

# ***Fear and greed...the demon twins of losing on the punt***

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## ***The difference between winning and losing***

Many experts, perhaps surprisingly, believe that the single biggest difference between WINNING and LOSING is the psychological approach adopted by most punters.

The fact is, most punters indulge in self-destructive behaviour which keeps them working while the bookies dining on caviar and sipping champagne.

In a previous article, "Bad Punting Behaviour" we suggested that one approach to combating this problem is to learn the behaviours that cause otherwise rational people to lose at punting and then NOT DO those same exact things.

Of course, this is easy enough to say, but not always so easy to do.

In this article we will explain WHY people have these habits and HOW to combat these natural tendencies.

## ***Fear and Greed***

There are two main drivers of all human activity: FEAR and GREED.

Both are exhibited in plentiful quantity on the punt. F

or example, when a punter is on a losing streak they experience FEAR of loss (of money) so they try to "punt their way out of it" because surely, one of their selections must win sooner or later. Inevitably the winner comes AFTER they have lost most of their money.

Conversely, when a punter is winning, they become "invincible" and become driven by GREED. They may keep increasing their bets to take advantage of the streak. As soon as the inevitable loser arrives, they experience the FEAR of loss and keep increasing their bets to "catch up" what they believe was rightfully theirs.

In both of the above cases, the punter ends up going home broke. We all know punters like this and we've all probably been guilty of acting like this ourselves.

### ***How many times were you up early in the day, only to go home with nothing but the bus fare?***

Fear and greed are natural emotions that centuries ago protected us from the elements and the dangerous environment around early man.

Fear was the emotion that triggered instantaneous response when confronted by a predator or a dangerous hazard in the jungle. After all, if your reaction wasn't quick enough, you could end up as something's breakfast. Even today, fear serves to protect us from modern day risks such as crossing the road.

Greed, of course, was a learned response when primitive man never knew when or where his next meal was coming from. Primitive man learned to hoard food and water, so that he would have enough when the seasons changed and game was not so plentiful and the water became scarce. The best hoarder (richest man), would survive the longest in the event of hard times.

Today, of course, neither of these emotional responses have as much meaning to our environmental welfare, but they are still part of our physical and psychological makeup. In certain environments, fear and greed still play a big part in our reactions.

For example, a race course is a great place to see fear and greed in abundance. After all, isn't that why we are there in the first place?

Primarily, people bet on horse races to experience, in relative safety, the thrill of the unknown (fear) and the greed of a potential windfall (result of the next race).

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However, at a racecourse the emotional reactions that originally protected us from hostile environments now serve to hurt us, by urging us to bet more and more, more and more often.

## ***Conquering Fear and Greed***

If you are trying to conquer (or at least control) fear and greed, it is important to recognise that both of these emotional responses thrive on the UNKNOWN and are reduced or eliminated by the KNOWN.

As man discovered more and more about his environment, he learned that he could control it (to a degree) and this drove away many day to day survival fears.

Today, if we live in the city, we don't go to sleep every night fearful of wild animals attacking us. So it is on a racecourse.

The fact is we don't know what will win the next event. There is ALWAYS some degree of the unknown. However if we keep good records and we are disciplined and systematic in our selection process, we can work out over time (a minimum of 100 bets) what our historic strike rate is.

This number can then serve as an estimate of our future strike rate. Provided that we haven't changed anything in our selection process (let's face it, we always fiddle), the estimate will be reasonably good.

So if we picked 30 winners from our last hundred selections, we should pick around 30 winners (anywhere between 20 and 40) from the next 100.

Hotshot Winners had a strike rate of about 40% over the years.

So we can confidently predict that we will have a strike rate of about 40% in the coming years.

## ***But Then a Funny Thing Happens***

If we have a bad week, we start to blame the selection method and start to change it.

***Recognise this as fear and greed returning.***

Every time you make a change you need to START AGAIN with your statistics. That is, analyse at least 100 races before you come to any conclusions. Some people never actually get to 100 races before they change their approach...many don't even get to the end of the day!

If this is you, you should STOP, or subscribe to a tipping service or maybe a racing system.

At least these will generally be consistent over time. You can test the service or system and find its strike rate and profit on turnover and it will generally do something similar in future.

Hotshot Winners is a massive profit generator. However, like the coin toss we can't predict which 40% of races will be the winners. We have found that it is an exercise in futility trying to predict which races have a greater probability of winning.

***In fact trying to predict which races are more likely to win will probably send you broke!***

## ***What to Do When We Are Having a Losing Streak?***

The first thing to understand is that every selection method on the planet will have losing streaks. That's why we advocate having a bank.

We can't eliminate losing streaks because they are a fact of punting life, but we may be able to reduce their impact. We have already established that Hotshot Winners have a win strike rate of about 40%.

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This means that whilst the tips are extraordinarily profitable, they can still have considerable losing streaks.

The best way to minimise the psychological impact of these streaks is to manage your bank extremely tightly.

Some simple rules are:

- Decide on your betting method for example, Hotshot Winners and DO NOT have additional bets
- Only bet a small percentage of your bank on each bet (2 to 5% is recommended)
- Keep spreadsheets and exact records of your bank balances
- Always get the best odds you can
- Develop your own profit worm
- If you are in the practice of having additional bets keep a record and review these regularly (monthly). Are they helping or hurting your bank?

After a while you may find you don't experience the same levels of punting anxiety.

***That is the beginning of punting like a professional.***

## ***Summary***

The difference between Winning and Losing on the punt is often the tendency of punters to bet emotionally by betting too much, too often.

Remember the punting gods won't change your luck just because you might be winning or losing at a particular instant in time.

You can eliminate (or at least greatly reduce) the impact of fear and greed by taking control of your strike rate (subscribe to a service like Hotshot Winners) and size your bets to a pre-determined staking plan.

You shouldn't be changing your bet size based on the size of your wallet.

You can't predict which tips are more likely to win because the distribution of winners is random.

If you know your long-term strike rate and you understand that winners are distributed randomly, you will be less affected by the short-term effects of the result of the next event.

***You will be well on the way to conquering the twin demons of fear and greed***