# Analyze\_ab\_test\_results\_notebook

July 21, 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

- Section ??
- Section ??
- Section ??
- Section ??

#### ### 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:

```
In [2]: df = pd.read_csv('ab_data.csv')
       df.head()
Out[2]:
          user_id
                                                    group landing_page
                                    timestamp
           851104 2017-01-21 22:11:48.556739
                                                              old_page
       0
                                                  control
                                                                                0
                                                              old_page
          804228 2017-01-12 08:01:45.159739
                                                  control
                                                                                0
          661590 2017-01-11 16:55:06.154213
                                                             new_page
                                                                                0
                                               treatment
       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
```

b. Use the cell below to find the number of rows in the dataset.

```
In [3]: df.shape[0]
Out[3]: 294478
```

c. The number of unique users in the dataset.

```
In [4]: df.user_id.nunique()
```

Out[4]: 290584

d. The proportion of users converted.

```
In [5]: df['converted'].sum()/df.user_id.nunique()
```

Out[5]: 0.12126269856564711

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

```
Out[6]: 3893
```

f. Do any of the rows have missing values?

```
group 294478 non-null object landing_page 294478 non-null object converted 294478 non-null int64 dtypes: int64(2), object(3) memory usage: 11.2+ MB
```

- 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?

```
In [10]: df2['user_id'].unique().shape[0]
Out[10]: 290584
```

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

```
In [11]: df2[df2['user_id'].duplicated()]
```

```
Out[11]: user_id timestamp group landing_page converted 2893 773192 2017-01-14 02:55:59.590927 treatment new page 0
```

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

```
In [12]: df2[df2['user_id'] == 773192]
```

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

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

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

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

```
In [13]: df2 = df2.drop(1899)
```

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 [14]: df2.query('converted == True')['user_id'].shape[0]/df2.shape[0]
Out[14]: 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?

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.

No, there is not sufficient evidence to conclude that the new treatment page leads to more conversions.

Half of the population received the old\_page and half of the population received the new\_page. 12.04% that received the old\_page were converted. 11.88% that received the new\_page were converted. hence, the new\_page did not increase the conversion rate.

```
### 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.

```
H0: Pold \ge Pnew
```

H1: Pnew > Pold

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?

Out[19]: 0.11959708724499628

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 [23]: new_page_converted = np.random.binomial(1, p_new, n_new)
```

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**.

```
In [24]: old_page_converted = np.random.binomial(1, p_old, n_old)
```

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

```
In [25]: new_page_converted.mean() - old_page_converted.mean()
Out[25]: 0.00054873353791119739
```

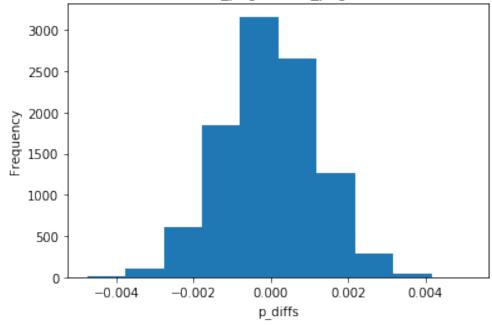
h. Create 10,000  $p_{new}$  -  $p_{old}$  values using the same simulation process you used in parts (a) through (g) above. Store all 10,000 values in a NumPy array called **p\_diffs**.

```
In [26]: p_diffs = []

for _ in range(10000):
    new_page_converted = np.random.binomial(1,p_new,n_new).mean()
    old_page_converted = np.random.binomial(1,p_old,n_old).mean()
    p_diffs.append(new_page_converted - old_page_converted)
```

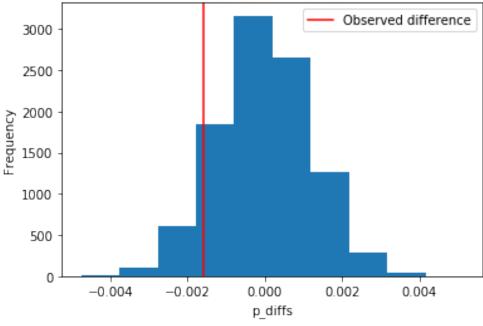
i. Plot a histogram of the **p\_diffs**. Does this plot look like what you expected? Use the matching problem in the classroom to assure you fully understand what was computed here.

Simulated Difference of new\_page & old\_page converted under the Null



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

## Simulated Difference of new\_page & old\_page converted under the Null



```
In [33]: (p_diffs > obs_diff).mean()
```

Out [33]: 0.9021000000000001

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?

90% is the proportion of the p\_diffs that are bigger than actual difference observed in the dataset. this value is called p-value and since it is a big value it means that we can not reject the null hypothesis and we don't have enough evidence to prove that new page has a higher conversion rate than the old page.

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 [34]: import statsmodels.api as sm

convert_old = df2.query("landing_page == 'old_page'")['converted'].sum()
    convert_new = df2.query("landing_page == 'new_page'")['converted'].sum()
    n_old = df2.query("landing_page == 'old_page'").shape[0]
    n_new = df2.query("landing_page == 'new_page'").shape[0]
    n_new, n_old
```

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

```
Out[34]: (145310, 145274)
```

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 [35]: z_score, p_value = sm.stats.proportions_ztest([convert_old, convert_new], [n_old, n_new
    z_score, p_value
```

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.**?

again it shows we can not reject the null hypothesis, p-value is 0.90 which is higher than 0.05 (type I error rate)

### Part III - A regression approach

Out [35]: (1.3109241984234394, 0.90505831275902449)

- 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

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 [36]: df2[['control', 'treatment']] = pd.get_dummies(df2['group'])
         df2 = df2.drop('control',axis = 1)
         df2.head()
Out[36]:
            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
                                                             old_page
         1
                                                                                0
             864975 2017-01-21 01:52:26.210827 control
                                                             old_page
         4
                                                                                1
             936923 2017-01-10 15:20:49.083499 control
                                                             old_page
                                                                                0
            719014 2017-01-17 01:48:29.539573 control
                                                             old_page
                                                                                0
            treatment
         0
                    0
         1
                    0
         4
                    0
         5
                    0
         7
                    0
In [40]: df3 = df2.rename(columns = {'treatment': 'ab_page'})
         df3['intercept'] = 1
         df3.head()
Out [40]:
            user id
                                      timestamp
                                                   group landing_page
                                                                       converted
             851104 2017-01-21 22:11:48.556739 control
                                                             old_page
         0
                                                                                0
         1
            804228 2017-01-12 08:01:45.159739 control
                                                             old_page
                                                                                0
         4
             864975 2017-01-21 01:52:26.210827 control
                                                             old_page
                                                                                1
         5
             936923 2017-01-10 15:20:49.083499 control
                                                             old_page
                                                                                0
         7
            719014 2017-01-17 01:48:29.539573 control
                                                             old_page
                                                                                0
            ab_page
                     intercept
         0
                  0
         1
                  0
         4
                  0
                             1
         5
                  0
                             1
         7
                             1
```

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.

```
In [41]: from scipy import stats
     stats.chisqprob = lambda chisq, df3: stats.chi2.sf(chisq, df3)
```

```
lm = sm.Logit(df3['converted'],df3[['intercept','ab_page']])
    results = lm.fit()

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 [42]: results.summary()
Out[42]: <class 'statsmodels.iolib.summary.Summary'>
                       Logit Regression Results
     ______
                      converted No. Observations:
     Dep. Variable:
                                                   290584
                                                  290582
     Model:
                       Logit Df Residuals:
                          MLE Df Model:
     Method:
              MLE Df Model: 1
Tue, 20 Jul 2021 Pseudo R-squ.: 8.077e-06
22:55:16 Log-Likelihood: -1.0639e+05
True LL-Null: -1.0639e+05
                                                       1
     Date:
     Time:
     converged:
                              LL-Null:
LLR p-value:
                                                    0.1899
     _____
                coef std err z P>|z| [0.025 0.975]
     _____
     intercept -1.9888 0.008 -246.669 0.000 -2.005 -1.973 ab_page -0.0150 0.011 -1.311 0.190 -0.037 0.007
     ______
```

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**?

the P-value is 0.19 which is higher than 0.05 and shows the coefficient is not significant. Alternative hypothesis from part II is when the conversion rate of new page is more than the conversion rate of the old page. one-tailed test. in here alternative hypothesis can be either the landing page type affects the conversion rate or the conversion rate of the old page is different to conversion rate of the new page. (two tailed test), in both of the cases the results do not support the alternative hypothesis sufficiently.

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 consider other factors to study whether any other factor affects the conversion rate or not. however, by having more factors the model gets more complicated to interpret.

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 [43]: countries_df = pd.read_csv('./countries.csv')
         countries_df.head()
         df_new = countries_df.set_index('user_id').join(df3.set_index('user_id'), how='inner')
         df_new.head()
Out[43]:
                                                           group landing_page \
                 country
                                            timestamp
         user_id
         834778
                      UK 2017-01-14 23:08:43.304998
                                                         control
                                                                     old_page
         928468
                      US 2017-01-23 14:44:16.387854
                                                                     new_page
                                                       treatment
         822059
                      UK 2017-01-16 14:04:14.719771
                                                                     new_page
                                                       treatment
         711597
                      UK 2017-01-22 03:14:24.763511
                                                                     old_page
                                                         control
                      UK 2017-01-16 13:14:44.000513 treatment
                                                                     new_page
         710616
                  converted ab_page intercept
         user id
         834778
                          0
                                   0
                                               1
                          0
                                               1
         928468
                                   1
         822059
                          1
                          0
                                   0
         711597
                                               1
         710616
                          0
In [44]: #mean conversion rate by country
         df_new.groupby(['country'], as_index=False).mean()
Out [44]:
           country converted
                                ab_page intercept
         0
                CA
                     0.115318 0.503552
                                                1.0
         1
                UK
                     0.120594 0.498247
                                                1.0
                US
                     0.119547 0.500459
                                                1.0
In [45]: #mean conversion rate by landing_page
         df_new.groupby(['ab_page'], as_index=False).mean()
Out[45]:
            ab_page converted intercept
         0
                  0
                      0.120386
                                       1.0
                                      1.0
         1
                  1
                      0.118808
In [46]: df_new[['CA','UK', 'US']] = pd.get_dummies(df_new['country'])
         df_new.head()
```

```
Out[46]:
                                                group landing_page \
              country
                                    timestamp
       user_id
       834778
                  UK 2017-01-14 23:08:43.304998
                                              control
                                                         old_page
       928468
                  US 2017-01-23 14:44:16.387854
                                             treatment
                                                         new_page
       822059
                  UK 2017-01-16 14:04:14.719771
                                             treatment
                                                         new_page
       711597
                  UK 2017-01-22 03:14:24.763511
                                               control
                                                         old_page
       710616
                  UK 2017-01-16 13:14:44.000513
                                             treatment
                                                         new_page
               converted ab_page intercept CA
                                            UK
                                               US
       user_id
       834778
                     0
                             0
                                         0
                                             1
       928468
                     0
                             1
                                         0
                                                1
       822059
                     1
                             1
                                      1
                                                0
                                         0
       711597
                             0
                                                0
       710616
                             1
                                             1
In [47]: lm = sm.Logit(df_new['converted'],df_new[['intercept','ab_page','CA','US']])
       results = lm.fit()
       results.summary()
Optimization terminated successfully.
       Current function value: 0.366113
       Iterations 6
Out[47]: <class 'statsmodels.iolib.summary.Summary'>
                              Logit Regression Results
       ______
       Dep. Variable:
                              converted
                                        No. Observations:
                                                                   290584
       Model:
                                        Df Residuals:
                                                                   290580
                                  Logit
       Method:
                                   MLE Df Model:
                                                                        3
       Date:
                        Tue, 20 Jul 2021
                                        Pseudo R-squ.:
                                                                2.323e-05
                               22:55:26
       Time:
                                        Log-Likelihood:
                                                              -1.0639e+05
                                   True
                                        LL-Null:
                                                               -1.0639e+05
       converged:
                                        LLR p-value:
       _____
                                                         Γ0.025
                                                                   0.975]
                     coef
                           std err
       _____
       intercept
                  -1.9794
                              0.013 -155.415
                                                0.000
                                                         -2.004
                                                                   -1.954
                                     -1.307
       ab_page
                   -0.0149
                              0.011
                                                0.191
                                                         -0.037
                                                                    0.007
       CA
                   -0.0506
                              0.028
                                      -1.784
                                                0.074
                                                         -0.106
                                                                    0.005
                   -0.0099
                              0.013
                                      -0.743
                                                0.457
                                                         -0.036
                                                                    0.016
```

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 [48]: df_new.groupby(['country', 'ab_page'], as_index=False).mean()
Out [48]:
           country
                    ab_page converted intercept
                                                    CA
                                                         UK
                                                             US
                CA
                               0.118783
                                               1.0
                                                          0
                                                              0
         1
                CA
                                               1.0
                                                          0
                                                              0
                               0.111902
                           1
         2
                UK
                               0.120022
                                               1.0
                                                              0
                           0
                                                      0
                                                          1
         3
                                               1.0
                UK
                           1
                               0.121171
                                                              0
         4
                US
                               0.120630
                                               1.0
                                                              1
         5
                US
                               0.118466
                                               1.0
                                                              1
In [49]: df_new.head()
         df_new['interaction_us_ab_page'] = df_new.US *df_new.ab_page
         df_new['interaction_uk_ab_page'] = df_new.UK *df_new.ab_page
         df_new.head()
Out [49]:
                                                            group landing_page \
                 country
                                            timestamp
         user_id
         834778
                      UK 2017-01-14 23:08:43.304998
                                                          control
                                                                      old_page
         928468
                      US 2017-01-23 14:44:16.387854
                                                        treatment
                                                                      new_page
         822059
                      UK 2017-01-16 14:04:14.719771
                                                                      new_page
                                                        treatment
         711597
                      UK 2017-01-22 03:14:24.763511
                                                                      old_page
                                                          control
                      UK 2017-01-16 13:14:44.000513
         710616
                                                                      new_page
                                                        treatment
                                                              interaction_us_ab_page
                  converted ab_page intercept CA UK US
         user_id
         834778
                           0
                                    0
                                               1
                                                   0
                                                        1
                                                                                     0
         928468
                           0
                                               1
                                                   0
                                                                                     1
                                    1
                                                        0
                                                            1
                                                   0
                                                                                     0
         822059
                           1
                                    1
                                               1
                                                        1
                                                            0
                           0
                                    0
                                               1
                                                   0
                                                        1
                                                            0
                                                                                     0
         711597
         710616
                           0
                                    1
                                               1
                                                   0
                                                        1
                                                            0
                                                                                     0
                  interaction_uk_ab_page
         user_id
         834778
                                        0
                                        0
         928468
         822059
                                        1
                                        0
         711597
         710616
                                        1
In [50]: df_new['intercept'] = 1
         lm = sm.Logit(df_new['converted'],df_new[['intercept','ab_page','US','interaction_us_ab
         results = lm.fit()
         results.summary()
Optimization terminated successfully.
         Current function value: 0.366109
```

#### Iterations 6

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

Logit	Regression	Results

===========	=======================================		=========
Dep. Variable:	converted	No. Observations:	290584
Model:	Logit	Df Residuals:	290578
Method:	MLE	Df Model:	5
Date:	Tue, 20 Jul 2021	Pseudo R-squ.:	3.482e-05
Time:	22:55:32	Log-Likelihood:	-1.0639e+05
converged:	True	LL-Null:	-1.0639e+05
		LLR p-value:	0.1920

	coef	std err	z	P> z	[0.025	0.9
intercept	-2.0040	0.036	-55.008	0.000	 -2.075	 -1.
ab_page	-0.0674	0.052	-1.297	0.195	-0.169	0.
US	0.0175	0.038	0.465	0.642	-0.056	0.
interaction_us_ab_page	0.0469	0.054	0.872	0.383	-0.059	0.
UK	0.0118	0.040	0.296	0.767	-0.066	0.
interaction_uk_ab_page	0.0783	0.057	1.378	0.168	-0.033	0.

11 11 11

The p\_value for both interaction terms is higher than 0.05.

so the influence of landing\_page in the UK is not different to the influence of landing\_page in the other countries.

And the influence of landing\_page in UK is not different to the influence of landing\_page in the other countries.

In conclusion, there is not enough evidence that the new\_page increases the conversion rate as compared to the old\_page. This is based on the probability figures, A/B test and regression. There is no strong evidence that the countries (US, CA and UK) influence the conversion rate.

Since the sample size is large continuing the testing of the new\_page is likely not necessary. It is best to focus on the development of another new landing page.

## 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.

#### 0.3 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!