# Analyze\_ab\_test\_results\_notebook

July 28, 2018

# 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!

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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 [93]: 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 [126]: df = pd.read_csv('ab_data.csv')
          df.head()
Out[126]:
            user_id
                                                      group landing_page
                                       timestamp
                                                                         converted
             851104 2017-01-21 22:11:48.556739
                                                                old_page
                                                    control
             804228 2017-01-12 08:01:45.159739
                                                                old_page
                                                    control
                                                                                  0
             661590 2017-01-11 16:55:06.154213 treatment
                                                                new_page
                                                                                  0
          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 [95]: df.shape[0]
Out[95]: 294478
```

c. The number of unique users in the dataset.

```
In [96]: df['user_id'].nunique()
Out[96]: 290584
```

d. The proportion of users converted.

```
In [97]: df['converted'].mean()
Out[97]: 0.11965919355605512
```

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

```
Out[99]: 3893
```

f. Do any of the rows have missing values?

df\_new.shape[0]

- 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**.

- 3. Use df2 and the cells below to answer questions for Quiz3 in the classroom.
- a. How many unique **user\_id**s are in **df2**?

```
In [103]: df2['user_id'].nunique()
Out[103]: 290584
```

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

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

```
In [105]: df2[df2.duplicated(['user_id'], keep = False)]
Out[105]:
                                                         group landing_page
                user id
                                          timestamp
                                                                              converted
                         2017-01-09 05:37:58.781806
          1899
                 773192
                                                                                      0
                                                     treatment
                                                                   new_page
                 773192 2017-01-14 02:55:59.590927 treatment
          2893
                                                                   new_page
                                                                                      0
```

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

```
        Out[106]:
        user_id
        timestamp
        group landing_page
        converted

        1899
        773192
        2017-01-09
        05:37:58.781806
        treatment
        new_page
        0
```

- 4. Use **df2** in the below cells 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 [107]: df2['converted'].mean()
Out[107]: 0.11959708724499628
```

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

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

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

```
In [110]: df2[df2['landing_page'] == 'new_page'].shape[0] / df2.shape[0]
Out[110]: 0.5000619442226688
```

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.

**Evidence that one page leads to more conversions?** 1.the convertion rate in the control group is higher than the conversion rate in the treatment group, but with very tiny diffrence.

2.We can't decide the old page leads more conversions because of this tiny diffrence, so these two pages have similar performance.

3.the probability of an indivisual recieved the new page is .5 which means that the diffrence in the conversion rate is between the same amount of traffic for each group .

```
### 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.

\*\*

$$H_0: P_{new} <= P_{old}$$

**X-**X

$$H_1: P_{new} > P_{old}$$

Our alternative hypothesis is what we want to prove to be true, in this case, that the new page design has a higher converted rate than the old page. And the null hypothesis is what we assume to be true before analyzing data, which is that the new page has a converted rate that is less than or equal to that of the old page. we can rearrange our hypotheses to look like this:

$$H_0: P_{new} - P_{old} <= 0$$

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

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.

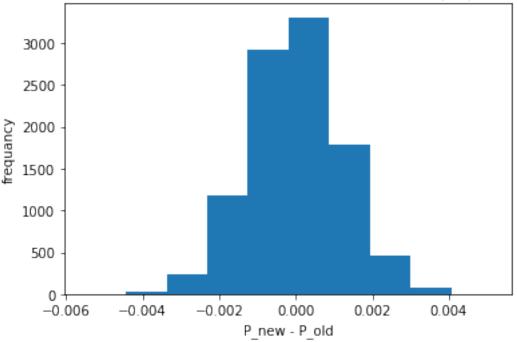
a. What is the **convert rate** for  $p_{new}$  under the null?

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

```
Out[113]: 145310
  d. What is n_{old}?
In [114]: n_old = df2.query('group == "control"').shape[0]
           n old
Out[114]: 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 [115]: new_page_converted = np.random.choice([1,0],n_new,p=[p_new,(1-p_old)])
           new_page_converted
Out[115]: array([0, 0, 0, ..., 0, 0, 0])
  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 [116]: old_page_converted = np.random.choice([1,0],n_old,p=[p_old,(1-p_old)])
           old_page_converted
Out[116]: array([0, 1, 0, ..., 0, 0, 0])
  g. Find p_{new} - p_{old} for your simulated values from part (e) and (f).
In [117]: new_page_converted.mean()/n_new - old_page_converted.mean()/n_old
Out[117]: 5.3788231389931613e-10
  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 [118]: p_diffs = []
          for _ in range(10000):
               old_page_converted = np.random.choice([1,0],n_old,p=[p_old,(1-p_old)])
               new_page_converted = np.random.choice([1,0],n_new,p=[p_new,(1-p_old)])
               diff = new_page_converted.mean() - old_page_converted.mean()
               p_diffs.append(diff)
  i. Plot a histogram of the p_diffs. Does this plot look like what you expected? Use the match-
     ing problem in the classroom to assure you fully understand what was computed here.
In [183]: plt.hist(p_diffs)
          plt.title('the distribution of the diffrence between the two proportions')
          plt.xlabel('P_new - P_old')
          plt.ylabel('frequancy')
```

Out[183]: Text(0,0.5,'frequancy')





In this plot, the distibution is norrmally distributed, here we plotted the diffrences in means between the converted rates for old page and new page, by generating random samples using sampling distribution

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

Out[123]: 0.9084999999999997

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?

In part j, I computed the probability of the observing statistic if the null hypothesis is true, this value is called the P-value, this value means that if it is high ,the old page's performance is better than the new page or the same,and if it is very low (less than the type I error threshold), the new page's performance is better than the old one.

we find that the p-value equals to .904 which is high enough and more than .05(which is the alpha value), so we fail to reject the null hypothesis, and make a decision that the old page's performance is better than or the same as the new page's performance

I. 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 [124]: import statsmodels.api as sm

convert_old = df.query('group == "control" and converted == 1').shape[0]
    convert_new = df.query('group == "treatment" and converted == 1').shape[0]
    n_old = df.query('group == "control"').shape[0]
    n_new = df.query('group == "treatment"').shape[0]
```

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 the built-in code above, i have used the alternative parameter equals to smaller, smaller means that the alternative hypothesis is p1<p2,where p1 is the proportion of the old page and p2 of the new page.

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.**?

we want first calculate the percentage of the z-score using cdf function which is the short of Cumulative density function , and then the critical value at 5% type I error rate using ppf function which is the short of Percent point function.

In the z-test hypothesis testing, we calculate the critical value and the z-score to see wether the z-score is less than or more than the critical value, that if the z-score is less than the critical value means that we fail to reject the null hypothesis, and if it is more than the critical value means we can reject the null hypothesis, in our status here we see that the z-score is less than the critical value, which means we fail to reject the null hypothesis and make a decision that the old page's converted rate is better than or equal to the new page's converted rate

We see that the findings in this part agree with the findings in parts j and k.

### 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?

### 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 a colun 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 [67]: import statsmodels.api as sm
         #define the intercept column in the data frame
         df2['intercept'] = 1
         # create a dummy variable
         df2['ab_page'] = pd.get_dummies(df['landing_page'])['new_page']
         df2.tail()
Out [67]:
           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
                                                               old_page
         1
                                                   control
                                                                                 0
         2
           661590 2017-01-11 16:55:06.154213 treatment
                                                              new_page
                                                                                 0
         3
            853541 2017-01-08 18:28:03.143765 treatment
                                                               new_page
                                                                                 0
            864975 2017-01-21 01:52:26.210827
                                                  control
                                                               old_page
                                                                                 1
            intercept ab_page
         0
                    1
                             0
         1
         2
                            1
         3
                    1
                             1
                             0
```

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.

Optimization terminated successfully.

Current function value: 0.366118

Iterations 6

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

```
In [69]: results_1.summary()
Out[69]: <class 'statsmodels.iolib.summary.Summary'>
```

Logit Regression Results

\_\_\_\_\_\_ No. Observations: Dep. Variable: 290584 converted Model: Logit Df Residuals: 290582 MLE Df Model: Method: 8.077e-06 Fri, 27 Jul 2018 Pseudo R-squ.: Date: 23:46:03 Log-Likelihood: Time: -1.0639e+05 True LL-Null: -1.0639e+05 converged: LLR p-value: 0.1899 \_\_\_\_\_

	coef	std err	z	P> z	[0.025	0.975]
intercept ab_page	-1.9888 -0.0150	0.008 0.011	-246.669 -1.311	0.000 0.190	-2.005 -0.037	-1.973 0.007
========	=======	=======	=======	=======	========	=======

11 11 11

In [70]: np.exp(results\_1.params)

Out[70]: intercept 0.136863 ab\_page 0.985123

dtype: float64

the interpreting of this model is if the indivisual uses the new page, it is .985 times more likely to make a conversion than if he uses the old page. which means that there is a very tiny diffrence in the performance between the both pages, with more a little bit in the old page.

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?

the P-value associated with ab\_page equals to .19, it is diffrent from the p-value in the part II, that the hypothesises for null and alternative here are diffrent, here are look like this:

$$H_0: P_{new} = P_{old}$$
  
 $H_1: P_{new}! = P_{old}$ 

Because we creates dummy variable ab\_page that refers to new\_page, then the baseline is the old page, and we can know the relashionsip comparing to the baseline.

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?

In general, when the customer arrived to the landing page, he was interested in the website's products, but may be there are other factors that influence whether he converted or not like the way of paying is suitable for him or not, the product was like what he wants or not, or the price was suitable for him or not. anyway, there are other factors that related to the customer himself, like the age, the range of his salary, or the time of opening the website.

It is a good idea to take these factors(age,salary,time) into our regression model, to know which of them is the most influenced in the conversion rate, but adding additional terms to our regression model has disadvantages like Multicollinearity(that these factors may be correlated to one another) and if the linear relationship exists or not.

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 [79]: #read a csv file
         df3 = pd.read_csv("countries.csv")
         df3.head()
Out[79]:
            user_id country
            834778
                         UK
         0
         1
            928468
                         US
         2
            822059
                         IJK
         3
            711597
                         UK
             710616
                         IJK
In [80]: #knowing the unique values in the country columns
         df3.country.unique()
Out[80]: array(['UK', 'US', 'CA'], dtype=object)
In [81]: #join the country data frame with the converted rate data frame
         df_joined = df2.join(df3.set_index('user_id'),on = 'user_id')
In [82]: #create dummy variables for the country column
         df_joined[['CA','UK','US']] = pd.get_dummies(df_joined['country'])
In [83]: #create a logistic reggresion model for the converted
         #column with the country dummy variables columns
         df_joined['intercept'] = 1
         logit_mod = sm.Logit(df_joined['converted'],df_joined[['intercept','UK','CA']])
         results_2 = logit_mod.fit()
         results_2.summary()
```

```
Optimization terminated successfully.
```

Current function value: 0.366116

Iterations 6

```
Out[83]: <class 'statsmodels.iolib.summary.Summary'>
```

H H H

# Logit Regression Results

Dep. Variable: converted No. Observations: 290584
Model: Logit Df Residuals: 290581
Method: MLE Df Model: 2

 Date:
 Sat, 28 Jul 2018
 Pseudo R-squ.:
 1.521e-05

 Time:
 00:02:04
 Log-Likelihood:
 -1.0639e+05

 converged:
 True
 LL-Null:
 -1.0639e+05

 LLR p-value:
 0.1984

=======================================									
	coef	std err	Z	P> z	[0.025	0.975]			
intercept	-1.9967	0.007	-292.314	0.000	-2.010	-1.983			
UK	0.0099	0.013	0.746	0.456	-0.016	0.036			
CA	-0.0408	0.027	-1.518	0.129	-0.093	0.012			

11 11 11

In [84]: np.exp(results\_2.params)

Out[84]: intercept 0.135779 UK 1.009966 CA 0.960018

dtype: float64

In [85]: 1/np.exp(results\_2.params)

Out[85]: intercept 7.364925 UK 0.990133 CA 1.041647

dtype: float64

### Interpretation of the previous logistic model

1.If an individual is from US, it is 0.9901 times more likely to make a conversion than if he is from UK, holding all other variables constant.

2.If an indivisual is from US, it is 1.04 more likely to make a conversion than if he is from CA, holding all other variables constant.

- \*\* from these values which is very close to 1 time, we can notice that there is no influence on the conversion rate comes from the country variable.\*\*
  - 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 [86]: #showing the columns names
       df_joined.columns
Out[86]: Index(['user_id', 'timestamp', 'group', 'landing_page', 'converted',
            'intercept', 'ab_page', 'country', 'CA', 'UK', 'US'],
            dtype='object')
In [87]: #create a logistic regression model for the ab_page and the dummy variables of country
       logit_mod = sm.Logit(df_joined['converted'],df_joined[['intercept', 'ab_page', 'UK', 'CA']
       results_3 = logit_mod.fit()
       results_3.summary()
Optimization terminated successfully.
       Current function value: 0.366113
       Iterations 6
Out[87]: <class 'statsmodels.iolib.summary.Summary'>
                            Logit Regression Results
       ______
       Dep. Variable:
                            converted No. Observations:
                                                                290584
                                Logit Df Residuals:
       Model:
                                                                290580
       Method:
                                  MLE Df Model:
                                                                    3
                      Sat, 28 Jul 2018 Pseudo R-squ.:
       Date:
                                                            2.323e-05
                              00:02:10 Log-Likelihood: -1.0639e+05
       Time:
                                 True LL-Null:
                                                           -1.0639e+05
       converged:
                                      LLR p-value:
                                                                0.1760
       _____
                    coef std err z P>|z| [0.025 0.975]
       ______
       intercept -1.9893 0.009 -223.763 0.000 -2.007 ab_page -0.0149 0.011 -1.307 0.191 -0.037 UK 0.0099 0.013 0.743 0.457 -0.016
                                                                -1.972
                                                                0.007
                                                                0.036
       CA
                  -0.0408
                            0.027
                                  -1.516 0.130
                                                      -0.093
                                                                 0.012
       ______
       11 11 11
In [88]: np.exp(results_3.params)
Out[88]: intercept
                 0.136795
       ab_page
                 0.985168
       UK
                 1.009932
       CA
                 0.960062
       dtype: float64
```

We can interpret the result like this:

- 1. if an indivisual uses the new page, it is .985 more likely to make a conversion than if he uses the old page, holding all other variables constant.
- 2. If an indivisual is from UK, it is 1,009 more likely to make a conversion than if he is from US, holding all other variables constant.
- 3.If an indivisual is from CA, it is 0.96 more likely to make a conversion than if he is from US, holding all other variables constant.

```
In [74]: #create the interaction model between the page and country using dmatrices
       from patsy import dmatrices
       # create dummy variables, and their interactions
       y, X = dmatrices('converted ~ C(country)*C(landing_page)', df_joined, return_type="data
       # flatten y into a 1-D array so scikit-learn can understand it
       y = np.ravel(y)
       #create a logistic model with X as independent variables, and y as dependent one.
       logit_mod = sm.Logit(y,X)
       results_4 = logit_mod.fit()
       results_4.summary()
{\tt Optimization} \ {\tt terminated} \ {\tt successfully}.
       Current function value: 0.366109
       Iterations 6
Out[74]: <class 'statsmodels.iolib.summary.Summary'>
                             Logit Regression Results
       ______
       Dep. Variable:
                                        No. Observations:
                                                                  290584
       Model:
                                 Logit Df Residuals:
                                                                  290578
       Method:
                                   MLE Df Model:
                        Fri, 27 Jul 2018
                                       Pseudo R-squ.:
       Date:
                                                                3.482e-05
       Time:
                               23:57:34 Log-Likelihood:
                                                             -1.0639e+05
                                        LL-Null:
                                                              -1.0639e+05
       converged:
                                        LLR p-value:
                                                                  0.1920
       ______
                                                 coef
                                                                           P>|z
                                                       std err
       ______
                                                        0.037
       Intercept
                                               -2.0715
                                                               -55.798
                                                                           0.00
       C(country)[T.UK]
                                                                  2.225
                                                                           0.02
                                               0.0901
                                                        0.040
```

0.0644

-0.0469

\_\_\_\_\_\_

0.0674

0.038

0.052

0.054

0.057 -1.378

1.679

-0.872

1.297

0.09

0.19

0.16

0.38

нин

C(country)[T.US]

C(landing\_page)[T.old\_page]

C(country)[T.UK]:C(landing\_page)[T.old\_page] -0.0783

C(country) [T.US]: C(landing\_page) [T.old\_page]

```
In [75]: np.exp(results_4.params)
Out[75]: Intercept
                                                           0.126002
         C(country)[T.UK]
                                                           1.094247
         C(country)[T.US]
                                                           1.066532
         C(landing_page)[T.old_page]
                                                           1.069775
         C(country)[T.UK]:C(landing_page)[T.old_page]
                                                           0.924703
         C(country)[T.US]:C(landing_page)[T.old_page]
                                                           0.954198
         dtype: float64
In [76]: 1/np.exp(results_4.params)
Out[76]: Intercept
                                                           7.936353
         C(country)[T.UK]
                                                           0.913871
         C(country)[T.US]
                                                           0.937618
         C(landing_page)[T.old_page]
                                                           0.934776
         C(country)[T.UK]:C(landing_page)[T.old_page]
                                                           1.081428
         C(country)[T.US]:C(landing_page)[T.old_page]
                                                           1.048001
         dtype: float64
```

## interpreting the interaction model:

1.If an individual is from CA and use a new page, he is 0.913871 times more likely to make a conversion than if he is from UK and using the new page, holding all other variables constant.

2.If an individual is from CA and use a new page, he is 0.937618 times more likely to make a conversion than if he is from US and use a new page, holding all other variables constant.

3.If an individual is from CA and use a new page, he is 0.934776 times more likely to make a conversion than if he is from CA and use an old page, holding all other variables constant.

4.there is no influence in the conversion rate if an indivisual uses old page or new page, or if he is in a specific country or other country.

5.there is no diffrence in the conversion rate if an indivisual uses one of the pages and he is in a specific country.

### 0.3 Conclusion:

In this project, we showed three ways to know which page has the highest performace ,by the converted rate, they are the probability, hypothesis testing, and the regression models, all of these ways give us evidences that the performace of the old page is better than the new one but with a tiny diffrence, so we can make a decision that keep the old page and reject the new one.

#### 0.4 resources: