Analyze_ab_test_results_notebook

March 23, 2020

0.1 Analyze A/B Test Results

You may either submit your notebook through the workspace here, or you may work from your local machine and submit through the next page. Either way assure that your code passes the project RUBRIC. Please save regularly.

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!

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 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.

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
    %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 [2]: df = pd.read_csv('ab_data.csv')
        df.head()
Out[2]:
          user_id
                                                    group landing_page converted
                                     timestamp
           851104 2017-01-21 22:11:48.556739
                                                              old_page
        0
                                                  control
                                                                                0
           804228 2017-01-12 08:01:45.159739
                                                              old_page
                                                                                0
                                                  control
          661590 2017-01-11 16:55:06.154213
                                                treatment
                                                              new_page
                                                                                0
          853541 2017-01-08 18:28:03.143765
                                                treatment
                                                              new_page
                                                                                0
           864975 2017-01-21 01:52:26.210827
                                                  control
                                                              old_page
                                                                                1
```

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

```
In [3]: df.shape
Out[3]: (294478, 5)
```

c. The number of unique users in the dataset.

Out[4]: 290584

d. The proportion of users converted.

In [5]: usesrs_converted = df[df['converted'] == 1]['user_id'].nunique()

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

```
In [7]: df[((df['group'] == 'treatment') != (df['landing_page'] == 'new_page'))].shape
Out[7]: (3893, 5)
```

f. Do any of the rows have missing values?

```
In [8]: df.info()
```

- 2. For the rows where **treatment** does not match with **new_page** or **control** does not match with **old_page**, we cannot be sure if this row truly received the new or old page. Use **Quiz 2** in the classroom to figure out 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 [9]: df2 = df.drop(df[((df['group'] == 'treatment') != (df['landing_page'] == 'new_page'))].i
In [10]: # 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[10]: 0
In [11]: df2.info()
<class 'pandas.core.frame.DataFrame'>
Int64Index: 290585 entries, 0 to 294477
Data columns (total 5 columns):
               290585 non-null int64
user_id
              290585 non-null object
timestamp
                290585 non-null object
group
                290585 non-null object
landing_page
                290585 non-null int64
converted
```

- 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
```

dtypes: int64(2), object(3)
memory usage: 13.3+ MB

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

```
In [13]: df2[df2['user_id'].duplicated()]
Out[13]:
               user_id
                                                          group landing_page converted
                                           timestamp
                773192 2017-01-14 02:55:59.590927 treatment
         2893
                                                                     new_page
  c. What is the row information for the repeat user_id?
In [14]: df2[df2['user_id'] == 773192]
Out[14]:
               user_id
                                           timestamp
                                                          group landing_page
                                                                               converted
                773192 2017-01-09 05:37:58.781806 treatment
         1899
                                                                     new_page
                                                                                        0
         2893
                773192 2017-01-14 02:55:59.590927 treatment
                                                                     new_page
                                                                                        0
  d. Remove one of the rows with a duplicate user_id, but keep your dataframe as df2.
In [15]: df2.drop(index=1899, inplace=True)
In [16]: df2[df2['user_id'] == 773192]
Out[16]:
               user id
                                          timestamp
                                                          group landing_page
                                                                               converted
         2893
                773192 2017-01-14 02:55:59.590927 treatment
                                                                     new_page
In [17]: df2.shape
Out[17]: (290584, 5)
   4. Use df2 in the cells below to answer the quiz questions related to Quiz 4 in the classroom.
```

a. What is the probability of an individual converting regardless of the page they receive?

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

Out[19]: 0.1203863045004612

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

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

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

Considering the previous results, there is a very slight difference in probabilities from which we can not conclude that the new treatment pages leads to more conversions. In fact, the probability of users converting from the old page is higher by 0.16%

```
### 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.

```
H_0: p_{new} \le p_{old}

H_1: 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.

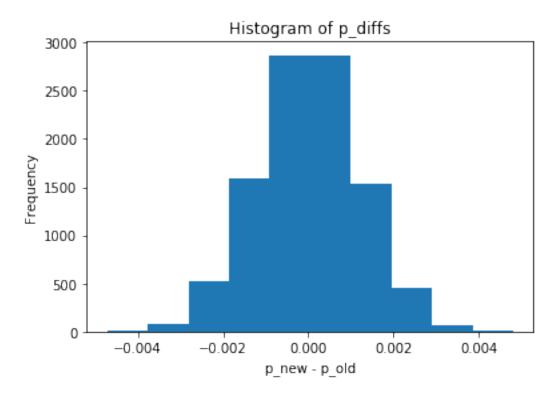
Use the cells below to provide the necessary parts of this simulation. If this doesn't make complete sense right now, don't worry - you are going to work through the problems below to complete this problem. You can use **Quiz 5** in the classroom to make sure you are on the right track.

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

```
In [24]: # Assuming p_new and p_old are equal and both are equal to the converted rate in ab_dat
         p_new = df2['converted'].mean()
         p_new
Out [24]: 0.11959708724499628
  b. What is the conversion rate for p_{old} under the null?
In [25]: p_old = p_new
         p_old
Out [25]: 0.11959708724499628
  c. What is n_{new}, the number of individuals in the treatment group?
In [26]: n_new = df2.query('group == "treatment"').count()[0]
Out [26]: 145310
  d. What is n_{old}, the number of individuals in the control group?
In [27]: n_old = df2.query('group == "control"').count()[0]
         n_old
Out[27]: 145274
  e. Simulate n_{new} transactions with a conversion rate of p_{new} under the null. Store these n_{new} 1's
     and 0's in new_page_converted.
In [28]: new_page_converted = np.random.choice([0,1], n_new, p=[p_new,(1-p_new)])
         new_page_converted
Out[28]: array([1, 1, 1, ..., 1, 1, 1])
  f. Simulate n_{old} transactions with a conversion rate of p_{old} under the null. Store these n_{old} 1's
     and 0's in old_page_converted.
In [29]: old_page_converted = np.random.choice([0,1], n_old, p=[p_old,(1-p_old)])
          old_page_converted
Out[29]: array([1, 1, 1, ..., 1, 1, 1])
  g. Find p_{new} - p_{old} for your simulated values from part (e) and (f).
In [30]: new_page_converted.mean() - old_page_converted.mean()
Out[30]: -3.2309123381479843e-05
  h. Create 10,000 p_{new} - p_{old} values using the same simulation process you used 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**?

In [34]: # Proportion of the p_diffs are greater than the actual difference ($p_diffs > actual_diff$).mean()

Out[34]: 0.9044999999999997

In [35]: import statsmodels.api as sm

print(norm.ppf(1-(0.05)))

k. Please explain using the vocabulary you've learned in this course 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?

I just computed the P-value. Since P-value is high, we fail to reject the Null. If it had been less than Type I error rate of 5%, the new page would have proved to be definitely better than 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.

```
convert_old = df2.query('landing_page == "old_page" and converted == 1').count()[0]
         convert_old
         convert_new = df2.query('landing_page == "new_page" and converted == 1').count()[0]
         n_old = n_old
         n_new = n_new
         convert_old, convert_new, n_old, n_new
/opt/conda/lib/python3.6/site-packages/statsmodels/compat/pandas.py:56: FutureWarning: The panda
  from pandas.core import datetools
Out [35]: (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 [36]: z_score, p_value = sm.stats.proportions_ztest([convert_old, convert_new], [n_old, n_new
         z_score, p_value # Alternative = smaller means p1<p2 in Alt hypothesis
Out [36]: (1.3109241984234394, 0.90505831275902449)
  n. What do the z-score and p-value you computed in the previous question mean for the con-
     version rates of the old and new pages? Do they agree with the findings in parts j. and
     k.?
In [37]: from scipy.stats import norm
         # Significance of z-score using Cumulative Density FUnction
         print(norm.cdf(z_score))
```

Critical value at 95% confidence (5% Type I error) using Percent Point Function

- 0.905058312759
- 1.64485362695

Since the z-score is less than the critical value, we fail to reject the null, meaning that the conversion rates of the old page is more than or equal to that of the new page. This agrees with the findings in parts j and k

Part III - A regression approach

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

Logistic Regression

b. The goal is to use **statsmodels** 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 in df2 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 [38]: df2['intercept'] = 1
         df2['ab_page'] = pd.get_dummies(df['group']) ['treatment']
         df2.head()
Out [38]:
            user_id
                                      timestamp
                                                     group landing_page converted
         0
            851104 2017-01-21 22:11:48.556739
                                                   control
                                                               old_page
            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
                                                                                 0
         3
                                                               new_page
            864975 2017-01-21 01:52:26.210827
                                                   control
                                                               old_page
                                                                                 1
            intercept ab_page
         0
                   1
         1
                             0
         2
                             1
         3
                    1
                             1
                             0
```

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

Optimization terminated successfully.

Current function value: 0.366118

Iterations 6

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

```
\textbf{In [45]: \# \textit{Results.summary didn't work. This is a workaround from the statsmodels documentation} \\
         # https://www.statsmodels.org/stable/generated/statsmodels.discrete.discrete_model.Loga
        results.summary2()
Out[45]: <class 'statsmodels.iolib.summary2.Summary'>
                                  Results: Logit
         ______
                            Logit
                                            No. Iterations:
                                                                6.0000
        Dependent Variable: converted Pseudo R-squared: 0.000

      Date:
      2020-03-23 02:34 AIC:
      212780.3502

      No. Observations:
      290584 BIC:
      212801.5095

      Df Model:
      1 Log-Likelihood:
      -1.0639e+05

      Df Residuals:
      290582 LL-Null:
      -1.0639e+05

      Converged:
      1.0000 Scale:
      1.0000

         ______
                     Coef. Std.Err. z P>|z| [0.025 0.975]
         ______
         intercept -1.9888 0.0081 -246.6690 0.0000 -2.0046 -1.9730
         ab_page -0.0150 0.0114 -1.3109 0.1899 -0.0374 0.0074
         _____
```

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 Part II?

The p-value here is 0.19. Logistic Regression helps us to predict only one of two possible outcomes; whether an indiviual will click to the wbsite or not depending on the page he views. Smaller p-values (closer to 0) suggest that these vaiables are statistically significant in realting to the response variable. Here, a p-value of 0.19 is insignificant. This is different from the null and alternative hypotheses ini part II which assume that the old page is better or produces equal conversions to those from the new page unless the new page proves to be definitely better at a Type I error rate of 5%

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?

Another factor that may influence conversion is the period of time a user gets exposed to the page design. Users may "get used" to one model and so prefer it to the other. May be after enough time using the new page, more users will convert. However, one disadvantage of adding more factors to the regression model is muticolinearity where factors are related to, or dependent, on each other. This makes it more difficult to interpret the results.

g. Now along with testing if the conversion rate changes for different pages, also add an effect based on which country a user lives in. 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.

```
In [47]: countries = pd.read_csv('countries.csv')
         countries.head()
Out [47]:
            user_id country
         0
             834778
                         UK
             928468
                         US
         1
         2
            822059
                         IJK
         3
           711597
                         IJK
             710616
                         IJK
In [55]: countries.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 290584 entries, 0 to 290583
Data columns (total 2 columns):
user id
           290584 non-null int64
           290584 non-null object
country
dtypes: int64(1), object(1)
memory usage: 4.4+ MB
In [58]: countries.country.unique()
Out[58]: array(['UK', 'US', 'CA'], dtype=object)
In [59]: joined_df = df2.join(countries.set_index('user_id'), on = 'user_id')
         joined_df.head()
Out [59]:
                                                      group landing_page converted \
            user_id
                                       timestamp
            851104 2017-01-21 22:11:48.556739
                                                                old_page
         0
                                                    control
                                                                                   0
             804228 2017-01-12 08:01:45.159739
                                                                old_page
                                                                                   0
                                                    control
             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
                                                    control
                                                                old_page
                                                                                   1
```

intercept ab_page country

```
0
                    1
                                    US
                             0
                                    US
         1
                    1
                             0
         2
                    1
                             1
                                    US
         3
                                    US
                    1
                             1
         4
                             0
                                    US
In [73]: joined_df[['CA','UK','US']]=pd.get_dummies(joined_df['country']) #dummies must be listed
         joined_df.head(10)
Out [73]:
            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
                                                                old_page
                                                                                  0
                                                    control
         2
             661590 2017-01-11 16:55:06.154213 treatment
                                                                                  0
                                                                new_page
         3
             853541 2017-01-08 18:28:03.143765 treatment
                                                                new_page
             864975 2017-01-21 01:52:26.210827
                                                                old_page
         4
                                                    control
                                                                                  1
         5
             936923 2017-01-10 15:20:49.083499
                                                    control
                                                                old_page
             679687 2017-01-19 03:26:46.940749 treatment
         6
                                                                new_page
                                                                                  1
         7
             719014 2017-01-17 01:48:29.539573
                                                                                  0
                                                    control
                                                                old_page
         8
             817355 2017-01-04 17:58:08.979471 treatment
                                                                new_page
                                                                                  1
             839785 2017-01-15 18:11:06.610965 treatment
                                                                new_page
            intercept ab_page country
                                        US
                                            UK
                                                CA
         0
                             0
                                    US
                                         1
                                             0
         1
                    1
                             0
                                    US
                                         1
                                             0
                                                  0
         2
                    1
                             1
                                    US
                                             0
                                                 0
         3
                    1
                             1
                                    US
                                             0
         4
                    1
                             0
                                    US
                                             0
         5
                             0
                                    US
                                             0
         6
                    1
                             1
                                    CA
         7
                    1
                             0
                                    US
         8
                    1
                                    UK
                             1
                                         0
                                             1
         9
                    1
                             1
                                    CA
                                         0
                                             0
                                                 1
In [76]: joined_df['intercept'] = 1
         logit_mod2 = sm.Logit(joined_df['converted'], joined_df[['intercept', 'UK', 'CA']])
         results2 = logit_mod2.fit()
         results2.summary2()
Optimization terminated successfully.
         Current function value: 0.366116
         Iterations 6
Out[76]: <class 'statsmodels.iolib.summary2.Summary'>
                                   Results: Logit
         Model:
                             Logit
                                              No. Iterations:
                                                                 6.0000
         Dependent Variable: converted Pseudo R-squared: 0.000
```

Date: No. Observations: Df Model: Df Residuals: Converged:		2020-03-23 04: 290584 2 290581 1.0000		AIC: BIC: Log-L LL-Nu Scale	d: -	212780.8333 212812.5723 d: -1.0639e+05 -1.0639e+05 1.0000		
	Coef.	Std.Err.		z 	P> z	[0.0)25	0.975]
intercept UK CA	-1.9967 0.0099 -0.0408	0.0133	0	.3145 .7458 .5178	0.0000 0.4558 0.1291	-2.01 -0.01 -0.09	161	-1.9833 0.0360 0.0119

H H H

P-values indicate that countries do not have an 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.

```
In [77]: logit_mod3 = sm.Logit(joined_df['converted'], joined_df[['intercept', 'ab_page', 'UK',
       results3 = logit_mod3.fit()
       results3.summary2()
Optimization terminated successfully.
       Current function value: 0.366113
       Iterations 6
Out[77]: <class 'statsmodels.iolib.summary2.Summary'>
                              Results: Logit
       ______
       Model: Logit No. Iterations: 6.0000
Dependent Variable: converted Pseudo R-squared: 0.000
                                                        6.0000
                 2020-03-23 04:24 AIC:
                                                       212781.1253
                                  BIC:
       No. Observations: 290584
                                                       212823.4439
                                     Log-Likelihood: -1.0639e+05
LL-Null: -1.0639e+05
       Df Model:
                       290580
       Df Residuals:
       Converged: 1.0000 Scale:
                                                  1.0000
```

Coef. Std.Err. z P>|z| [0.025 0.975]

0.0099 0.0133 0.7433 0.4573 -0.0162 0.0359

intercept -1.9893 0.0089 -223.7628 0.0000 -2.0067 -1.9718 ab_page -0.0149 0.0114 -1.3069 0.1912 -0.0374 0.0075

From the coefficients, we can conclude that:

- 1. If a user uses the new page, it is 0.985 more likely that they convert, holding all other variables constant.
- 2. If a user is from the UK, it is 1.02 more likely that they convert than if they are from the US, holding all other variables constant.
- 3. If a user is from CA, it is 1.02 more likely that they convert than if they are from the US, holding all other variables constant.

P-values indicate that these variables do not have an impact on conversion.

As a final conclusion, we can not neglect the null hypothesis, and there is no need for the company to implement the new page.

Finishing Up

Congratulations! You have reached the end of the A/B Test Results project! You should be very proud of all you have accomplished!

Tip: Once you are satisfied with your work here, check over your report to make sure that it is satisfies all the areas of the rubric (found on the project submission page at the end of the lesson). You should also probably remove all of the "Tips" like this one so that the presentation is as polished as possible.

0.3 Directions to Submit

Before you submit your project, you need to create a .html or .pdf version of this note-book in the workspace here. To do that, run the code cell below. If it worked correctly, you should get a return code of 0, and you should see the generated .html file in the workspace directory (click on the orange Jupyter icon in the upper left).

Alternatively, you can download this report as .html via the **File > Download as** submenu, and then manually upload it into the workspace directory by clicking on the orange Jupyter icon in the upper left, then using the Upload button.

Once you've done this, you can submit your project by clicking on the "Submit Project" button in the lower right here. This will create and submit a zip file with this .ipynb doc and the .html or .pdf version you created. Congratulations!