# Analyze\_ab\_test\_results\_notebook

November 23, 2021

# 1 Analyze A/B Test Results

This project will assure you have mastered the subjects covered in the statistics lessons. We have organized the current notebook into the following sections:

- Section ??

Specific programming tasks are marked with a ToDo tag.

## Introduction

A/B tests are very commonly performed by data analysts and data scientists. 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 webpage, - Keep the old webpage, or - Perhaps run the experiment longer to make their decision.

Each **ToDo** task below has an associated quiz present in the classroom. Though the classroom quizzes are **not necessary** to complete the project, they help ensure you are on the right track as you work through the project, and you can feel more confident in your final submission meeting the **rubric** specification.

## Part I - Probability

To get started, let's import our libraries.

```
In [1]: import pandas as pd
    import numpy as np
    import datetime as dt
    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)
```

#### 1.0.1 ToDo 1.1

Now, read in the ab\_data.csv data. Store it in df.

a. Read in the dataset from the ab\_data.csv file and take a look at the top few rows here:

```
In [2]: # importing 'ab_data.csv' data file
        df = pd.read_csv ("ab_data.csv")
        # Display the top five rows from the loaded data file
        df.head()
Out[2]:
           user_id
                                      timestamp
                                                      group landing_page converted
            851104 2017-01-21 22:11:48.556739
                                                                old_page
                                                    control
                                                                                   0
        1 804228 2017-01-12 08:01:45.159739
                                                                                   0
                                                                old_page
                                                   control
        2 661590 2017-01-11 16:55:06.154213
                                                                                   0
                                                 treatment
                                                                new_page
        3 853541 2017-01-08 18:28:03.143765
                                                                                   0
                                                 treatment
                                                                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]: # Display the number of rows
        df.shape[0]
Out[3]: 294478
   c. The number of unique users in the dataset.
In [4]: # Display the number of unique users
        df['user_id'].nunique()
Out [4]: 290584
   d. The proportion of users converted.
In [5]: # The proportion of users converted
        df['converted'].mean()
        # Alternative code
        df['converted'].sum()/df.shape[0]
Out [5]: 0.11965919355605512
   e. The number of times when the "group" is treatment but "landing_page" is not a new_page.
In [6]: # Display the number of times the "group" is treatment but "landing_page" is not a new_p
        df.query('group == "treatment" & landing_page != "new_page"').shape[0]
Out[6]: 1965
   f. Do any of the rows have missing values?
In [7]: # Display the number of rows having null values
        df.shape[0] - df.dropna().shape[0]
```

No rows with missing data in the dataset

Out[7]: 0

#### 1.0.2 ToDo 1.2

The rows where treatment does not match with new\_page or control does not match with old\_page, we cannot be sure if such rows truly received the new or old wepage.

**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]: # Remove the inaccurate rows where the 'group' and 'landing_page' columns don't match, a
        df2 = df.drop(df.query('group == "treatment" & landing_page != "new_page" | group == "co
        df2.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 290585 entries, 0 to 294477
Data columns (total 5 columns):
user_id
                290585 non-null int64
                290585 non-null object
timestamp
                290585 non-null object
group
landing_page
                290585 non-null object
converted
                290585 non-null int64
dtypes: int64(2), object(3)
memory usage: 13.3+ MB
In [9]: # Double Check all of the incorrect rows were removed from df2 -
        # Output of the statement below should be 0
        df2[((df2['group'] == 'treatment') == (df2['landing_page'] == 'new_page')) == False].sha
Out[9]: 0
1.0.3 ToDo 1.3
Use df2 and the cells below to answer questions for Part 1.3.
   a. How many unique user_ids are in df2?
In [10]: # The number of unique users in df2 from 'user_id' column
         df2['user_id'].nunique()
Out[10]: 290584
   b. There is one user_id repeated in df2. What is it?
In [11]: # Display the duplicated users from 'user_id' column
         df2[df2['user_id'].duplicated()]['user_id']
Out[11]: 2893
                 773192
         Name: user_id, dtype: int64
   c. Display the rows for the duplicate user_id?
In [12]: # Display a row with duplicated 'user_id' information
         df2[df2['user_id'].duplicated()]
```

```
        Out[12]:
        user_id
        timestamp
        group landing_page
        converted

        2893
        773192
        2017-01-14
        02:55:59.590927
        treatment
        new_page
        0
```

**d.** Remove **one** of the rows with a duplicate **user\_id**, from the **df2** dataframe.

```
In [13]: # Remove one of the rows with a duplicate user_id..
                                               \textit{\# Hint: The dataframe.drop\_duplicates() may not work in this case because the rows with the dataframe and \textit{and the dataframe} \textit{an
                                               df2 = df2.drop(df2[df2.duplicated(['user_id'])].index)
                                                # Check again if the row with a duplicate user_id is deleted or not
                                               df2.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 290584 entries, 0 to 294477
Data columns (total 5 columns):
                                                                                    290584 non-null int64
user_id
                                                                                    290584 non-null object
timestamp
                                                                                   290584 non-null object
group
                                                                                   290584 non-null object
landing_page
converted
                                                                                    290584 non-null int64
dtypes: int64(2), object(3)
memory usage: 13.3+ MB
```

#### 1.0.4 ToDo 1.4

Use df2 and the cells below to answer questions for Part 1.4.

a. What is the probability of an individual converting regardless of the page they receive?

Out [14]: 0.11959708724499628

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

Out[15]: 0.1203863045004612

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

```
Out[16]: 0.11880806551510564
```

Out[17]: -0.0015782389853555567

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 the new treatment group users lead to more conversions.

The difference in **conversion rate** between the control and the treatment groups is **15**%; Such a minor difference in the conversion rate does not indicate any sufficient evidence to suggest: The new treatment page leads to more conversions.

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

Since a timestamp is associated with each event, you could run a hypothesis test continuously as long as you observe the events.

However, then the hard questions would be: - 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.

#### 1.0.5 ToDo 2.1

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 be your null and alternative hypotheses ( $H_0$  and  $H_1$ )?

You can state your hypothesis in terms of words or in terms of  $p_{old}$  and  $p_{new}$ , which are the "converted" probability (or rate) for the old and new pages respectively.

```
H_0: p_{new} \ p_{old} \ H_1: p_{new} > p_{old}
```

## **1.0.6** ToDo 2.2 - Null Hypothesis $H_0$ Testing

Under the null hypothesis  $H_0$ , assume that  $p_{new}$  and  $p_{old}$  are equal. Furthermore, assume that  $p_{new}$  and  $p_{old}$  both are equal to the **converted** success rate in the df2 data regardless of the page. So, our assumption is:

```
p_{new} = p_{old} = p_{population}
```

Use the cells below to provide the necessary parts of this simulation.

**a.** What is the **conversion rate** for  $p_{new}$  under the null hypothesis?

```
In [19]: conversion_rate
```

```
Out[19]: 0.11959708724499628
```

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

```
In [20]: conversion_rate
Out[20]: 0.11959708724499628
```

**c.** What is  $n_{new}$ , the number of individuals in the treatment group? *Hint*: The treatment group users are shown the new page.

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

e. Simulate Sample for the treatment Group Simulate  $n_{new}$  transactions with a conversion rate of  $p_{new}$  under the null hypothesis. Store these  $n_{new}$  1's and 0's in the new\_page\_converted numpy array.

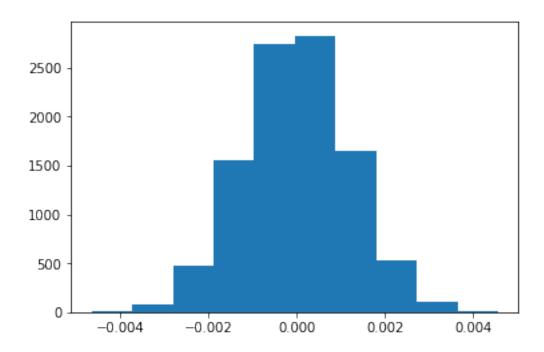
**f. Simulate Sample for the** control **Group** Simulate  $n_{old}$  transactions with a conversion rate of  $p_{old}$  under the null hypothesis. Store these  $n_{old}$  1's and 0's in the old\_page\_converted numpy array.

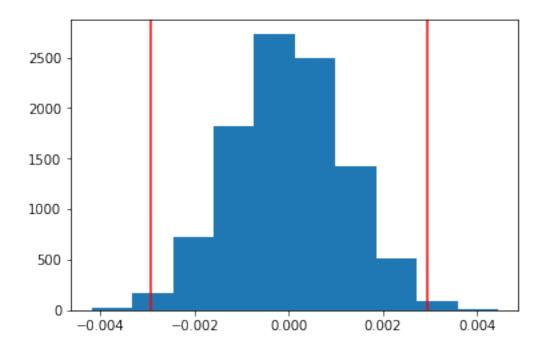
**g.** Find the difference in the "converted" probability  $(p'_{new} - p'_{old})$  for your simulated samples from the parts (e) and (f) above.

### Out [25]: -0.00293901927266077

h. Sampling distribution Re-create new\_page\_converted and old\_page\_converted and find the  $(p'_{new} - p'_{old})$  value 10,000 times using the same simulation process you used in parts (a) through (g) above. Store all  $(p'_{new} - p'_{old})$  values in a NumPy array called p\_diffs.

i. Histogram 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. Also, use plt.axvline() method to mark the actual difference observed in the df2 data (recall obs\_diff), in the chart.





j. What proportion of the  $p\_diffs$  are greater than the actual difference observed in the df2 data?

```
In [29]: (p_diffs > obs_diff).mean()
Out[29]: 0.9062000000000001
```

**k.** Please explain in words what you have just computed in part j above.

- What is this value called in scientific studies?
- What does this value signify in terms of whether or not there is a difference between the new and old pages? *Hint*: Compare the value above with the "Type I error rate (0.05)".
  - What we computed in point (j) was the p-value, which is the probability that we will observe this statistic, in the case that the null hypnothesis is true.
  - Since the p-value is higher than the **Type I error rate** of (5%), **we fail to reject the null hypothesis** and the treatment page does not have higher conversion rates than the control page on a statistical basis.
- **l.** Using Built-in Methods for Hypothesis Testing 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 walk-through of the ideas that are critical to correctly thinking about statistical significance.

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

```
Out[30]: (17723, 17264, 145274, 145310)
```

m. Now use sm.stats.proportions\_ztest() to compute your test statistic and p-value. Here is a helpful link on using the built in.

```
In [31]: import statsmodels.api as sm
    # ToDo: Complete the sm.stats.proportions_ztest() method arguments
    z_score, p_value = sm.stats.proportions_ztest([convert_new, convert_old], [n_new, n_old z_score, p_value
Out[31]: (-2.6411875940931551, 0.99586920197633411)
```

**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.**?

The z-score and p-value we computed from the test statistic suggests that the conversion rates for both old and new pages are not statistically different from one another, the p-value (0.09) still larger than the **type I error rate** (0.05) which also affirms **not rejecting the null hypothesis**.

### Part III - A regression approach

#### 1.0.7 ToDo 3.1

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 in the df2 data is either a conversion or no conversion, what type of regression should you be performing in this case?

A logistic regression since we are looking at binary variables.

**b.** The goal is to use **statsmodels** library to fit the regression model you specified in part **a.** above to see if there is a significant difference in conversion based on the page-type a customer receives. However, you first need to create the following two columns in the df2 dataframe: 1. intercept - It should be 1 in the entire column. 2. ab\_page - It's a dummy variable column, having a value 1 when an individual receives the **treatment**, otherwise 0.

```
Out[32]: user_id
                                  timestamp
                                                group landing_page converted \
           851104 2017-01-21 22:11:48.556739
                                              control
                                                        old_page
                                                                         0
           804228 2017-01-12 08:01:45.159739 control
        1
                                                         old_page
                                                                         0
        2 661590 2017-01-11 16:55:06.154213 treatment
                                                         new_page
                                                                         0
           853541 2017-01-08 18:28:03.143765 treatment
                                                         new_page
        3
                                                                         0
           864975 2017-01-21 01:52:26.210827
                                             control
                                                         old_page
          intercept ab_page
        0
                 1
                 1
        1
                 1
        2
                         1
        3
                1
                         1
        4
                  1
                          0
```

**c.** Use **statsmodels** to instantiate your regression model on the two columns you created in part (b). above, then fit the model 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 [34]: result.summary2()
Out[34]: <class 'statsmodels.iolib.summary2.Summary'>
                       Results: Logit
      _____
      Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000
                                           6.0000
                   2021-11-23 18:58 AIC:
      Date:
                                           212780.3502
      No. Observations: 290584 BIC: 212801.5095

Df Model: 1 Log-Likelihood: -1.0639e+05
      Df Residuals: 290582
                             LL-Null: -1.0639e+05
                  1.0000 Scale:
                                          1.0000
      Converged:
      ______
               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
      ______
```

H H H

- **e.** What is the p-value associated with **ab\_page**? Why does it differ from the value you found in **Part II**?
  - Both cases p-value are higher than the accepted **Type I error rate (0.05)**, the results do not support the alternative hypothesis sufficiently.
  - The p-value is different in **part II (0.91)** from **part III (0.19)** because of using different null and alternative hypothesis here.  $H_0: p_{new} p_{old} = 0$   $H_1: p_{new} p_{old} != 0$
- **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?
  - It is a good idea to incorporate more factors that could potentially influence the conversion rate into the model, like users (old & new), this data includes a single factor influencing the conversion rate page type.
  - The disadvantages comes from the data itself, using incomplete data leads to erroneous conclusions.
- **g. Adding countries** Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives in.
  - 1. You will need to read in the **countries.csv** dataset and merge together your df2 datasets on the appropriate rows. You call the resulting dataframe df\_merged. Here are the docs for joining tables.
  - 2. Does it appear that country had an impact on conversion? To answer this question, consider the three unique values, ['UK', 'US', 'CA'], in the country column. Create dummy variables for these country columns.

Provide the statistical output as well as a written response to answer this question.

```
In [37]: # Reading the countries.csv and viewing the first 5 rows of data
         countries = pd.read_csv("countries.csv")
         countries.head()
Out[37]:
           user_id country
         0
            834778
                         IJK
             928468
                         US
         1
         2 822059
                         UK
         3
           711597
                         UK
            710616
                         UK
```

```
In [38]: # Joining countries and df2 dataframes into df_merged and viewing the first 5 rows of a
         df_merged = countries.merge(df2)
         df_merged.head()
Out[38]:
            user_id country
                                              timestamp
                                                              group landing_page \
             834778
                         UK 2017-01-14 23:08:43.304998
                                                            control
                                                                        old_page
             928468
                         US 2017-01-23 14:44:16.387854
         1
                                                         treatment
                                                                        new_page
         2
            822059
                         UK 2017-01-16 14:04:14.719771
                                                          treatment
                                                                        new_page
            711597
         3
                         UK 2017-01-22 03:14:24.763511
                                                                        old_page
                                                            control
             710616
                         UK 2017-01-16 13:14:44.000513 treatment
                                                                        new_page
            converted intercept
                                 ab_page
         0
                    0
                               1
         1
                    0
                               1
                                        1
         2
                               1
                    1
                                        1
         3
                    0
                               1
                                        0
                    0
                               1
In [39]: # Create the necessary dummy variables
         df_merged[['UK','US','CA']] = pd.get_dummies(df_merged['country'])
         df_merged.head()
Out [39]:
                                                              group landing_page \
            user_id country
                                              timestamp
         0
                         UK 2017-01-14 23:08:43.304998
             834778
                                                                        old_page
                                                            control
             928468
                         US 2017-01-23 14:44:16.387854 treatment
                                                                        new_page
           822059
                         UK 2017-01-16 14:04:14.719771 treatment
                                                                        new_page
         3
                         UK 2017-01-22 03:14:24.763511
            711597
                                                                        old_page
                                                            control
             710616
                         UK 2017-01-16 13:14:44.000513 treatment
                                                                        new_page
            converted intercept
                                  ab_page
                                           UK
                                                US
                                                   CA
         0
                    0
                               1
                                                     0
         1
                    0
                               1
         2
                    1
                               1
         3
                    0
                               1
                                        0
                                             0
                                                 1
                                                     0
         4
                                             0
                                                 1
In [40]: # Fitting our model, and summarize the results
         country_reg_model = sm.Logit(df_merged['converted'], df_merged[['intercept', 'ab_page',
         results = country_reg_model.fit()
         results.summary2()
Optimization terminated successfully.
         Current function value: 0.366113
         Iterations 6
Out[40]: <class 'statsmodels.iolib.summary2.Summary'>
                                   Results: Logit
```

```
______
Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000
                                                  6.0000
                 2021-11-23 18:58 AIC:
                                                 212781.1253
                              BIC:
No. Observations: 290584
                                                212823.4439

      Df Model:
      3
      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]
______
intercept -2.0300 0.0266 -76.2488 0.0000 -2.0822 -1.9778 ab_page -0.0149 0.0114 -1.3069 0.1912 -0.0374 0.0075
US
           0.0506 0.0284 1.7835 0.0745 -0.0050 0.1063
        0.0408 0.0269 1.5161 0.1295 -0.0119 0.0934
CA
______
11 11 11
```

ab\_page 1.015056
US 0.950621
CA 0.960062
dtype: float64

**Statistically:** - The country of residence had no impact on conversion rate **US 1.05** and **CA 1.04** are higher than **UK** (Baseline). - The difference between **US** and **UK** (baseline) = (1.051944 - 1) \* 100 = 5.1944% - The difference between **CA** and **UK** (baseline) = (1.041599 - 1) \* 100 = 4.1599%

**Practically:** - Countries are irrelivant to include in this analysis.

h. Fit your model and obtain the results 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 are there significant effects on conversion. Create the necessary additional columns, and fit the new model.

Provide the summary results (statistical output), and your conclusions (written response) based on the results.

```
In [44]: legit_model = sm.Logit(df_merged['converted'], df_merged[['intercept', 'ab_page', 'US',
      legit_fit = legit_model.fit()
Optimization terminated successfully.
      Current function value: 0.366109
      Iterations 6
In [45]: legit_fit.summary2()
Out[45]: <class 'statsmodels.iolib.summary2.Summary'>
                          Results: Logit
      _____
      Model: Logit
                                 No. Iterations:
      Dependent Variable: converted Pseudo R-squared: 0.000
                     2021-11-23 18:58 AIC:
290584 BIC:
                                               212782.6602
      No. Observations: 290584
                                               212846.1381

      Df Model:
      5
      Log-Likelihood:
      -1.0639e+05

      Df Residuals:
      290578
      LL-Null:
      -1.0639e+05

      Converged:
      1.0000
      Scale:
      1.0000

      _____
                Coef. Std.Err. z P>|z| [0.025 0.975]
       ______
      intercept -2.0040 0.0364 -55.0077 0.0000 -2.0754 -1.9326
      ab_page 0.0108 0.0228 0.4749 0.6349 -0.0339 0.0555
      US
                CA
      ab_UK
                -0.0314 0.0266 -1.1807 0.2377 -0.0835 0.0207
      ______
      11 11 11
In [46]: np.exp(legit_fit.params)
Out[46]: intercept     0.134794
      ab_page 1.010893
      US
               1.011854
      CA
               1.017682
      ab_UK
               0.924703
      ab_CA
                0.969090
      dtype: float64
In [47]: 1/np.exp(legit_fit.params)
Out[47]: intercept 7.418713
      ab_page 0.989224
      US
               0.988285
```

```
ab_UK 1.081428
ab_CA 1.031896
dtype: float64

In [48]: # Checnking duration of the experiment
df_merged['timestamp'] = df_merged['timestamp'].apply(lambda x : pd.to_datetime(str(x))
df_merged['dates'] = df_merged['timestamp'].dt.date

In [49]: ((df_merged['dates'].max() - df_merged['dates'].min()), 'days')

Out[49]: (datetime.timedelta(22), 'days')
```

**Statistically:** - The conversion by country has no statistical significance since all p\_values are large in all casses we failed to reject null.

**Practically:** - The impact of converion by country is with **no significance**, the conversion rate for both US and CA is higher than UK.

### Final Conclusion

CA

• Countries conversion rate was irrelevant to the case.

0.982625

- Duration of the experiment was 22 days.
- There is 15% difference in the conversion rate between the control and treatment groups from the dataset itself, which imposed almost no effect to influence the decision to switch to the new page.
- We failed to reject the Null in all the 3 cases, **Descriptive analysis**, **A/B Testing**, and **Regression Modelling**.

Run the code cell below to create a .html version of this notebook in the workspace. If it worked correctly, you should get a return code of 0