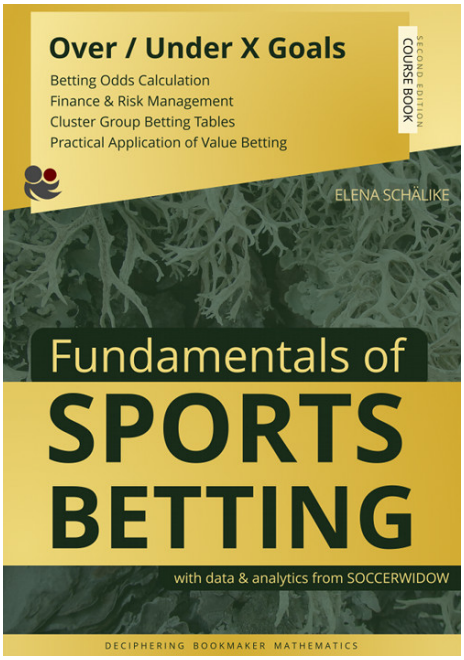
Extract from Over/ Under X Goals Fundamentals of Sports Betting Course:



Somehow they figured out how to beat the bookies...

2.2.2. Calculating Odds: Team vs. Team

In the previous chapter we determined that the opening prices in the market *(Betfair)* are within the expected range predicted by using the previous five seasons' statistics.

We have also noticed that for 'Under X Goals' betting, the observed odds and the calculated odds results were closer together towards the lower end of the scale *(i.e. lower odds)*. For 'Over X Goals', the observed and calculated odds were closer together towards the higher end of the scale *(i.e. higher odds)*.

Please do not use this as a rule of thumb. Sometimes it is the other way around. The whys and wherefores will be explained later.[25]

Having counted and analysed the goals of 1,530 Bundesliga matches, we will now look at team results.

The Bundesliga comprises 18 teams. They are all different from one another: they have different experience; different players; managers using different tactics; different transfer budgets; different wage bills; different team incentives for success on the field, and so on.

Is it even possible to set accurate odds with all of these variables to take into consideration, let alone how the team is performing at the time?

Do we actually need to take into account these variables?

[25] *Explanation in chapter 2.3.4. 'Tendencies' of Setting Odds (page 63) and 4. Market Dynamics (page 98). Sorry, you have to work through the whole course to understand it all!*

The answer is 'no' to both questions. As we have already indicated, **betting odds calculation is based purely on historical statistics**.

And, believe it or not, I'm going to prove it you!

Goal Distributions by Team

When all 1,530 games from the last five seasons are plotted on a graph, it is surprising to see that the results distribution of one-goal games, two-goal games, three-goal games, etc., is similar season upon season.

The graphs match each other well, but are not identical. These differences are the deviations discussed in the previous chapters.

Despite the fact that the list of Bundesliga teams changes each season *(currently either two or three teams are relegated and replaced by teams from Bundesliga 2 in the following season)*, the curves are still pretty regular:

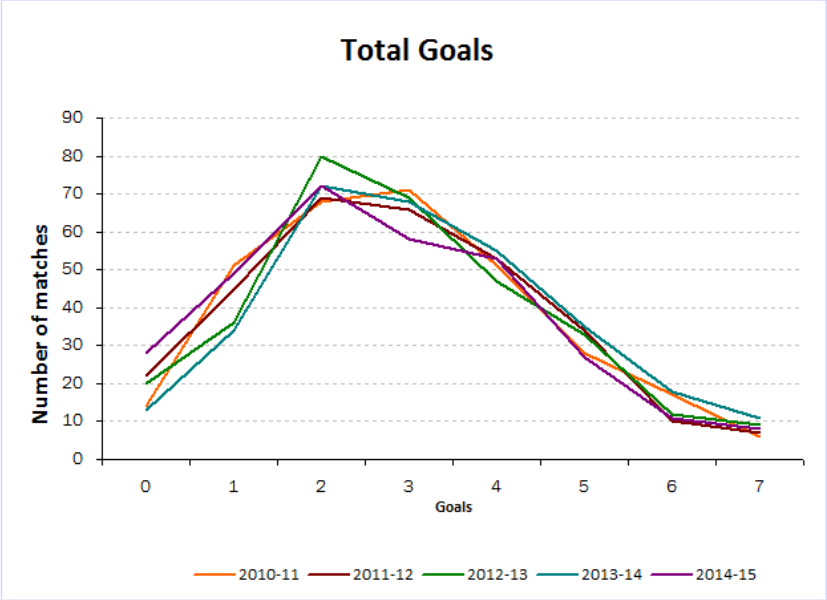


Fig. 13: Goal Distribution in the Bundesliga 2010-11 to 2014-15

If you analyse the contribution of the 13 ever-present teams over the five seasons, the illustration becomes more chaotic:

To keep things simple at this stage, the course will concentrate on these 13 teams before a different method is introduced later for teams that have not been part of the Bundesliga for five consecutive seasons.

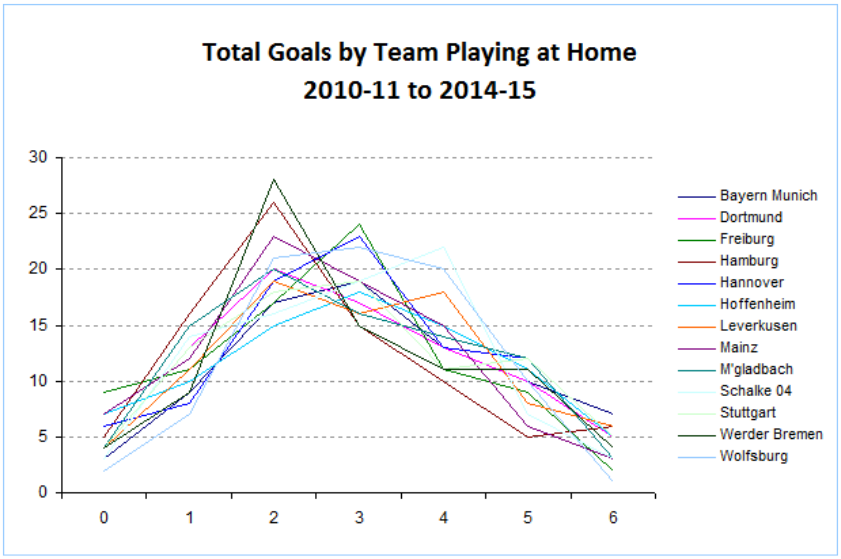


Fig. 14: Goal Contributions of Ever-present Teams in the last five Seasons

Fig. 14 indicates a steadily increasing incidence of games up to a peak in numbers around the two or three goal mark, and then a gradual decline. Although this trend encompasses every team, the curves clearly show that not all teams are the same.

"Of course!" I hear you say, "Everybody knows that every team is different!"

However, please take another look at **Fig. 13**, the goal distribution graph for all 18 teams in the league *(which differ by two or three teams each season)*. The curves are more or less the same regardless of who the teams are or, how different each team performs from the next.

We shall take a closer look at this phenomenon now.

The graph below shows the distribution for 'Over X Goals', again for all 1,530 games:

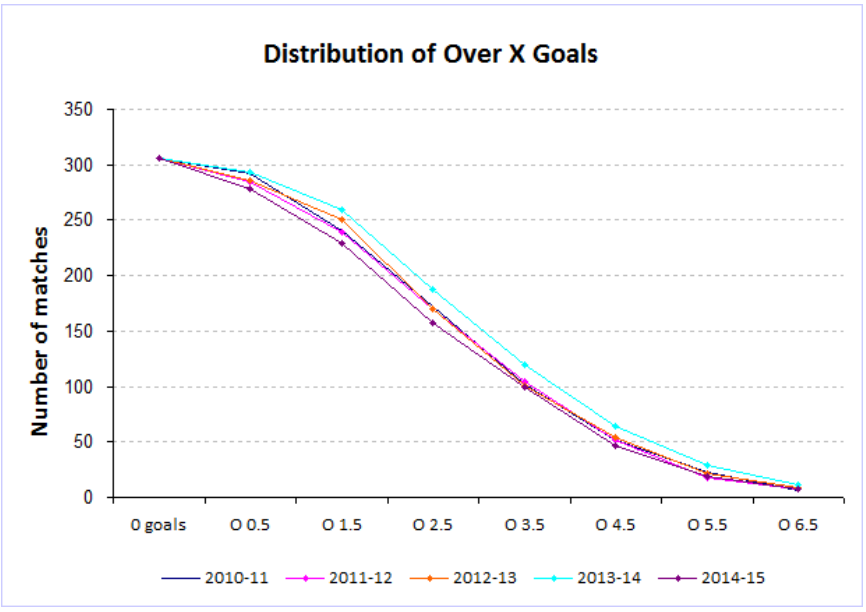


Fig. 15: 'Over X Goals' Distribution in the Bundesliga 2010-11 to 2014-15

Again, the curves for all five seasons are an almost identical match.

Hopefully your light bulb is beginning to switch on. Can you now begin to see why so many bookmakers flood you with information about the current form of teams, and why reading the latest press about team news, league position, referees, the weather, lucky omens, etc., is at best misleading and at worst totally irrelevant?

Bookmakers love to publish form guides because they know that in the long-run the teams will eventually play according to past distributions. They want you to bet. They want to sell you their bets. They give the impression that they are lending a helping hand with your selections.

They know that information such as team news, league position, current form, etc., is irrelevant, but they also know that the ordinary bettor doesn't realise this!

We now go one step further to produce the 'Over X Goals' graph based on a selection of our ever-present teams. Only six are presented here so that you can see the divisions between the curves.

Again, on first sight, we can see relatively big differences:

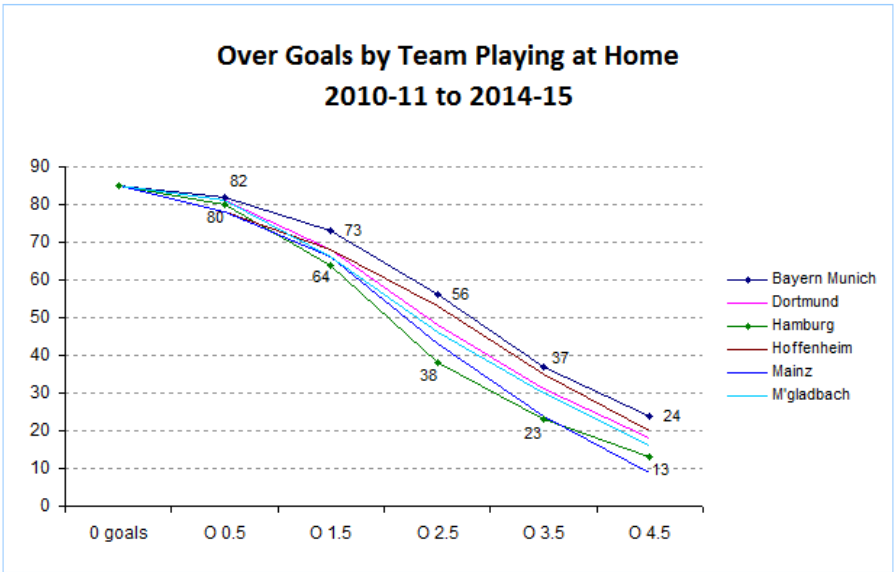


Fig. 16: 'Over X Goals' Distribution Selected Teams 2010-11 to 2014-15

What we have learned so far is:

(1) Individual teams perform differently, and therefore it is necessary to differentiate between them when calculating odds.

(2) However, to complicate things even further, we not only need to differentiate between teams but also whether they are playing at home or away.