

e-Wealth Secrets

By

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Lesson Four

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Make Money from Online Betting

Beat the Bookies...Online!

Betting, on sporting and similar events, has been going on for centuries. But for most people it has always been a very small scale activity based around the daily paper and the local 'bookies'. Unless you were lucky enough to be a professional punter, spending all day poring over information, carefully constructing bets and travelling far and wide, it was virtually impossible to make serious money. And chances are you would mostly lose. as millions of punters can testify.

But the Internet has transformed the world of betting. Thanks to the Internet and organisations such as Betfair, it is now possible to bet easily and simply right around the world – without leaving home. It has made it much easier to get the information you need to bet profitably. It has opened up new ways to bet. And it has also forced the betting industry to become more open and more competitive, swinging the balance in favour of the customer.

Most experts agree that the Internet has single-handedly levelled the playing field and turned it from an activity where only the specialists can make money to one where the ordinary punter can now realistically aim to turn a profit.

In general terms you bet online – on horses, sports fixtures, or whatever else you fancy – in much the same way as you bet offline, at your local bookmaker's shop or at the course or ground. But in this lesson we will look at how to make the best use of the Internet to bet, the main types of betting that are most suitable for betting online – together with some techniques and strategies which could help you turn a profit when you 'bet on the net'.

Before you start betting on the Internet it is important to bear in mind that the industry has changed in other ways too. Once upon a time the industry was essentially a domestic industry and heavily regulated. The Internet has turned it into a global industry, and one which exists in an atmosphere of regulatory uncertainty and even prohibition. Many bookmakers are located in so-called offshore locations to avoid taxes, gaming laws and to increase efficiency. For the Internet punter this has removed many regulatory controls and access to official governing bodies and arbitration services in case of disputes. In some cases Internet bookmakers are trading in something of a 'grey area'. For example, sports betting and bookmaking is largely illegal in the USA and some other countries. So when you bet on the Internet it is important to be aware of the drawbacks – which I will tell you about here – as well as the opportunities.



Getting Started Easily and Simply

Finding and Choosing Internet Bookmakers

There are hundreds of Internet or online bookmakers and more are opening up all the time. Some of the main ones are listed at the end of this lesson, and you can find lots more using a simple Internet search. When choosing an online bookmaker exercise the same caution that you would when gambling and gaming – see the previous lesson.

Online bookmakers are regulated by the gambling rules of the country in which the business or the server is located. This may be an offshore location where there may be little or no regulation. Check their website for details. Good Internet bookmakers will tell you where they are based, what rules they operate under and belong to an arbitration service which can help resolve disputes. (Nine out of ten UK bookmakers belong to the Independent Betting Arbitration Service or IBAS.)

Your best protection to get good service and fair dealing is to bet with a well known and respected name. Most of the UK bookmakers also have an Internet division. Remember, in cases where the odds are the same (although they aren't always) there's nothing to be gained from betting with an unknown rather than a known name.

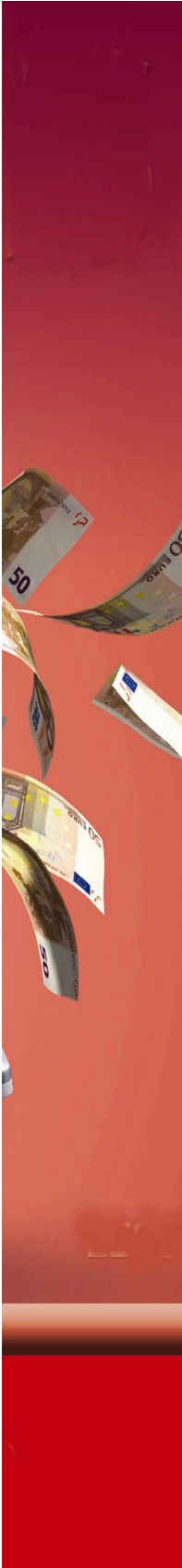
Lastly, always study the terms, conditions and event rules for both the individual bookmaker and the individual event or sport you wish to bet on. In today's global betting environment individual bookmakers can and do have their own unique rules, even for the same event or sport.

Opening an Account

To start out in Internet betting you will need to open accounts with online bookmakers. Some of today's effective betting techniques and strategies require you to have accounts with as many bookmakers as possible – in some cases at least 25!

Aim to open accounts with bookmakers where you do not need to deposit money simply to open an account. Good Tip: Look for bookmakers that accept Switch/Maestro or other debit cards. With these, wagers are simply debited from your card as you place them so you do not need to deposit a lump sum with each bookmaker. Most bookmakers also allow you to deposit funds with credit cards, cheques, money transfers and online payment services but you will usually need to deposit funds before you bet. Although this is often as little as £10 this isn't always convenient and may encourage you to place bets you shouldn't.

With most online bookmakers your winnings are credited to your account and can then be withdrawn by having them credited back to your credit/debit card. However, some credit cards will not accept refunds and some bookmakers



only allow you to make withdrawals by cheque or money transfer.

Betting Tax: The big advantage of betting online is that you don't usually have to pay any betting tax on either your stake or your winnings since Internet bookmakers tend to locate where there are no betting taxes. (UK sites offer tax free betting in any case.) However, always check a new site you are considering using to ensure it is not located somewhere where betting tax applies.

Check for charges, deductions and commissions which are made by some bookmakers (for example for withdrawing winnings or using credit cards). Excessive charges have the same affect as betting tax and make some kinds of betting (eg. arbitraging, see later) uncompetitive.

Taking Advantage of Incentives

As with Internet casinos, many Internet bookmakers offer incentives to persuade you to start betting with them. Incentives in Internet betting aren't generally as generous as in Internet casinos. They are likely to take the form of a 'free bet' of £10-£25, but most often are in the form of a 'match bonus' where you have to bet the same amount. Take advantage of any incentives that are offered where possible, but check the terms and conditions attached to them and ensure that the odds or bet are still good value.

Incentives offered are changing all the time so you need to keep up to date with each site to see what is currently being offered. Some incentives are only offered if you sign up through a betting directory or portal site, such as 'My Betting' which can also tell you about the latest free bets.

Note that some Internet bookmakers also accept transactions by telephone but may offer different incentives (or very often none) for telephone bets, so always check. Some bookmakers may also charge a commission only on telephone bets.

Odds: What You Must Know

Since the Internet allows you to access information and bookmaking sites from right around the world you'll find that different parts of the world express odds in different ways. In the UK odds are mainly quoted as fractions, in Europe as decimals and in the USA odds are often quoted as positive or negative index numbers.

Whenever you're working with different types of figures or expressing them as a percentage (necessary for certain kinds of betting, such as arbitrage) it's essential to convert them accurately so that you are comparing like with like. Some websites perform conversions for you, but a basic conversion table appears below.

Odds Conversion Chart

<i>UK</i>	<i>Europe</i>	<i>US</i>
4/6	1.67	-150
8/11	1.73	-137
4/5	1.80	-125
5/6	1.83	-120
9/10	1.90	-111
10/11	1.91	-110
1/1	2.0	100
11/10	2.10	110
6/5	2.20	120
5/4	2.25	125
13/10	2.30	130
27/20	2.35	135
11/8	2.37	137
7/5	2.40	140
6/4	2.50	150
13/8	2.62	162
17/10	2.70	170
7/4	2.75	175
15/8	2.87	187
2/1	3.0	200
11/5	3.20	220
9/4	3.25	225
23/10	330	230
12/5	340	240
5/2	3.5	250
13/5	3.6	260
27/10	3.7	270
11/4	3.75	275
3/1	4.0	300
10/3	4.33	333
7/2	4.50	350
4/1	5.0	400
9/2	5.5	450
5/1	6.0	500
11/2	6.50	550
6/1	7.0	600
13/2	7.5	650
7/1	8.0	700
15/2	8.5	750
8/1	9.0	800
9/1	10.0	900
10/1	11.0	1000

12/1	13.0	1200
14/1	15.0	1400
16/1	17.0	1600
18/1	19.0	1800
20/1	21.0	2000
22/1	23.0	2200
25/1	26.0	2500
28/1	29.0	2800
33/1	34.0	3300
40/1	41.0	4000
50/1	51.0	5000
66/1	67.0	6600
80/1	81.0	8000
100/1	101.0	10000
150/1	151.0	15000
200/1	201.0	20000

What Events Should I Bet On?

In general terms, you can bet on almost anything you want to bet on! Internet bookmakers are not slow to open a book wherever they think they can attract business. Here are just some of the main areas where they offer you a chance to bet online:

- Horse Racing
- Football, UK, European and World
- Golf
- Tennis
- Cricket
- Rugby Union, League
- Greyhound Racing
- Motor Sports
- Snooker
- Darts
- Boxing
- Other Sports, eg. American football, baseball, basketball, GAA Gaelic football, ice hockey.
- Financial Markets
- Politics, especially results of elections.
- Novelty Events. These include TV, eg. winners of programmes like ‘Big Brother’ or ‘Pop Idol’ and whether it will be a ‘white Christmas’ or the ‘Christmas No.1’ in the music charts.

Important: Different events are more suitable for some types of betting and some types of betting technique than others. Be sure to read the rest of this lesson before you make your final choices.



Useful Winning Strategies for Internet Gambling

First and foremost remember that **few ordinary punters ever beat the bookmaker and earn consistent big wins by chance or by outright skill**. In order to gain an edge over the bookmaker you need a strategy, and to use proven techniques that achieve this purpose. Provided you learn how to gain and maintain this edge and keep to a sensible strategy or system betting can offer steady, realistic long term profits.

Most experts agree that to succeed you need to think more analytically about your betting strategy, about the markets you bet in, about the type of bets you make, about betting value and numerical approaches to finding it, about ways of gaining a head start, money management and control of risk. The good news is that the Internet has made all this easier than ever before.

Here are some strategies which you should find effective:

Always Use a Bank

Without a proven record of long term success, any punter should avoid moving into the 'danger zone' by betting more than they can afford to lose. The most sensible approach to safeguard against this is to set aside a 'bank' or sum of money for the purposes of betting. This can be any amount, large or small. But it should always be money that you can afford to lose.

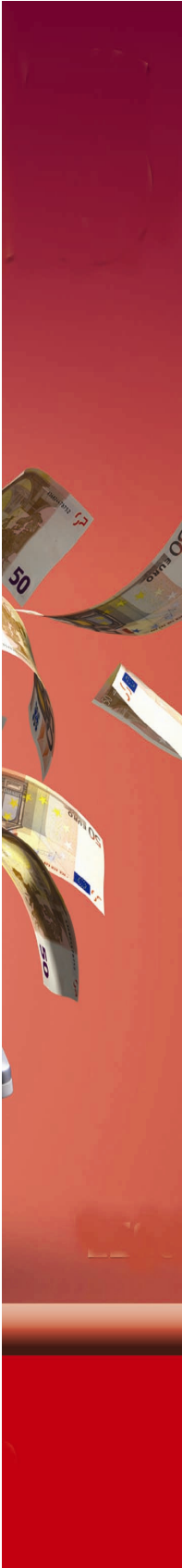
Be a Risk Avoider

Generally, punters are either risk seekers or risk avoiders. This determines both your overall and individual betting strategies. Risk seekers back high odds and large multiples and prefer to chase lost capital by increasing the stakes after each losing bet. However, this will not guarantee profits while increasing the chances of failure considerably.

This is why most punters do better by being risk avoiders. A good way to do this is to use a simple staking plan. Experts put forward many staking plans but even a simple staking plan such as wagering just a small, fixed proportion of your bank, then doubling on a win and halving on a loss will preserve your bank with the aim of winning more than you lose long term.

Know Your Subject

There are literally thousands of sports betting opportunities on offer. In almost every case the bookmaker is banking on the average punter's lack of in-depth knowledge of the subject in order to stack the odds against them. To improve your chances of overcoming this disadvantage concentrate on one or perhaps two key sporting markets. Fortunately the Internet has totally transformed the availability of information so that the determined punter can be as, or even, better informed than the bookmaker. Whatever your subject area, build up your own 'favourite's list' of reliable Internet sites for statistics,



information, facts and figures on it.

Smaller, less popular markets (like darts, volleyball, cycling, skiing or minor athletics) can offer great potential for a skilled web surfer. In these cases the bookmakers will often know less about the events than a regular follower of such sports. They may only have one or two odds compilers studying them compared to hundreds for horse racing or football. So it can be easier for you to get an edge here (although the type of bet and value must also be right).

Know the Best Bets

There are all sorts of wagers available nowadays – from match bets to ante post, scorecast to handicaps. In many ways, the Internet has made this more complicated by widening up the availability of different and unusual bets.

In general terms it is sensible to focus on types of bets where the bookmaker has limited their overround or profit margin. These include bets where the number of possible outcomes is a minimum, ie. two. This includes Asian handicap betting in football, many American sports wagers and two-way betting in other areas. The disadvantage the punter will face is lower, both because the bookmakers can afford it to be so, and because there is less room for them to manoeuvre behind less generous prices.

Bet Singles Most of the Time

Bookmakers have always discouraged single bets (where the punter needs only to back the outcome of one event) since they are easier for the punter to win and so less profitable for them. Since the explosion of Internet betting this has changed – to the advantage of the punter. Nevertheless, ordinary punters used to the ‘glamour’ of bigger payouts (and it has to be said greed) from multiples and perms still place these unfavourable bets.

Experienced and highly skilled experts can enhance profits with multiple bets, but the risks in seeking them, through larger overrounds and lower strike rates, will always be greater. Singles on their own can offer the majority of punters more wins, fewer losses and reasonable if smaller returns.

Bet for Value Rather Than Betting to Win

While it is true that winning bets are the only ones that make money, without winning more often than the bookmaker has priced you to do, the losers will ensure that your betting bank will stay in the red. So, always *identify and measure value* in odds through a comparison of bookmakers’ prices and both quantitative and qualitative forecasting techniques. The Internet now offers all kinds of comparison, statistical and analysis sites which allow you to do this more easily than ever before.

One way to look at it is this: Find value and the winners will take care of themselves!



Favour Favourites or Short Prices

Although this strategy isn't accepted by all experts, certain betting opportunities have a favourite-long shot bias. (This is particularly the case in football fixed odds betting.) This is due to the risk-averse philosophy of most bookmakers who would sooner overprice an odds-on selection than expose themselves to excessive risk by offering value in the long shot.

Betting on only short prices will not be enough on its own to secure a betting edge, but for those who choose to do so, the effective 'average disadvantage' is significantly smaller to begin with. Shorter prices also mean that you will win more often and expose your bank to less risk if betting level stakes.

However, don't back a favourite just because it is a favourite. Back it because you think it offers good value, or because you think the bookmaker has made a mistake.

Always Shop Around

This should go without saying, but is often overlooked! If one bookmaker offers 1/1 whilst another offers 6/5, it would make little sense to take the less generous price. However, due to laziness many ordinary punters still do!

This is one area where the Internet has turned the tables squarely in favour of the punter who is willing to put in the effort. Firstly, the market is so much more competitive with so many more bookmakers quoting odds, and you can easily open accounts with as many as you like from the comfort of home. Secondly, it is easy to find the best odds using comparison or quoting sites (see Appendix).

Betting exchanges (see later) are also good in this respect because they offer better odds.

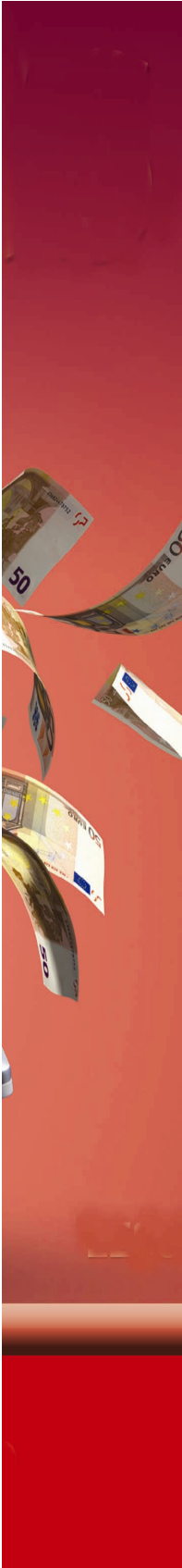
Remember, however, do not simply bet because a particular bookmaker offers the highest price. Make sure the odds offer good value.

Keep and Use Good Records

Always keep accurate records of your bets including the selections backed and their prices, the amounts wagered, and the profits/losses. This will help you to analyse your strengths and weaknesses, to assess your profitability and, long term, show you how to gain and maintain an edge.

Analyse and Keep to Your System

Whatever system you have for choosing, have a system and keep to it! Some people prefer to use form statistics to help them predict the outcome. Others prefer to be subjective, by reading up on each event, and making betting judgements on the basis of information about injuries, motivation, conditions etc. Then again, others prefer to use a betting system (of their own or which they



found on the Internet or read about).

Whichever method you use stick to the same method for a while and then take a long, hard look at whether it has worked and how. If it hasn't, change to something else. If it has, try to find out why and how you can refine your methods. But never use a mixture of methods, or keep changing them without reason.

Always be critical of whatever methods you use. Winning is wonderful, especially when you believe that your skill has helped you outbet the bookie. But don't become too egotistical! Ask whether your wins could have happened simply by chance. If this is the case you cannot rely entirely on your methods! Even where you have established a successful method beware of chance factors that may be contributing to your success.

Understand Losing!

Every punter will lose, but successful ones know how to learn from that loss. Having the patience to outlast poor runs and the strength to resist chasing the losses is the hardest part of gambling. Succeed here, and your chances of avoiding outright failure are greatly improved. Simply staying in the game is half the battle won. Remember: If you aren't in it, you can't win it, regardless of any ability you have. However, be selective and don't bet because you have to, but only when you feel you have the edge.

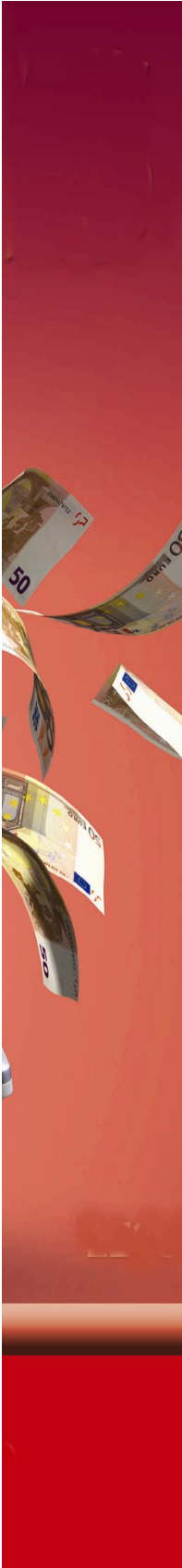
Many successful experts think of it this way: By not betting, you will always break even!

In the next part of this lesson, we will consider some of the more popular betting opportunities and explain how you can use the Internet to make betting on them easier, simpler and, hopefully, more lucrative.

Internet Horse Race Betting Revealed

Horse racing betting is perhaps the largest and most sophisticated betting market in the world. It is also the one area where the Internet has transformed the betting market most of all. The Internet has allowed even the small punter to easily monitor the entire worldwide market, compare and find the best odds and compare and find information. It has also played a major part in making tax free betting a reality. And, of course, it is much more convenient than visiting a traditional betting shop, and certainly a race course.

Another attractive aspect of Internet horse race betting is that it works in exactly the same way as conventional horse race betting, so you need no extra skills to make a success of it. To place a bet online you simply choose your race, and type of bet. Then select the horse you wish to place your bet on. A virtual betting slip will then appear complete with all your details and you simply need to click to place your bet.

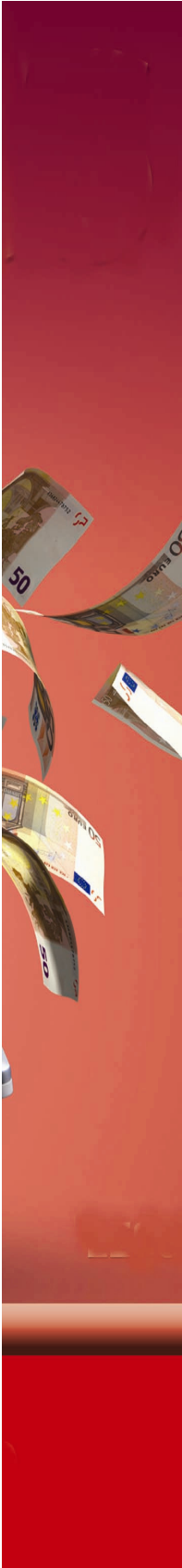


Internet bookmaking sites offer masses of information on placing bets, most of which is reliable. However, here are a few overall strategies which are favoured by successful Internet punters:

- Just because horse race betting is the largest betting market does not necessarily mean it is the easiest at least for the punter. Remember that the bookmakers have massive resources to use against you, and the market is also so developed that it is relatively complex in terms of finding and choosing the best bets. To succeed, you'll need good information and to simplify your betting as much as possible.
- Most successful punters operate on hard facts and figures, not 3rd rate tipping services or rumour. Many gamblers make a good living using information supplied by high-priced and proven tipping services. These tipsters have their tips audited by a totally independent body called the Racing Information Database.
- Most successful punters favour choosing and using a system in order to simplify and manage the process. Use a small bank and stick with your system for a while to see what happens. There are literally thousands of systems available – try a search on the Internet – some of which are free some of which quite expensive.
- Betting exchanges such as Betfair offer good value in horse race betting. For this reason, some experts now only bet on betting exchanges. The added advantage of betting exchanges is that they allow you to bet on a horse to lose, which is easier for the non-expert.
- Horse race betting doesn't offer good potential for arbitraging (see later).
- Some bookmakers offer 'virtual horse racing', where fictitious horses race on their own fictitious course and the result is decided by random means. As long as they are operated by a reputable bookmaking site there is no reason why the odds of winning should not be attractive. However, most experts regard these as more akin to a *casino game* than a sports betting event.

Internet Football Betting Revealed

Football is a particularly exciting game to wager on with many different bet options and a wide range of leagues and teams. However, it is easy to fall into the trap of betting on your own favourite UK team and let sentiment take over from logic – the bookies love this type of betting. If you're a keen fan of a UK team it can be a good idea to look at some other leagues. All around the world, but mainly Europe and South America, countries have professional leagues and bookmakers will readily accept bets on most of them. The Internet means that it



is almost as easy to obtain information on Italy's Serie A or Korea's K-League as on Premiership teams. Tournaments (of which the World Cup is the ultimate but not the only one) also offer potential.

The most popular types of football betting, although different bookmakers might call them by different names, are *match betting*, *outright wagers*, *group wagers*, and *propositions*.

Match Betting

Match betting on football varies from many other types of betting as there are three potential outcomes that can be wagered on, which are essentially: favourite to win, underdog to win, and draw. Because so many games end in a draw, wagering on the draw is a significant betting option. Here's an example from the World Cup when Saudi Arabia played Cameroon:

Saudi Arabia 7/2
Cameroon 4/6
Draw 9/4

Remember that all leagues have different rules on tie games and how, or if, they are further decided so it is especially important to be aware of the specific league rules when making match wagers. Odds are typically for 90 minutes of play only. This means that the bets are settled at the end of the second half, including any injury time. Even if the game is further decided by extra time or penalty kicks, in competitions where this is used to determine the outcome, the result after 90 minutes of play is the score used when tabulating winning and losing wagers. Some bookmakers do take wagers on which team is the ultimate winner (includes extra time and penalty kicks) but it is a much less common bet and the odds usually hold less value, especially for the inexperienced.

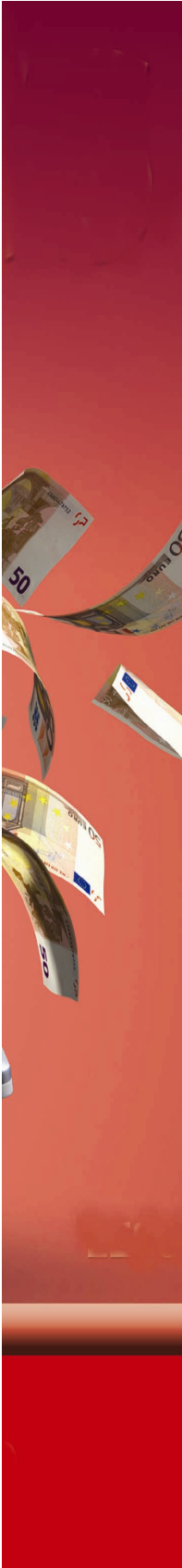
Outright Betting

Players who want to bet on the outright winner of a competition or league can place bets at fixed odds in the futures format. This type of bet also has a variation commonly known as betting each way. For example:

France 9/2
Argentina 5/1
Italy 6/1

In this case, punters who wager on Argentina at these odds would be paid £5 for every £1 they bet (of course the £1 stake is also returned for a total collection of £6).

Bear in mind that betting each way is actually two bets. One is on the selected team to come in first or second place, exactly like a place bet in horse racing, and the other is on the same team to win the competition outright. An



example of a £100 each way bet is the easiest way to explain the principle. Using the odds from above on Italy (6/1 to win) here are the possible outcomes of an each way bet:

- Both wagers lose if Italy does not make it to the final game
- If Italy makes it to the final game but loses, the first £100 bet pays off at half of the odds of the ‘to win’ bet (3-1), for a collection of £300 (£300 winnings plus the £100 stake minus the £100 to win wager).
- If Italy makes it to the final and wins, both £100 bets pay off. So £400 would be collected on the place wager and £700 (£600 winnings at 6-1 plus £100 stake), would be collected on the to win wager, for a total profit of £900 off a £200 wager.

Group Wagering

This is a form of football betting suitable for a competition that involves group stages, such as the World Cup or Champions League. For example, each group has four teams that play each other in a mini-league format to determine which teams will advance into the subsequent, or knockout, round. Betting on the winner of each group is a very popular bet and often these can be combined for higher payouts. The betting format is identical to that of future wagering. Here is an example:

Group C
Spain 1/4
Turkey 4/1
China 25/1
Uruguay 10/1

Proposition Wagering

Proposition wagering is a form of betting that is not based on the outright winner of a match. Bets include predicting the exact score, which team will score first, which players will score, when, and over/under type bets. Additionally, bets for an entire competition might include which player wins the ‘golden boot’, i.e. is the top goal scorer or how many red cards are given out.

What is particularly interesting to note about these bets is that they often have widely varying odds at different bookmakers and so you can often get incredible value by shopping around on the Internet.

What Is Asian Handicap Betting? Asian handicap betting is used to eliminate the possibility of neither party winning the event, e.g. it eliminated the draw in a game such as football. With Asian handicap the perceived underdog is given a head start of a handicap, and the favourite will be handicapped by the same handicap. The predetermined number of the handicap will be added to the real

number of points or goals and make up the right bet.

For example:

<i>Match</i>	<i>Home</i>	<i>Handicap</i>	<i>Away</i>
Liverpool v Aston Villa	1.90	0:1/2	1.95

This simply means Aston Villa has a 1/2 ball advantage when the match starts. If you bet on Liverpool you will win your bet if Liverpool win the match, otherwise you will lose. If you bet on Aston Villa you will win your bet if the game ends on a draw or Aston Villa win the game.

The HANDICAP takes the form of a number of 'balls' (or goals) to be subtracted from the favourite's score before determining who wins.

Consider this simple example: Liverpool at home give 1½ balls to Charlton:

<u>home</u>	<u>odds</u>	<u>handicap</u>	<u>odds</u>	<u>away</u>
Liverpool	1.98	0:1½	2.05	Charlton

In this example, we add 1½ onto Charlton's final score, and see if Liverpool still wins. Hence, Liverpool must win by 2 goals or more to beat the HANDICAP (& you get odds of \$1.98 if you backed them) - ANY other result and Charlton wins (& you get odds of \$2.05 if you backed them).

It gets complicated by the fact that Handicaps can be set in ¼ balls. If a team ends up winning (or losing) by a ¼ ball, then you only win (or lose) 50% of what you would upon an outright result.

(Note some Bookies will display a 1¼ Handicap as "1 & 1½" - indicating that half your stake is placed at a handicap of 1 and the other half of your stake is placed at 1½.)

Internet Golf Betting Revealed

Betting on professional golf events is an increasingly popular way to bet, and the most usual type of bet is on a major international tournament such as 'The Masters'. There is a wide variety of bet types available. Some last through the entire tournament, others are based on daily action, and propositions are available on the major events. Here are some examples to illustrate the possibilities based on The Masters:

Betting To Win

This is a simple future wager on which golfer will win the event. In the case where a golfer withdraws before they tee off on the first hole wagers are

refunded. Any withdrawal after that time would result in a losing wager. Look at this fictitious example to get an idea of how the odds will look:

P. Mickelson	14/5
E. Els	11/1
David Duval	15/1
K.J. Choi	18/1
Field (all others)	7/2

The odds are displayed with the favourite at the top and usually end with a 'field' bet. For example, P. Mickleson is given odds of 14/5. What this means is that for every five pounds you bet, you will win fifteen (plus your stake returned of course).

Betting the field is betting on any player who is not listed with individual odds. Generally there will be up to 50 players with their own odds and all the rest are included under the 'field'. During an event like The Masters, however, bookmakers might offer odds on every single player and those who were originally in the field will have very high odds. If you want to bet on a specific 'dark horse' or up-and-coming golfer it is better to shop around to find a bookmaker who offers individual odds. If that golfer wins the difference could be 7-2 on the field, or 350-1 when betting on the individual!

Another twist on betting to win in golf betting is the opportunity to bet that any given golfer will win any one of the four major events. This gives you four different events in which the bet could potentially pay off and is an interesting way to make a season-long wager.

Match-Up Betting

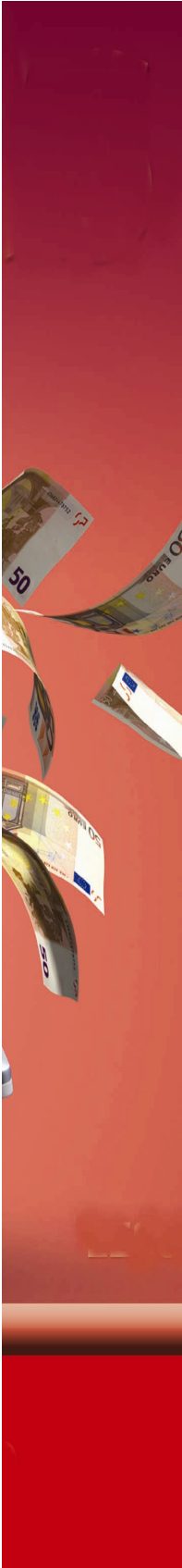
An interesting way to wager on golf is using head-to-head match-ups created by the bookie that may or may not have anything to do with the actual golfer groupings in the event. For example, using US style odds:

Round 1

P. Mickelson (-145)
E. Els (+115)

This is a plain moneyline bet on which player will have the best score at the end of the first round. Mickelson is the favourite and every £14.50 wagered on him would win £10 while every £10 wagered on Els would win £11.50. If they are tied the wager is a push and all bets are returned.

There may be more than one match-up for the same player in any given round, especially during the major tournaments. Mickelson might be paired



against the next five players during the first and second round and each match-up would have adjusted odds. Other match-up bets sometimes have three or four players. Always be sure to shop around with this type of bet because match-ups and their odds vary widely from bookmaker to bookmaker and with a little surfing, great middle opportunities can sometimes be found.

Golf ‘Props’

Proposition betting on golf is usually restricted to the major events but it is becoming more and more common. Propositions on longest drive, closest to pin and fewest putts are only a few of the many betting opportunities offered. The Internet has even made possible *live proposition bets* during the event on a hole-to-hole basis. This kind of wagering is fast moving and can be very rewarding if you know your subject.

Betting On Novelty Events Revealed

If you are not interested in Internet betting on sporting events then you may wish to bet on what the betting industry refers to as ‘novelty events’. For example, you can bet on whether you think it will snow on Christmas Day, or who will win the next Eurovision Song Contest! Many of these events are events which you could never bet on in the pre-Internet days. The Internet has made it possible by opening up markets of sufficient size to make it viable and profitable.

Here is a list of just some of the novelty events you can choose to bet on:

- US Presidential Elections
- UK General Elections
- The X Factor
- Olympic Hosts
- Next James Bond
- BBC Sports Personality of the Year
- White Christmas
- Christmas Number One Record
- Brit Awards
- Miss World
- Big Brother
- Eurovision Song Content
- FHM High Street Honeys
- Oscars
- Golden Globe
- Pop Idol
- I’m A Celebrity
- Mercury Music Prize
- Weather/Temperature
- Booker Prize

- 
- Nobel Prize

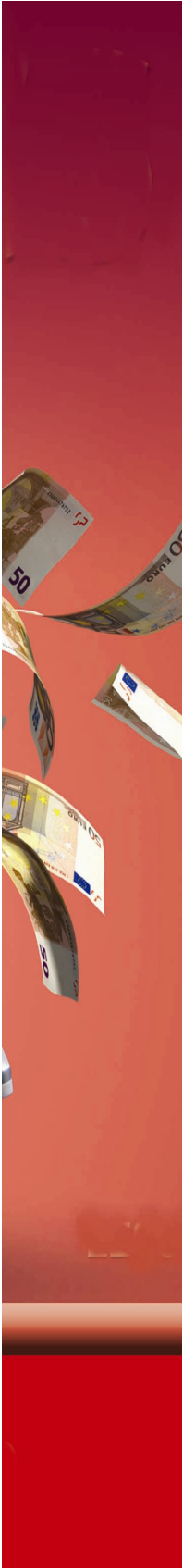
Here are a few pointers to bear in mind about novelty betting on the Internet:

- Do not be misled by the fun nature of novelty betting. Bookmakers love to offer these bets because it detracts from the serious nature of betting. However, you should take it as seriously as any other event.
- Know your subject thoroughly. And if the subject is obscure there is always an opportunity to understand it better than the bookmakers and thus find incredible odds. Look for areas based on subjective rather than objective information. (For example, the weather might be difficult to predict but it is not an obscure subject, as it is based on objective meteorological data.)
- Due to their nature (i.e. General Elections) not all bets are offered continuously. In order to be able to accumulate expertise and find attractive bets on a regular basis try to specialise in an area rather than a type of bet, eg. politics not just elections.
- There is often less competition in novelty betting, so you must look harder to find value. For example, only 16 UK bookmakers regularly offer novelty bets. Don't forget exchange betting (see later).
- Novelty betting is generally more risky, so you may want to use a smaller bank.
- Odds in novelty betting are generally wider, so there can be better potential for arbitraging (see later).
- Check the rules relating to novelty bets with all the individual bookmakers you intend to use. Rules for novelty betting vary much more widely than other kinds of bets, and there may be exclusions which prohibit or restrict certain 'dead cert.' opportunities.

Spread Betting: What It Is and How It Works

Spread betting, also known as 'index betting', is a comparatively new method of wagering on sports and other events. Although spread betting has always been possible this is another case of how the Internet has opened up more and better possibilities to average punters.

The concept of spread betting is a simple and straightforward system which rewards correct selections based upon how accurate they were – but also penalises incorrect selections based upon how wrong they were.



For example, assume you want to bet on a rugby match between fictitious teams called the ‘Lions’ and the ‘Tigers’ where the index is set on the total number of points scored by both teams combined – in this example 46-49. What this means is that the index maker believes that between 46 and 49 total points will be scored in the game. In order to wager the player must decide if they want to take a position below 46 or above 49. This means that if you believe there will be more than 49 points scored you can ‘buy’ at that number (e.g. £10 per point) and will win based on how many points above the number the total ends at. On the other hand, if the total falls below 49 you will lose according to how many points under the number it is. The same holds true for gamblers who predict a low scoring game and ‘sell’ at 46. These players will also be rewarded or penalised based upon how good their scoring prediction is.

The amount won or lost on any spread bet is based upon the stake the player makes when they take their position. If a person ‘buys’ over 49 at £10 per point they will be paid £10 for every point over 49 in the game. Conversely, if the total falls below 49 the player will have to pay £10 for every point below 49. The same holds true for sellers who take the low side except that they are paid for every point below 46 and lose for every point above the number.

For example:

Index: Total Points in Game Lions/Tigers 46-49.

Wager: Buying at 49 (prediction of over 49) for £10.

Final game result: 42 points (7 less than the predicted over number).

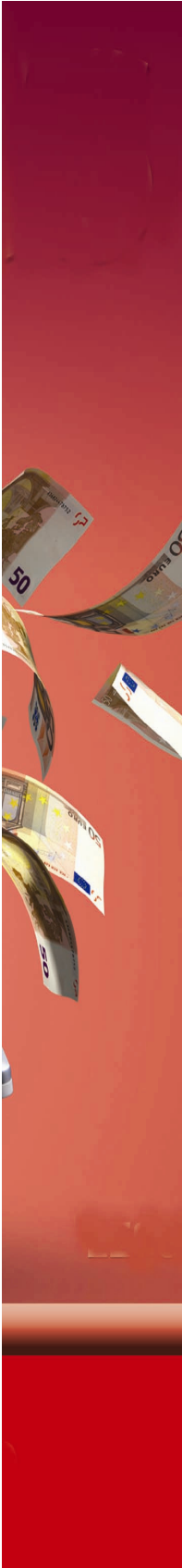
Player’s Gain/Loss: Player loses £70 ($7 \times £10 = £70$).

On the other hand, a player who sold £10 at 46 would be a £40 winner because the total was four less than the predicted under number and $4 \times £10 = £40$.

It is important to note that wins and losses are highly variable in spread betting and careful management is necessary in order to prevent substantial losses. Internet betting makes it easy to use stop-loss facilities, offered by most bookmakers, where a pre-set loss limit is put into place. However, this is not always the case and due to the nature of sports where anything can happen, it is very important to only wager what you can afford to lose even in the worst case situation.

Arbitrage Betting: What It Is and How It Works

Arbitrage betting (also known as scalps, sure bets and risk free bets) is something that has always been possible. However, the Internet – together with the widespread availability of tax free betting – has made it easier and accessible



to almost everyone - including those who don't know much about betting and the event in question, and those who aren't particularly interested in the principles of arbitrage!

A simple way to think of arbitrage is *the bet that always wins!* Regardless of the outcome of the event you always win, because you can never lose. However, what many people do not realise is that this is because you are really not betting at all you're *trading*.

Arbitrage can best be explained by means of an example:

You decide to look for arbitrage opportunities (or 'arbs.' as they are known) in the forthcoming Utopia Open Tennis Tournament Final featuring Aiden Arthur against Bobby Bolder. You check out the bookmaker's odds and then place two bets over the Internet, with two bookmakers, as follows:

£500 on Aidan Arthur with bookmaker X at odds of 1/1.

£400 on Bobby Bolder with bookmaker Y at odds of 6/4.

The total amount you have bet is £900.

If Arthur wins you get £1,000 from bookmaker X (£500 win + £500 stake returned).

If Bolder wins you get £1,000 from bookmaker Y (£600 win + £400 stake returned).

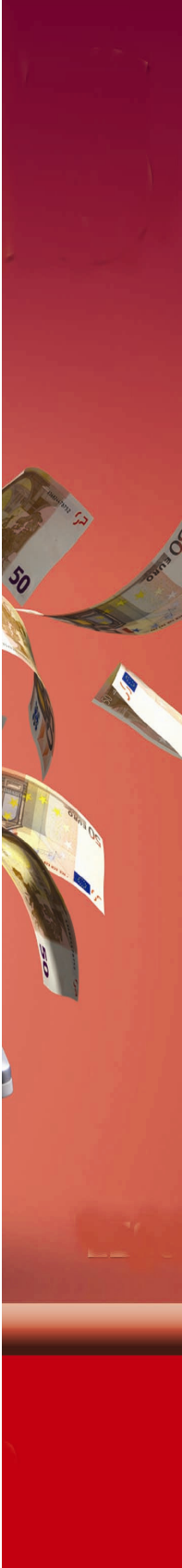
So your profit, no matter who wins, is £100 (£1,000 winnings - £900 stake)!

Of course, this process has always been possible. But the Internet allows you to compare odds from dozens (or even hundreds or thousands) of bookmakers to find arbitrage opportunities. Then place a large volume of bets and repeat the process on a regular basis so that small, often tiny, but regular wins can all build up into a significant profit. Today, there are also many PC programs (such as ArbCalculator) which allow you to collect, store and calculate the information you need to make spotting and managing your arbs. relatively straightforward.

Arbitrage Made Simpler

From a practical point of view, arbitrage opportunities are easiest to find where there are *four or fewer possible outcomes*. There is a huge range of events, sporting and non-sporting, where you can take advantage of this kind of scenario. Some of the best opportunities arise in:

- Football
- Tennis

- 
- Golf, especially competitions where players are playing head-to-head such as in two ball and three ball tournaments.
 - Cricket, usually one-day competitions.
 - Snooker
 - Darts
 - Boxing
 - American Football

In the case of football, note that it can be hard to find arbs. in UK football since so much money is involved that the bookmakers can afford to put a lot of effort and money into ensuring these profit-taking opportunities don't occur too often. Non-UK football offers better potential. Also note that some sports (especially American football and rugby union) are often handicapped. Before considering bets on these events it is important to take any handicap into account.

Horse race betting doesn't have good potential for arbitrage, mainly because there are so many outcomes (ie. potential winners) that it makes it difficult to plan and manage your bets.

Arbitrage opportunities occur for a number of reasons. These include differences of opinions between bookmakers or a bookmaker anticipates taking on too much money for a player/team. These differences occur both nationally and, more often, internationally, and the Internet allows you to easily see where foreign bookmakers may be offering odds that are 'too generous'. Bookmakers do not forbid arbitrage-based bets (since arbitragers lose money as well as win it) and, in many cases, will never know what you are doing since only half of your bet is with any one bookmaker.

These opportunities are practically infinite. On certain days you may need to look a bit deeper than the popular arbitrage yielding sports like football, tennis and golf. Other types of opportunities with good potential for arbitraging include novelty events such as political elections or Big Brother evictions and so on.

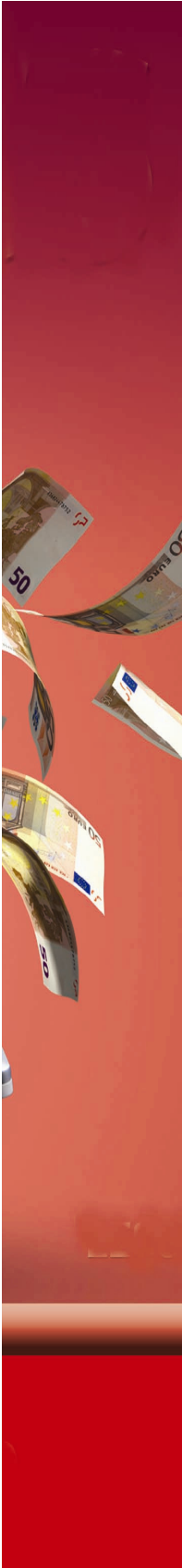
The key to arbitrage success lies in converting a bookmaker's odds into a percentage. If after adding up the percentages for each leg of the event your total percentage is less than 100 (called an 'under round' book) you have found an arbitrage opportunity!

In the example above:

Odds of 1/1 are equivalent to a percentage of 50%.

Odds of 6/4 are equivalent to a percentage of 40%.

The total percentage is 90 (50 + 40). Therefore you have 'landed an arb.', as it is called.



NB. The arbitrage percentage is 100 minus the total percentage. In our example this is 10% (100-90). The greater this percentage, the larger will be your profits for the same amount staked. However, you can still turn a profit with a much smaller margin.

To have a good chance of succeeding in arbitrage most experts recommend that you will need accounts with at least 25 Internet bookmakers. One consequence of this is that your money may be spread more thinly than otherwise, or you may need more money to invest. (But bear in mind that in theory at least you should never lose your money as it is essentially working capital or an investment and not a bet.)

You can start with any sum but tests have shown that if you have approximately £300-£500 working capital you can expect to generate a profit of £10 per week, £3,000-£5,000 working capital a profit of £100 per week and £7,000 working capital proportionately much more – £300+ a week or £15,600 a year.

Arbitrage Risks and How To Minimise Them

Arbitraging involves several risk factors which do not occur in conventional forms of betting. Here are the main ones and how to deal with them:

- Prices move before you place all your bets: Place your bets swiftly – Internet betting makes this possible. Use a procedure for covering your exposure, to minimise any losses that do occur because of this.
- The bookmaker realises they have made ‘a mistake’ in their odds and voids a bet: Be slightly suspicious when a price seems to be a glaring error rather than just a modest but worthwhile difference. Bookmakers are entitled to do this, although often do not.
- Bookmakers’ differing rules lead to a loss: Bookmakers have different rules, especially relating to ‘unusual’ situations such as player withdrawals, or deciding ties. Make sure you know each bookmaker’s terms and conditions before you place an arbitrage-inspired bet with them.
- One bookmaker limits your stake, leaving your arb. unbalanced and exposing you to loss: Know bookmakers’ likely betting limits in advance and work within them. Use a procedure for covering your exposure, to minimise any losses that do occur because of this.
- You bet on the wrong team, player etc. accidentally or miscalculate the odds!: Keep a careful record of the arbs. you create – use a computer program if you need to. Double check every bet you consider placing.



Further Information

The more you know about arbitrage the easier it becomes to spot and calculate opportunities. There are many Internet sites offering further information, some of which are listed at the end of this lesson.

Betting Exchanges: What They Are and How They Work

Betting exchanges are a type of betting opportunity which has been opened up almost solely because of the Internet. You could always 'exchange bet' but in the pre-Internet days it was almost impossible for the small-scale, home-based punter to do so effectively.

A betting exchange is a website on which an individual can either place bets or accept bets on an event with another punter, not a bookmaker. So, essentially, the customers themselves act as bookmakers. As well as betting in the normal way you can offer bets at odds which you determine and encourage others to take up your bet.

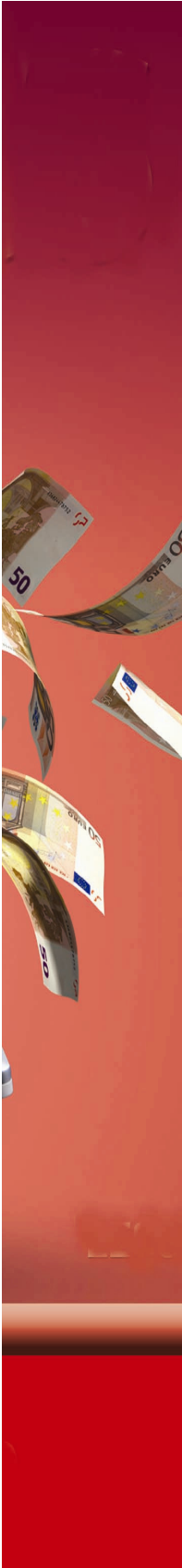
The main reason for using betting exchanges is that you will get better odds than at the bookmakers. Despite commission payable on winnings, typically 5%, the odds available with exchanges are frequently more favourable since there is technically no overround to overcome. Individuals such as yourself are prepared to give better odds. For example, checks have shown that at one major betting exchange, Betfair, odds are consistently around 20% better than a High Street bookmaker.

Exchange Betting Made Simpler

It is essential to use a reputable and reliable betting exchange. The most well known online betting exchange is Betfair. The risk of using a less reputable exchange, are that the bets may not be constructed properly and you may lose your stake, winnings and deposited funds. Betfair 'ring fence' all client deposits in a separate company and refer all disputes to the Independent Betting Arbitration Service (IBAS) in the UK.

One risk of using a betting exchange is that you could find yourself betting against a person who is 'in the know' or who is able to influence the result (to your detriment). For this reason, some expert exchange betters avoid exchange betting in areas which have acquired something of a reputation for insider dealing, such as horse racing.

To get started with betting exchanges, you have to open an account at websites that are offering this kind of betting. This works in much the same way as operating an account with a conventional bookmaker. Betting exchanges make their profit by levying a commission on the winner's winnings. For example, Betfair levy a 5% commission which is one of the highest around, although it does reduce to 2% if you use the exchange a lot. This percentage is much lower



then a regular bookmaker's profit margin of at least 10% and, of course, the odds are not compromised by the overround.

After opening an account at betting exchange websites, decide if you would like to act as a bookmaker or as a 'regular punter'. Bear in mind that if you act as a regular punter, your risk is similar to betting with a bookmaker, except that you can obtain much better odds. However, if you choose to act as a bookmaker your risk is higher.

Betting exchanges operate around the basic terminology of *buys* (or backs) and *lays*. When you back or buy you bet on an event for which others have presented the odds. If the team/event you've backed wins, you will win your stake multiplied by the odds that were offered (minus commission). When you act as bookmaker, you will *lay* or offer odds on some event that you choose, hoping that the team or event you lay odds on will fail.

How To Buy

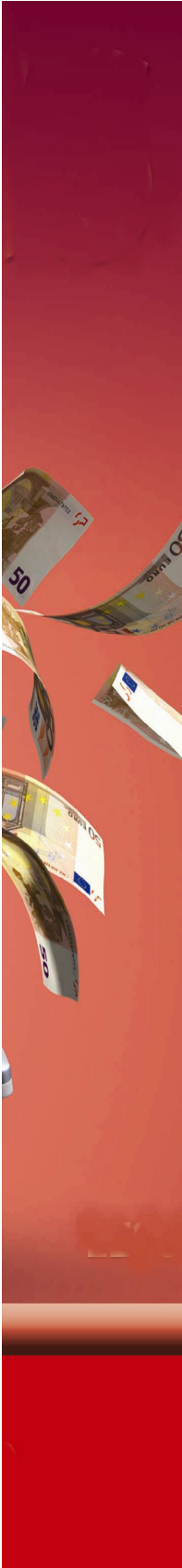
The best way to approach buying is when you have a firm belief on a particular event but are not satisfied with available odds from conventional bookmakers. Let's say that on the regular market, the best offer for a draw in an international football match between Italy and France is 2.80. (Betting exchanges typically use decimal odds.) You have checked betting exchanges and find odds of 2.90 which you feel are good value. Then you should back a bet or buy a bet. The procedure is the same as with Internet bookmakers. You click on your event, place a bet, enter your stake and wait for the final result.

However, Internet exchanges offer a further interesting possibility. If you are not satisfied with the odds currently on offer you can make a back order. Let's say that the available odds are not good enough for you, and that you want to place a bet at odds of 3.10. Then you can make a back order for 3.10 for your potential stake – £100 for example. Now you simply wait until someone else is ready to lay £100 on a draw in this match at 3.10. When they do, your individual bets (or orders) will match and your bet is placed. (If someone lays £30 on 3.10 on this event then this £30 will match with yours and the rest of your bet –£70 – will be available for someone else to lay.)

How To Lay

The simplest way to approach laying is to look for an event (or person) you believe will fail. Most people find that it is much easier, psychologically as well as practically, to pick a horse to lose in a race!

Using a football example, assume you are looking at the Premiership. You feel that Liverpool will lose against Portsmouth next Saturday. First, look at the available odds on the market for this game and then create your own odds. Let's say that you are ready to offer odds at 1.50 for this match and that you are prepared to accept bets up to £100 on this event. You lay your offer on the betting



exchange and wait for answers.

Since you are offering much better odds than regular bookmakers, you will very probably find that someone accepts your offer and covers it with £100. (Alternatively several punters may cover it with smaller stakes, but cannot exceed your limit.)

All you have to do now is wait for the match to be played. If Liverpool win, you will lose $1.50 \times £100$ from your account. If Liverpool lose then you will win £100. (Note that the person who wins pays the commission.)

With a betting exchange you can also change odds. If, for example, your offer of 1.50 on Liverpool in this match did not attract any custom then you might change your odds. You could consider, for example, increasing your offer to 1.60, but only accept bets up to £80, in order to limit your risk even though you are offering more tempting odds. Also, if you see after a while that someone backed Liverpool at 1.65 with £20 you can increase your offer to 1.65. On most betting exchanges you can also operate in in-running events. The Internet makes this possible quickly and easily. You can, of course, lose money but you can also make a lot.

Whether you have ‘bought’ or ‘laid’, at the conclusion of the event the betting exchange site takes the result, works out the winnings and credits the appropriate account.

Further Information

The more you know about exchange betting the easier it becomes to spot opportunities and exchange bets. There are many Internet sites offering further information, some of which are listed at the end of this lesson.

Appendix of Websites: Lesson 4

Selected Internet Betting Sites

Here is a selection of some Internet bookmakers worldwide. This list is for information only and these sites are not endorsed in any way.

Allsports
www.allsportsbetting.com

Bwin
www.bwin.com

Bet Direct
www.betdirect.net

Betmaker
www.betmaker.com

Bet365
www.bet365.com

Bluesquare
www.bluesq.com/bet

Centrebet
www.centrebet.com

Coral/Eurobet
www.eurobet.co.uk

Gamebookers
www.gamebookers.com

IASbet
www.iasbet.com

Intertops
www.intertops.com

Ladbrokes
www.ladbrokes.com

Olympic
www.thegreek.com

Paddy Power



www.paddypower.com

Skybet
www.skybet.com

Sporting Bet
www.sportingbet.com

Sporting Odds
www.sportingodds.com

Victor Chandler (VC Bet)
www.victorchandler.com

William Hill
www.williamhill.com

List of Current Incentives

Visit My Betting at www.mybetting.co.uk/free_bets.htm for a current list of great incentives with numerous betting agents. A typical incentive is that the betting agent will match your bet (up to a certain amount) Most of these incentives are only available via the link from My Betting, and not on the betting agents' websites, so it's worth checking My Betting out.

Other Useful Websites

My Betting
www.mybetting.co.uk
Portal site and useful information.

Oddschecker
www.oddschecker.com
Odds comparison site.

Sports Betting Index
www.sportsbettingindex.com
Good for details of new Internet bookmakers as they set up.

Tip-Ex
www.tip-ex.com
Odds comparison site.

Zero-Risk Arbitrage
www.zero-risk-arbitrage.com
Information on arbitrage, services etc.



Betting Exchanges

Betdaq
www.betdaq.com

Betfair
www.betfair.com

Gamebookers
www.gamebookers.com
(Combination of exchange and conventional bookmaking.)

Intrade Prediction Markets
www.intrade.com

Please Note: Websites included in this appendix, or elsewhere within the course, are all operational at the time of writing and I do aim to check and update these listings on a regular basis. However, due to the nature of the Internet and the way in which websites can appear and disappear without notice it is always possible you may find some sites which have been renamed, moved or removed.