# Analyze\_ab\_test\_results\_notebook

July 18, 2020

# 0.1 Analyze A/B Test Results

In this project we analysed a dataset to see if the new page drives more conversions than the old page. To do so, we used the A/B Test methodology.

## 0.2 Table of Contents

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

### ### Introduction

A/B tests are very commonly performed by data analysts and data scientists.

For this project, we will be working to understand the results of an A/B test run by an ecommerce website. Our 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.

#### Part I - Probability

To get started, let's import our libraries.

```
In [33]: 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, we read in the ab\_data.csv data and store it in df.
- a. Read in the dataset and take a look at the top few rows here:

```
1 804228 2017-01-12 08:01:45.159739 control old_page 0
2 661590 2017-01-11 16:55:06.154213 treatment new_page 0
3 853541 2017-01-08 18:28:03.143765 treatment new_page 0
4 864975 2017-01-21 01:52:26.210827 control old_page 1
```

b. Find the number of rows in the dataset.

The number of rows in the dataset is: 294478.

c. The number of unique users in the dataset.

The number of unique users in the dataset is 290584.

d. The proportion of users converted.

The proportion of users converted is: 0.12.

e. The number of times the new\_page and treatment don't match.

The number of times the new\_page and treatment don't match is: 3893.

f. Do any of the rows have missing values?

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.

a. Create a new dataset that meets our specifications. Store our new dataframe in df2.

```
In [40]: df_treatment = df.query('group == "treatment" & landing_page == "new_page"')
         df_control = df.query('group == "control" & landing_page == "old_page"')
         df2 = pd.concat([df_treatment, df_control])
         df2.shape
Out [40]: (290585, 5)
In [41]: # 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[41]: 0
   3. Use df2 and the cells below to answer questions below.
  a. How many unique user_ids are in df2?
In [42]: unique_user_ids = df2['user_id'].nunique()
         print('The number of unique user_ids is: {}.'.format(unique_user_ids))
The number of unique user_ids is: 290584.
  b. There is one user_id repeated in df2. What is it?
In [43]: duplicates = df2[df2.duplicated('user_id', keep=False) == True]
         duplicates
Out[43]:
               user_id
                                                          group landing_page converted
                                          timestamp
         1899
                773192 2017-01-09 05:37:58.781806 treatment
                                                                    new_page
                                                                                       0
                773192 2017-01-14 02:55:59.590927 treatment
         2893
                                                                                       0
                                                                    new_page
  c. What is the row information for the repeat user_id?
In [44]: row_duplicate = duplicates.index
         row_duplicate
Out[44]: Int64Index([1899, 2893], dtype='int64')
  d. Remove one of the rows with a duplicate user_id, but keep your dataframe as df2.
In [45]: df2.drop_duplicates('user_id', inplace = True)
         df2.shape
Out [45]: (290584, 5)
```

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

```
In [46]: converting_prob = df2['converted'].mean()
                  print('The probability of an individual converting regardless of the page they receive
                               format(converting_prob.round(4)))
The probability of an individual converting regardless of the page they receive is: 0.1196.
    b. Given that an individual was in the control group, what is the probability they converted?
In [47]: control_prob = df2[df2['group'] == 'control']['converted'].mean()
                  print('The probability of an individual in the control group converting is: {}.'.
                               format(control_prob.round(4)))
The probability of an individual in the control group converting is: 0.1204.
     c. Given that an individual was in the treatment group, what is the probability they con-
          verted?
In [48]: treatment_prob = df2[df2['group'] == 'treatment']['converted'].mean()
                   print('The probability of an individual in the treatment group converting is: {}.'.
                               format(treatment_prob.round(4)))
The probability of an individual in the treatment group converting is: 0.1188.
    d. What is the probability that an individual received the new page?
In [49]: new_page_prob = (len(df2[df2['landing_page'] == 'new_page']))/df2.shape[0]
                  print('The probability of receiving a new page is: {}.'.
                             format(new_page_prob))
The probability of receiving a new page is: 0.5000619442226688.
In [50]: # Calculate the difference in the probability of conversion for the treatment group and
                   diff_prob = treatment_prob - control_prob
                   print('The difference in the probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for those who viewed the new probabilities of conversion for the new probabilities of co
                             format(diff_prob.round(4)))
The difference in the probabilities of conversion for those who viewed the new page and those who
In [51]: # Calculate the number of days the experiment went for
                   duration = pd.to_datetime(df2.timestamp.max()) - pd.to_datetime(df2.timestamp.min())
                   duration
Out[51]: Timedelta('21 days 23:59:49.081927')
```

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

Conclusion: Given that the probability of converting for those viewing the new page is even slightly less than the probability of converting for those viewing the old page (by -0.0016) and the new page and the old page were shown almost equal number of times, we do not have sufficient evidence to conclude that the new page leads to more conversions.

```
### Part II - A/B Test
```

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

However, then the hard question is do we 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 we 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 we need to make the decision just based on all the data provided. If we 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 our null and alternative hypotheses be? We can state our 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} - p_{old} <= 0 H_1: 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.

We will use a sample size for each page equal to the ones in **ab\_data.csv**.

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

We will use the cells below to provide the necessary parts of this simulation.

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

b. What is the **conversion rate** for  $p_{old}$  under the null?

c. What is  $n_{new}$ , the number of individuals in the treatment group?

d. What is  $n_{old}$ , the number of individuals in the control group?

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 [56]: new_page_converted = np.random.choice([0, 1], size=n_new, p=[1-p_new_ctr, p_new_ctr])
```

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**.

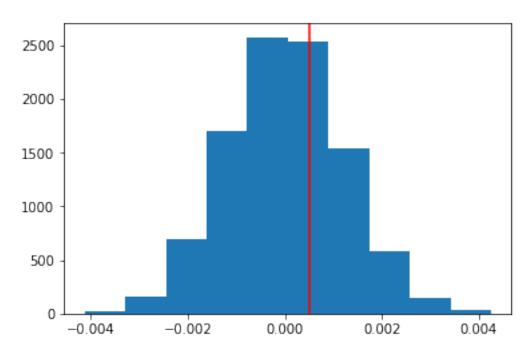
```
In [57]: old_page_converted = np.random.choice([0, 1], size=n_old, p=[1-p_old_ctr, p_old_ctr])
```

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

Out [58]: 0.0004934503074575658

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 we expected?



j. What proportion of the **p\_diffs** are greater than the actual difference observed in **ab\_data.csv**?

In [62]: import statsmodels.api as sm

from pandas.core import datetools

from scipy.stats import norm

k. I will explain using the vocabulary I've learned in this course what we 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?

We calculated the p-value here, meaning the probability of observing the given statistic if the null hypothesis is true. The p-value is large in this case which tells us that there is enough evidence that the statistic comes from the null hypothesis and so we fail to reject the null hypothesis.

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. Let's 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[df2['group'] == 'control']['converted'].sum()
convert_new = df2[df2['group'] == 'treatment']['converted'].sum()
n_old = df2[df2['group'] == 'control'].shape[0]
n_new = df2[df2['group'] == 'treatment'].shape[0]

/opt/conda/lib/python3.6/site-packages/statsmodels/compat/pandas.py:56: FutureWarning: The panda
```

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

```
p = 0.95
# retrieve value <= probability
critical_value = norm.ppf(p)
critical_value</pre>
```

### Out [64]: 1.6448536269514722

n. What do the z-score and p-value we 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.**?

The z-score (approx. -1.31) is well below the critical value (approx. 1.64485) for a one-sided t-test for the 95% confidence level and the p-value (approx. 0.905) is very high. These two factors say that there is sufficient evidence that we fail to reject the null hypothesis. This is well in line with the findings we obtained in parts j and k. There is no sufficient evidence that the new page leads to more conversions than the old page.

### Part III - A regression approach

- 1. In this final part, we will see that the result we 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?

Since we are interested in obtaining a response that has only two outcomes: either converted or not converted, we will perform the logistic regression in this case.

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, we first need to create in df2 a column for the intercept, and create a dummy variable column for which page each user received. I will 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 [65]: df2['intercept'] = 1
         df2['ab_page'] = pd.get_dummies(df2['group'])['treatment']
         df2.head()
Out [65]:
           user_id
                                      timestamp
                                                     group landing_page converted \
         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
         6 679687 2017-01-19 03:26:46.940749 treatment
                                                              new_page
                                                                                1
         8
            817355 2017-01-04 17:58:08.979471 treatment
                                                              new_page
                                                                                1
            839785 2017-01-15 18:11:06.610965 treatment
                                                              new_page
                                                                                1
           intercept ab_page
         2
         3
                   1
         6
                   1
                            1
        8
                   1
                            1
         9
                   1
                            1
```

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

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

 ${\tt Optimization}\ {\tt terminated}\ {\tt successfully}.$ 

Current function value: 0.366118

Iterations 6

```
Out[67]: <class 'statsmodels.iolib.summary.Summary'>
```

Logit Regression Results

\_\_\_\_\_ Dep. Variable: converted No. Observations: 290584 Model: Logit Df Residuals: 290582 Method: MLE Df Model: Sat, 18 Jul 2020 Pseudo R-squ.: 8.077e-06 Date: 18:41:07 Log-Likelihood: Time: -1.0639e+05 True LL-Null: converged: -1.0639e+05 LLR p-value: 0.1899

========	coef	std err	z	P> z	[0.025	0.975]
intercept	-1.9888	0.008	-246.669	0.000	-2.005	-1.973
ab_page	-0.0150	0.011	-1.311	0.190	-0.037	0.007
иии						

In [68]: 1/np.exp(results.params)

Out[68]: intercept 7.306593 ab\_page 1.015102

dtype: float64

e. What is the p-value associated with **ab\_page**? Why does it differ from the value you found in **Part II**?

In Part II, we obtained the p-value of 0.905, while in Part III the p-value is 0.190. This is explained by the different null and alternative hypotheses we had in Part II compared to Part III. The relationship between the p-values for a two-sided test (0.90) and one-sided test (0.19) comes down to the following: 0.90=1-0.19/2. In both cases we cannot reject the null hypothesis The null and alternative hypotheses for Part II were as follows:

```
H_0: p_{new} - p_{old} <= 0

H_1: p_{new} - p_{old} > 0 While the null and alternative hypothese for Part III are:

H_0: p_{new} - p_{old} = 0

H_1: p_{new} - p_{old}!= 0
```

f. Now, we are considering other things that might influence whether or not an individual converts. Let's discuss why it is a good idea to consider other factors to add into our regression model. Are there any disadvantages to adding additional terms into our regression model?

Currently, our model takes into account only one factor, namely, the type of group, being either treatment or control. In real life there could be many other factors that affect the outcome, including whether an individual is a new user or an experienced user and how long the experiment was taken for. However, our dataset does not have information on this topic. If we add such factor as landing\_page, this might not be of great help since "group" and "landing\_page" data are clearly related, which brings the issue of multicollinearity or interdependency of factors. Multicullinearity can worsen the predictability strength of our model.

g. Now along with testing if the conversion rate changes for different pages, let's also add an effect based on which country a user lives in. I will read in the **countries.csv** dataset and merge together our datasets on the appropriate rows. Here are the docs for joining tables.

Does it appear that country had an impact on conversion? We will create dummy variables for these country columns - Let's then provide the statistical output as well as a written response to answer this question.

```
In [69]: countries = pd.read_csv('countries.csv')
         countries.head()
Out [69]:
            user_id country
         0
             834778
                         IJK
         1
             928468
                         US
         2
             822059
                         UK
         3
             711597
                         UK
             710616
                         UK
In [70]: df2 = df2.join(countries.set_index('user_id'), on = 'user_id')
         df2.head()
Out [70]:
            user_id
                                       timestamp
                                                      group landing_page
                                                                          converted
         2
             661590 2017-01-11 16:55:06.154213
                                                  treatment
                                                                 new_page
                                                                                   0
             853541 2017-01-08 18:28:03.143765
         3
                                                                                   0
                                                  treatment
                                                                 new_page
         6
             679687
                     2017-01-19 03:26:46.940749
                                                                                   1
                                                                 new_page
                                                  treatment
         8
             817355 2017-01-04 17:58:08.979471
                                                                 new_page
                                                                                   1
                                                 treatment
             839785 2017-01-15 18:11:06.610965 treatment
                                                                                   1
                                                                 new_page
```

```
intercept ab_page country
        2
                   1
                            1
                                  US
        3
                   1
                            1
                                  US
                   1
                            1
        6
                                  CA
        8
                   1
                            1
                                  UK
        9
                                  CA
In [71]: df2['country'].unique()
Out[71]: array(['US', 'CA', 'UK'], dtype=object)
In [72]: df2[['US', 'CA', 'UK']] = pd.get_dummies(df2['country'])
        df2.head()
Out[72]:
           user_id
                                    timestamp
                                                   group landing_page
                                                                     converted
            661590 2017-01-11 16:55:06.154213 treatment
        2
                                                                              0
                                                            new_page
            853541 2017-01-08 18:28:03.143765 treatment
        3
                                                                              0
                                                            new_page
          679687 2017-01-19 03:26:46.940749 treatment
        6
                                                                              1
                                                            new_page
            817355 2017-01-04 17:58:08.979471 treatment
        8
                                                            new_page
                                                                              1
            839785 2017-01-15 18:11:06.610965 treatment
                                                            new_page
           intercept ab_page country US CA UK
        2
                   1
                           1
                                  US
                                       0
                                           0
                                               1
        3
                   1
                            1
                                  US
                                       0
                                           0
                                               1
                   1
        6
                            1
                                  CA
                                           0
                                              0
        8
                   1
                            1
                                  UK
                                               0
                                       0
                                           1
        9
                            1
                                  CA
                                       1
                                           0
In [73]: logistic_country = sm.Logit(df2['converted'], df2[['intercept', 'ab_page', 'US', 'CA']]
        results_country = logistic_country.fit()
        results_country.summary()
Optimization terminated successfully.
        Current function value: 0.366113
        Iterations 6
Out[73]: <class 'statsmodels.iolib.summary.Summary'>
        11 11 11
                                  Logit Regression Results
        ______
        Dep. Variable:
                                               No. Observations:
                                                                              290584
                                   converted
        Model:
                                       Logit
                                               Df Residuals:
                                                                              290580
        Method:
                                         MLE
                                               Df Model:
                                                                                   3
        Date:
                            Sat, 18 Jul 2020
                                               Pseudo R-squ.:
                                                                           2.323e-05
        Time:
                                    18:41:08
                                               Log-Likelihood:
                                                                         -1.0639e+05
                                        True
                                               LL-Null:
                                                                         -1.0639e+05
        converged:
```

LLR p-value:

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
US	-0.0408	0.027	-1.516	0.130	-0.093	0.012
CA	0.0099	0.013	0.743	0.457	-0.016	0.036
	=======	=======	========	=======	========	=======

In [77]: # See how many times the users from US and Canada are more likely to convert than the a 1/np.exp(results\_country.params)

```
Out[77]: intercept
                       7.310207
         ab_page
                       1.015056
         US
                       1.041599
         CA
                       0.990165
         dtype: float64
```

Given that the coefficients for all countries do not considerably differ from each other and the p-values are all above the critical level of 0.05, there is no statistical evidence to conclude that the country the user is in significantly affects the conversion rate. There is no practical significance in adding countries to make this additional analysis.

h. Though we 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 are significant effects on conversion. Let's create the necessary additional columns, and fit the new model.

I will then provide the summary results, and my conclusions based on the results.

```
In [78]: # Create interaction variable for ab_page and US, CA, and UK
         for country in ['US', 'CA', 'UK']:
             df2['page_'+country] = df2['ab_page'] * df2[country]
         df2.head()
Out [78]:
            user_id
                                       timestamp
                                                       group landing_page
                                                                           converted
         2
             661590 2017-01-11 16:55:06.154213 treatment
                                                                 new_page
                                                                                    0
         3
             853541 2017-01-08 18:28:03.143765
                                                 treatment
                                                                 new_page
                                                                                    0
         6
             679687 2017-01-19 03:26:46.940749
                                                  treatment
                                                                 new_page
                                                                                    1
             817355 2017-01-04 17:58:08.979471
         8
                                                  treatment
                                                                 new_page
                                                                                    1
             839785 2017-01-15 18:11:06.610965 treatment
                                                                                    1
                                                                 new_page
            intercept ab_page country
                                         US
                                             CA
                                                    page_US
                                                               page_CA
         2
                              1
                                     US
                                              0
                                                            0
                                                                     0
         3
                    1
                              1
                                                            0
                                                                     0
                                                                              1
                                     US
                                          0
                                              0
                                                  1
         6
                    1
                              1
                                     CA
                                          1
                                              0
                                                  0
                                                            1
                                                                     0
                                                                              0
         8
                    1
                              1
                                     UK
                                          0
                                              1
                                                  0
                                                            0
                                                                     1
                                                                              0
         9
                    1
                              1
                                              0
                                                            1
                                                                     0
                                                                              0
```

1

0

CA

```
In [79]: logit_country_page = sm.Logit(df2['converted'], df2[['intercept', 'ab_page', 'US', 'CA',
       results_country_page = logit_country_page.fit()
       results_country_page.summary()
Optimization terminated successfully.
       Current function value: 0.366109
       Iterations 6
Out[79]: <class 'statsmodels.iolib.summary.Summary'>
                            Logit Regression Results
       ______
       Dep. Variable:
                                       No. Observations:
                             converted
                                                                 290584
       Model:
                                Logit Df Residuals:
                                                                 290578
       Method:
                                  MLE Df Model:
                                                                     5
                                                            3.482e-05
       Date:
                       Sat, 18 Jul 2020 Pseudo R-squ.:
                                                           -1.0639e+05
       Time:
                              18:43:22 Log-Likelihood:
                                 True LL-Null:
                                                            -1.0639e+05
       converged:
                                       LLR p-value:
                                                                 0.1920
       _____
                    coef std err
                                              P>|z|
                                                       Γ0.025
                            0.010 -206.344
                                             0.000
                                                      -2.005
                                                                -1.968
       intercept
                  -1.9865
                                                      -0.047
       ab_page
                 -0.0206
                            0.014 -1.505
                                             0.132
                                                                 0.006
       US
                  -0.0175
                            0.038
                                   -0.465
                                             0.642
                                                      -0.091
                                                                 0.056
                                            0.760
       CA
                            0.019
                                   -0.306
                                                      -0.043
                 -0.0057
                                                                 0.031
       page_US
                 -0.0469
                            0.054
                                   -0.872
                                             0.383
                                                      -0.152
                                                                 0.059
       page_CA
                 0.0314
                            0.027
                                    1.181
                                          0.238
                                                       -0.021
                                                                 0.084
       ______
In [80]: # See how many times the users from US and Canada are more likely to convert than the i
       # based on our interaction factors.
       1/np.exp(results_country_page.params)
Out[80]: intercept
                 7.289813
       ab_page
                 1.020776
       US
                 1.017682
       CA
                 1.005761
       page_US
                 1.048001
```

We can see from the results of the new model accounting for possible interaction between page and country that the p-values for the country-page factor are all above the critical level of 0.05 required to reject the null hypothesis. So there is no statistical evidence to reject the null hypothesis that there is difference in the conversion rate between the new page and the

page\_CA

dtype: float64

0.969090

old page. The differences are so minor that suggest that there was no practical significance in adding this additional factor to our analysis.

## Conclusions

In this project we analysed a dataset of a company that is considering launching a new webpage to make more conversions. We performed the analysis in two stages: -First, we considered the probabilities of converting for users viewing the old page as opposed to users viewing the new page. The resulting difference prompted that the old page was even slightly better performing. There was no evidence for thee company to switch to the new webpage. - Second, we performed an A/B Test analysis. The results of the A/B Test analysis (p-value - 0.907) also prompted that we did not have statistical evidence to reject the null hypothesis, which was that the old page was performing not worse than the new page. - Third, we performed a regression analysis. We analysed the influence of the independent factor of page on the response variable - conversion and saw that the p-value was large enough (0.19) to fail to reject the null hypothesis that there was no significant difference in the conversion rates of the two pages. Besides, there was evidence that the users viewing the old page were 1.015 times more likely to convert than the users viewing the new page. - We then added additional factors such as country and the interaction between page and country to see if this would make any difference. However, the model showed that there was no statistical evidence to suggest that country affected the conversion rate or that the interaction between the country and page affected the conversion rate.

It was not practical to add any additional factors, like country or interaction betwen the country and page, in our case. Besides, we did not account for whether the users were existing or new, as user aversion or novelty could affect the conversion rates. To mitigate these factors, we could continue the experiment for a longer time.