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Why A Betting Exchange Can Offer You The Key To Successful Gambling

Introduction

Too many gamblers are still living in the dark ages and will only ever place a bet with a traditional bookmaker. They either cant be bothered to learn how the exchanges work or simply dont realise the features and value that can be had when betting within an exchange environment.

Believe me, using a betting exchange is very easy, and if you are not already using at least one exchange you should join one immediately after reading this article

I'm not saying that a betting exchange should be used for all your betting. There will still be occasions when a traditional bookmaker will offer more desirable odds than those that are available on the exchanges. However, in the majority of cases you will find better value on the exchanges and additionally there are other VERY IMPORTANT features that only the betting exchanges offer. More on this later

So What Is A Betting Exchange?

Put very simply, betting exchanges are a secure place where members of the betting public can exchange bets with each other anonymously, at odds that they specify themselves. The exchange companies simply act as the 'middleman' and match peoples bets.

As there are no bookie margins to factor in, prices are very often more desirable. The betting exchange companies make their money by taking a commission payment on your winning bets. This is usually in the region of 3 – 5%, but even taking this into account, its very common to find better prices on the exchange.

The cumulative effect of better prices when combined with a good staking plan, can make the difference between you generating a healthy profit or a bad loss. Using an exchange does not mean you will automatically win more frequently! You still have to find good value winning bets yourself or via a professional tipster but its the effect of getting a better return on your winning bets that will boost your betting bank and protect you during losing streaks.

Most people use the betting exchanges on the internet, but you can also place bets on the telephone.

Betting Exchange Advantages

As well as regularly finding better prices when backing a selection, exchanges also give the gambler some other very important advantages over traditional bookmakers.

Some of the key advantages are:

- 1) The ability to LAY a selection if you think it will not win.
- 2) The ability to BACK or LAY a selection to be PLACED. (This is very different to the well know Each Way bet offered by bookies and can be very powerful).
- 3) Betting IN RUNNING on many events INCLUDING HORSE RACING. This can give you many advantages and opens the door to new methods that may secure you more profits.

4) If you are very successful, you will not have the exchange company threatening to shut your account down. A very important point !

5) The ability to TRADE on price movements in betting events to guarantee yourself a profit regardless of the result.

6) Arbitrage Opportunities. Bookie and exchange price discrepancies often allow you to take a NO RISK bet.

Those are some of the key benefits of using a betting exchange and I will dig deeper into these and explain how you can use them to your advantage in future betting articles.

For the remainder of this article, lets concentrate on point 1 above, LAYING a selection to Lose.

LAYING A Selection to Lose A Major Advantage Of The Betting Exchanges

Probably the most important feature of a betting exchange is the ability to LAY a selection. But what does laying a selection mean?

Laying a selection is often referred to as 'Playing the role of a bookmaker'. Like a bookie, you offer a price against a selection / event happening (eg. a certain horse to win a race or a football match ending as a draw). You only do this if in your opinion there is a great chance that the horse won't win or the football match will not end as a draw. The betting exchanges simply match your lay bets with other customers who think the opposite of you (eg they think the horse will win or the match will end as a draw).

Lay Liabilities

The odds that you offer determine how much money you will need to 'pay out' if the selection actually wins (just like the bookie does when you have a winning bet with them). So if you were to place a lay bet of 10 at 5.0 (4/1) against a selection, you would be liable to pay out 40 from your account if that selection won (The other punter gets their 10 back plus 40 profit). If however, the selection does lose you get to keep the 10 staked by the other punter (just like the bookies have done with all your losing bets all these years!). It's as simple as that.



Now, you might be thinking 'great, I'll simply lay all the rank outsiders and clean up'. STOP! Don't even go down this route. If you keep placing lay bets on selections trading with very high odds (eg 50/1), you will win regularly but when 1 of them comes first you will probably wipe out all your winnings and more! A single 10 lay bet at 50/1 would see you liable for paying out 500 should the selection win!

Therefore, I strongly recommend that you decide upon a sensible upper limit for lay odds and stick to it no matter what. Just think about how many favourites get turned over in horse races every day of the year that are perhaps available to lay at very short odds like 1.5 (1/2). Your liability on a 10 lay bet at these odds is only 5, or 50 on a 100

lay bet. I like to keep my lay bets at odds below 4.0 (3/1) but that's just my own personal choice but it gives you something to go on.

Flexible Odds [domino99](#) / Placing an Order

The odds you offer obviously need to be realistic in order to be matched, but if you are not happy with the current price being requested by other punters you can simply place an 'order' in the exchange at your odds and hope that somebody eventually accepts your offer. (eg you may feel that the current price of 3.0 (2/1) is too high a price to lay a certain selection, so offer a lay bet at 2.75 (7/4) instead). If your lucky the price may well be matched. If the event starts without your lay bet being matched, your bet is simply cancelled so you gain/lose nothing.

Summary

Lay Betting might sound very confusing to the exchange newbie, but believe me it soon becomes very straightforward and you will find yourself laying selections much more frequently than you think. Let's be honest, it must be easier to pick a horse you feel will definitely lose in a average 12 runner race, than find the single winner!

Well that's it for part 1 of my betting exchange articles. In part 2, I will be explaining the Betting Exchange Place markets and how you can benefit from them.