Analyze A/B Test Results

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

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Introduction

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

For this project, you will be working to understand the results of an A/B test run by an 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 (https://review.udacity.com/#!/projects/37e27304-ad47-4eb0-a1ab-8c12f60e43d0/rubric).

Part I - Probability

To get started, let's import our libraries.

```
In [70]: 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 a
   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 [71]: df = pd.read_csv('ab_data.csv')
    df.head()
```

Out[71]:

converted	landing_page	group	timestamp	user_id	
0	old_page	control	2017-01-21 22:11:48.556739	851104	0
0	old_page	control	2017-01-12 08:01:45.159739	804228	1
0	new_page	treatment	2017-01-11 16:55:06.154213	661590	2
0	new_page	treatment	2017-01-08 18:28:03.143765	853541	3
1	old_page	control	2017-01-21 01:52:26.210827	864975	4

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

```
In [72]: df.shape
```

Out[72]: (294478, 5)

c. The number of unique users in the dataset.

```
In [73]: df['user_id'].nunique()
```

Out[73]: 290584

d. The proportion of users converted.

```
In [74]: print(round(df['converted'].mean()*100,3), '%')
```

11.966 %

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

```
In [75]:
         # I wanted to try this step using both groupby and query.
         df.groupby(['group', 'landing page'])['group'].count()
Out[75]: group
                    landing page
         control
                    new page
                                       1928
                    old_page
                                     145274
         treatment
                    new page
                                     145311
                    old page
                                       1965
         Name: group, dtype: int64
In [76]: non_match = df.query("group == 'treatment' & landing_page != 'new_page'"
         .count() + df.query("group == 'control' & landing page != 'old page'").c
         print(non match)
         user id
                          3893
         timestamp
                          3893
         group
                          3893
         landing page
                          3893
         converted
                          3893
         dtype: int64
```

f. Do any of the rows have missing values?

- 2. For the rows where **treatment** is not aligned with **new_page** or **control** is not aligned with **old_page**, we cannot be sure if this row truly received the new or old page. Use **Quiz 2** in the classroom to provide how we should handle these rows.
- a. Now use the answer to the quiz to create a new dataset that meets the specifications from the quiz. Store your new dataframe in **df2**.

These two articles were useful in creating the functions that follow:

https://stackoverflow.com/questions/26886653/pandas-create-new-column-based-on-values-from-other-columns (https://stackoverflow.com/questions/26886653/pandas-create-new-column-based-on-values-from-other-columns),

https://chrisalbon.com/python/data_wrangling/pandas_create_column_using_conditional/ (https://chrisalbon.com/python/data_wrangling/pandas_create_column_using_conditional/)

```
In [78]:
          df['group ID'] = np.where(df['group']=='control', 1, 0)
           df['landing ID'] = np.where(df['landing page']=='old page', 1, 0)
           df['group landing sum'] = df['group ID'] + df['landing ID']
          df2 = df.drop(df[df.group landing sum == 1].index)
In [79]:
In [80]:
          df.head()
Out[80]:
              user id
                         timestamp
                                     group landing_page converted group_ID landing_ID group_land
                         2017-01-21
           0 851104
                                    control
                                               old_page
                                                              0
                                                                       1
                                                                                1
                     22:11:48.556739
                        2017-01-12
           1 804228
                                    control
                                               old page
                                                              0
                                                                       1
                                                                                1
                     08:01:45.159739
                        2017-01-11
                                                                                0
           2 661590
                                   treatment
                                              new_page
                     16:55:06.154213
                        2017-01-08
           3 853541
                                                              0
                                                                       0
                                                                                0
                                   treatment
                                              new_page
                     18:28:03.143765
                        2017-01-21
                                               old_page
                                                              1
                                                                       1
                                                                                1
           4 864975
                                    control
                     01:52:26.210827
          df2.drop(['group_ID', 'landing ID'], axis=1, inplace=True)
In [81]:
In [82]: | df2.columns
Out[82]: Index(['user id', 'timestamp', 'group', 'landing page', 'converted',
                   'group landing sum'],
                 dtype='object')
In [83]: df2.shape
Out[83]: (290585, 6)
          Hmm. Interesting, this is one more row than we were expecting based on the 'nunique' function
          used above.
In [84]: # Double Check all of the correct rows were removed - this should be 0
          df2[((df2['group'] == 'treatment') == (df2['landing page'] == 'new page'
Out[84]: 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 [85]: df2['user_id'].nunique()
```

Out[85]: 290584

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

```
In [86]: df2[df2['user_id'].duplicated(keep=False)]
```

Out[86]:

	user_id	timestamp	group	landing_page	converted	group_landing_sum	
1899	773192	2017-01-09 05:37:58.781806	treatment	new_page	0	0	
2893	773192	2017-01-14 02:55:59.590927	treatment	new_page	0	0	

c. What is the row information for the repeat user id?

```
In [87]: | print(df2[df2['user id'] == 773192])
               user id
                                          timestamp
                                                         group landing page
                                                                              con
         verted
         1899
                773192 2017-01-09 05:37:58.781806
                                                     treatment
                                                                    new page
         2893
                773192 2017-01-14 02:55:59.590927 treatment
                                                                    new page
               group landing sum
         1899
         2893
                                0
```

```
In [88]: df2[df2['user_id'] == 773192].index
```

Out[88]: Int64Index([1899, 2893], dtype='int64')

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

```
In [89]: df2.drop_duplicates(['user_id'], keep='first', inplace=True)
```

```
In [90]: # Let's double check that all duplicates are gone.
df2.duplicated().value_counts()
```

Out[90]: False 290584 dtype: int64

- 4. Use **df2** in the below cells to answer the quiz questions related to **Quiz 4** in the classroom.
- a. What is the probability of an individual converting regardless of the page they receive?

```
In [91]: df2['converted'].mean()
```

Out[91]: 0.11959708724499628

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

```
In [92]: df2.query("group == 'control'")['converted'].mean()
Out[92]: 0.1203863045004612
```

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

```
In [93]: df2.query("group == 'treatment'")['converted'].mean()
```

Out[93]: 0.11880806551510564

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

```
In [94]: num_new_page = df2[df2['landing_page'] == 'new_page']['user_id'].count()
    print(round(num_new_page / df2.shape[0] *100,4) , '%')
50.0062 %
```

e. Consider your results from a. through d. above, and explain below whether you think there is sufficient evidence to say that the new treatment page leads to more conversions.

Answer The conversion rates for the two groups are very similar. Both are very close to 12.0%. Based on these percentages it appears that there is not sufficient evidence to say that the new treatment page leads to more conversions.

Moreover we could be dealing with a situation where recurring users simply preferred the old page hence the slightly higher conversion rate for the 'control' group.

Part II - A/B Test

Notice that because of the time stamp associated with each event, you could technically run a hypothesis test continuously as each observation was observed.

However, then the hard question is do you stop as soon as one page is considered significantly better than another or does it need to happen consistently for a certain amount of time? How long do you run to render a decision that neither page is better than another?

These questions are the difficult parts associated with A/B tests in general.

1. For now, consider you need to make the decision just based on all the data provided. If you want to assume that the old page is better unless the new page proves to be definitely better at a Type I error rate of 5%, what should your null and alternative hypotheses be? You can state your hypothesis in terms of words or in terms of p_{old} and p_{new} , which are the converted rates for the old and new pages.

Answer

Null: $p_{old} \ge p_{new}$

Alternative: $p_{new} > p_{old}$

```
In [95]: # Let's check the number of each outcome for use in our sampling.
df2['landing_page'].value_counts()
```

```
Out[95]: new_page 145310
old page 145274
```

Name: landing page, dtype: int64

2. Assume under the null hypothesis, p_{new} and p_{old} both have "true" success rates equal to the **converted** success rate regardless of page - that is p_{new} and p_{old} are equal. Furthermore, assume they are equal to the **converted** rate in **ab_data.csv** regardless of the page.

Use a sample size for each page equal to the ones in ab_data.csv.

Perform the sampling distribution for the difference in **converted** between the two pages over 10,000 iterations of calculating an estimate from the null.

Use the cells below to provide the necessary parts of this simulation. If this doesn't make complete sense right now, don't worry - you are going to work through the problems below to complete this problem. You can use **Quiz 5** in the classroom to make sure you are on the right track.

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

```
In [96]: p_new = df2['converted'].mean()
print(p_new)
```

- 0.11959708724499628
- b. What is the **convert rate** for p_{old} under the null?

```
In [97]: p_old = df2['converted'].mean()
print(p_old)
```

- 0.11959708724499628
- c. What is n_{new} ?

```
In [98]: n_new = df2.query("group == 'treatment'")['group'].count()
    print(n_new)
```

145310

d. What is n_{old} ?

```
In [105]: n_old = df2.query("group == 'control'")['group'].count()
    print(n_old)
```

145274

e. Simulate n_{new} transactions with a convert rate of p_{new} under the null. Store these n_{new} 1's and 0's in **new_page_converted**.

f. Simulate n_{old} transactions with a convert rate of p_{old} under the null. Store these n_{old} 1's and 0's in **old page converted**.

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

```
In [114]: diff1 = new_page_converted.sum() - old_page_converted.sum()
    print(diff1)
```

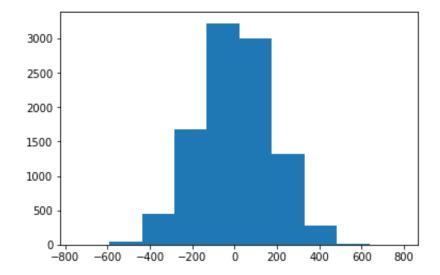
149

h. Simulate 10,000 p_{new} - p_{old} values using this same process similarly to the one you calculated in parts **a. through g.** above. Store all 10,000 values in a numpy array called **p_diffs**.

```
In [115]: p_diffs = []
for a in range(int(1e4)):
    old_page_conv = np.random.binomial(1, p_old, n_old).sum()
    new_page_conv = np.random.binomial(1, p_new, n_new).sum()
    p_diff = new_page_conv - old_page_conv
    p_diffs.append(p_diff)
```

```
In [116]: # Let's make sure that the array came out as we were expecting. Also, n
print(p_diffs[0:10])
[-74, -332, 8, -215, -5, -183, 205, 104, 43, 174]
```

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.



Yes, this is approximately what I was expecting. The graph is close to a normal approximation since we are looking at many examples of a difference of two random variables with similar expected values.

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

```
In [118]: (p_diffs > diff1).mean()
Out[118]: 0.204
```

k. In words, explain what you just computed in part **j.** What is this value called in scientific studies? What does this value mean in terms of whether or not there is a difference between the new and old pages?

Answer The value provided above is the p-value. Since it is well in excess of 0.05 we should not reject the null hypothesis.

I. We could also use a built-in to achieve similar results. Though using the built-in might be easier to code, the above portions are a walkthrough of the ideas that are critical to correctly thinking about statistical significance. Fill in the below to calculate the number of conversions for each page, as well as the number of individuals who received each page. Let n_old and n_new refer the the number of rows associated with the old page and new pages, respectively.

```
In [119]:
          import statsmodels.api as sm
          convert_old = df2.query("group == 'control'")['converted'].sum()
          convert_new = df2.query("group == 'treatment'")['converted'].sum()
          n old = df2[df2['group'] == 'control']['group'].count()
          n new = df2[df2['group'] == 'treatment']['group'].count()
In [120]: print(convert old, convert new)
          print(n old)
          print(type(n old))
          print(n new)
          print(type(n new))
          17489 17264
          145274
          <class 'numpy.int64'>
          145310
          <class 'numpy.int64'>
```

m. Now use stats.proportions_ztest to compute your test statistic and p-value. <u>Here (http://knowledgetack.com/python/statsmodels/proportions_ztest/)</u> is a helpful link on using the built in.

```
In [121]: z_score, p_value = sm.stats.proportions_ztest([convert_old, convert_new]
    print(z_score, p_value)
```

1.3109241984234394 0.18988337448195103

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.**?

Answer The resulting z_score of 1.31 from our test is within the bounds of a 95% confidence interval +/- 1.96 so we should **not** reject the null hypothesis. Likewise, the p_value of approximately 0.19 is substantially greater than 0.05 so we should not reject the null hypothesis.

Part III - A regression approach

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

Answer: We will be using logistic regression in this case since we are dealing with a binomial (purchase or don't purchase) type of outcome.

b. The goal is to use **statsmodels** to fit the regression model you specified in part **a.** to see if there is a significant difference in conversion based on which page a customer receives. However, you first need to create a 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 [122]: ab_page = pd.get_dummies(df2['group'])
    df2_new = df2.join(ab_page)
    df2_new = df2_new.drop(['control'], axis=1)
    df2_new['intercept'] = 1
```

In [123]: df2_new.head()

Out[123]:

	user_id	timestamp	group	landing_page	converted	group_landing_sum	treatment	in
0	851104	2017-01-21 22:11:48.556739	control	old_page	0	2	0	
1	804228	2017-01-12 08:01:45.159739	control	old_page	0	2	0	
2	661590	2017-01-11 16:55:06.154213	treatment	new_page	0	0	1	
3	853541	2017-01-08 18:28:03.143765	treatment	new_page	0	0	1	
4	864975	2017-01-21 01:52:26.210827	control	old_page	1	2	0	

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

```
In [124]: lm1 = sm.Logit(df2_new['treatment'], df2_new[['intercept', 'converted']]
```

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

```
In [125]: result1 = lm1.fit()
result1.summary()
```

Optimization terminated successfully.

Current function value: 0.752584

Iterations 3

/Users/aaroneisenberg/anaconda3/lib/python3.6/site-packages/statsmodel s/base/model.py:488: HessianInversionWarning: Inverting hessian failed , no bse or cov params available

'available', HessianInversionWarning)

/Users/aaroneisenberg/anaconda3/lib/python3.6/site-packages/statsmodel s/base/model.py:488: HessianInversionWarning: Inverting hessian failed , no bse or cov params available

'available', HessianInversionWarning)

/Users/aaroneisenberg/anaconda3/lib/python3.6/site-packages/statsmodel s/discrete/discrete_model.py:3313: RuntimeWarning: divide by zero enco untered in double_scalars

return 1 - self.llf/self.llnull

Out[125]:

Logit Regression Results

Dep. Variab	le:	treatm	ent	No.	No. Observations:		29	90584
Mod	lel:	Logit			Df Residuals:		29	90582
Method:		MLE		Df Model:			1	
Da	Date: Tue, 15 Jan 2019)19	F	Pseudo	R-squ.:		inf
Tin	ne:	08:14	:41	Log-Likelihood:			-2.1869	e+05
converge	ed:	Т	rue	LL-Null:			0	.0000
				LLR p-value:				1.000
	coef	std err		z	P> z	[0.025	0.975]	
intercept	0.0020	0.004	0.5	516	0.606	-0.006	0.010	
converted	-0.0150	0.011	-1.3	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 the **Part II**?

Answer: The p_value here is 0.190 which is essentially the same p_value that we found using the stats proportions z_test.

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?

Answer: We should consider other factors in our regression model because conversion rates may be influenced by those additional factors. For example, different time periods may produce different results.

One majore disadvantage to adding additional factors into the regression model is that those factors may influence one another and those correlations will have to be taken into account.

g. Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives. You will need to read in the **countries.csv** dataset and merge together your datasets on the appropriate rows. Herehttps://pandas.pydata.org/pandas-docs/stable/generated/pandas.DataFrame.join.html) 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.

```
countries df = pd.read csv('./countries.csv')
In [126]:
          df3 = countries df.set index('user id').join(df2 new.set index('user id'
In [127]: | df3['country'].value_counts()
Out[127]: US
                203619
          UK
                 72466
          CA
                 14499
          Name: country, dtype: int64
In [128]:
          ### Create the necessary dummy variables
          country dummies = pd.get dummies(df3['country'])
In [129]: df3 new = df3.join(country dummies)
In [130]: df3_new.drop(['US'], axis=1, inplace=True)
```

In [131]: df3_new.head()

Out[131]:

	country	timestamp	group	landing_page	converted	group_landing_sum	treatm
user_id							
834778	UK	2017-01-14 23:08:43.304998	control	old_page	0	2	
928468	US	2017-01-23 14:44:16.387854	treatment	new_page	0	0	
822059	UK	2017-01-16 14:04:14.719771	treatment	new_page	1	0	
711597	UK	2017-01-22 03:14:24.763511	control	old_page	0	2	
710616	UK	2017-01-16 13:14:44.000513	treatment	new_page	0	0	

```
In [132]: lm2 = sm.OLS(df3_new['converted'], df3_new[['intercept', 'CA', 'UK']])
    results2 = lm2.fit()
    results2.summary()
```

Out[132]:

OLS Regression Results

Dep. \	/ariable:	COI	nverted	d R-squared:		d: 0.000
Model:			OLS	Adj. R-squared:		d: 0.000
Method:		Least S	Squares	i	-statisti	i c: 1.605
	Date:	Tue, 15 Ja	an 2019	Prob (F	-statistic	o): 0.201
	Time:	08	8:15:07	Log-L	.ikelihoo	d: -85267.
No. Obser	vations:	:	290584		Al	C: 1.705e+05
Df Residuals:		:	290581		BI	C: 1.706e+05
Df Model:			2			
Covariance Type:		nor	nrobust			
	coef	std err	t	P> t	[0.025	0.975]
intercept	0.1195	0.001	166.244	0.000	0.118	0.121
CA	-0.0042	0.003	-1.516	0.130	-0.010	0.001
UK	0.0010	0.001	0.746	0.455	-0.002	0.004
Omnibus: 1		25552.384	Durb	in-Wats	on:	1.996
Prob(Omn	ibus):	0.000	Jarque	-Bera (J	IB): 414	1306.036
Skew:		2.345		Prob(J	IB):	0.00
Kurtosis:		6.497		Cond.	No.	4.84

Warnings:

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

The R-squared and Adjusted R-squared values are zero so it appears that country does not have a meaningful impact on conversion rates.

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 [133]: ab_page2 = pd.get_dummies(df3_new['group'])
In [134]: df3_new['control'] = ab_page2['control']
```

```
In [135]:
          ### Fit Linear Model And Obtain the Results
          lm3 = sm.OLS(df3_new['converted'], df3_new[['intercept', 'CA', 'UK', 'tr
          results3 = lm3.fit()
          results3.summary()
```

Out[135]:

OLS negression nesults								
Dep. Variable:		converted		R	d: 0.0	000		
Model:		OLS		Adj. R	-squared	d: 0.0	000	
N	lethod:	Least S	quares	F	-statistic	: 1.6	640	
	Date:	Tue, 15 Ja	n 2019	Prob (F-	statistic): 0. ⁻	178	
	Time:	30	3:15:13	Log-Likelihood:		d: -852	66.	
No. Observ	ations:	2	290584		AIC	: 1.705e-	+05	
Df Residuals:		2	290580		BIC	: 1.706e-	+05	
Df Model:			3					
Covariance Type:		nor	robust					
	coef	std err	t	P> t	[0.025	0.975]		
intercept	0.0797	0.000	166.245	0.000	0.079	0.081		
CA	-0.0042	0.003	-1.514	0.130	-0.010	0.001		
UK	0.0010	0.001	0.744	0.457	-0.002	0.004		
treatment	0.0391	0.001	60.304	0.000	0.038	0.040		
control	0.0406	0.001	62.700	0.000	0.039	0.042		
Omn	ibus: 12	5551.169	Durbi	n-Watso	on:	1.996		
Prob(Omni	bus):	0.000	Jarque-	-Bera (J	B): 414	297.780		
s	kew:	2.345		Prob(J	B):	0.00		
Kurtosis:		6.497		Cond. N	lo. 3	.08e+15		

Warnings:

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

[2] The smallest eigenvalue is 4.82e-26. This might indicate that there are strong multicollinearity problems or that the design matrix is singular.

Similar to the country analysis, if we view a regression model that takes into account both the countries and the landing page groups then the R-squared factor is still zero. This indicates that there is no meaningful correlation between the conversion rate and the different groups.

Conclusions

Congratulations on completing the project!

Gather Submission Materials

Once you are satisfied with the status of your Notebook, you should save it in a format that will make it easy for others to read. You can use the **File -> Download as -> HTML (.html)** menu to save your notebook as an .html file. If you are working locally and get an error about "No module name", then open a terminal and try installing the missing module using <code>pip install <module_name></code> (don't include the "<" or ">" or any words following a period in the module name).

You will submit both your original Notebook and an HTML or PDF copy of the Notebook for review. There is no need for you to include any data files with your submission. If you made reference to other websites, books, and other resources to help you in solving tasks in the project, make sure that you document them. It is recommended that you either add a "Resources" section in a Markdown cell at the end of the Notebook report, or you can include a readme.txt file documenting your sources.

Submit the Project

When you're ready, click on the "Submit Project" button to go to the project submission page. You can submit your files as a .zip archive or you can link to a GitHub repository containing your project files. If you go with GitHub, note that your submission will be a snapshot of the linked repository at time of submission. It is recommended that you keep each project in a separate repository to avoid any potential confusion: if a reviewer gets multiple folders representing multiple projects, there might be confusion regarding what project is to be evaluated.

It can take us up to a week to grade the project, but in most cases it is much faster. You will get an email once your submission has been reviewed. If you are having any problems submitting your project or wish to check on the status of your submission, please email us at dataanalyst-project@udacity.com (mailto:dataanalyst-project@udacity.com). In the meantime, you should feel free to continue on with your learning journey by beginning the next module in the program.

In []: