

task 2 - experimentation and uplift testing

August 17, 2020

1 Load required libraries and datasets

```
[1]: import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns; sns.set(style='whitegrid')
from scipy import stats
%matplotlib inline
```

```
[2]: df = pd.read_csv('data/QVI_dataframe', index_col=['DATE'], parse_dates=['DATE']).
    ↪ sort_index()
df.head(3)
```

```
[2]:
```

	STORE_NBR	LYLTY_CARD_NBR	TXN_ID	PROD_NBR	\
DATE					
2018-07-01	229	229079	230838	77	
2018-07-01	21	21037	17576	62	
2018-07-01	40	40204	37044	81	

	PROD_NAME	PROD_QTY	TOT_SALES	\
DATE				
2018-07-01	Doritos Corn Chips Nacho Cheese 170g	2	8.8	
2018-07-01	Pringles Mystery Flavour 134g	2	7.4	
2018-07-01	Pringles Original Crisps 134g	2	7.4	

	LIFESTAGE	PREMIUM_CUSTOMER	SIZE	BRAND
DATE				
2018-07-01	OLDER SINGLES/COUPLES	Budget	170	Doritos
2018-07-01	RETIREEES	Mainstream	134	Pringles
2018-07-01	YOUNG FAMILIES	Budget	134	Pringles

Creating month and year column.

```
[3]: df['month'] = df.index.month
df['year'] = df.index.year
df['year-month'] = df.index.to_period('M')
```

Creating separete dataframe for trial period and test period.

```
[4]: pre_trial_df, trial_df = df['2018-07':'2019-01'], df['2019-02':'2019-04']
```

Separating trial stores selected by client.

```
[5]: trial = pre_trial_df.query('STORE_NBR == 77 or STORE_NBR == 86 or STORE_NBR == 88')
```

2 Selecting control stores

The client has selected store numbers 77, 86 and 88 as trial stores and want control stores to be established stores that are operational for the entire observation period. We would want to match trial stores to control stores that are similar to the trial store prior to the trial period of Feb 2019 in terms of :

Creating dataframe with the possible control stores to be selected and removing stores that don't have full observation periods.

```
[6]: possible_control = pd.concat([pre_trial_df, trial, trial]).
    ↪ drop_duplicates(keep=False)
```

```
[7]: possible_control['month'] = possible_control.index.month
    possible_control['year'] = possible_control.index.year
```

Monthly overall sales revenue

```
[8]: monthly_sales_revenue_possible = possible_control.
    ↪ pivot_table(values='TOT_SALES', columns=['year', 'month'], index='STORE_NBR', aggfunc='sum')
    monthly_sales_revenue_trial = trial.
    ↪ pivot_table(values='TOT_SALES', columns=['year', 'month'], index='STORE_NBR', aggfunc='sum')
    monthly_sales_revenue_possible.dropna(inplace=True)
    monthly_sales_revenue_possible.head()
```

```
[8]: year      2018      2019
    month      7      8      9     10     11     12      1
    STORE_NBR
    1      188.9  168.40  268.1  175.4  184.8  160.6  149.7
    2      140.5  180.90  133.9  160.1  143.3  129.2  158.7
    3     1164.9  998.15 1011.3 1017.5  936.6 1075.7  980.3
    4     1318.3 1188.10 1168.0 1275.0 1089.6 1134.6 1402.6
    5      763.8  654.50  875.2  740.6  707.0  800.2  772.6
```

Monthly number of customers

```
[9]: monthly_num_customers_possible = possible_control.
    ↪ pivot_table(values='LYLTY_CARD_NBR', columns=['year', 'month'], index='STORE_NBR', aggfunc=pd.
    ↪ Series.nunique)
```

```

monthly_num_customers_trial = trial.
↳pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
↳Series.nunique)
monthly_num_customers_possible.dropna(inplace=True)
monthly_num_customers_possible.head()

```

```

[9]: year          2018          2019
     month          7          8          9          10          11          12          1
STORE_NBR
1          47.0         41.0         57.0         39.0         44.0         37.0         35.0
2          36.0         35.0         32.0         39.0         33.0         32.0         41.0
3         108.0        106.0        102.0        103.0         95.0        107.0        97.0
4         121.0        118.0        117.0        119.0        109.0        102.0       125.0
5          86.0         85.0         99.0         81.0         80.0         90.0         84.0

```

Creating function to compare any store to the trial stores.

```

[10]: def correlation_total(possible):
        '''(Series)->list
        Returns a dict with correlation between the 3 trial stores and the total_
↳revenue per month.
        '''
        corr_dict = {}
        for i in range(3):
            corr_dict[monthly_sales_revenue_trial.index[i]] =_
↳monthly_sales_revenue_trial.iloc[i].corr(possible)

        return corr_dict

```

```

[11]: def correlation_num_cust(possible):
        '''(Series)->list
        Returns a dic with correlation between the 3 trial stores and the number of_
↳customers per month.
        '''
        corr_dict = {}
        for i in range(3):
            corr_dict[monthly_num_customers_trial.index[i]] =_
↳monthly_num_customers_trial.iloc[i].corr(possible)

        return corr_dict

```

Creating dataframes using the functions created, where each row represents a store being compared to the 3 trial stores selected by the client and averaging the created dataframes.

```

[12]: data_corr_total = [correlation_total(monthly_sales_revenue_possible.loc[i]) for_
↳i in monthly_sales_revenue_possible.index]

```

```

data_corr_cust = [correlation_num_cust(monthly_num_customers_possible.loc[i])
    ↪ for i in monthly_num_customers_possible.index]
df_corr_total = pd.
    ↪ DataFrame(data_corr_total, index=monthly_sales_revenue_possible.index).abs()
df_corr_cust = pd.DataFrame(data_corr_cust, index=monthly_num_customers_possible.
    ↪ index).abs()
avg = (df_corr_total + df_corr_cust)/2
avg.head()

```

```

[12]:
      77      86      88
STORE_NBR
1      0.171624  0.374556  0.636105
2      0.423837  0.295438  0.389947
3      0.707848  0.101784  0.450705
4      0.326629  0.020930  0.361454
5      0.181908  0.273139  0.182530

```

Getting the highest correlated stores from the averaged dataframe.

```

[13]: for i in [77,86,88]:
        print('Store with highest average correlation with store {}: {}'.format(
            i, avg[i].sort_values(ascending=False).index[0]))

```

```

Store with highest average correlation with store 77: 233
Store with highest average correlation with store 86: 155
Store with highest average correlation with store 88: 14

```

3 Comparing selected control stores with trial stores

We'll start by defining some functions that will help with scaling the control store's sales so as to control for any differences between the two stores outside of the trial period.

```

[14]: scaling_sales_77_233 = pre_trial_df.query('STORE_NBR == 77')['TOT_SALES'].sum()
    ↪ / pre_trial_df.query('STORE_NBR == 233')['TOT_SALES'].sum()
scaling_sales_86_155 = pre_trial_df.query('STORE_NBR == 86')['TOT_SALES'].sum()
    ↪ / pre_trial_df.query('STORE_NBR == 155')['TOT_SALES'].sum()
scaling_sales_88_14 = pre_trial_df.query('STORE_NBR == 88')['TOT_SALES'].sum() /
    ↪ pre_trial_df.query('STORE_NBR == 14')['TOT_SALES'].sum()

```

```

[15]: def scale_total_sales(x):
        if x['STORE_NBR'] == 233:
            return x['TOT_SALES']*scaling_sales_77_233
        elif x['STORE_NBR'] == 155:
            return x['TOT_SALES']*scaling_sales_86_155
        elif x['STORE_NBR'] == 14:
            return x['TOT_SALES']*scaling_sales_88_14
        else:

```

```
return x['TOT_SALES']
```

```
[16]: scaling_num_cust_77_233 = pre_trial_df.query('STORE_NBR == 77')[
    'LYLTY_CARD_NBR'].nunique() / pre_trial_df.query('STORE_NBR == 233')[
    'LYLTY_CARD_NBR'].nunique()
scaling_num_cust_86_155 = pre_trial_df.query('STORE_NBR == 86')[
    'LYLTY_CARD_NBR'].nunique() / pre_trial_df.query('STORE_NBR == 155')[
    'LYLTY_CARD_NBR'].nunique()
scaling_num_cust_88_14 = pre_trial_df.query('STORE_NBR == 88')[
    'LYLTY_CARD_NBR'].nunique() / pre_trial_df.query('STORE_NBR == 14')[
    'LYLTY_CARD_NBR'].nunique()
```

```
[17]: def scale_num_cust(x):
    if x['STORE_NBR'] == 233:
        return x['TOT_SALES']*scaling_num_cust_77_233
    elif x['STORE_NBR'] == 155:
        return x['TOT_SALES']*scaling_num_cust_86_155
    elif x['STORE_NBR'] == 14:
        return x['TOT_SALES']*scaling_num_cust_88_14
    else:
        return x['TOT_SALES']
```

3.1 Store 77 and Store 233

Comparing total sales

```
[18]: scaled_compare_77_233_pre_trial = pre_trial_df.query('STORE_NBR == 77 or
    STORE_NBR == 233').copy()
scaled_compare_77_233_trial = trial_df.query('STORE_NBR == 77 or STORE_NBR ==
    233').copy()
scaled_compare_77_233_pre_trial.loc[:, 'TOT_SALES'] =
    scaled_compare_77_233_pre_trial.apply(scale_total_sales,axis=1)
scaled_compare_77_233_trial.loc[:, 'TOT_SALES'] = scaled_compare_77_233_trial.
    apply(scale_total_sales,axis=1)
```

```
[19]: plt.figure(figsize=(12,8))

sns.
    barplot(data=scaled_compare_77_233_pre_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',c

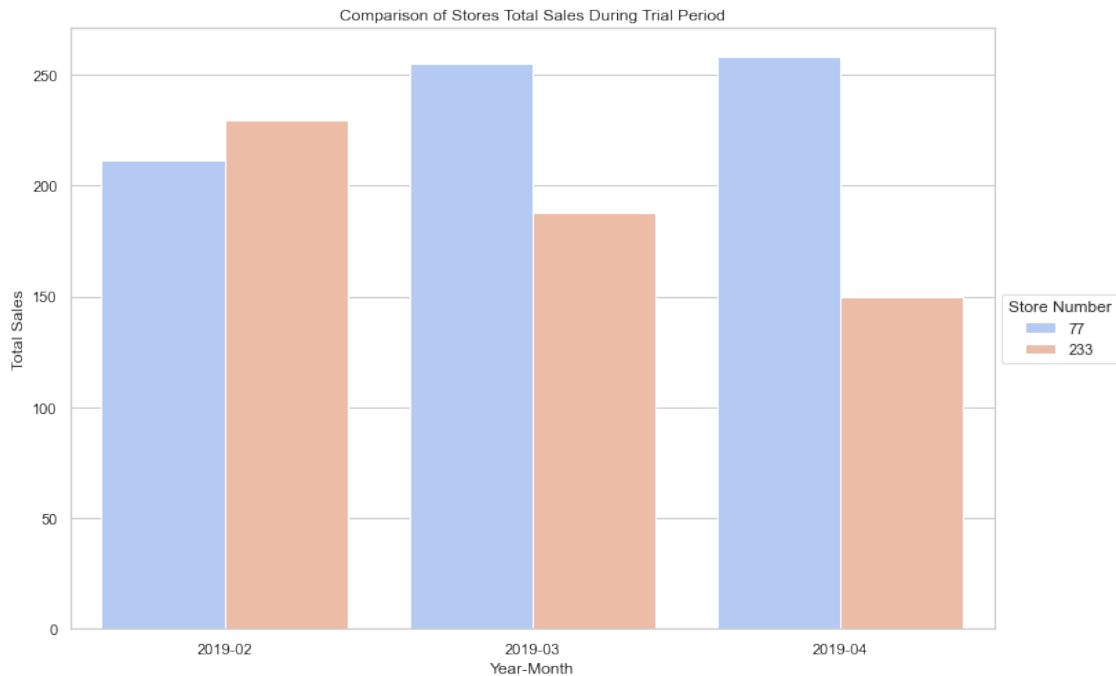
plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales Before Trial Period');
```



```
[20]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_77_233_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',ci=No

plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales During Trial Period');
```



We can check if the difference is statistically significant performing a t-test with a null hypothesis of there being 0 monthly total revenue difference between the trial and control stores for the trial periods.

```
[21]: stats.ttest_ind(scaled_compare_77_233_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[77],
        scaled_compare_77_233_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[233])
```

```
[21]: Ttest_indResult(statistic=1.9141052468050233, pvalue=0.12813840549898767)
```

The results show that the monthly total revenue during trial in store 77 is not significantly different to its control store in the trial period.

Comparing Number of Customers Scaling number of customers

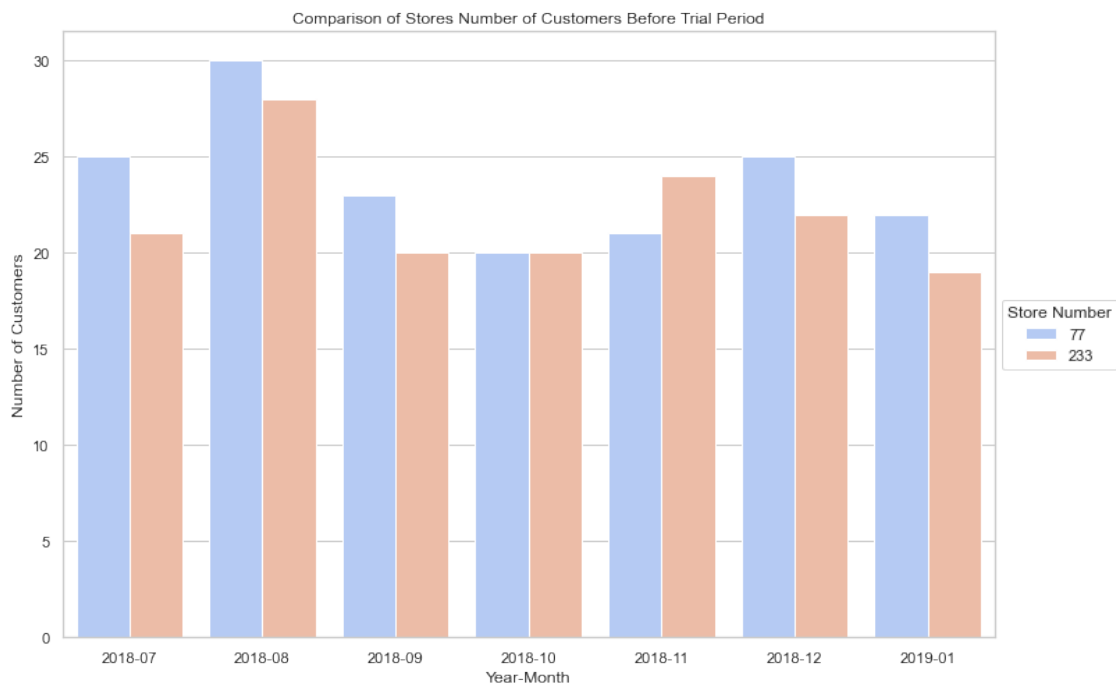
```
[22]: scaled_compare_77_233_pre_trial.loc[:, 'LYLTY_CARD_NBR'] =
    ↪scaled_compare_77_233_pre_trial.apply(scale_num_cust,axis=1)
scaled_compare_77_233_trial.loc[:, 'LYLTY_CARD_NBR'] =
    ↪scaled_compare_77_233_trial.apply(scale_num_cust,axis=1)
```

Graphical Analysis

```
[23]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_77_233_pre_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_N
    ↳ Series.nunique)

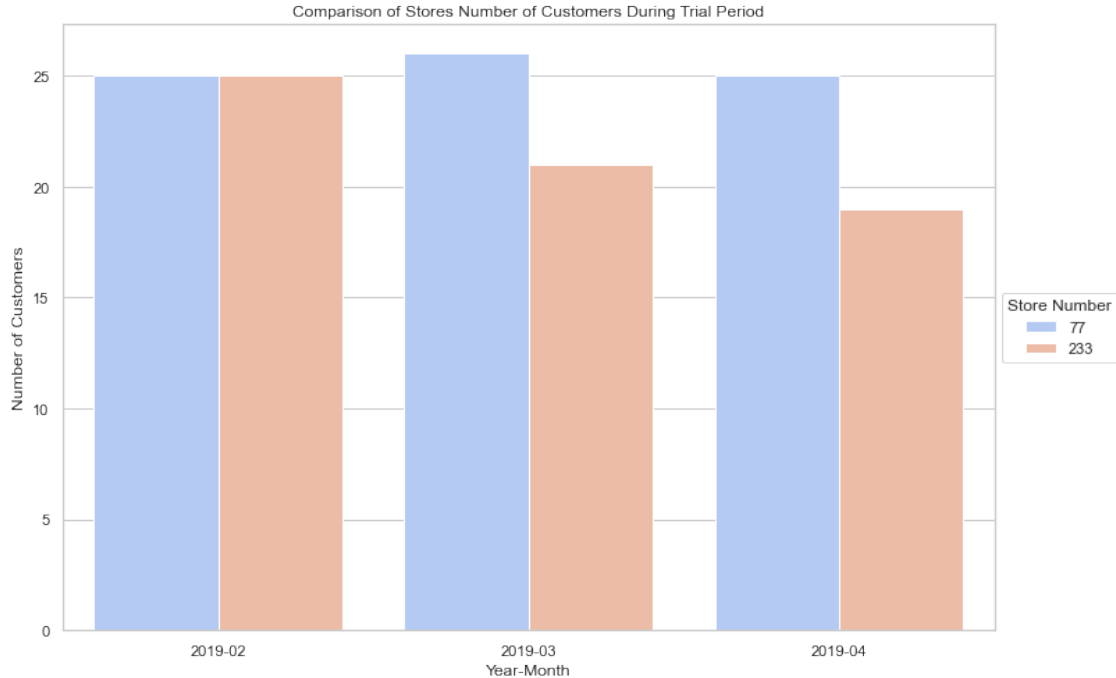
plt.xlabel('Year-Month')
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers Before Trial Period');
```



```
[24]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_77_233_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_NBR',
    ↳ Series.nunique)

plt.xlabel('Year-Month')
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers During Trial Period');
```

We will now test with a null hypothesis of there being 0 number of customers difference between the trial and the control store for the trial period.

```
[25]: stats.ttest_ind(scaled_compare_77_233_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[77],
        scaled_compare_77_233_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[233])
```

```
[25]: Ttest_indResult(statistic=2.0426487199475694, pvalue=0.11061012278987672)
```

The results show that there's no significantly number of customers difference between the trial in store 77 and control store in the trial period.

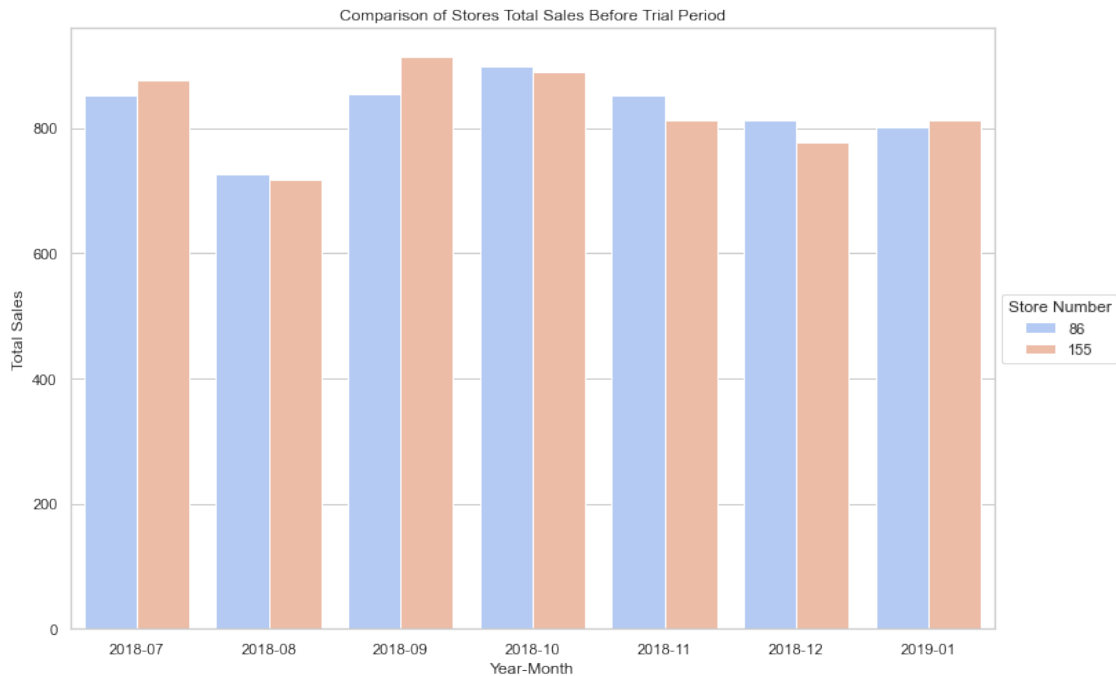
3.2 Store 86 and Store 155

```
[26]: scaled_compare_86_155_pre_trial = pre_trial_df.query('STORE_NBR == 86 or
    ↪STORE_NBR == 155').copy()
scaled_compare_86_155_trial = trial_df.query('STORE_NBR == 86 or STORE_NBR ==
    ↪155').copy()
scaled_compare_86_155_pre_trial.loc[:, 'TOT_SALES'] =
    ↪scaled_compare_86_155_pre_trial.apply(scale_total_sales,axis=1)
scaled_compare_86_155_trial.loc[:, 'TOT_SALES'] = scaled_compare_86_155_trial.
    ↪apply(scale_total_sales,axis=1)
```

```
[27]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_86_155_pre_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',c

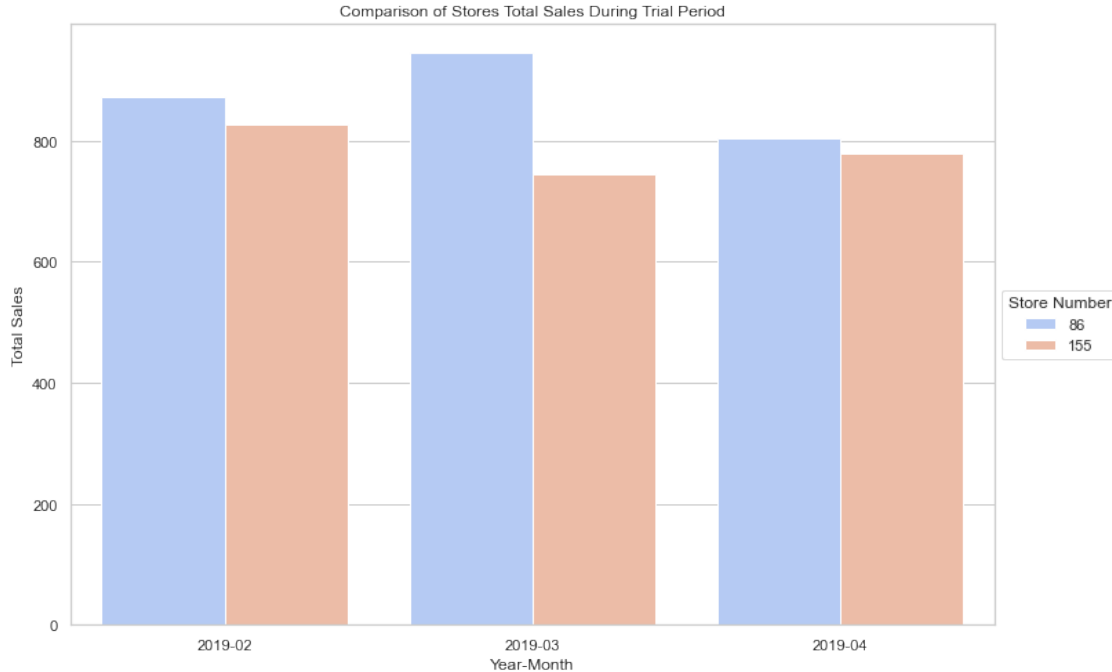
plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales Before Trial Period');
```



```
[28]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_86_155_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',ci=No

plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales During Trial Period');
```



We can check if the difference is statistically significant performing a t-test with a null hypothesis of there being 0 monthly total revenue difference between the trial and control stores for the trial periods.

```
[29]: stats.ttest_ind(scaled_compare_86_155_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[86],
        scaled_compare_86_155_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[155])
```

```
[29]: Ttest_indResult(statistic=1.918329928839408, pvalue=0.1275164635243009)
```

The results show that there's no significant total revenue difference between the trial in store 86 and the control store in the trial period.

Comparing Number of Customers

```
[30]: scaled_compare_86_155_pre_trial.loc[:, 'LYLTY_CARD_NBR'] =_
    ↪scaled_compare_86_155_pre_trial.apply(scale_num_cust,axis=1)
scaled_compare_86_155_trial.loc[:, 'LYLTY_CARD_NBR'] =_
    ↪scaled_compare_86_155_trial.apply(scale_num_cust,axis=1)
```

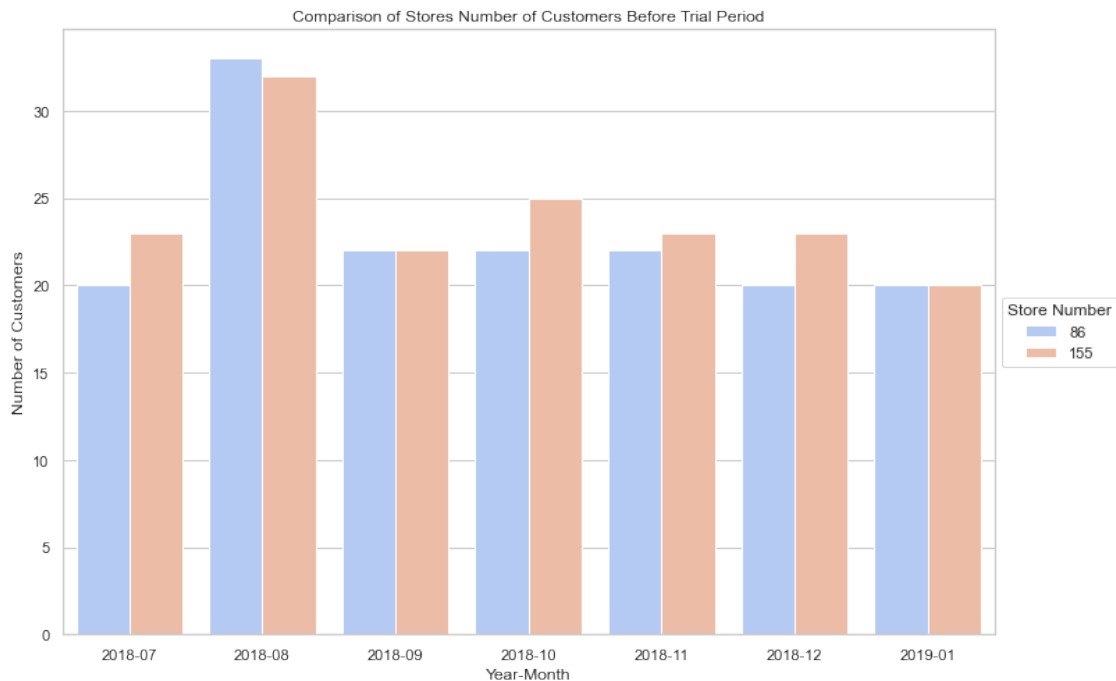
```
[31]: plt.figure(figsize=(12,8))
```

```

sns.
↳ barplot(data=scaled_compare_86_155_pre_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_NBR',
↳ Series.nunique)

plt.xlabel('Year-Month')
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers Before Trial Period');

```



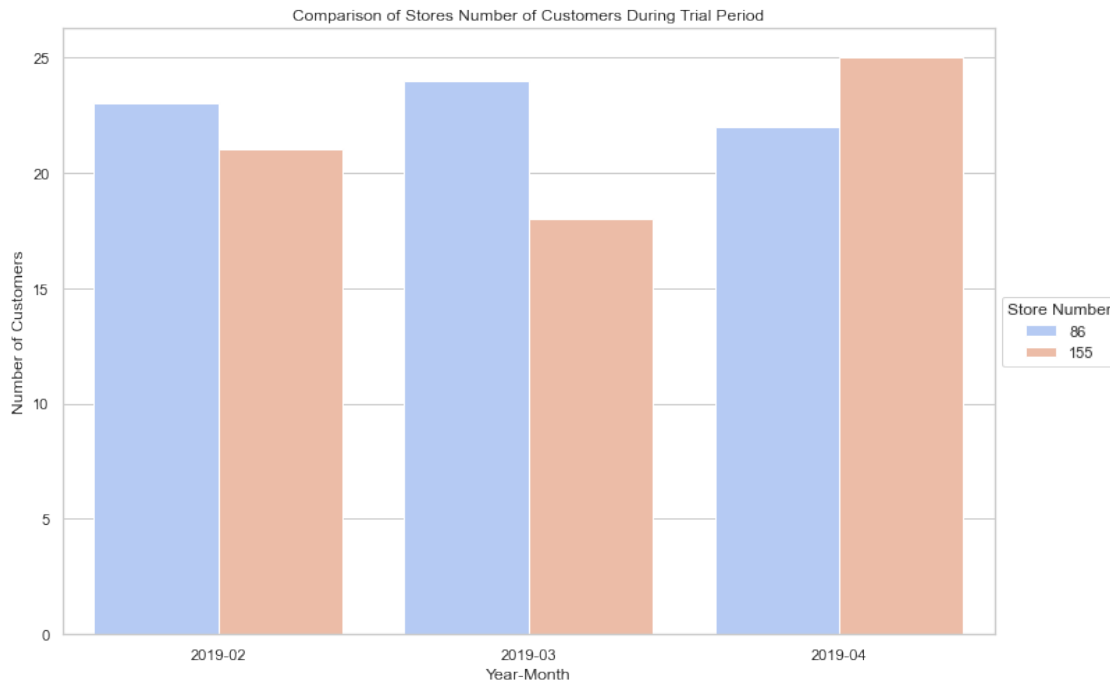
```

[32]: plt.figure(figsize=(12,8))

sns.
↳ barplot(data=scaled_compare_86_155_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_NBR',
↳ Series.nunique)

plt.xlabel('Year-Month')
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers During Trial Period');

```



```
[33]: stats.ttest_ind(scaled_compare_86_155_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[86],
        scaled_compare_86_155_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[155])
```

```
[33]: Ttest_indResult(statistic=0.7905694150420953, pvalue=0.4734273652571372)
```

The results show that there's no significantly number of customers difference between the trial in store 77 and control store in the trial period.

3.3 Store 88 and Store 14

```
[34]: scaled_compare_88_14_pre_trial = pre_trial_df.query('STORE_NBR == 88 or_
    ↪STORE_NBR == 14').copy()
scaled_compare_88_14_trial = trial_df.query('STORE_NBR == 88 or STORE_NBR ==_
    ↪14').copy()
scaled_compare_88_14_pre_trial.loc[:, 'TOT_SALES'] =_
    ↪scaled_compare_88_14_pre_trial.apply(scale_total_sales,axis=1)
scaled_compare_88_14_trial.loc[:, 'TOT_SALES'] = scaled_compare_88_14_trial.
    ↪apply(scale_total_sales,axis=1)
```

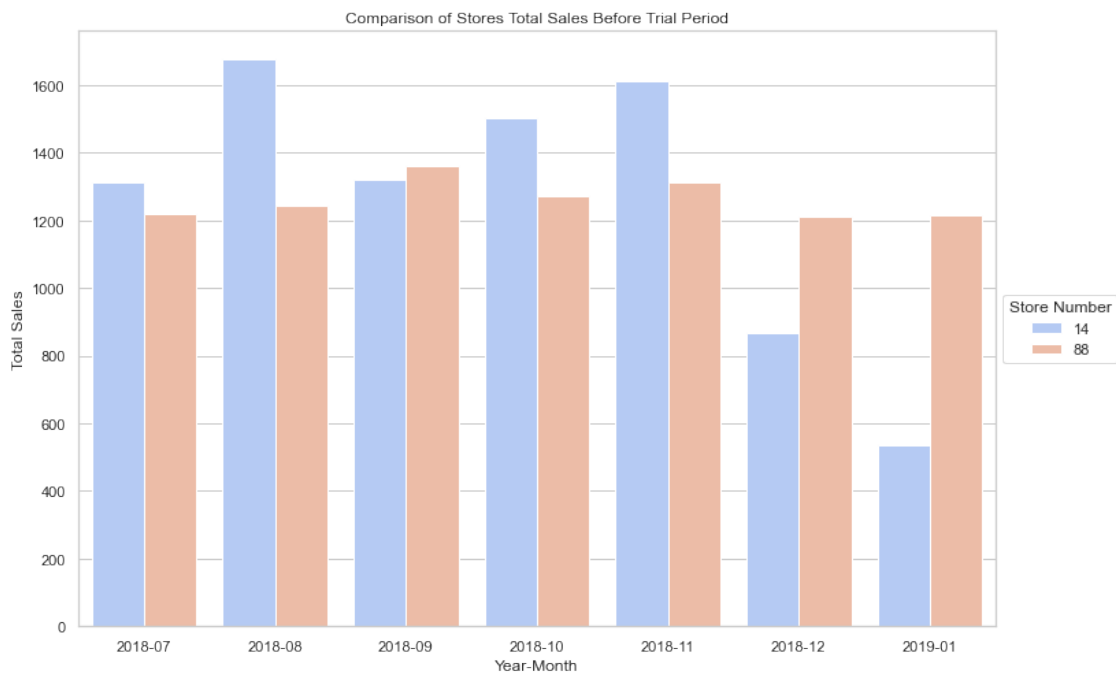
```
[35]: plt.figure(figsize=(12,8))
```

```

sns.
    ↳ barplot(data=scaled_compare_88_14_pre_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',ci=Non

plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales Before Trial Period');

```



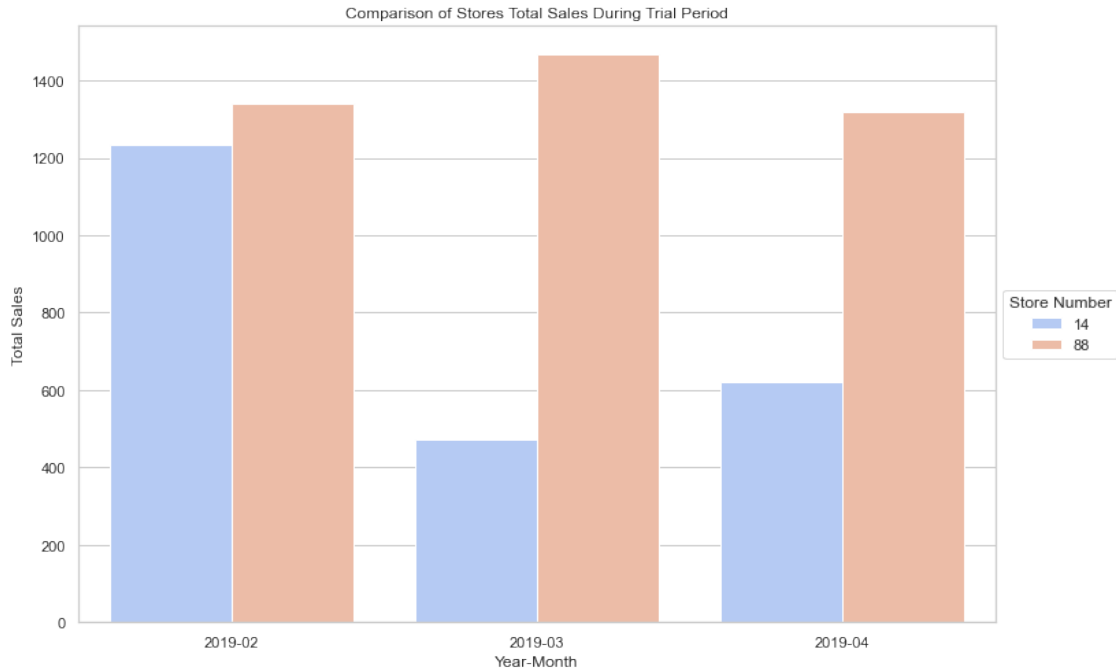
```

[36]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_88_14_trial,x='year-month',y='TOT_SALES',hue='STORE_NBR',ci=Non

plt.xlabel('Year-Month')
plt.ylabel('Total Sales')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Total Sales During Trial Period');

```



```
[37]: stats.ttest_ind(scaled_compare_88_14_pre_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[88],
        scaled_compare_88_14_trial.
    ↪pivot_table(values='TOT_SALES',columns=['year','month'],index='STORE_NBR',aggfunc='sum').
    ↪loc[14])
```

```
[37]: Ttest_indResult(statistic=3.4040222383372685, pvalue=0.00930497392292769)
```

The results show that the monthly total revenue during trial in store 88 is significantly different to its control store in the trial period.

Comparing Number of Customers

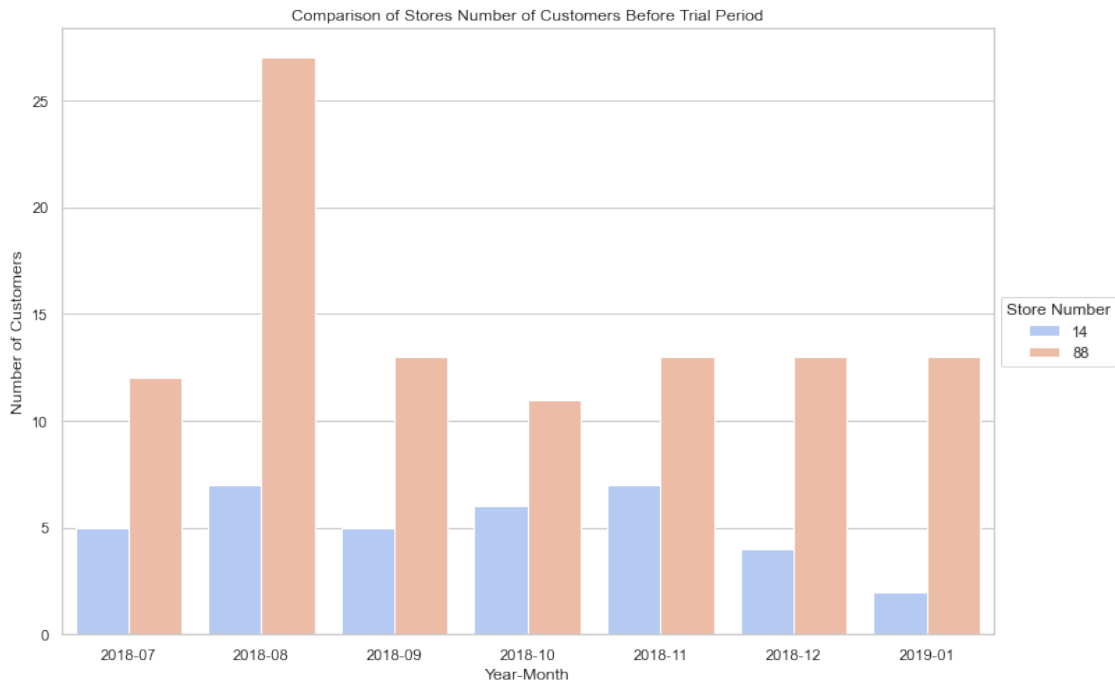
```
[38]: scaled_compare_88_14_pre_trial.loc[:, 'LYLTY_CARD_NBR'] =
    ↪scaled_compare_88_14_pre_trial.apply(scale_num_cust,axis=1)
scaled_compare_88_14_trial.loc[:, 'LYLTY_CARD_NBR'] = scaled_compare_88_14_trial.
    ↪apply(scale_num_cust,axis=1)
```

```
[39]: plt.figure(figsize=(12,8))

sns.
    ↪barplot(data=scaled_compare_88_14_pre_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_NBR',
    ↪Series.nunique)

plt.xlabel('Year-Month')
```

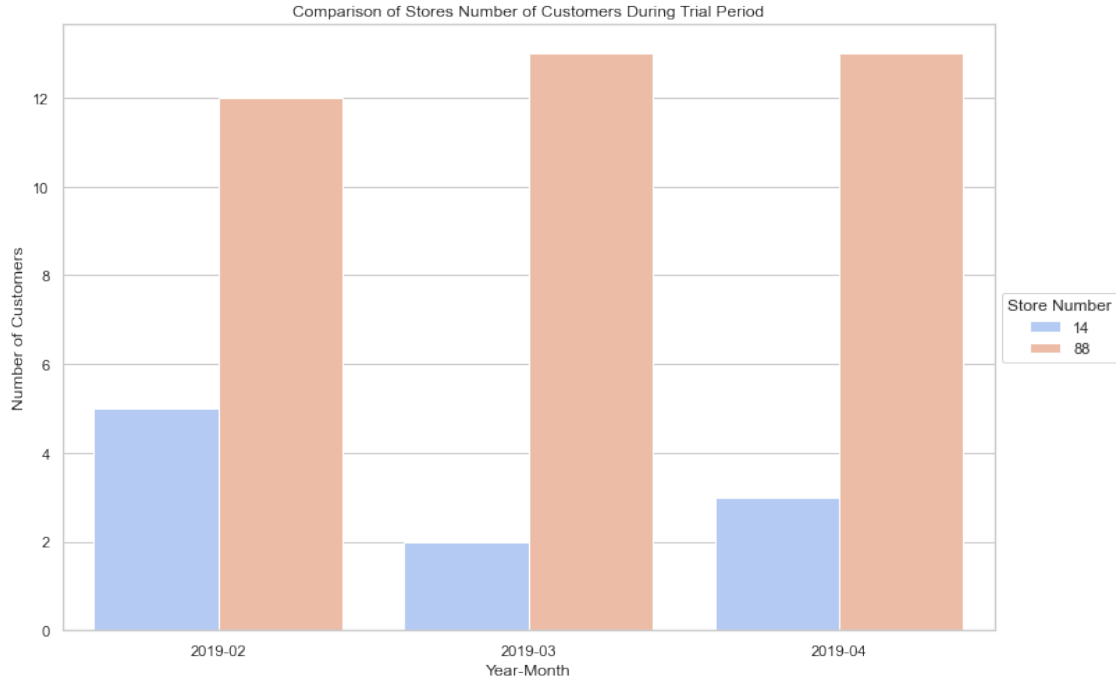
```
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers Before Trial Period');
```



```
[40]: plt.figure(figsize=(12,8))

sns.
    ↳ barplot(data=scaled_compare_88_14_trial,x='year-month',y='LYLTY_CARD_NBR',hue='STORE_NBR',c
    ↳ Series.nunique)

plt.xlabel('Year-Month')
plt.ylabel('Number of Customers')
plt.legend(title='Store Number',loc='center left', bbox_to_anchor=(1, 0.5))
plt.title('Comparison of Stores Number of Customers During Trial Period');
```

```
[41]: stats.ttest_ind(scaled_compare_88_14_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[88],
        scaled_compare_88_14_trial.
    ↪pivot_table(values='LYLTY_CARD_NBR',columns=['year','month'],index='STORE_NBR',aggfunc=pd.
    ↪Series.nunique).loc[14])
```

```
[41]: Ttest_indResult(statistic=9.899494936611664, pvalue=0.0005844106153028071)
```

The results show that the number of customers difference during trial in store 88 is significantly different to its control store in the trial period.

4 Conclusion

We've found control stores 233, 155, 14 for trial stores 77, 86 and 88 respectively. The results for trial stores 77 and 86 during the trial period don't show a significant difference in at least two of the three trial months but this is not the case for trial store 88. We can check with the client if the implementation of the trial was different in trial store 88 but overall, the trial doesn't show a significant increase in sales.