

Lies, Damned Lies and Statistics

Reliability of Race Tipping Services

How reliable is the info you use everyday?

Whilst there are a few race tipping services available today that are actually pretty good, many simply will NOT make you any money.

They will promise the earth through slick advertising but simply will not deliver long term profits. A common advertising trick is to offer fantastic strike rates. The truth is that strike rates can be artificially inflated simply by providing more tips in a race or selecting more races with shorter priced favourites.

The more runners selected or the shorter the price, the greater the strike rate.

For example, if you are comparing two services and one, Service A of them tips 3 selections per race at 60% strike rate and the other Service B tips one selection per race at 40% strike rate, which one is the better service?

Trying to compare strike rates alone is hopeless. In order to answer the question of which service is better you absolutely MUST know what the returns are. Ask yourself: Would you rather have a 60% strike rate and a 10% LOSS on turnover or a 40% strike rate and a 10% PROFIT on turnover?

But, how is that possible? Surely having a better strike rate is a better deal?

As the great song says: It ain't necessarily so!

Let's have a look at an example.

Service A provides 3 selections per race and 5 races per day and has a strike rate of 60%. The average price of the winners over a twelve month period is \$4.50.

Service B provides one selection per race and tips in 4 races per day and has a strike rate of 40%. The average price of the winners over a twelve month period is \$3.00.

Let's look at the money side of thing. If you backed all selections for both services which one would give you the best return?

*Service A: At 50 meetings per year you would outlay 50 meetings * 5 races = 250 races. You bet 3 selections per race = 750 units outlay. You would back 60% winners (250 * 60%) = 150 winners. Each winner pays (on average) \$4.50, so you get back \$675 – a loss of \$75 or 10% on turnover.*

*Service B: At 50 meetings per year you would outlay 50 * 4 = 200 races. You bet all one selection, so you would outlay 200 units. You back 40% winners (200 * 40%) = 80 winners. Each winner pays off (on average) \$3.00, so you get back 80 * \$3 = \$240 or a profit of \$40 (or 20% on turnover).*

Which service would you rather invest in, the one that has 60% strike rate or the one that has 40% strike rate?

Strike rate alone is a totally misleading measure of the success of any tipping service, racing tipster or racing system. In the previous example, one punter backed 150 winners in a year and LOST 75 units, whilst the other punter backed 80 winners and WON 40 units.

Which would you rather be?

Advertising SCAMS

Some services only run their advertising campaigns AFTER a “good” week. It's good marketing, but let's face it every service will have a “good” week at some time or another.

What you really need to know is how it is likely to perform week in/week out over the next twelve months.

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Another trick is to advertise only their good weeks and/or long shot winners.

Sometimes the long shot won three or four months ago. Once again, what you really want to know is what is likely to happen over the long haul, not a lucky week three months ago, when you missed the winner any way!

Before you invest in any service, you need to confirm that firstly, it has performed well in the past and secondly, you need to test it for a period of time (of at least six months) to give yourself the confidence that it will continue to perform well in the future.

Try to obtain past results.

- If you can't easily get at least six months of past results then you should be wary.
- Similarly if the service asks for a large up-front investment before the provider gives you access to past results you should be extremely sceptical.

If your service provides you with past results then you should check not only the strike rate, but also whether the service made any money on level stakes (that is, if you had put say \$1.00 to win on EVERY selection, would you have made a profit or a loss?)

Compare the results of the service to your own results, and to Hotshot Winners results. If you don't have your own past results, you need to start writing these down...religiously.

Some baseline numbers

For thoroughbred racing, use the following numbers for comparison purposes:

- 29% of ALL races are won by the favourite
- 48% of ALL races are won by one of the first two favourites
- 70% of ALL races are won by one of the first five favourites.

100% Strike Rate Guaranteed

Yes it is possible to get 100% Strike Rate on each and every bet you ever have or ever will have!

Just bet the field!

But of course you will go broke almost as fast as you can put the bets on. So you can easily get a 30%, 50% (almost), 70% or even 100% strike rate without any service. Just follow the preceding table.

Making a Profit

Before you resign your job and decide to go punting for a living, please, please understand that you cannot possibly win long term in any of these scenarios!

The reason is simple. The prices of the winners are not sufficient to pay back the losses (see the worked example above).

The only way you can possibly make a profit in the long term is if the prices of the winners are such that they are greater than the investments on all the losers. This is called the value proposition of punting.

Hotshot Winners provides a service that does provide an excellent strike of approximately 40% AND a profit of about 20% profit on turnover in the long term.

Our philosophy is to identify races that are likely to produce winners at value prices and ignore the rest.

It's all about the Value!