Analyze_ab_test_results_notebook

September 24, 2023

1 Analyze A/B Test Results

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

- Section ??

Specific programming tasks are marked with a **ToDo** tag. ## Introduction

A/B tests are very commonly performed by data analysts and data scientists. For this project, you will be working to understand the results of an A/B test run by an e-commerce website. Your goal is to work through this notebook to help the company understand if they should: - Implement the new webpage, - Keep the old webpage, or - Perhaps run the experiment longer to make their decision.

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

Part I - Probability
To get started, let's import our libraries.

```
In [2]: 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)
```

1.0.1 ToDo 1.1

Now, read in the ab_data.csv data. Store it in df. Below is the description of the data, there are a total of 5 columns:

		Valid
Data columns	Purpose	values
user_id	Unique ID	Int64
		values
timestamp	Time stamp when	-
	the user visited	
	the webpage	
group	In the current	['control',
	A/B experiment,	'treatment'
	the users are	
	categorized into	
	two broad groups.	
	The control	
	group users are	
	expected to be	
	served with	
	old_page; and	
	treatment group	
	users are matched	
	with the	
	new_page.	
	However, some	
	inaccurate rows	
	are present in the	
	initial data, such	
	as a control	
	group user is matched with a	
	new_page.	
landing_page	It denotes	['old_page',
	whether the user	'new_page']
	visited the old or	
	new webpage.	
converted	It denotes	[0, 1]
	whether the user	
	decided to pay for	
	the company's	
	product. Here, 1	
	means yes, the	
	user bought the	
	product.	

Use your dataframe to answer the questions in Quiz 1 of the classroom.

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

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

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

c. The number of unique users in the dataset.

d. The proportion of users converted.

```
In [6]: mean1 = df.converted.mean()#gives the mean of users that converted '\{:.3\%\}'.format(mean1) #outputs the mean in percentage form
```

```
Out[6]: '11.966%'
```

e. The number of times when the "group" is treatment but "landing_page" is not a new_page.

```
In [7]: df.query("group == 'treatment' and landing_page != 'new_page'").count()
    #counts the number of rows where these two stipulations are present
#it occurs 1965 times
```

f. Do any of the rows have missing values?

```
In [8]: df.info() #this displays the number of non-null values, where null would mean missing
        #we can see that every column has the full amount of entries so there are no missing val
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
                294478 non-null int64
user_id
                294478 non-null object
timestamp
                294478 non-null object
group
                294478 non-null object
landing_page
                294478 non-null int64
converted
dtypes: int64(2), object(3)
```

1.0.2 ToDo 1.2

memory usage: 11.2+ MB

In a particular row, the **group** and **landing_page** columns should have either of the following acceptable values:

user_id	timestamp	group	landing_page	converted
XXXX	XXXX	control	old_page	Χ
XXXX	XXXX	treatment	new_page	X

It means, the control group users should match with old_page; and treatment group users should matched with the new_page.

However, for the rows where treatment does not match with new_page or control does not match with old_page, we cannot be sure if such rows truly received the new or old wepage.

Use **Quiz 2** in the classroom to figure out how should we handle the rows where the group and landing_page columns don't match?

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**.

1.0.3 ToDo 1.3

Use df2 and the cells below to answer questions for Quiz 3 in the classroom.

a. How many unique user_ids are in df2?

```
In [11]: df2.nunique() #gives us number of unique values in each column #there are 290584 unique values
```

b. There is one user_id repeated in df2. What is it?

```
In [12]: df2[df2.duplicated('user_id', keep=False)] #shows the rows where the same user id appearance #the user_id repeated is 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
```

c. Display the rows for the duplicate **user_id**?

```
In [13]: df2[df2.duplicated('user_id', keep=False)] #shows the rows where the same user id appears
```

```
      Out[13]:
      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, from the df2 dataframe.

1.0.4 ToDo 1.4

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 [15]: df2.converted.mean() #gives us the mean of the converted column
```

```
Out[15]: 0.11959708724499628
```

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

```
In [16]: df2[df2['group'] == 'control'].converted.mean() #chooses the rows with the control group
```

```
Out[16]: 0.1203863045004612
```

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 the new treatment group users lead to more conversions.

Considering that the probability of an individual converting regardless of the page they receive, ~0.12, is similar to both the probabilities of conversion to those in the control and treatment groups, there is no statistical significance to find that the new treatment group led to more conversions. This is further supported by a difference of 0 when subtracting their respective probabilities and an overall 50% chance of an individual receiving the new page regardless.

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

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

However, then the hard questions would be: - Do you stop as soon as one page is considered significantly better than another or does it need to happen consistently for a certain amount of time?

- How long do you run to render a decision that neither page is better than another? These questions are the difficult parts associated with A/B tests in general.

1.0.5 ToDo 2.1

For now, consider you need to make the decision just based on all the data provided.

Recall that you just calculated that the "converted" probability (or rate) for the old page is *slightly* higher than that of the new page (ToDo 1.4.c).

If you want to assume that the old page is better unless the new page proves to be definitely better at a Type I error rate of 5%, what should be your null and alternative hypotheses (H_0 and H_1)?

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

```
H_0 = p_{old} \ge p_{new}

H_1 = p_{old} < p_{new}
```

1.0.6 ToDo 2.2 - Null Hypothesis H_0 Testing

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

 $p_{new} = p_{old} = p_{population}$ In this section, you will:

- Simulate (bootstrap) sample data set for both groups, and compute the "converted" probability *p* for those samples.
- Use a sample size for each group equal to the ones in the df2 data.
- Compute the difference in the "converted" probability for the two samples above.
- Perform the sampling distribution for the "difference in the converted probability" between the two simulated-samples over 10,000 iterations; and calculate an estimate.

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

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

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

```
In [24]: new_page_converted = np.random.choice([0, 1], size=n_new, p=[(1 - p_new), p_new])
```

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

```
In [25]: old_page_converted = np.random.choice([0, 1], size=n_old, p=[(1 - p_old), p_old])
```

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

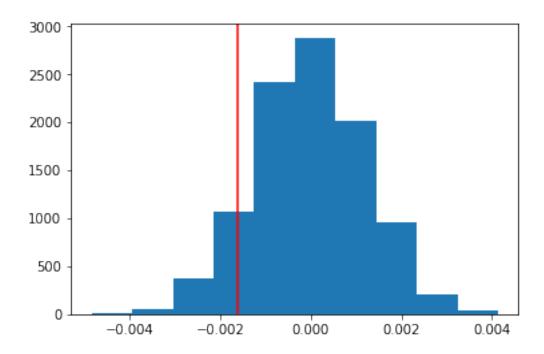
h. Sampling distribution Re-create new_page_converted and old_page_converted and find the $(p'_{new} - p'_{old})$ value 10,000 times using the same simulation process you used in parts (a) through (g) above.

Store all $(p'_{new} - p'_{old})$ values in a NumPy array called p_diffs.

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

Also, use plt.axvline() method to mark the actual difference observed in the df2 data (recall obs_diff), in the chart.

Out [26]: 0.00052107827970916676



j. What proportion of the **p_diffs** are greater than the actual difference observed in the df2 data?

```
In [29]: (np.array(p_diffs) > obs_diff).mean()
Out[29]: 0.9076999999999999
```

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

- What is this value called in scientific studies?
- What does this value signify in terms of whether or not there is a difference between the new and old pages? *Hint*: Compare the value above with the "Type I error rate (0.05)".

The p-value was computed, which is the probability of getting our statistic or a more extreme value if the null is true. Essentially we computed the probability that the difference in our conversion rates from the sample data is greater than the actual difference in our conversion rates. Our value is around ~0.9 which is higher than our Type I error rate of 0.05. This means we fail to reject the null or put more simply our calculations find the null hypothesis to be true.

I. Using Built-in Methods for Hypothesis Testing We could also use a built-in to achieve similar results. Though using the built-in might be easier to code, the above portions are a walk-through of the ideas that are critical to correctly thinking about statistical significance.

Fill in the statements below to calculate the: - convert_old: number of conversions with the old_page - convert_new: number of conversions with the new_page - n_old: number of individuals who were shown the old_page - n_new: number of individuals who were shown the new_page

```
In [30]: import statsmodels.api as sm
```

```
# number of conversions with the old_page
convert_old = df2.query('converted == 1 and landing_page == "old_page"')['user_id'].con
# number of conversions with the new_page
convert_new = df2.query('converted == 1 and landing_page == "new_page"')['user_id'].con
# number of individuals who were shown the old_page
n_old = df2[df2['group'] == 'control']['user_id'].count()
# number of individuals who received new_page
n_new = df2[df2['group'] == 'treatment']['user_id'].count()
```

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

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

The syntax is:

```
proportions_ztest(count_array, nobs_array, alternative='larger')
```

where, - count_array = represents the number of "converted" for each group - nobs_array = represents the total number of observations (rows) in each group - alternative = choose one of the values from [two-sided, smaller, larger] depending upon two-tailed, left-tailed, or right-tailed respectively.

The built-in function above will return the z_score, p_value.

Tip: You don't have to dive deeper into z-test for this exercise. Try having an overview of what does z-score signify in general.

n. What do the z-score and p-value you computed in the previous question mean for the conversion rates of the old and new pages? Do they agree with the findings in parts **j.** and **k.**?

The z-score represents the distance between the two "converted" success rates in terms of the standard error. The distance would need to be larger than ~1.64 for our statistics to be significant enough to reject to the null, or accept that our findings show that the new page converts users better than the old page. Our z-score is less than the value needed, alongside the similar p-value from our previous computions in part j that had us fail to reject the null. So accepting the null is the safest option.

Part III - A regression approach

1.0.7 ToDo 3.1

In this final part, you will see that the result you achieved in the A/B test in Part II above can also be achieved by performing regression.

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

Logistic regression

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

```
In [33]: df2['intercept'] = 1
         df2['ab_page'] = pd.get_dummies(df2['group'])['treatment']
         df2.head()
Out[33]:
            user id
                                                     group landing_page converted \
                                      timestamp
            851104 2017-01-21 22:11:48.556739
                                                   control
                                                               old_page
                                                                                  0
             804228 2017-01-12 08:01:45.159739
         1
                                                   control
                                                               old_page
                                                                                  0
         2
           661590 2017-01-11 16:55:06.154213 treatment
                                                               new_page
                                                                                  0
         3
            853541 2017-01-08 18:28:03.143765 treatment
                                                                                  0
                                                               new_page
            864975 2017-01-21 01:52:26.210827
                                                               old_page
                                                   control
            intercept ab_page
         0
                    1
                    1
                             0
         1
         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). above, then fit the model to predict whether or not an individual converts.

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

Out[35]: <class 'statsmodels.iolib.summary2.Summary'>

	K.	98	su	Τ.	τ	S	:	L	0	g	,1	. τ										
																					_	

========	======	=======	-=====		======	====	=====	======		
Model:		Logit		No. It	teration	6.0000				
Dependent Va	riable:	converted		Pseudo	R-squa	0.000				
Date:		2023-08-07	01:09	AIC:		212780.3502				
No. Observat	ions:	290584		BIC:		212801.5095				
Df Model:		1		Log-Li	ikelihoo	-1.0639e+05				
Df Residuals	:	290582		LL-Nul	11:	-1.0639e+05				
Converged:		1.0000		Scale:		1.0000				
	Coef.	Std.Err.	Z	2	P> z	[0	.025	0.975]		
intercept	-1.9888	0.0081	-246.	6690	0.0000	-2.	0046	-1.9730		
ab_page -0.015		0.0114	-1.	3109 0.1899		-0.	0374	0.0074		
========	======	========	======	:=====	======	====	====	======		

HHH

e. What is the p-value associated with **ab_page**? Why does it differ from the value you found in **Part II**?

Hints: - 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**? - You may comment on if these hypothesis (Part II vs. Part III) are one-sided or two-sided. - You may also compare the current p-value with the Type I error rate (0.05).

The p-value for ab_page is 0.1899 compared to the 0.9 value we found in Part II. It is important to note here that Part II was used to find the p-value under the null hypothesis, meaning we are assuming that the new page does not statistically influence the conversion rate and calculating how likely that is. We found no statistical evidence to reject our theory, the null hypothesis(the conversion rate was the same if not better than the old page). Whereas for Part III we found our p-value without assuming our null to be true. We let the data speak for itself instead of using a sample. Another detail to consider is that the part II tests were one sided, meaning we are interpreting the results from a specific direction (alternative is more than the null rate). The part III tests were two sided, meaning the direction was not specified (the alternative is different from the null). We still found that our value is larger than the type I error rate which means we fail to reject the null hypothesis.

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?

Adding other factors helps to make our statistics more encompassing, accurate, and realistic. By considering additional factors we can use our statistics to make more educated decisions. Still, the drawback is identifying which factors are worth considering since too many can make our data confusing to interpret and potentially lessen the

accuracy. We could find that some factors are more related to each other than they are the results they are meant to influence

- **g. Adding countries** Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives in.
 - 1. You will need to read in the **countries.csv** dataset and merge together your df2 datasets on the appropriate rows. You call the resulting dataframe df_merged. Here are the docs for joining tables.
 - 2. Does it appear that country had an impact on conversion? To answer this question, consider the three unique values, ['UK', 'US', 'CA'], in the country column. Create dummy variables for these country columns.

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

```
In [36]: # Read the countries.csv
         countries = pd.read_csv('countries.csv') #to read in our data file
         countries.head() #to make sure our code worked and see the first few rows
Out [36]:
            user_id country
             834778
         0
                         IJK
             928468
                         US
         1
         2
           822059
                         IJK
         3
            711597
                         UK
         4
             710616
                         UK
In [37]: # Join with the df2 dataframe
         df_merged = df2.set_index('user_id').join(countries.set_index('user_id'))
         df_merged.head()
Out[37]:
                                                   group landing_page converted \
                                   timestamp
         user id
         851104
                  2017-01-21 22:11:48.556739
                                                                                0
                                                             old_page
                                                 control
         804228 2017-01-12 08:01:45.159739
                                                             old_page
                                                                                0
                                                 control
                  2017-01-11 16:55:06.154213 treatment
                                                             new_page
         661590
                                                                                0
         853541
                  2017-01-08 18:28:03.143765 treatment
                                                             new_page
                                                                                0
         864975
                  2017-01-21 01:52:26.210827
                                                 control
                                                             old_page
                  intercept ab_page country
         user_id
         851104
                                           US
                          1
                                   0
         804228
                          1
                                   0
                                           US
         661590
                          1
                                   1
                                           US
         853541
                                           US
         864975
                                           US
```

In [38]: df_merged.country.value_counts() #so I can see the different types of values in this ca

```
Out[38]: US
               203619
         IJK
                72466
         CA
                14499
         Name: country, dtype: int64
In [39]: df_merged[['CA', 'UK', 'US']] = pd.get_dummies(df_merged['country'])
         df_merged.head()
Out [39]:
                                                    group landing_page converted \
                                    timestamp
         user_id
         851104
                  2017-01-21 22:11:48.556739
                                                              old_page
                                                                                 0
                                                  control
         804228
                  2017-01-12 08:01:45.159739
                                                              old_page
                                                                                 0
                                                  control
                                                              new_page
         661590
                  2017-01-11 16:55:06.154213
                                                                                 0
                                               treatment
                  2017-01-08 18:28:03.143765 treatment
                                                              new_page
                                                                                 0
         853541
         864975
                  2017-01-21 01:52:26.210827
                                                              old_page
                                                  control
                  intercept ab_page country CA
                                                    UK
         user_id
         851104
                                    0
                                           US
                                                 0
                                                     0
                                                         1
                           1
         804228
                           1
                                    0
                                           US
                                                 0
                                                     0
                                                         1
         661590
                           1
                                    1
                                           US
                                                 0
                                                     0
                                                         1
         853541
                                           US
                                                     0
                                                         1
                           1
                                    1
                                                 0
         864975
                                           US
                                                 0
                                                     0
```

h. Fit your model and obtain the results Though you have now looked at the individual factors of country and page on conversion, we would now like to look at an interaction between page and country to see if are there significant effects on conversion. Create the necessary additional columns, and fit the new model.

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

Hints: - Look at all of p-values in the summary, and compare against the Type I error rate (0.05). - Can you reject/fail to reject the null hypotheses (regression model)? - Comment on the effect of page and country to predict the conversion.

Iterations 6

Out[48]: <class 'statsmodels.iolib.summary2.Summary'> Results: Logit ______ Model: Logit No. Iterations: 6.0000 Dependent Variable: converted Pseudo R-squared: 0.000 2023-08-07 01:41 AIC: 212782.6602 No. Observations: 290584 BIC: 212846.1381 Df Model: Log-Likelihood: -1.0639e+05 Df Residuals: 290578 LL-Null: -1.0639e+05 1.0000 Scale: 1.0000 Converged: _____ Std.Err. $z \qquad P > |z|$ [0.025 0.975] Coef. -1.9865 0.0096 -206.3440 0.0000 -2.0053 -1.9676 intercept ab_page UK 0.0311 CA -0.0175 0.0377 -0.4652 0.6418 -0.0914 0.0563 0.0314 0.0266 1.1807 0.2377 -0.0207 UK_ab 0.0835 -0.0469 0.0538 -0.8718 0.3833 -0.1523 CA_ab 0.0585 ______ In [49]: np.exp(results.params) Out[49]: intercept 0.137178 ab_page 0.979646 UK 0.994272 CA 0.982625 UK ab 1.031896 CA_ab 0.954198 dtype: float64 In [50]: 1/np.exp(results.params) Out[50]: intercept 7.289813 ab_page 1.020776 UK 1.005761 CA1.017682 UK_ab 0.969090 CA_ab 1.048001

Looking at our p-values we can see that each are more than the type I error rate, meaning we cannot reject the null hypotheses based solely on these values. Our data shows that those in the US are 0.9% more likely to convert than in the UK and 0.9% more likely to convert than in Canada. With our combined columns of country and page, we see fairly similar ~1% values meaning there is a very small effect on conversion

dtype: float64

when taking country into consideration. I would not consider this data to be statiscally significant. If we look at this practically it still seems that we have no statistical basis on which to reject the null.

Final Check!

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 notebook to make sure that it satisfies all the specifications mentioned in the rubric. You should also probably remove all of the "Hints" and "Tips" like this one so that the presentation is as polished as possible.

Submission You may either submit your notebook through the "SUBMIT PROJECT" button at the bottom of this workspace, or you may work from your local machine and submit on the last page of this project lesson.

- 1. Before you submit your project, you need to create a .html or .pdf version of this notebook 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.
- 3. 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!