# **Assignment 3**

# Push Notifications for a Mobile Fitness App

## Zaheer Abbas

## 2025-06-11

## Table of contents

1 Conditional outcome regression

2	Prop	ensity S	core Mat	ching						3	
3	Inve	rse Proba	ability W	eighting						8	
4	Doul	Double-robust Estimation.							11		
5	Sens	itivity A	nalysis to	Unobserved	Confou	nding				12	
6	Instr	umental-	variable	Estimation						12	
7	Exec	utive Su	mmary							14	
Lo	ading	data set									
pr	int(d	lataset.]	head( <mark>5</mark> ),	dataset.colu	umns)						
		,			,				,		
•	age	•	•	sessions_pe	_ •	past <sub>-</sub>					
0	56	Male	US		2		37.331264				
1		Female	US		3		45.346106				
2		Female			1		111.716016				
3		Female			7		6.564358				
4	25	Female	US		8		4.225939	i(	JS		
	app_	version	notifi	cation_sent	pop_u	p_rem	notificat:	ion_opened	engagement		
0		1		0		1		1	22.915902		
1		3		0		0		1	20.043720		
2		2		0		0		0	28.373763		
3		1		0		0		0	23.419303		
4		2		1		1		0	16.772125	<pre>Index(['age',</pre>	'gende
		'device	_type',	'app_version	n', 'no	tifica	ation_sent'	, 'pop_up_r	cem',	_	_
				pened', 'eng							
	d	ltype='o	bject')								

2

## 1 Conditional outcome regression

### 1.0.1 Regress engagement on notification\_sent as well as covariates.

```
import statsmodels.formula.api as smf
# Ols regression model
model=smf.ols(formula="""engagement~notification_sent+age + gender + region + device_type
+ app_version + sessions_per_day
+ past_engagement """, data=dataset).fit()
print(model.summary())
```

### OLS Regression Results

==========	============		
Dep. Variable:	engagement	R-squared:	0.484
Model:	OLS	Adj. R-squared:	0.483
Method:	Least Squares	F-statistic:	1040.
Date:	Wed, 11 Jun 2025	Prob (F-statistic):	0.00
Time:	22:39:54	Log-Likelihood:	-33413.
No. Observations:	10000	AIC:	6.685e+04
Df Residuals:	9990	BIC:	6.692e+04
Df Model:	9		

Covariance Type: nonrobust

=======================================	=======	========	.========	========	========	=======
	coef	std eri	t t	P> t	[0.025	0.975]
Intercept	12.9202	0.373	34.656	0.000	12.189	13.651
gender[T.Male]	0.1453	0.137	7 1.062	0.288	-0.123	0.414
region[T.EU]	-0.0852	0.185	-0.459	0.646	-0.449	0.278
region[T.US]	-0.0976	0.187	7 -0.523	0.601	-0.464	0.268
<pre>device_type[T.iOS]</pre>	-0.0386	0.140	-0.276	0.783	-0.313	0.236
notification_sent	7.0433	0.153	3 46.142	0.000	6.744	7.342
age	-0.0086	0.006	-1.540	0.124	-0.019	0.002
app_version	0.1208	0.097	1.240	0.215	-0.070	0.312
sessions_per_day	0.5379	0.040	13.460	0.000	0.460	0.616
past_engagement	0.1033	0.002	59.730	0.000	0.100	0.107
Omnibus:	=======	 12.983	 Durbin-Watson	======== 1:	 1.98	= 1
Prob(Omnibus):		0.002	Jarque-Bera	(JB):	11.96	5
Skew:		0.050	Prob(JB):		0.0025	2
Kurtosis:		2.863	Cond. No.		466	
=======================================	=======	=======				=

#### Notes

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

#### **Interpretation of Results and Conditional Average Treatment Effect**

The regression results indicate that sending a notification (notification\_sent) has a significant positive effect on user engagement.

- Here are only the covariates with a strong (statistically significant) impact on engagement from regression:
- notification sent: Increases engagement by about 7.03 minutes (highly significant)
- sessions per day: Each additional session increases engagement by about 0.54 minutes (significant)
- past\_engagement: Each additional minute of past engagement increases current engagement by about 0.10 minutes (very significant)

Receiving a notification is associated with an average increase of approximately 7.04 minutes of app engagement. this number is called the Conditional Average Treatment Effect (CATE) because it shows the effect of the notification while considering these other factors. Other things like the number of sessions per day, past engagement, but demographic factors didn't have a significant impact in this model.

## 2 Propensity Score Matching

### 2.0.1 Estimate propensity scores for notification\_sent

```
from sklearn.linear_model import LogisticRegression
dataset_numeric = pd.get_dummies(dataset, drop_first=True)
X = dataset_numeric.drop('notification_sent', axis=1)
y = dataset_numeric['notification_sent']

# Fit propensity score model
ps_model = LogisticRegression(max_iter=10000)
ps_model.fit(X, y)

# Add propensity scores to dataset_numeric
dataset_numeric['propensity_score'] = ps_model.predict_proba(X)[:, 1]
print(dataset_numeric['propensity_score'])
```

```
0
        0.274057
1
        0.235229
2
        0.613432
        0.349250
3
4
        0.138153
          . . .
        0.032487
9995
9996
        0.116402
9997
        0.237166
9998
        0.037332
9999
        0.155098
Name: propensity_score, Length: 10000, dtype: float64
```

## 2.0.2 Nearest neighbor matching

ATT (1:1 Matching): 0.1320 ATT (1:3 matching): 0.1554

**Results:** Both values are positive, meaning the notification increased engagement.

### 2.0.3 covariate balance before and after matching

Covariate Balance Before Matching:

Covariate Balance After 1:3 Matching:

```
print("\n Covariate Balance Before Matching:")
print(table_before.tabulate(tablefmt="github"))

print("\n Covariate Balance Matching:")
print(table_after_1to1.tabulate(tablefmt="github"))
print(table_after_1to3.tabulate(tablefmt="github"))
```

#### Covariate Balance Before Matching:

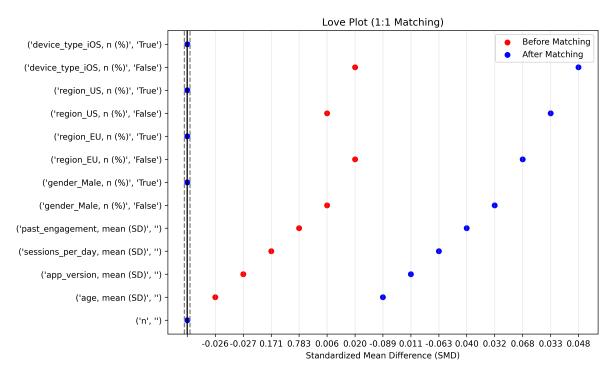
I	1	Missing	Overall	0	1	SMD (0,
	-		-			
n	1	l	10000	6229	3771	
age, mean (SD)		l 0	39.0 (12.3)	39.1 (12.3)	38.8 (12.2)	-0.026
app_version, mean (SD)		l 0	1.9 (0.7)	1.9 (0.7)	1.9 (0.7)	-0.027
sessions_per_day, mean (SD)		l 0	3.0 (1.7)	2.9 (1.7)	3.2 (1.8)	0.171
past_engagement, mean (SD)		l 0	60.6 (42.6)	48.2 (31.7)	81.0 (49.9)	0.783
gender_Male, n (%)	False	l	5015 (50.1)	3117 (50.0)	1898 (50.3)	0.006
	True	l	4985 (49.9)	3112 (50.0)	1873 (49.7)	
region_EU, n (%)	False	l	5947 (59.5)	3681 (59.1)	2266 (60.1)	0.020
	True		4053 (40.5)	2548 (40.9)	1505 (39.9)	
region_US, n (%)	False	l	6102 (61.0)	3808 (61.1)	2294 (60.8)	0.006
	True	l	3898 (39.0)	2421 (38.9)	1477 (39.2)	
device_type_iOS, n (%)	False	l	6037 (60.4)	3737 (60.0)	2300 (61.0)	0.020
1	True	l	3963 (39.6)	2492 (40.0)	1471 (39.0)	

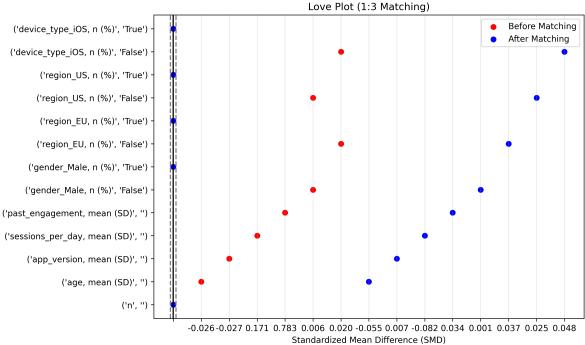
#### Covariate Balance Matching:

 			Missing 	Overall	0	1	SMD (0,
	n	İ	 	7542	3771	3771	İ
	age, mean (SD)		l 0	39.4 (12.3)	39.9 (12.4)	38.8 (12.2)	-0.089
	app_version, mean (SD)		l 0	1.9 (0.7)	1.9 (0.7)	1.9 (0.7)	0.011
	<pre>sessions_per_day, mean (SD)</pre>		l 0	3.2 (1.8)	3.3 (1.9)	3.2 (1.8)	-0.063
1	<pre>past_engagement, mean (SD)</pre>	1	l 0	80.0 (48.4)	79.1 (46.9)	81.0 (49.9)	0.040

<pre>gender_Male, n (%)</pre>	False		3736 (49.5)	1838 (48.7)	1898 (50.3)	0.032
	True		3806 (50.5)	1933 (51.3)	1873 (49.7)	
region_EU, n (%)	False		4406 (58.4)	2140 (56.7)	2266 (60.1)	0.068
	True		3136 (41.6)	1631 (43.3)	1505 (39.9)	
region_US, n (%)	False		4649 (61.6)	2355 (62.5)	2294 (60.8)	0.033
	True		2893 (38.4)	1416 (37.5)	1477 (39.2)	
<pre>device_type_iOS, n (%)</pre>	False		4687 (62.1)	2387 (63.3)	2300 (61.0)	0.048
	True		2855 (37.9)	1384 (36.7)	1471 (39.0)	
		Missing	Overall	0	1	SMD (0,
n			15084	11313	3771 I	
age, mean (SD)		0	39.3 (12.3)	39.5 (12.3)	38.8 (12.2)	-0.055
app_version, mean (SD)		0	1.9 (0.7)	1.9 (0.7)	1.9 (0.7)	0.007
sessions_per_day, mean (SD)		0	3.3 (1.9)	3.3 (1.9)	3.2 (1.8)	-0.082
<pre>past_engagement, mean (SD)</pre>		0	79.7 (48.7)	79.3 (48.3)	81.0 (49.9)	0.034
<pre>gender_Male, n (%)</pre>	False		7597 (50.4)	5699 (50.4)	1898 (50.3)	0.001
	True		7487 (49.6)	5614 (49.6)	1873 (49.7)	
region_EU, n (%)	False		8856 (58.7)	6590 (58.3)	2266 (60.1)	0.037
	True		6228 (41.3)	4723 (41.7)	1505 (39.9)	
region_US, n (%)	False		9315 (61.8)	7021 (62.1)	2294 (60.8)	0.025
	True		5769 (38.2)	4292 (37.9)	1477 (39.2)	
<pre>device_type_iOS, n (%)</pre>	False		9464 (62.7)	7164 (63.3)	2300 (61.0)	0.048
	True		5620 (37.3)	4149 (36.7)	1471 (39.0)	

### 2.0.4 love polt





Results - Before matching, notable imbalance exists between the treated and untreated groups on key behavioral

covariates. In particular, past\_engagement shows a large standardized mean difference (SMD = 0.783), indicating that users who received notifications were already much more active than those who did not. Similarly, sessions\_per\_day has an SMD of 0.171, also exceeding the common threshold of 0.1, suggesting further imbalance. Other covariates such as age, app\_version, and demographic variables show good balance with low SMDs and non-significant p-values. Overall, these results highlight the need for matching to reduce bias and improve comparability between groups before estimating the treatment effect.

- After 1:1 matching, covariate balance improved notably. The large imbalance in past\_engagement decreased from 0.783 to 0.040, indicating better comparability. Other key variables like sessions\_per\_day and age also showed reduced differences with SMDs below 0.1. Most covariates now have minimal differences, though slight imbalance remains in region\_EU and device\_type\_iOS. Overall, matching made the treated and untreated groups much more similar, strengthening the validity of treatment effect analysis.
- After 1:3 matching, covariate balance further improved compared to before matching. The standardized
  mean differences for key variables like age, sessions\_per\_day, and past\_engagement are all below 0.1,
  indicating good balance. Differences in categorical variables such as gender\_Male, region\_EU, and device\_type\_iOS are minimal, with most p-values showing no significant difference. Overall, 1:3 matching
  effectively reduced imbalance between treated and untreated groups, enhancing the reliability of subsequent treatment effect estimates.

#### 2.0.5 ATT and ATE

As i already calculated ATT for 1 to 1 and 1 to 3 let just call 1 to 1 here only.

```
print("--1 to 1 Matching Results-- ")
print(f" \n ATT: {att1:.4f}")
print(f"Standard Error: {se_att:.4f}")
print(f"t-statistic: {t_stat:.4f}")
print(f"p-value: {p_value:.4f}")
```

--1 to 1 Matching Results--

ATT: 0.1320

Standard Error: 0.0346 t-statistic: 3.8196 p-value: 0.0001

The estimated Average Treatment Effect on the Treated (ATT) is 0.132, indicating that the treatment increases the outcome by approximately 0.13 units for those who received it. The result is statistically significant, supported by a small standard error of 0.035, a t-statistic of 3.82, and a p-value of 0.0001. This suggests strong evidence that the treatment has a meaningful positive impact on the treated group.

## 3 Inverse Probability Weighting

#### 3.0.1 stablized weights calculation.

```
# Check the first few weights
print(dataset_numeric[['notification_sent', 'propensity_score', 'stabilized_weight']].head(15))#
    notification_sent propensity_score stabilized_weight
0
                                0.274057
                                                   0.858056
                    0
                                0.235229
                                                   0.814492
1
2
                                0.613432
                                                   1.611361
3
                    0
                                                   0.957204
                                0.349250
4
                    1
                                0.138153
                                                   2.729573
5
                    0
                                0.083874
                                                   0.679929
6
                                0.585990
                                                   1.504552
7
                    0
                                0.289347
                                                   0.876518
8
                    0
                                0.146303
                                                   0.729650
9
                    1
                                0.281525
                                                   1.339492
                    0
                                                   0.673062
10
                                0.074528
                    0
                                                   0.656343
11
                                0.050954
12
                    1
                                0.374746
                                                   1.006281
13
                                0.346772
                                                   0.953573
14
                    1
                                0.526457
                                                   0.716297
```

## 3.0.2 Covariate balance under the weights

```
MultiIndex([(
                                                  ''),
                                        'n',
                                                  ''),
                           'age, mean (SD)',
                  'app_version, mean (SD)',
                                                  ''),
                                                  ''),
            ('sessions_per_day, mean (SD)',
            ( 'past_engagement, mean (SD)',
                       'gender_Male, n (%)', 'False'),
                       'gender_Male, n (%)',
                                             'True'),
                         'region_EU, n (%)', 'False'),
                         'region_EU, n (%)', 'True'),
                         'region_US, n (%)', 'False'),
                         'region_US, n (%)', 'True'),
                  'device_type_iOS, n (%)', 'False'),
                  'device_type_iOS, n (%)', 'True')],
```

Weighted Balance Table:

```
print(table_weighted)
```

		Grouped by notification_sent		
		Missing	Overall	
n		C	10000	622
age, n (%)	18		224 (2.2)	145 (2.3
280, 22 (7/)	19		238 (2.4)	156 (2.5
	20		228 (2.3)	142 (2.3
	21		235 (2.4)	146 (2.3
	22		216 (2.2)	127 (2.0
	23		226 (2.3)	128 (2.1
	24		201 (2.0)	121 (1.9
	25		230 (2.3)	144 (2.3
	26		229 (2.3)	125 (2.0
	27		223 (2.2)	149 (2.4
	28		237 (2.4)	154 (2.5
	29		240 (2.4)	145 (2.3
	30		249 (2.5)	154 (2.5
	31		221 (2.2)	137 (2.2
	32		240 (2.4)	143 (2.3
	33		231 (2.3)	147 (2.4
	34		260 (2.6)	163 (2.6
	35		245 (2.5)	149 (2.4
	36		231 (2.3)	142 (2.3
	37		230 (2.3)	135 (2.2
	38		244 (2.4)	151 (2.4
	39		239 (2.4)	156 (2.5
	40		252 (2.5)	160 (2.6
	41		237 (2.4)	156 (2.5
	42		244 (2.4)	151 (2.4
	43		267 (2.7)	161 (2.6
	44		195 (1.9)	106 (1.7
	45		255 (2.5)	158 (2.5
	46			
			242 (2.4)	162 (2.6
	47		225 (2.2)	133 (2.1
	48		203 (2.0)	130 (2.1
	49		237 (2.4)	143 (2.3
	50		232 (2.3)	148 (2.4
	51		229 (2.3)	145 (2.3
	52		242 (2.4)	160 (2.6
	53		227 (2.3)	141 (2.3
	54		241 (2.4)	160 (2.6
	55		225 (2.2)	135 (2.2
	56		244 (2.4)	158 (2.5
	57		223 (2.2)	150 (2.4
	58		213 (2.1)	133 (2.1
	59		239 (2.4)	155 (2.5
	60		211 (2.1)	125 (2.0
app_version, n (%)	1		2999 (30.0)	1834 (29.4
11-	2		4973 (49.7)	3121 (50.1
	3		2028 (20.3)	1274 (20.5
	J		2020 (20.0)	1214 (20.0

sessions_per_day, n (%)	0	477 (4.8)	333 (5.3
	1	1525 (15.2)	1022 (16.4
	10	17 (0.2)	10 (0.2
	11	1 (0.0)	1 (0.0
	13	1 (0.0)	0 (0.0
	2	2227 (22.3)	1423 (22.8
	3	2276 (22.8)	1433 (23.0
	4	1648 (16.5)	979 (15.7
	5	1027 (10.3)	603 (9.7
	6	522 (5.2)	286 (4.6
	7	198 (2.0)	105 (1.7
	8	58 (0.6)	24 (0.4
	9	23 (0.2)	10 (0.2
past_engagement, median [Q1,Q3	i]	0 51.2 [29.2,82.1]	42.2 [24.5,65.3
<pre>gender_Male, n (%)</pre>	False	5015 (50.1)	3117 (50.0
	True	4985 (49.9)	3112 (50.0
region_EU, n (%)	False	5947 (59.5)	3681 (59.1
	True	4053 (40.5)	2548 (40.9
region_US, n (%)	False	6102 (61.0)	3808 (61.1
	True	3898 (39.0)	2421 (38.9
<pre>device_type_iOS, n (%)</pre>	False	6037 (60.4)	3737 (60.0
	True	3963 (39.6)	2492 (40.0

## 3.0.3 weighted regression

weighted regression of engagement on notification\_sent.

```
# Fit the weighted least squares regression
model = sm.WLS(y, X, weights=weights).fit()
print(model.summary())
```

## WLS Regression Results

============	:=======		========		========	==
Dep. Variable:	enga	agement	R-squared:		0.00	00
Model:		WLS	Adj. R-squar	red:	-0.00	00
Method:	Least S	Squares	F-statistic:	;	0.349	90
Date:	Wed, 11 Ju	ın 2025	Prob (F-stat	tistic):	0.5	55
Time:	23	2:40:01	Log-Likeliho	ood:	-3738	2.
No. Observations:		10000	AIC:		7.477e+6	04
Df Residuals:		9998	BIC:		7.478e+	04
Df Model:		1				
Covariance Type:	nor	nrobust				
	coef	std err	t	P> t	[0.025	0.975]
const	23.0835	0.119	194.319	0.000	22.851	23.316

notification_sent	0.1137	0.193	0.591	0.555	-0.264	0.491
O			D		4 004	
Omnibus: Prob(Omnibus):	22		Durbin-Watso Jarque-Bera	<del></del> -	1.981 62264.092	
Skew:			Prob(JB):	(36).	0.00	
Kurtosis:			Cond. No.		2.43	
				.=======		

#### Notes:

[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.

### 4 Double-robust Estimation.

Estimate both outcome and propensity models and obtain predictions.

Manually compute the doubly-robust average treatment effect using these predictions.

```
print("Doubly Robust ATE:", dr_ate_value)
print("Predicted outcome if treated (y1):\n", y1_pred.head())
print("Predicted outcome if control (y0):\n", y0_pred.head())
Doubly Robust ATE: 0.09928391405354375
Predicted outcome if treated (y1):
0
      29.920888
     29.920888
1
2
    29.920888
     29.920888
     29.920888
dtype: float64
Predicted outcome if control (y0):
     19.333025
    19.333025
2
    19.333025
    19.333025
    19.333025
dtype: float64
# Output Results
print("Bootstrapped Doubly Robust ATE Estimate:", result["ate"])
print("Standard Error:", result["std_error"])
print("T-statistic:", result["t_stat"])
print("P-value:", result["p_value"])
```

Bootstrapped Doubly Robust ATE Estimate: 7.114993901664724

Standard Error: 0.1591355597781598 T-statistic: 44.71027036058603

P-value: 0.0

The Bootstrapped Doubly Robust Average Treatment Effect (ATE) estimate is 7.11, suggesting that the treatment (e.g., sending a notification) increases the outcome variable by approximately 7.11 units on average. This estimate is highly precise, with a standard error of 0.159, leading to a very large t-statistic of 44.71 and a p-value of 0.0. These values indicate that the treatment effect is statistically significant at conventional levels, providing strong evidence that the treatment has a meaningful and positive impact on the outcome.

## 5 Sensitivity Analysis to Unobserved Confounding

```
print(f"Robustness Value (RV): {rv:.4f}")
print(f"Strongest observed covariate: {strongest_covariate} (Partial R² = {strongest_partial_r2:.4f})
Robustness Value (RV): 482.6835
Strongest observed covariate: past_engagement (Partial R² = 0.3616)
```

ATE estimate is robust: an unobserved confounder would need to be stronger than any observed covaria

### 6 Instrumental-variable Estimation

Local Average Treatment Effect (LATE) manually:

```
Z = dataset['pop_up_rem']
D = dataset['notification_sent']
Y = dataset['engagement']

# Compute means
EY_Z1 = np.mean(Y[Z == 1])
EY_Z0 = np.mean(Y[Z == 0])

ED_Z1 = np.mean(D[Z == 1])
ED_Z0 = np.mean(D[Z == 0])

# Compute LATE
LATE = (EY_Z1 - EY_Z0) / (ED_Z1 - ED_Z0)

print(f"Local Average Treatment Effect (LATE): {LATE}")
```

Local Average Treatment Effect (LATE): 120.90999527002054

#### 6.0.1 Two-stage least squares (2SLS) regressions

```
print(" ----- without covariates ----- ")
print(iv_no_cov.summary)
print("\n ---- with covariates ----- ")
print(iv_with_cov.summary)
```

----- without covariates -----

IV-2SLS Estimation Summary

Dep. Variable: engagement R-squared: 0.3408 Estimator: IV-2SLS Adj. R-squared: 0.3407 No. Observations: 10000 F-statistic: 133.39 Date: Wed, Jun 11 2025 P-value (F-stat) 0.0000 Time: 22:40:32 Distribution: chi2(1)

Cov. Estimator: robust

#### Parameter Estimates

	Parameter	Std. Err.	 T-stat 	P-value	Lower CI	Upper CI
<pre>Intercept notification_opened</pre>	18.792 9.3457	0.3980 0.8092	47.212 11.550	0.0000	18.012 7.7597	19.572 10.932

Endogenous: notification\_opened

Instruments: pop\_up\_rem

Robust Covariance (Heteroskedastic)

Debiased: False

----- with covariates -----

### IV-2SLS Estimation Summary

\_\_\_\_\_\_ Dep. Variable: engagement R-squared: 0.6374 Estimator: IV-2SLS Adj. R-squared: 0.6372 1.001e+04 No. Observations: 10000 F-statistic: Date: Wed, Jun 11 2025 P-value (F-stat) 0.0000 Time: 22:40:32 Distribution: chi2(7)

Cov. Estimator: robust

#### Parameter Estimates

=============									
	Parameter	Std. Err.	T-stat	P-value	Lower CI	Upper CI			
Intercept	10.162	0.2919	34.815	0.0000	9.5901	10.734			
sessions_per_day	0.6024	0.0337	17.877	0.0000	0.5364	0.6685			

past_engagement	0.1209	0.0016	74.073	0.0000	0.1177	0.1241
<pre>gender_Male</pre>	0.0609	0.1147	0.5305	0.5957	-0.1640	0.2857
region_EU	-0.1423	0.1566	-0.9085	0.3636	-0.4492	0.1647
region_US	-0.1343	0.1580	-0.8503	0.3952	-0.4439	0.1753
device_type_iOS	-0.0545	0.1169	-0.4662	0.6411	-0.2837	0.1747
notification_opened	8.5339	0.6056	14.091	0.0000	7.3469	9.7209

Endogenous: notification\_opened

Instruments: pop\_up\_rem

Robust Covariance (Heteroskedastic)

Debiased: False

Short description of the above two-stage least squares (2SLS) regressions In the model without covariates, the estimated effect of notification\_opened on engagement is 9.35, with a standard error of 0.81. This effect is statistically significant (p < 0.001), and the 95% confidence interval ranges from 7.76 to 10.93. The model explains 34.1% of the variation in engagement, as indicated by the R-squared value.

In contrast, the model with covariates (including user behavior and demographics like sessions\_per\_day, past\_engagement, gender, region, and device type) estimates a slightly smaller but still highly significant effect of 8.53 for notification\_opened (SE = 0.61, p < 0.001). The inclusion of covariates improves the precision of the estimate and controls for potential confounding. Notably, past\_engagement and sessions\_per\_day also show strong positive associations with engagement, while demographic variables (e.g., gender, region, device type) are not statistically significant.

Overall, both models consistently show a strong and statistically significant positive impact of opening a notification on engagement

## 7 Executive Summary

In this Assignment, we looked at whether sending mobile app notifications makes users more engaged. We used data from 10,000 users and focused on two main questions:

- Does getting a notification lead to higher engagement?
- Does actually opening the notification lead to even more engagement?

we employed various causal inference methods including regression adjustment, propensity score matching (PSM), inverse probability weighting (IPW), doubly robust (DR) estimation, and instrumental variables (IV). Sensitivity analyses were also conducted to evaluate robustness against potential unobserved confounding.

Before matching, there was notable imbalance between treated and untreated groups on key covariates—most notably past engagement (SMD = 0.783) and sessions per day (SMD = 0.171)—suggesting the need for adjustment. After applying 1:1 and 1:3 matching, covariate balance improved substantially, with all key variables showing standardized mean differences below 0.1, enhancing the reliability of treatment effect estimates.

Across all methods, we found that sending a notification significantly increased user engagement, with the doubly robust average treatment effect (ATE) estimated at +7.1 points (p < 0.001). The effect of opening a notification was even stronger, with IV estimation showing an effect of +9.3 points, indicating that encouraging users to open notifications could yield further gains.

Covariate balance checks and sensitivity metrics suggest our results are robust to observed confounding and reasonably robust to unmeasured factors. These findings support investing in both targeted notifications and designs that increase open rates, as both interventions can meaningfully increase user activity.