Analyze_ab_test_results_notebook-Copy1

October 28, 2019

0.1 Analyze A/B Test Results

You may either submit your notebook through the workspace here, or you may work from your local machine and submit through the next page. Either way assure that your code passes the project RUBRIC. Please save regularly.

This project will assure you have mastered the subjects covered in the statistics lessons. The hope is to have this project be as comprehensive of these topics as possible. Good luck!

0.2 Table of Contents

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Introduction

A/B tests are very commonly performed by data analysts and data scientists. It is important that you get some practice working with the difficulties of these

For this project, you will be working to understand the results of an A/B test run by an e-commerce 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 [107]: 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 [108]: df = pd.read_csv("ab_data.csv")
```

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

```
In [109]: df.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
user id
                294478 non-null int64
                294478 non-null object
timestamp
                294478 non-null object
group
landing_page
                294478 non-null object
                294478 non-null int64
converted
dtypes: int64(2), object(3)
memory usage: 11.2+ MB
```

c. The number of unique users in the dataset.

```
In [110]: df.user_id.nunique()
Out[110]: 290584
```

d. The proportion of users converted.

```
In [111]: df['converted'].describe()
Out[111]: count
                   294478.000000
                         0.119659
          mean
                         0.324563
          std
          min
                         0.000000
          25%
                         0.000000
          50%
                         0.000000
          75%
                         0.000000
                         1.000000
          Name: converted, dtype: float64
```

In [112]: df.head(10)

```
Out[112]:
             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
                                                                                   0
              661590 2017-01-11 16:55:06.154213 treatment
                                                                                   0
                                                                new_page
             853541 2017-01-08 18:28:03.143765 treatment
                                                                                   0
                                                                new_page
```

```
864975 2017-01-21 01:52:26.210827
                                         control
                                                     old_page
                                                                       1
   936923 2017-01-10 15:20:49.083499
                                         control
                                                     old_page
                                                                       0
   679687 2017-01-19 03:26:46.940749 treatment
                                                     new_page
                                                                       1
7
   719014 2017-01-17 01:48:29.539573
                                                     old_page
                                                                       0
                                          control
   817355 2017-01-04 17:58:08.979471 treatment
                                                     new_page
                                                                       1
   839785 2017-01-15 18:11:06.610965 treatment
                                                                       1
                                                     new_page
```

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

The number of times new_page and treatment don't match is 3893

f. Do any of the rows have missing values?

According to the cell above, no values are missing

- 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**.

```
<class 'pandas.core.frame.DataFrame'>
Int64Index: 290585 entries, 0 to 294477
Data columns (total 5 columns):
user_id
                290585 non-null int64
timestamp
                290585 non-null object
                290585 non-null object
group
landing_page
                290585 non-null object
converted
                290585 non-null int64
dtypes: int64(2), object(3)
memory usage: 13.3+ MB
In [117]: # Save df into a new csv file
          df.to_csv('ab_data_clean.csv', index=False)
In [118]: # Read clean csv file into a new dataframe df2:
          df2 = pd.read_csv('ab_data_clean.csv')
In [119]: # Double Check all of the correct rows were removed - this should be 0
          df2[((df2['group'] == 'treatment') == (df2['landing_page'] == 'new_page')) == False].s
Out[119]: 0
   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 [120]: len(df2['user_id'].unique())
Out[120]: 290584
  b. There is one user_id repeated in df2. What is it?
In [121]: df2[df2.user_id.duplicated(keep=False)].user_id
Out[121]: 1876
                  773192
          2862
                  773192
          Name: user_id, dtype: int64
  c. What is the row information for the repeat user_id?
In [122]: df2[df2.user_id.duplicated(keep=False)]
Out [122]:
                user_id
                                                           group landing_page
                                           timestamp
                                                                                converted
          1876
                 773192 2017-01-09 05:37:58.781806 treatment
                                                                                        0
                                                                      new_page
          2862
                 773192 2017-01-14 02:55:59.590927 treatment
                                                                                        0
                                                                      new_page
  d. Remove one of the rows with a duplicate user_id, but keep your dataframe as df2.
In [123]: # Let's remove the first index of the duplicated rows, and check result
          df2.drop(df2.index[[1876]], inplace=True)
```

- 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 [125]: df2.converted.mean()
Out[125]: 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?

Out[127]: 0.11880806551510564

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

The probability that an individual received the new page is 0.5000619442226688

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.

I don't think there is sufficient evidence to conclude that the new treatment page leads to more conversions specially that the two probabilities are very close. Also, not to forget that the probability of the control group of the converted individuals is still slightly higher

```
### 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.

Put your answer here.

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?

Out[131]: 0.11959708724499628

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

Out[133]: 145274

 n_old

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 [134]: new_page_converted = np.random.binomial(n_new, p_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 [135]: old_page_converted = np.random.binomial(n_old, p_old)
```

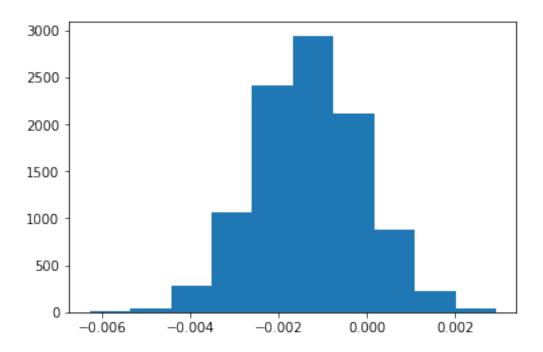
g. Find p_{new} - p_{old} for your simulated values from part (e) and (f).

Out [136]: -0.00129620296946803

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

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

```
In [138]: plt.hist(p_diffs);
```



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

Out[140]: 0.58679999999999999

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?

This is called the p-value. It is quite high (> 0.05), which implies that the difference between the old pages and new pages is not significant statistically. As a result, we failed to reject the null hypothesis.

1. 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 [141]: import statsmodels.api as sm

convert_old = sum(df2.query('group == "control"')['converted'])
    convert_new = sum(df2.query('group == "treatment"')['converted'])
    n_old = len(df2.query('group == "control"'))
    n_new = len(df2.query('group == "treatment"'))
    convert_old, convert_new, n_old, n_new

Out[141]: (17489, 17264, 145274, 145310)
```

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 [142]: z_score, p_value = sm.stats.proportions_ztest([convert_old, convert_new], [n_old, n_net_z_score, p_value
Out [142]: (1.3109241984234394, 0.094941687240975514)
```

- 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.**?
- z_score and p_value > 0.05 mean the difference between the old pages and new ones is not statistically significant. Yes, I agree with the findings.

Part III - A regression approach

- 1. In this final part, you will see that the result you achieved in the A/B test in Part II above can also be achieved by performing regression.
 - a. Since each row is either a conversion or no conversion, what type of regression should you be performing in this case?

Logistic regression should be performed in this case.

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 [143]: df2['intercept'] = 1
         df2[['control', 'treatment']] = pd.get_dummies(df2['group'])
         df2.rename({'treatment': 'ab_page'}, axis=1, inplace=True)
         df2.drop('control', axis=1, inplace=True)
         df2.head()
Out[143]:
            user_id
                                     timestamp
                                                    group landing_page converted \
         0 851104 2017-01-21 22:11:48.556739
                                                              old_page
                                                  control
                                                                               0
            804228 2017-01-12 08:01:45.159739
                                                              old_page
                                                                               0
                                                  control
            661590 2017-01-11 16:55:06.154213 treatment
                                                             new_page
                                                                               0
            853541 2017-01-08 18:28:03.143765 treatment
                                                             new_page
                                                                               0
```

```
4 864975 2017-01-21 01:52:26.210827 control old_page 1
```

	intercept	ab_page
0	1	0
1	1	0
2	1	1
3	1	1
4	1	0

c. Use **statsmodels** to instantiate your regression model on the two columns you created in part b., then fit the model using the two columns you created in part b. to predict whether or not an individual converts.

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

______ Dep. Variable: converted No. Observations: 290584 Model: Logit Df Residuals: 290582 Method: MLE Df Model: 1 8.077e-06 Sat, 26 Oct 2019 Pseudo R-squ.: Date: 19:27:33 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	-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

11 11 11

e. What is the p-value associated with **ab_page**? Why does it differ from the value you found in **Part II**? **Hint**: What are the null and alternative hypotheses associated with your regression model, and how do they compare to the null and alternative hypotheses in **Part II**?

0.3 Answer:

In part III, the p-value associated with ab_page is 0.190. In part II the p-value was 0.932.

Regression model / Null hypothesis: P_new is equal P_old. Regression model / Alternative hypothesis: P_new is not equal P_old.

In Part II: Null hypothesis: P_new is equal or worse P_old. Alternative hypothesis: P_new is better than P_old

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?

For example, age and gender can influence individual converts. The advantages of adding other factors into the regression model can improve prediction. The disadvantages of adding other factors into the regression model is that the model can be overfitted.

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 [146]: df_countries=pd.read_csv('countries.csv')
          df_countries.head()
Out [146]:
             user_id country
              834778
                          UK
              928468
                          US
          1
              822059
                          UK
          3
              711597
                          UK
              710616
                          UK
In [147]: len(df2.user_id.unique()) == len(df_countries.user_id.unique())
Out [147]: True
In [148]: df3=df2.join(df_countries.set_index('user_id'),on='user_id')
          df3.head()
Out[148]:
             user_id
                                                       group landing_page
                                       timestamp
                                                                           converted
              851104 2017-01-21 22:11:48.556739
                                                                 old_page
          0
                                                                                    0
                                                     control
              804228
                      2017-01-12 08:01:45.159739
                                                                 old_page
                                                                                    0
                                                     control
              661590 2017-01-11 16:55:06.154213
                                                   treatment
                                                                 new_page
                                                                                    0
              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 country
```

```
0
                    1
                            0
                                   US
                            0
                                   US
         1
                    1
         2
                                   US
                    1
                            1
         3
                    1
                            1
                                   US
         4
                    1
                                   US
In [149]: df3.country.unique()
Out[149]: array(['US', 'CA', 'UK'], dtype=object)
In [150]: df3[['UK','US']] = pd.get_dummies(df3['country'],drop_first=True)
         df3.head()
Out[150]:
            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
                                                                               0
                                                  control
                                                             old_page
             661590 2017-01-11 16:55:06.154213 treatment
                                                             new_page
                                                                               0
             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 country
                                           US
         0
                            0
                                   US
                                        0
                                            1
                    1
         1
                    1
                            0
                                   US
                                        0
                                            1
         2
                    1
                            1
                                   US
         3
                    1
                            1
                                   US
                                            1
         4
                                   US
                                        0
In [151]: logistic_model = sm.Logit(df3['converted'],df3[['intercept','ab_page','UK','US']])
         results = logistic_model.fit()
Optimization terminated successfully.
        Current function value: 0.366113
        Iterations 6
In [152]: results.summary()
Out[152]: <class 'statsmodels.iolib.summary.Summary'>
                                   Logit Regression Results
         _____
         Dep. Variable:
                                    converted No. Observations:
                                                                               290584
         Model:
                                                                               290580
                                                Df Residuals:
                                        Logit
         Method:
                                          \mathsf{MLE}
                                                Df Model:
                              Sat, 26 Oct 2019
                                                Pseudo R-squ.:
         Date:
                                                                            2.323e-05
                                     19:27:34 Log-Likelihood:
         Time:
                                                                          -1.0639e+05
                                         True LL-Null:
                                                                          -1.0639e+05
         converged:
```

LLR p-value:

0.1760

	coef	std err	Z	P> z	[0.025	0.975]
intercept	-2.0300	0.027	-76.249	0.000	-2.082	-1.978
ab_page	-0.0149	0.011	-1.307	0.191	-0.037	0.007
UK	0.0506	0.028	1.784	0.074	-0.005	0.106
US	0.0408	0.027	1.516	0.130	-0.012	0.093
		=======	========	:=======	========	=======

The P-values in the summary show that landing page and countries are not statistically significant

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 [153]: df3['ab_page_UK']=df3['ab_page'] * df3['UK']
         df3['ab_page_US']=df3['ab_page'] * df3['US']
         df3.head()
                                                     group landing_page
Out[153]:
            user id
                                      timestamp
                                                                         converted \
            851104 2017-01-21 22:11:48.556739
                                                               old_page
                                                   control
                                                                                 0
            804228 2017-01-12 08:01:45.159739
                                                   control
                                                               old_page
                                                                                 0
          2 661590 2017-01-11 16:55:06.154213 treatment
                                                                                 0
                                                               new_page
          3 853541 2017-01-08 18:28:03.143765 treatment
                                                               new_page
                                                                                 0
                                                               old_page
             864975 2017-01-21 01:52:26.210827
                                                   control
                                                                                 1
             intercept ab_page country UK US ab_page_UK ab_page_US
                             0
                                    US
                                         0
                                             1
                                                         0
                    1
         1
                                    US
                                         0
                                            1
                                                         0
                                                                     0
          2
                    1
                             1
                                    US
                                         0
                                            1
                                                         0
                                                                     1
         3
                    1
                             1
                                    US
                                         0
                                            1
                                                         0
                                                                     1
          4
                    1
                             0
                                    US
                                         0
                                                                     0
In [154]: logistic_model = sm.Logit(df3['converted'],df3[['intercept','ab_page','UK','US','ab_page']
          results=logistic_model.fit()
Optimization terminated successfully.
        Current function value: 0.366109
         Iterations 6
In [155]: results.summary()
```

Logit Regression Results

Out[155]: <class 'statsmodels.iolib.summary.Summary'>

Dep. Variable	e:	(conv	erted N	o. Obser	vations:		290584
Model:				Logit D	f Residu	als:		290578
Method:				MLE D	f Model:			5
Date:	S	at, 26	Oct	2019 P	seudo R-	squ.:		3.482e-05
Time:			19:	27:35 L	og-Likel:	ihood:		-1.0639e+05
converged:				True L	L-Null:			-1.0639e+05
				L	LR p-val	ue:		0.1920
=========	=======	=====		======	======	======	=======	========
	coef	std	err		z i	P> z	[0.025	0.975]
intercept	-2.0040	0	.036	-55.0	08	0.000	-2.075	-1.933
ab_page	-0.0674	0	.052	-1.2	97	0.195	-0.169	0.034
UK	0.0118	0	.040	0.2	96	0.767	-0.066	0.090
US	0.0175	0	.038	0.4	65	0.642	-0.056	0.091
ab_page_UK	0.0783	0	.057	1.3	78	0.168	-0.033	0.190
ab_page_US	0.0469	0	.054	0.8	72	0.383	-0.059	0.152

The P-values in the summary show that none of the variables are statistically significant. ## Conclusion

We can't conclude that the difference in conversion rates of control and treatment groups are considerable enough. In addition, the result of the A/B test shows that we fail to reject the null hypothesis. Therefore, changing to a new page will not add significant value.

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.

0.4 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!