

Winners come in bunches...and so do losers

Difference between Winning and Losing at punting

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 patterns which keep them working and the bookies eating caviar and drinking champagne.

In addition to the natural tendency of people to be motivated by Fear and Greed (refer article Fear and Greed ...the Primary Motivators), many punters simply don't understand that winners and losers are an inevitable part of the punting process.

If they have a bad week, they start to blame the selection method and start to change it. This is simply the natural reaction to the fear and greed that they are feeling.

This article describes how to prepare oneself psychologically to go from thinking like a loser to thinking like a winner.

Stop changing selection approaches

In order to have any statistical confidence in a selection approach at least 100 to 200 sample results are required.

Changing approaches simply introduces more variation into a person's punting and makes it even less predictable. Every time a change is made in their selection process they need to START AGAIN with their statistics.

Constantly changing selection approaches is a guaranteed loser!

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.

For example, Hotshot Winners hits about 40% winners and makes a bit over 20% profit on turnover, year in year out. We know it is a very profitable service because the prices of the winners are in excess of their strike rate.

The easy formula you need to find the breakeven price of any selection method is to divide 100 by the achieved strike rate. For example we know that the break even price for Hotshot Winners in 2023 was $100/37 = \$2.70$.

Therefore if the average price of our winners (over say a year) is more than \$2.70 we had a profit for the year. Conversely if our average price were less than \$2.70 we would make a loss.

In 2023 our average price per winner was \$3.18, so we made a nice profit.

The formula for determining the breakeven price of your selection is simple: divide 100 by the average price of your winners. Of course you will need good records.

If you keep changing your selection approach you can never know the true break even price or whether you are making a profit or a loss. So, how can you have any long term confidence in your selection approach?

Can you really expect to Win Every Week?

It is important to understand that whatever approach you take it won't win every week. Some weeks it goes "nuts" and picks the card and other times, winners are rarer than a virgin at a hippie commune. The reason is that "Winners come in bunches" ... and so do Losers.

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For example, we know that in 2023 Hotshot Winners hit about 37% winners, and have done something similar for at least the last twelve years.

However we do get losing weeks along the way. For example January to March, 2016 showed a small profit at a strike rate of 39%, April to August gave us a strike rate of 30% and a loss of 6%.

But in our end of August newsletter, in the middle of our worst ever losing run, we tipped a massive turnaround.

At the time, this would have sounded to our members like marketing hype and desperation.

However in the four months from September to December we tipped an incredible 28 winners from 57 selections at a whopping 78% profit on turnover – our best performance ever.

After many, many years, we know that Winners come in bunches and that by the end of the year we will hit approximately 40% winners and make a profit on the bank of between 50 and 100%.

We know that when we win, we win really BIG! The trick is to know and expect that losses are “the cost of doing business” and to stay in control of the bet size until the next winner comes along.

Then repeat the process.

The Mathematics of Winners Coming In Bunches

If you tossed a coin 1000 times we all know that we will get approximately 500 heads and approximately 500 tails.

The odds of getting EXACTLY 500 heads and EXACTLY 500 tails are astronomical, but predicting that we will get between say 400 heads and 600 heads is child’s play and no bookmaker would take us on.

We also know that the odds of tossing a head on the next spin are 50:50 or even money, irrespective of what the last spin happened to be.

But, if you tried to predict the sequence of heads and tails you would literally go crazy, because you will find streaks of heads, streaks of tails and streaks of head/tail combinations and all other combinations in between.

In the long-term, of course, you will end up with approximately 500 heads and approximately 500 tails. But the short term is purely a random event.

So it is with punting, whatever your long-term strike is, it will tend to repeat (until you change your approach), but the odds of winning on the next race are no different than the odds of winning on the previous.

If you look at the Hotshot Winners results for 2016, you will observe that the winners happened in streaks...both good and bad. Any punter that understands this is more than halfway cured of the tendency to randomly change bet sizes during the course of an afternoon.

NOTE: Changing bet sizes is ok if it is in accordance with a set staking plan that has been properly researched over time. What we are trying to avoid is the random fluctuations that punters make depending on whether they are winning or losing.

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.

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 betting approach or your bet size based on the size of your wallet, otherwise you will always have too much on the losers and not enough on the winners.

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Winners come in bunches, and the sequence of bunches is a random event!

If you know your long-term strike rate and you understand that winners come in bunches, you will be less affected by the short-term effects of the “performance anxiety” associated with not knowing the result of the next event.

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