# 3\_Analyze\_AB\_Test\_Results

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## 1 Analyze A/B Test Results

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## 1.0.1 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 ecommerce 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.

## 1.0.2 Part I - Probability

To get started, let's import our libraries.

```
In [1]: import pandas as pd
    import numpy as np
    import random
    import matplotlib.pyplot as plt
    import statsmodels.api as sm

    %matplotlib inline
    %config InlineBackend.figure_format = 'retina'

    # We are setting the seed to assure you get
    # the same answers on quizzes as we set up
    random.seed(42)

In [2]: # PyPlot style sheets
    plt.style.use('fivethirtyeight')
    plt.style.use('seaborn-poster')
```

- 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 [3]: df = pd.read_csv('data/ab_data.csv')
        df.head()
Out[3]:
          user_id
                                     timestamp
                                                    group landing_page converted
        0
           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
           853541 2017-01-08 18:28:03.143765 treatment
                                                              new_page
           864975 2017-01-21 01:52:26.210827
                                                              old_page
                                                                                1
                                                  control
In [4]: df.groupby('group')['landing_page'].value_counts()
Out[4]: group
                  landing_page
                  old_page
        control
                                   145274
                  new_page
                                     1928
                  new_page
                                   145311
        treatment
                   old_page
                                     1965
        Name: landing_page, dtype: int64
```

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

```
      min
      630000.000000
      0.000000

      25%
      709032.250000
      0.000000

      50%
      787933.500000
      0.000000

      75%
      866911.750000
      0.000000

      max
      945999.000000
      1.000000
```

c. The number of unique users in the dataset.

```
In [6]: df.user_id.nunique()
Out[6]: 290584
  d. The proportion of users converted.
In [7]: df['converted'].value_counts(normalize=True) * 100
Out[7]: 0
             88.034081
        1
             11.965919
        Name: converted, dtype: float64
  e. The number of times the new_page and treatment don't line up.
In [8]: df.query('group == "treatment" and landing page != "new page"').count(
        ) + df.query('group != "treatment" and landing_page == "new_page"').count()
Out[8]: user_id
                         3893
        timestamp
                         3893
                         3893
        group
        landing_page
                         3893
        converted
                         3893
        dtype: int64
  f. Do any of the rows have missing values?
In [9]: df.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 294478 entries, 0 to 294477
Data columns (total 5 columns):
user_id
                294478 non-null int64
timestamp
                294478 non-null object
                294478 non-null object
group
                294478 non-null object
landing_page
                294478 non-null int64
converted
dtypes: int64(2), object(3)
memory usage: 11.2+ MB
```

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**.

- 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 [12]: df2.user_id.nunique()
Out[12]: 290584
```

b. There is one **user\_id** repeated in **df2**. What is it?

```
In [13]: df2.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 290585 entries, 0 to 294477
Data columns (total 5 columns):
user id
                290585 non-null int64
timestamp
                290585 non-null object
                290585 non-null object
group
landing_page
                290585 non-null object
                290585 non-null int64
converted
dtypes: int64(2), object(3)
memory usage: 13.3+ MB
```

c. What is the row information for the repeat **user\_id**?

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

```
In [15]: df2 = df2.drop_duplicates(subset='user_id', keep='first')
```

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 [16]: overall_rate = df2.query(
             'converted == 1').user_id.nunique() / df2.user_id.nunique()
         overall rate
Out[16]: 0.11959708724499628
  b. Given that an individual was in the control group, what is the probability they converted?
In [17]: control_df = df2.query('group == "control"')
In [18]: control_rate = control_df.query(
             'converted == 1').user_id.nunique() / control_df.user_id.nunique()
         control_rate
Out[18]: 0.1203863045004612
  c. Given that an individual was in the treatment group, what is the probability they con-
    verted?
In [19]: treatment_df = df2.query('group == "treatment"')
In [20]: treatment_rate = treatment_df.query(
             'converted == 1').user_id.nunique() / treatment_df.user_id.nunique()
         treatment_rate
Out [20]: 0.11880806551510564
  d. What is the probability that an individual received the new page?
In [21]: df2.query(
             'landing_page == "new_page"').user_id.nunique() / df2.user_id.nunique()
Out [21]: 0.5000619442226688
```

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 (4.e.)** There is not yet enough evidence to reject the null hypothesis that any differences in conversion between the two pages is due to chance.

## 1.0.3 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 (1.) Null hypothesis:

My null hypothesis is that the new page is no better, or possibly even worse, than the old version. Expressed as:

```
H_0: P_{new} \leq P_{old}
```

## **Alternative hypothesis:**

My alternative hypothesis is that the new page is better than the old version. Expressed as:

```
H_0: P_{new} > P_{old}
```

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 [22]: # It's equivalent to the overall conversion rate
         p_new = overall_rate
         p_new
Out [22]: 0.11959708724499628
  b. What is the convert rate for p_{old} under the null?
In [23]: # It's equivalent to the overall conversion rate
         p_old = overall_rate
         p_old
Out [23]: 0.11959708724499628
  c. What is n_{new}?
In [24]: n_new = treatment_df.user_id.nunique()
         n_new
Out[24]: 145310
  d. What is n_{old}?
In [25]: n_old = control_df.user_id.nunique()
         n_{old}
Out [25]: 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**.

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

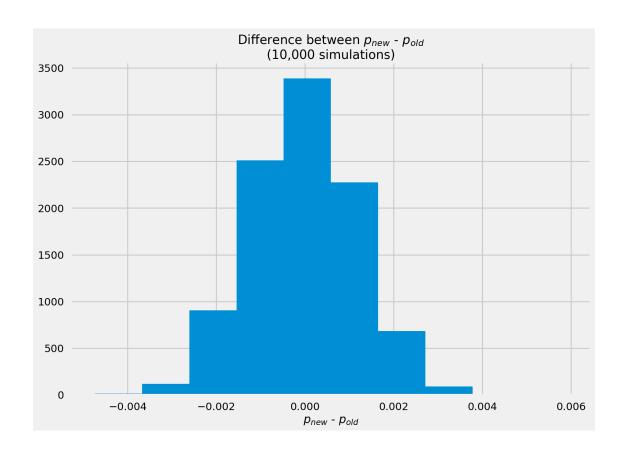
```
In [28]: new_page_converted.mean() - old_page_converted.mean()
```

Out[28]: 0.001980007646641288

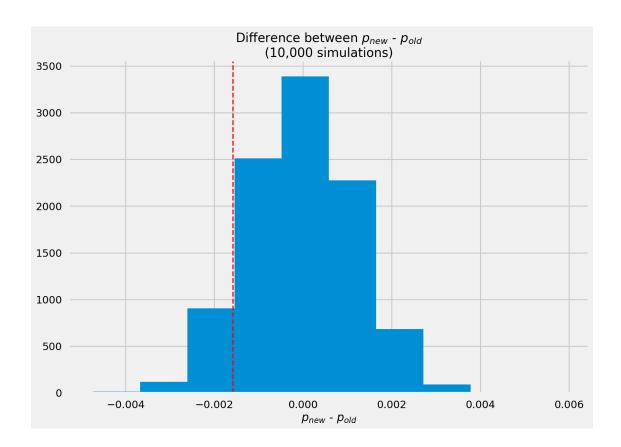
Out[27]: array([0, 0, 0, ..., 0, 0, 0])

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**.

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**?



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 (2.k.)** I just calculated the p-value, which is 0.9. That means that in a chance model, the results of our experiment are reproduced 90% of the time. That clearly indicates that we have failed to reject our null hypothesis and find  $H_0: P_{new} \leq P_{old}$ 

In order to accept the alternative hypothesis, we'd want to an  $\alpha$  (alpha) of 0.05 or below.

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 [33]: import statsmodels.api as sm

convert_old = df2.query(
          'converted == 1 and landing_page == "old_page"').user_id.nunique()
          convert_new = df2.query(
                'converted == 1 and landing_page == "new_page"').user_id.nunique()
```

```
n_old = df2.query('landing_page == "old_page"').user_id.nunique()
n_new = df2.query('landing_page == "new_page"').user_id.nunique()
```

m. Now use stats.proportions\_ztest to compute your test statistic and p-value. Here is a helpful link on using the built in.

Note: the link above is broken but I was able to find a cached version of the page at the Internet Archive

```
In [34]: # The function receives (count, nobs, alternative) where
         # count and nobs are arrays representing the two trials
         zstat, pval = sm.stats.proportions_ztest([convert_old, convert_new],
                                                   [n old, n new],
                                                   alternative='larger')
         print("z-stat: ", zstat, "\np-value: ", pval)
z-stat: 1.3109241984234394
p-value: 0.09494168724097551
  We can use scipy to see if the z-score is significant
In [35]: from scipy.stats import norm
         # Tells us how significant our z-score is
         norm.cdf(zstat)
Out[35]: 0.9050583127590245
In [36]: # Tells us what our critical value at 95% confidence is
         norm.ppf(1-(0.05/2))
Out[36]: 1.959963984540054
```

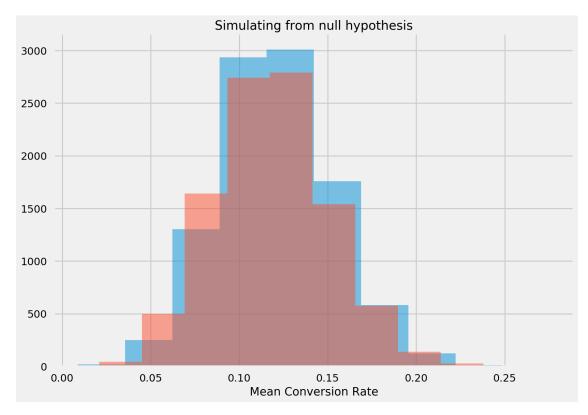
n. What do the z-score and p-value you computed in the previous question mean for the conversion rates of the old and new pages? Do they agree with the findings in parts **j.** and **k.**?

**Answer (2.m.)** Since the z-score of 0.90 does not exceed the critical value at 95% confidence (1.96) we fail to reject the null hypothesis. Our conclusion agrees with the findings in j. and k. above.

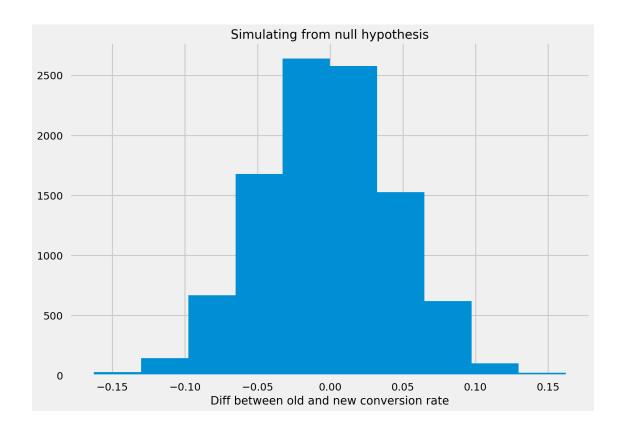
## Alternate approach: bootstrap simulating from the null hypothesis

Another approach is to simulate from the null hypothesis, as shown in Lesson 12. Here we bootstrap the sample data from our entire result set and take the mean of the new\_page, mean of the old\_page, and the mean difference between the two. We'll run this over 10,000 iterations.

```
In [37]: old_means, new_means, diffs = [], [], []
for _ in range(10000):
```



The two treatments appear to form a standard distribution around the same point.



Here we can see that the difference between the two means follows a standard distribution around zero. This is exactly what we'd expect from the Central Limit Theorem and we have failed to reject our null hypothesis.

## 1.0.4 Part III - A regression approach

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

## **Answer (1.a.)** A logistic regression because our outcome (converted) is binary.

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 [41]: df2.head()
Out [41]:
           user_id
                                     timestamp
                                                   group landing_page converted \
            851104 2017-01-21 22:11:48.556739
                                                             old_page
                                                 control
            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
            853541 2017-01-08 18:28:03.143765 treatment
        3
                                                             new_page
                                                                               0
            864975 2017-01-21 01:52:26.210827
                                                             old_page
                                                 control
                                                                               1
           intercept ab_page
        0
                   1
                          0.0
                   1
                          0.0
        1
        2
                  1
                          1.0
        3
                   1
                          1.0
                          0.0
                   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 con-
    verts.
In [42]: # Logistic regression
        logit = sm.Logit(df2['converted'], df2[['intercept', 'ab_page']])
  d. Provide the summary of your model below, and use it as necessary to answer the following
    questions.
In [43]: # Logit regression
        results = logit.fit()
        results.summary()
Optimization terminated successfully.
        Current function value: 0.366118
        Iterations 6
Out[43]: <class 'statsmodels.iolib.summary.Summary'>
        11 11 11
                                  Logit Regression Results
        ______
        Dep. Variable:
                                               No. Observations:
                                                                               290584
                                    converted
        Model:
                                               Df Residuals:
                                                                               290582
                                       Logit
        Method:
                                         MLE Df Model:
                             Mon, 20 May 2019
        Date:
                                               Pseudo R-squ.:
                                                                           8.077e-06
        Time:
                                     10:19:40
                                               Log-Likelihood:
                                                                         -1.0639e+05
                                         True
                                               LL-Null:
                                                                          -1.0639e+05
        converged:
                                               LLR p-value:
                                                                               0.1899
                         coef std err
                                                        P>|z|
                                                                   [0.025
                                                                               0.975]
                                                7.
```

1

ab_page	-0.0150	0.011	-1.311	0.190	-0.037	0.007
intercept	-1.9888	0.008	-246.669	0.000	-2.005	-1.973

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 (1.e.)** The p-value is p=0.19. This is less than p=0.9 from Part II above. The reason for this is we are comparing two different null hypotheses. This was a two-tailed test, whereas our test in Part I was a one-tailed test (only testing whether our experiment group conversions *exceeded* the null hypothesis conversions). Here's how that's expressed in H-notation:

In Part II, our null and alternative hypotheses were (one-tailed test):

```
H_0: P_{new} \leq P_{old}

H_1: P_{new} > P_{old}
```

In this section, our null and alternative hypotheses are (two-tailed):

 $H_0: P_{new} = P_{old}$  $H_1: P_{new} \neq P_{old}$ 

Despite the differences, we still fail to reject the null hypothesis because our p-value of 0.19 is above our  $\alpha$  (alpha) of 0.05.

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 (1.f.)** Adding other factors to a regression model (multiple regression) can help us understand the relative influence of several factors on conversion. There are disadvantages to multiple regression: while we may begin to understand relationships between factors, we have to be careful about drawing *causality* conclusions. Also, linear regression is sensitive to outliers. Adding more factors increases the likelihood that we introduce more outliers.

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. Here are the docs for joining tables.

Does it appear that country had an impact on conversion? Don't forget to create dummy variables for these country columns - **Hint: You will need two columns for the three dummy variables.** Provide the statistical output as well as a written response to answer this question.

```
Out [46]:
                 country
                                                          group landing_page \
                                           timestamp
         user_id
         834778
                      UK 2017-01-14 23:08:43.304998
                                                        control
                                                                     old_page
         928468
                      US 2017-01-23 14:44:16.387854 treatment
                                                                     new_page
         822059
                      UK 2017-01-16 14:04:14.719771
                                                      treatment
                                                                     new page
         711597
                      UK 2017-01-22 03:14:24.763511
                                                                     old_page
                                                        control
         710616
                      UK 2017-01-16 13:14:44.000513 treatment
                                                                    new_page
                  converted intercept ab page
         user_id
         834778
                          0
                                            0.0
                                     1
         928468
                          0
                                     1
                                            1.0
         822059
                          1
                                            1.0
                                     1
         711597
                          0
                                     1
                                            0.0
         710616
                          0
                                     1
                                            1.0
In [47]: # Create dummy columns for country, join them to df new,
         # drop the country column
         country_dummies = pd.get_dummies(df_new['country'])
         df_new = df_new.join(country_dummies)
         df_new.drop(columns = ['country'], inplace=True)
         df_new.head()
Out [47]:
                                   timestamp
                                                  group landing_page converted \
         user_id
         834778
                  2017-01-14 23:08:43.304998
                                                control
                                                            old page
                                                                               0
                  2017-01-23 14:44:16.387854 treatment
         928468
                                                            new_page
                                                                               0
         822059
                  2017-01-16 14:04:14.719771 treatment
                                                            new_page
                                                                               1
         711597
                 2017-01-22 03:14:24.763511
                                                control
                                                            old_page
                                                                               0
         710616
                  2017-01-16 13:14:44.000513 treatment
                                                            new_page
                                                                               0
                  intercept ab_page CA UK
                                              US
         user_id
         834778
                                 0.0
                                               0
                          1
                                       0
                                           1
         928468
                          1
                                 1.0
                                       0
                                               1
         822059
                          1
                                               0
                                 1.0
                                       0
                                          1
         711597
                          1
                                 0.0
                                               0
                                       0
                                           1
         710616
                          1
                                 1.0
                                               0
In [48]: mlr = sm.Logit(df_new['converted'],
                        df new[['intercept', 'CA', 'UK']])
         results mlr = mlr.fit()
         results_mlr.summary()
Optimization terminated successfully.
         Current function value: 0.366116
         Iterations 6
```

Out[48]: <class 'statsmodels.iolib.summary.Summary'> Logit Regression Results \_\_\_\_\_\_ Dep. Variable: converted No. Observations: 290584 Logit Df Residuals: Model: 290581 Method: MLE Df Model: Mon, 20 May 2019 Pseudo R-squ.: 1.521e-05 Date: 10:19:49 Log-Likelihood: Time: -1.0639e+05 True LL-Null: converged: -1.0639e+05 LLR p-value: 0.1984 \_\_\_\_\_ z P>|z| coef std err [0.025 \_\_\_\_\_

0.007 -292.314 0.000

-2.010

-1.983

11 11 11

intercept

**Answer (1.g.)** Since the p-values for CA and UK vs. US are p=0.13 and p=0.46 respectively, there is no evidence to reject the null hypothesis that country has no impact on conversion.

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.

-1.9967

Dep. Variable: converted No. Observations: 290584
Model: Logit Df Residuals: 290580
Method: MLE Df Model: 3
Date: Mon, 20 May 2019 Pseudo R-squ.: 2.323e-05
Time: 10:19:53 Log-Likelihood: -1.0639e+05

converged:				ull: p-value:		-1.0639e+05 0.1760	
	coef	std err	z	P> z	[0.025	0.975]	
intercept	-1.9893	0.009	-223.763	0.000	-2.007	-1.972	
ab_page	-0.0149	0.011	-1.307	0.191	-0.037	0.007	
CA	-0.0408	0.027	-1.516	0.130	-0.093	0.012	
UK	0.0099	0.013	0.743	0.457	-0.016	0.036	
				=======	=======	=======	

**Answer (1.h.)** Since the p-values for ab\_page, CA and UK are p=0.19, p=0.13 and p=0.74 respectively, there is no evidence to reject the null hypothesis that country has no impact on conversion. None of these p-values exceed our  $\alpha$  of 0.05.