

Beat the Sportsbook: The Theory and Practice of Successful Sports Betting

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Abstract

Sports betting is a major sector of American Gaming economy. In 2024, Americans wagered almost \$150 billion dollars in legal online and brick and mortar sportsbooks alone, resulting in record industry revenue of \$13.7 billion that year.

Moreover, sports betting holds a particular importance for gaming operators as it attracts younger and more affluent consumers, most of whom would be unlikely to participate in other casino games, such as slot machines. Some purists may claim that betting on sports jeopardizes the integrity of the competition; however that argument does not pass the test of time. As a matter of fact, historians have found that when sports emerged gambling did too. Separating the two may be impossible. Also, in many ways having sports betting operate in a regulated transparent market is far superior to illegal betting and opaque information.

Despite the popularity of sports betting, public consensus holds that it is nearly impossible for the bettor to overcome the vig (sportsbook's fee for booking a bet) and make money in the long run. While other forms of risk taking, such as investing in high-risk growth stocks, high-yield bonds, and cryptocurrencies, are viewed as daring and entrepreneurial in nature, sports betting has not yet been able to fully escape the social stigma.

In this research we explore quantitative and qualitative strategies that allow sports bettors to overcome the inherent odds disadvantages and realize both the theoretical (expected value) and practical (actual results) positive returns on their wagers.

Some of the concepts discussed in this research include:

- 1) Arbitrage betting
- 2) Closing line value (CLV)
- 3) Positive Expected Value (+EV) betting
- 4) Maximizing sign-up bonuses and other promotions

5) Sports knowledge and identifying trends

Implications/Target Audience: This research has significant business implications for casinos/gaming operators, sports bettors, game theory researchers, as well as the general public with interest in sports and/or sports betting.

Bios:

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Mikhail M. Sher, Ph.D. holds a Master's Degree in Operations Research from Columbia University and a Doctorate in Operations Management from Drexel University in Philadelphia. His main research interests are Supply Chain Management and Service Operations Management and Promotions as well as their applications to Gaming and Hospitality sectors. Mikhail is also an accomplished poker player.

