual was in the control group, the probability they converted is 0.12039

Out[21]: 0.1203863045004612

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

Out [25]: 0.5000636646764286

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.

In Short:

No, there isn't enough proof that the treatment page increases conversions. According to the data shown above, control pages suggest a higher conversion rate.

In Detail:

The probability of an individual converting if he or she is in the control group is 0.12039. The probability of an individual converting given that the individual is in the treatment group is 0.11881. The probability that the 'control' group converted is greater than the probability that the 'treatment' group converted. The probability that an individual received the new page is equal to 0.50006.

According to the analysis this is clear that there is no more conversion between new page and old page. As the converting rate is similar in both cases so it is important to consider other factors.

Furthermore, the likelihood of conversion in the control group is somewhat greater than in the treatment group (conv prob control > conv prob treatment). For each page type, the number of events leading to old and new pages is well balanced (new page prob) (there is no bias existing potentially disturbing existence of the evidence).

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.

```
H_0: p_{new} \le p_{old}

H_1: p_{new} > p_{old}
```

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?

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

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

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**.

```
In [30]: # Under the null condition, simulate n old transactions with a conversion rate of p new
new_page_converted = np.random.choice([1,0],size =n_new ,p=[p_new,(1-p_new)]).mean()
print('The new_page_converted is {:.5f}'.format(new_page_converted))
```

The new_page_converted is 0.12062

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**.

The old_page_converted is 0.12062

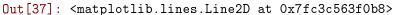
g. Find p_{new} - p_{old} for your simulated values from part (e) and (f).

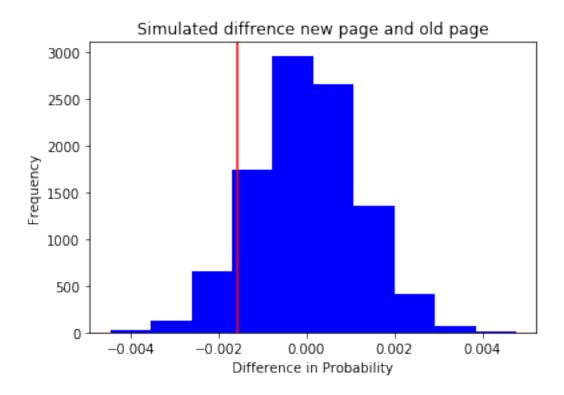
Out[32]: 0.00029968824764609048

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.

```
In [34]: exp_convert=df2.query('group=="treatment"').converted.mean() #Proportion of treatment g
In [35]: ctr_convert=df2.query('group=="control"').converted.mean() #Proportion of control group
In [36]: d=exp_convert - ctr_convert
    d
Out[36]: -0.0015790565976871451
In [37]: #histogram of p_diff
    p_diffs = np.array(p_diffs)
    plt.hist(p_diffs, color = "Blue")
    plt.title("Simulated diffrence new page and old page")
    plt.xlabel('Difference in Probability')
    plt.ylabel('Frequency');
    plt.axvline(d, color='red') #draw a line on x-axis of value @d
```





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

In [38]: (d < p_diffs).mean()
Out[38]: 0.90549999999999997</pre>

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?

In Short

The computed number is known as the p-value. which indicates whether or not there is a statistically significant difference between two groups given a hypothesis. In this situation, the new page does not outperform the old page since the value 0.9 is significantly more than the alpha, 0.05.

In Detail

The p-value for adopting the null hypothesis should be larger than the proposed p-value. We calculate that over 90% of the population is above the true difference, implying that the new page is not performing much better than the previous page. Because the new page is worse than the previous page, we should remain with the null hypothesis because the p-value is high.

Based on 10,000 simulated samples where:

- d reflects the difference in conversion rates between new and old pages.
- p diffs indicates the simulated difference between conversion rates of new and old pages.

The old pages are stronger than the new pages. The proportion of p diffs that are larger than the actual difference recorded in ab data.csv is 4-89.7 percent known as the p-value in scientific investigations. This number indicates that the null hypothesis cannot be rejected.

l. 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 [39]: import statsmodels.api as sm

convert_old = df2.query('landing_page=="old_page" and converted==1').count()[0]
    convert_new = df2.query('landing_page=="new_page" and converted==1').count()[0]
    n_old = df2.query('landing_page=="old_page"').count()[0]
    n_new = df2.query('landing_page=="new_page"').count()[0]

print(convert_old)
    print(n_old)
    print(convert_new)
    print(n_new)
```

/opt/conda/lib/python3.6/site-packages/statsmodels/compat/pandas.py:56: FutureWarning: The panda from pandas.core import datetools

```
17489
145274
17264
145311
```

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 [40]: #Computing z_score and p_value
    z_score, p_value = sm.stats.proportions_ztest([convert_new, convert_old], [n_new,n_old]
    #display z_score and p_value
    print(p_value)
    print(z_score)

0.905173705141
-1.31160753391

In [41]: from scipy.stats import norm
    norm.cdf(z_score) #how significant our z_score is

Out[41]: 0.094826294859409022

In [42]: norm.ppf(1-(0.05)) #critical value of 95% confidence

Out[42]: 1.6448536269514722
```

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.**?

Put your answer here.

- The z-score indicates how far a data point deviates from the population mean. It is larger than the value of -0.1645 (one-tail test), implying that we cannot reject the null hypothesis.
- The p-value, on the other hand, establishes the importance of our findings. Although the numbers change from sections j and k, they still indicate that there is no statistically significant difference between the new and old pages.

More Reason: The z score is less than the crucial value of 95% confidence. As a result, we are unable to reject the null hypothesis. As a result, the conclusion is the same as in section j: we accept 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 should be utilized because we are dealing with binary output.

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 [43]: # Adding a column for intercepts
        df2['intercept'] = 1
         # Make a dummy variable column.
        df2['ab_page'] = pd.get_dummies(df2['group'])['treatment']
        df2.head()
Out[43]:
          {\tt user\_id}
                                     timestamp
                                                   group landing_page converted \
        0 851104 2017-01-21 22:11:48.556739
                                                  control
                                                             old_page
                                                                               0
        1 804228 2017-01-12 08:01:45.159739
                                                  control
                                                             old_page
                                                                               0
        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
        4 864975 2017-01-21 01:52:26.210827
                                                 control
                                                             old_page
           intercept ab_page
        0
                   1
        1
                   1
                            0
        2
                   1
                            1
        3
                   1
                            1
        4
                   1
                            0
```

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 [45]: results.summary2() # The following is a summary of our test results.
```

Out[45]: <class 'statsmodels.iolib.summary2.Summary'> Results: Logit ______ Logit No. Iterations: Model: 6.0000 Dependent Variable: converted Pseudo R-squared: 0.000 2021-08-23 06:14 AIC: 212780.6032 BIC: 212801.7625 No. Observations: 290585 Log-Likelihood: -1.0639e+05 LL-Null: -1.0639e+05 Df Model: Df Residuals: 290583 1.0000 Converged: Scale: 1.0000 _____ Std.Err. z P>|z|Coef. [0.025 0.975] ______ intercept -1.9888 0.0081 -246.6690 0.0000 -2.0046 -1.9730 -0.0150 0.0114 -1.3116 0.1897 -0.0374 0.0074 ab_page ______ 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**? **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 **Part II**?

As 0.19 > 0.05, the p-value indicates that the new page is not statistically significant. The numbers differ because, in part 2, we randomly selected the data 10000 times, and the sample might have overlapped or been mutually exclusive to such an extent that different values were obtained, resulting in different p-values than what we obtained in logistic regression.

Moreover, The estimated p-value is 0.190. Because the Logistic Regression is based on a two-tailed test, this is the case. Because 0.190 is larger than 0.05 (our *alpha*), we cannot reject our null hypothesis.

```
In Logistic regression H_1: p_{new} - p_{old} != 0
Part 2 H_0: p_{new} - p_{old} <= 0
H_1: p_{new} - p_{old} > 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?
- 1. Taking additional factors/explanatory variables into account makes our hypothesis results more trustworthy since it improves the r-squared values and we may miss other influencing aspects of our response variables.

However, if there is multicolinearity, or connection between explanatory factors, our results will be incorrect. As a result, we must ensure that there is no multicolinearity.

2. If these extra characteristics are included in the regression models, they may impact conversions as well. The drawback is that we don't know inwhich direction our extra element will affect the outcome. Because our additional factor varies based on an additional element.

last note:

- 3. Conversion rate may be also connected to user characteristics such as nationality, age, gender, or unique cultural habit. Including more information about users may reveal a hidden value of the updated version of the page for a certain set of people.
- 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 [46]: # Store Countries.csv data in dataframe
         country_df = pd.read_csv('countries.csv')
         country_df.head()
Out[46]:
            user_id country
         0
             834778
                          UK
             928468
         1
                         US
         2
             822059
                         IJK
         3
             711597
                         UK
             710616
                         IJK
In [47]: #Inner join two datas
         df2 = df2.join(country_df.set_index('user_id'), on='user_id', how='inner')
In [48]: df2[['CA','UK', 'US']] = pd.get_dummies(df2['country'])
         df2.head()
Out [48]:
            user_id
                                       timestamp
                                                       group landing_page converted
                                                                 old_page
         0
             851104 2017-01-21 22:11:48.556739
                                                     control
                                                                                    0
             804228 2017-01-12 08:01:45.159739
         1
                                                     control
                                                                 old_page
                                                                                    0
         2
             661590 2017-01-11 16:55:06.154213 treatment
                                                                 new_page
                                                                                    0
         3
             853541 2017-01-08 18:28:03.143765
                                                                 new_page
                                                                                    0
                                                   treatment
             864975 2017-01-21 01:52:26.210827
                                                                 old_page
                                                     control
                                                                                    1
            intercept ab_page country
                                         CA
                                             UK
                                                 US
         0
                    1
                              0
                                     US
                                              0
                                                   1
                                          0
         1
                    1
                              0
                                     US
                                              0
                                                   1
                                          0
         2
                    1
                              1
                                     US
                                              0
                                                  1
                                          0
         3
                              1
                                     US
                                          0
                                              0
                              0
                                     US
```

```
In [49]: logit_mod = sm.Logit(df2['converted'], df2[['intercept', 'ab_page', 'CA','UK']])
      results = logit_mod.fit()
      results.summary2()
Optimization terminated successfully.
      Current function value: 0.366112
      Iterations 6
Out[49]: <class 'statsmodels.iolib.summary2.Summary'>
                       Results: Logit
      ______
      Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000
                              No. Iterations: 6.0000
             2021-08-23 06:14 AIC:
      Date:
                                          212781.3782
                             BIC:
      No. Observations: 290585
                                          212823.6968
                 3 Log-Likelihood: -1.0639e+05
290581 LL-Null: -1.0639e+05
      Df Model:
      Df Residuals:
                                       1.0000
      Converged: 1.0000
                             Scale:
      _____
              Coef. Std.Err. z P>|z| [0.025 0.975]
      _____
      intercept -1.9893 0.0089 -223.7629 0.0000 -2.0067 -1.9718
      ab_page -0.0150 0.0114 -1.3076 0.1910 -0.0374 0.0075
      CA
             0.0099 0.0133 0.7437 0.4570 -0.0162 0.0359
      IJK
      ______
```

Although I don't know what Pseudo means, a quick search reveals that it is a similar measure to R-squared, and there are no huge differences in the coefficient, as Canada students are 0.96 times less to convert than United States holding page constant, and United Kingdom students are identical to United States holding page constant. Finally, the p-value also dose not appear to be statically significant in all variables.

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.

```
Optimization terminated successfully.
```

Current function value: 0.366108

Iterations 6

Out[50]: <class 'statsmodels.iolib.summary2.Summary'>

HHH

Results: Logit

Mesuits. Logit							
Model:		Logit	No.	Iteration	s: 6.00	000	
Dependent Variable:		converted	Pseu	Pseudo R-squared:		0.000	
Date:		2021-08-23	06:14 AIC:	AIC:		212782.9124	
No. Observations:		290585	BIC:	BIC:		212846.3903	
Df Model:		5	Log-	Log-Likelihood:		639e+05	
Df Residuals:		290579	LL-N	LL-Null:		639e+05	
Converged:		1.0000	Scal	Scale:		1.0000	
	Coef.	Std.Err.	Z	P> z	[0.025	0.975]	
intercept	-1.986	0.0096	-206.3440	0.0000	-2.0053	-1.9676	
ab_page	-0.0206	0.0137	-1.5060	0.1321	-0.0474	0.0062	
CA	-0.017	0.0377	-0.4652	0.6418	-0.0914	0.0563	
UK	-0.0057	7 0.0188	-0.3057	0.7598	-0.0426	0.0311	
$\mathtt{CA_page}$	-0.0469	0.0538	-0.8716	0.3834	-0.1523	0.0585	
UK_page	0.0314	0.0266	1.1811	0.2375	-0.0207	0.0835	

11 11 11

0.3 conclusions

In Short: According to the aforementioned findings, the nations and new page had no major influence on conversion rates. The firm should not deploy this new page because there is no clear proof that it is superior than the previous one.

In Detail: There are no significant p-values for any of the variables. As a result, we will not reject the null hypothesis and conclude that there is insufficient evidence to show that there is an interaction between country and page received that predicts whether or not a user converts.

0.4 Finishing Up

Congratulations! You have reached the end of the A/B Test Results project! You should be very proud of all you have accomplished!

Tip: Once you are satisfied with your work here, check over your report to make sure that it is satisfies all the areas of the rubric (found on the project submission page at the end of the lesson). You should also probably remove all of the "Tips" like this one so that the presentation is as polished as possible.

0.5 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!