# **Accepted Manuscript**

Why do some soccer bettors lose more money than others?

Ranier Buhagiar, Dominic Cortis, Philip W.S. Newall

PII: \$2214-6350(18)30028-5

DOI: https://doi.org/10.1016/j.jbef.2018.01.010

Reference: JBEF 142

To appear in: Journal of Behavioral and Experimental Finance

Received date: 10 January 2017 Revised date: 29 January 2018 Accepted date: 31 January 2018



Please cite this article as: Buhagiar R., Cortis D., Newall P.W.S., Why do some soccer bettors lose more money than others?. *Journal of Behavioral and Experimental Finance* (2018), https://doi.org/10.1016/j.jbef.2018.01.010

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

### **ACCEPTED MANUSCRIPT**

## Why do some soccer bettors lose more money than others?

First Author: Ranier Buhagiar, Department of Insurance and Risk Management, University of Malta, Malta

Second and Corresponding Author: Dominic Cortis, Department of Insurance and Risk Management, University of Malta, Malta [Address provided below]

Third Author: Philip W. S. Newall, Chair of Marketing, Technical University of Munich, Germany

#### Address:

Dominic Cortis
Department of Insurance and Risk Management
FEMA
FEMA Building
University of Malta
Msida MSD2080
Malta, Europe

Dominic.cortis@um.edu.mt

#### Abstract:

Why do some soccer bettors lose more money than others? In an efficient prediction market, each gambler should break-even before costs (but losing a constant amount after costs, reflecting the bookmaker's margin). Previous empirical studies across numerous sports betting markets show that bets on longshots tend to lose more than bets on favourites (favourite-longshot bias). We use 163,992 soccer odds from ten European leagues to test plausible hypotheses around why some soccer bettors lose more money than others. Are soccer bettors with above average losses simply biased, or are their losses driven by betting on events that are inherently unpredictable? We confirm the existence of favourite-longshot bias in soccer in this sample, but find another surprising feature of betting on longshots. As measured by the Brier score, bookmakers' odds were better predictors of longshots than favourites, suggesting another potential channel whereby bettors' preference for betting on longshots may cost them dearly.

Keywords: favourite-longshot bias; longshot bias; Brier Score; market efficiency; odds; sports betting markets; European soccer; betting

## Download English Version:

# https://daneshyari.com/en/article/7296626

Download Persian Version:

https://daneshyari.com/article/7296626

<u>Daneshyari.com</u>