Analyze_ab_test_results_notebook

January 28, 2019

0.1 Analyze A/B Test Results

0.2 Table of Contents

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

Introduction

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

For this project, you will be working to understand the results of an A/B test run by an 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 [42]: import pandas as pd
    import numpy as np
    import random
    import seaborn as sns
    sns.set_style('darkgrid')
    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 [43]: df = pd.read_csv('ab_data.csv')
         df.head()
Out[43]:
           user id
                                      timestamp
                                                     group landing_page converted
             851104 2017-01-21 22:11:48.556739
                                                   control
                                                               old_page
                                                                                 0
         1
             804228 2017-01-12 08:01:45.159739
                                                   control
                                                               old_page
                                                                                 0
             661590 2017-01-11 16:55:06.154213 treatment
         2
                                                               new_page
                                                                                 0
             853541 2017-01-08 18:28:03.143765 treatment
                                                                                 0
         3
                                                               new_page
             864975 2017-01-21 01:52:26.210827
                                                               old_page
                                                                                 1
                                                   control
```

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

```
In [44]: df.shape[0]
Out[44]: 294478
```

c. The number of unique users in the dataset.

```
In [45]: len(df.user_id.unique())
Out[45]: 290584
```

d. The proportion of users converted.

```
In [46]: df['converted'].mean()
Out[46]: 0.11965919355605512
```

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

Out [47]: 3893

f. Do any of the rows have missing values?

```
In [48]: df.isnull().sum().sum()
Out[48]: 0
```

- 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**.

```
In \lceil 49 \rceil: df2 = df
         drop_a = df2[((df2['group'] == 'treatment') == (df2['landing_page'] == 'new_page'))
                                  == Falsel
         c= drop_a.index.tolist()
         df2=df2.drop(df2.index[c])
In [50]: df.shape[0], df2.shape[0]
Out[50]: (294478, 290585)
In [51]: # Double Check all of the correct rows were removed - this should be 0
         df2[((df2['group'] == 'treatment') == (df2['landing_page'] == 'new_page')) == False].sh
Out[51]: 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 [52]: len(df2.user_id.unique())
Out[52]: 290584
  b. There is one user_id repeated in df2. What is it?
In [53]: df2[df2['user_id'].duplicated() == True]
Out [53]:
               user id
                                           timestamp
                                                           group landing_page
                                                                                converted
         2893
                773192 2017-01-14 02:55:59.590927 treatment
                                                                     new_page
  c. What is the row information for the repeat user_id?
In [54]: df2.query('user_id == 773192')
Out [54]:
               user_id
                                                           group landing_page converted
                                           timestamp
         1899
                773192 2017-01-09 05:37:58.781806
                                                      treatment
                                                                     new_page
                                                                                        0
         2893
                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 [55]: df2 = df2.drop(1899)
         df2.query('user_id == 773192')
Out[55]:
               user_id
                                           timestamp
                                                           group landing_page
                                                                                converted
                773192 2017-01-14 02:55:59.590927 treatment
         2893
```

- 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 [56]: df2.query('converted == 1').shape[0]/df2.shape[0]
```

```
Out [56]: 0.11959708724499628
```

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

```
In [57]: df2.query('group=="control"')['converted'].mean()
Out[57]: 0.1203863045004612
```

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

```
In [58]: df2.query('group=="treatment"')['converted'].mean()
Out[58]: 0.11880806551510564
```

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

```
In [59]: df2.query('landing_page == "new_page"').shape[0]/df2.shape[0]
Out[59]: 0.5000619442226688
```

e. Use the results in the previous two portions of this question to suggest if you think there is evidence that one page leads to more conversions? Write your response below.

Answer: the conversion rate for the control group is 12.04% for the control group and 11.88% for the treatment group. what the numbers tells us is that there is no clear winner from both pages. The difference in conversion rates between the two pages is so small that we can not really conclude that the old old page is the page that will keep leading to more conversions.

```
### 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: The null hypothesis is what we assume to be the truth before analyzing any data. the alternative hypothesis is what we hope to be true. In this case, we assume (the null hypothesis) that the old page has a better or equal conversion rate p_{old} than the new page p_{new} . The alternative hypotheses will be that the new page has a conversion rate p_{new} that is higher than the old page's p_{old} .

```
The null is Ho : p_{new} - p_{old} 0
```

The Alternative Hypothesis H1 : p_{new} - $p_{old} > 0$

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 [60]: p_new = df.query('converted == 1').shape[0]/df.shape[0]
         p_new
Out [60]: 0.11965919355605512
  b. What is the convert rate for p_{old} under the null?
In [61]: p_old = df.query('converted == 1').shape[0]/df.shape[0]
         p_old
Out[61]: 0.11965919355605512
  c. What is n_{new}?
In [62]: new = df2.query('group=="treatment"')
         n_new = new.shape[0]
         n_new
Out[62]: 145310
  d. What is n_{old}?
In [63]: old = df2.query('group=="control"')
         n_old = old.shape[0]
         n_old
Out[63]: 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.
In [64]: new_page_converted = np.random.choice([1, 0], size=n_new, p=[p_new, (1-p_new)])
         new_page_converted.mean()
Out [64]: 0.1201706696029179
```

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**.

Out[65]: 0.11928493742858323

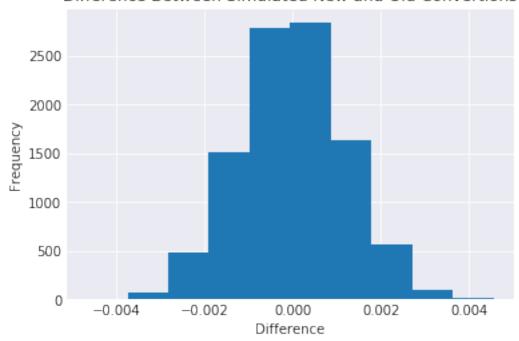
g. Find p_{new} - p_{old} for your simulated values from part (e) and (f).

Out [66]: 0.00088573217433467188

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 **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.





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

```
In [69]: (p_diffs > obs_diff).mean()
Out[69]: 0.2237000000000001
```

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: In part j, we calculate the proportion of p_diffs that are greater than the observed difference, which is called the p-value. The p-value is the level of marginal significance within a statistical hypothesis test representing the probability of the occurrence of a given event. https://www.investopedia.com/terms/p/p-value.asp In our case, we see that the p-value is much more significant than the alpha value of 0.05 that was set earlier, which guarantie only 5% error margin. Since we can not conclude with 95% of confidence agaisnt the null, we fail to reject the null. Meaning we failed to prove that our alternative hypothesis is true. Or more simply, that the new page leads to more conversions compared to the old page

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

```
In [70]: import statsmodels.api as sm

convert_old = df2.query('group == "control" & converted=="1"').shape[0]
    convert_new = df2.query('group == "treatment" & converted == "1"').shape[0]
    n_old = df2.query('group =="control"').shape[0]
    n_new = df2.query('group =="treatment"').shape[0]
    convert_old, convert_new, n_old, n_new
Out[70]: (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 [72]: from scipy.stats import norm
    # Tells us how significant our z-score is
    v = norm.cdf(z_score)
    #Tells us what our critical value at 95% confidence is
    critical =norm.ppf(1-(0.05/2))
    v, critical
Out[72]: (0.094941687240975514, 1.959963984540054)
```

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 z-score is below the critical value of 1.959963984540054 (calculated above as critical), the p-value calculated in the same way as in parts j and k is also significally higher than the alpha value of of 0.05. They equally fail to demonstrate that the new pages leads to more conversions. so we fail to reject the null. These new results confirm the results that we previously obtained in part j and k, our previous conclusion still holds after using this method http://knowledgetack.com/python/statsmodels/proportions_ztest/

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: since what we are trying to predict can only be two possible outcomes (coversion or no conversion), Logistic regression seems appropriate

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 colun 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 [73]: import statsmodels.api as sm
        df2['intercept'] = 1
        df2[['treatment', 'control']] = pd.get_dummies(df2['group'])
        df2['ab_page'] = df2['treatment']
        df2.head()
Out[73]:
          user_id
                                                  group landing_page converted \
                                    timestamp
        0 851104 2017-01-21 22:11:48.556739
                                                 control
                                                            old_page
                                                                             0
        1 804228 2017-01-12 08:01:45.159739
                                                            old_page
                                                                             0
                                                 control
        2 661590 2017-01-11 16:55:06.154213 treatment
                                                            new_page
                                                                             0
            853541 2017-01-08 18:28:03.143765 treatment
        3
                                                                             0
                                                            new_page
            864975 2017-01-21 01:52:26.210827 control
                                                            old_page
           intercept treatment control ab_page
```

0	1	1	0	1
1	1	1	0	1
2	1	0	1	0
3	1	0	1	0
4	1	1	0	1

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.

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

```
In [75]: results.summary()
Out[75]: <class 'statsmodels.iolib.summary.Summary'>
                    Logit Regression Results
     ______
     Dep. Variable:
                    convertedNo. Observations:290584LogitDf Residuals:290582
     Model:
     Method:
                         MLE Df Model:
              MLE Df Model: 1

Mon, 28 Jan 2019 Pseudo R-squ.: 8.077e-06

08:37:30 Log-Likelihood: -1.0639e+05

True LL-Null: -1.0639e+05
     Date:
     Time:
     converged:
                            LLR p-value:
                                                0.1899
     -----
               coef std err z P>|z| [0.025
     _____
     intercept -2.0038 0.008 -247.146 0.000 -2.020
                                                 -1.988
     ab_page 0.0150 0.011 1.311 0.190 -0.007 0.037
     ______
```

e. What is the p-value associated with **ab_page**? Why does it differ from the value you found in the **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 associated with ab_page is 0.190. The ab_page p-value is different from the p-value we found in part II because the hypothesis are differents as explained below.

```
In part II, the hypothesis is: The null is Ho : p_{new} - p_{old} 0
The Alternative Hypothesis H1 : p_{new} - p_{old} > 0
In Part III (Regression), the hypothesis is:
The null is Ho : p_{new} = p_{old}
```

The Alternative Hypothesis H1 : $p_{new} != p_{old}$

In plain words, the p-value differs due to the hypothesis in each case. In part II, the null is that the old page generate more or equal number of conversion compared to the new page. while the alternative hypothesis in part II was that the new page generated more conversions than the old page. The null hypothesis associated with the regression model is is to consider the existence of a relationship between the predicted value (conversions) and the independent value (both page pages). the alternative hypothesis for the regression model being that there is no relationship between conversions rate (dependent variable) and which pages the user is using (independents variables). Therefore a p-value of 0.190 implies that we keep the null and proceed with the old page.

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: considering other metric to include into our model is great like for example if people tend to convert more on weekdays or the weekends, or maybe visitors under 40 are more likely to convert. Since in real life, events (like conversion rate) are generally influenced by several metrics including other factors in our regression model shows more relationships between dependant variables and those factors. But on the other hand, according to the lesson in class, with more metrics, we are more likely to have significant results due to chance. And metrics which could have individually show a great relationship could show none when combined with other metrics. Luckily, In order to reduce wrong interpretations of results, as the number of metrics grows, corrections methods like the Bonferroni method could be used to adjust the p-value (that we divide by the number of metrics).

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

```
In [76]: country_df = pd.read_csv('countries.csv')
         country_df.head()
Out [76]:
            user_id country
         0
             834778
                          UK
                          US
         1
             928468
         2
             822059
                          UK
         3
             711597
                          UK
             710616
                          UK
In [77]: country_df.country.unique()
```

```
Out[77]: array(['UK', 'US', 'CA'], dtype=object)
In [78]: df2 = country_df.set_index('user_id').join(df2.set_index('user_id'))
        df2.head(1)
Out[78]:
                                                      group landing_page converted \
                country
                                          timestamp
        user_id
                     UK 2017-01-14 23:08:43.304998 control
        834778
                                                                old_page
                                                                                  0
                 intercept treatment control ab_page
        user_id
        834778
                         1
                                    1
In [79]: df2[['US', 'UK', 'CA']] = pd.get_dummies(df2['country'])
        df2.head(1)
Out [79]:
                country
                                          timestamp
                                                      group landing_page converted \
        user_id
        834778
                     UK 2017-01-14 23:08:43.304998 control
                                                                                  0
                                                                old_page
                 intercept treatment control ab_page US UK CA
        user_id
        834778
                                    1
                                            0
                                               1
                                                         0
                                                            1
                                                                 0
                         1
  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 signif-
    icant 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 [80]: logit_mod = sm.Logit(df2['converted'], df2[['intercept', 'UK', 'CA']])
        results = logit_mod.fit()
        results.summary()
Optimization terminated successfully.
        Current function value: 0.366116
        Iterations 6
Out[80]: <class 'statsmodels.iolib.summary.Summary'>
                                   Logit Regression Results
            -----
        Dep. Variable:
                                    converted
                                                No. Observations:
                                                                               290584
        Model:
                                                Df Residuals:
                                                                               290581
                                        Logit
        Method:
                                          MLE
                                               Df Model:
                                                                                    2
        Date:
                             Mon, 28 Jan 2019
                                               Pseudo R-squ.:
                                                                           1.521e-05
        Time:
                                     08:37:31
                                               Log-Likelihood:
                                                                        -1.0639e+05
                                               LL-Null:
        converged:
                                         True
                                                                          -1.0639e+05
```

			LLR p-	·value: 		0.1984
========	coef	std err	z	P> z	[0.025	0.975]
intercept	-2.0375	0.026	-78.364	0.000	-2.088	-1.987
UK	0.0507	0.028	1.786	0.074	-0.005	0.106
CA	0.0408	0.027	1.518	0.129	-0.012	0.093
=========	=======	========	========	=======	========	=======

In the Regression model runned above, by looking at the p-values of both UK and CA, we can see that they are much bigger than the alpha value of 0.05, meaning that there is no evidence of the relationship between conversion rate and country of origin. In the model above, UK seemed to have a p-value slightly higher than our alpha value which could indicated that the UK could have a higher conversion rate but the p-value is still high and those results could as well be due to chance I understand that for logistic regression, while using dummies variables, we need to drop one value, but I wanted to see if there would be a difference in results in the dropped countries is differents. if the p-values are differents, they are still way above the alpha value either way. so we can say that there is no relationship between conversion rate and the country of origin.

Logit Regression Results

Logic Regression Results							
Dep. Variable	:	conve	rted No.	Observations:		290584	
Model:		L	ogit Df 1	Residuals:		290581	
Method:			MLE Df i	Model:		2	
Date:	Мо	n, 28 Jan	2019 Pse	ıdo R-squ.:		1.521e-05	
Time:		08:3	7:31 Log	-Likelihood:		-1.0639e+05	
converged:		•	True LL-I	Vull:		-1.0639e+05	
			LLR	p-value:		0.1984	
	coef	======= std err 	z	P> z	[0.025	0.975]	
intercept	-1.9967	0.007	-292.314	0.000	-2.010	-1.983	
US	-0.0408	0.027	-1.518	0.129	-0.093	0.012	
UK	0.0099	0.013	0.746	0.456	-0.016	0.036	

 $\mathbf{H} \cdot \mathbf{H} \cdot \mathbf{H}$

conclusions

The AB Testing experiments did not show any results that would lead to reject the null hypothesis that the old page was better or equal to the new page. With no significants results to support the alternative hypothesis, we can not recommend the e-commerce to adopt the new page. Equally, no relationship was made between country and conversion rate meaning that no special action is required for each particular country. the final thought as said previously is to keep the old page as it is has a slighty better conversion rate. And to keep running A/B test to improve the likelyhood of discovering factors that could positevely influence conversions rates.

0.3 Ressources

Udacity Lessons on statistics including AB Testing and Regression http://knowledgetack.com/python/statsmodels/proportions_ztest/https://softwareengineering.stackexchange.com/questions/254475/how-do-i-move-away-from-the-for-loop-school-of-thought https://www.youtube.com/watch?v=kwjyjiZWOAg&fbclid=IvYgdMfUSajA1baXcOYCl684eirEXTb5WbmCAu6Ih0KyjLVtFnE Reviewer suggestions