

Starting Price, what's it worth anyway?

An Axis Education article.



The starting price or SP as it's commonly known has historically been the most factually accurate predictor of a horse's performance. The APN or Australian Prices Network provides the official Australian oncourse bookmakers' prices between racecourses and its final price is then determined as being the SP.

Up until now, a fluctuation has been deemed as being a true reflection of a horse's price when approximately 30% of the rails bookmakers have that price displayed on their boards. That price is then sent off course and labelled an official fluctuation.

Part of the problem today, is that on course bookmaker numbers have dwindled considerably. That has in turn led to some official fluctuations being sourced from racetracks that have in some instances, just 1 or two bookmakers operating. In my previous article "Obtaining better prices about your selections" I highlighted the stark differences across different states from a sample of top fluctuations market percentages. Apart from regional differences existing in betting markets, the high percentages of some markets are usually influenced by how many bookmakers are operating at a particular race meeting.

From the perspective of the punter/form student, that poses a significant problem when attempting to develop systems or simply reporting on data that uses SP market percentages that differ significantly.

Whilst we acknowledge that the SP and market price are the best indicators of a horses chance (you only need to look at the strike rate statistics for horses that are hard in the market to prove that), it is important to note from the outset that we do not recommend using market price or SP in the development of your systems, as it will prove to be of no benefit in the real world. Of course when developing your systems using the R2W Axis Selection Finder module you will have the ability to apply as filter market prices.

The problem arises when users try to incorporate these prices and/or market rankings into their systems as a determining factor. For example let's assume that your system is designed to back only horses that are \$4.00 or less SP. The issue is that you won't know the SP until after the race. A horses price can easily change. The problem is amplified as you move into markets that are less liquid and stable. For example Saturday Metro to Midweek Country. Trying to reason that close enough is good enough is greatly flawed; as a late plunge that causes your selection to change SP rank or price may now mean that your selection is no longer a contender; yet you are already on and it's too late. The inverse also applies where your non selection now becomes a bet.

When you now run your tests your results will not reflect what actually occurred from a betting perspective because of one or both of the above scenarios occurring. One thing that is often overlooked is when your actual betting results differ to those that your back testing indicates. This can often lead to frustration and mental anguish over these inconsistencies and lost opportunities. So what do most people do in these situations? They usually make changes to their selection methods that lead to further frustration

and total loss of focus. This is something we endeavour to help you avoid with our 'Learning to Bet Like a Pro' articles.

USING MARKET PRICE TO ANALYSE YOUR RESULTS

From a practical punting viewpoint, using an SP that is derived from a market of 110% through to say a market of 150% will lead to obvious, inconsistent and inaccurate outcomes. In fact using SP at all as measure when conducting your analysis, becomes as is literally the last price that you would entertain betting.

To our knowledge, most if not all programs that are available in the marketplace today that allow system and back testing functionality, only permit tests to be carried out using either one single tote, or the official SP or both. For reasons already stated this is inherently flawed. So the question becomes, what is there to replace the SP that will provide a realistic projection of your results?

SYSTEM DIV OPTIONS (SDO)

- ISP SP BT MT
 SP-N NSW VIC QLD

For in excess of 2.5 years now, R2W have collected the necessary data that forms what we call the Internet Starting Price or ISP. The ISP is the SP that actually means something.

The ISP is derived from real world prices that are available to all punters with as a competitive a percentage as the bookmakers offer. It is sourced from a range of corporate bookmakers including majors such as Tabcorp and all three totalisers. A unique algorithm is then passed over this data before a determination is made on what price the ISP is.

Now your results actually mean something! The R2W Axis offers other benefits in that we store all TAB win and place prices for all runners so you have the ability to test your systems using any off the 3 totes. If you are betting exclusively on one tote then this will be of benefit.

However most stay at home clients bet where they can get the best price, which is usually available on the internet. To cater for this the R2W Axis can also test and report using standard internet betting products such as Best Tote, Middle Tote and better of Vic and NSW. This applies to place betting as well.

Having this information available for testing/reporting on past data allows our clients to gain a significant advantage over other software providers/users. Using the Axis you will be able to develop meaningful systems and reports over past racing data in manner never before possible. Just another reason why R2W is keeping you in front.

WHY WE DON'T PROVIDE BETFAIR PRICING

The one obvious exclusion from all our prices is Betfair. Whilst we use Betfair in our own betting activities, and know its benefits, we see obvious problems using their prices for back testing purposes. The issues revolve around market liquidity, availability of price and the trading that can distort Betfair prices, making them unsuitable for use.