A logo for college computing

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**Assessment Cover Page**

|  |  |
| --- | --- |
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| *Module Title* | Strategic Thinking |
| *Assessment Title* | CA2 - Can data be used to gain a statistical advantage in sports betting? |
| *Assessment Due Date* | 19/05/24 |
| *Date of Submission* | 18/05/24 |

**Declaration**

By submitting this assessment, I confirm that I have read the CCT policy on academic misconduct and understand the implications of submitting work that is not my own or does not appropriately reference material taken from a third party or other source.

I declare it to be my own work and that all material from third parties has been appropriately referenced.

I further confirm that this work has not previously been submitted for assessment by myself or someone else in CCT College Dublin or any other higher education institution.

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\**word count - 2231(not including all tables and headings).*

# Introduction

Sports betting has always been a prominent past time in Ireland. The first gambling laws were established here in 1926 and after several amendments, most recently in 2015, all forms of regulated sports betting are now legal. *(Brent, H., 2024)* According to (*Health Research Board, August, 2023),* online gambling in Ireland has increased by 300% since 1998.

It’s no secret the house always wins when it comes to gambling. Book makers have structured their markets such that they will always have an advantage over the punter. This advantage is known as bookie edge. (*TryPod, 2018)*. Book maker edge is expressed as a percentage and represents the amount of profit made by the bookmaker over the length of time the punter is betting on a particular market. *(TryPod, 2018)*.

My intention from the outset of this project is to identify particular markets where the book maker edge is the lowest such as over/under goals per game. The area in particular I will focus on is football. Using historical football data, I will analyse patterns and hopefully make predictions about upcoming games and potential goals scored. By studying a team’s goal scored and goals conceded I will be able to calculate the expected goals per game. Originally, I use the English Premier League as there is an abundance of data available relating to it but moving forward I intend to apply my algorithm to different football league and maybe sports.

*“According to a December 2022 report from Variety Intelligence, 56% of gamblers said betting is entertaining and 42% determined it makes games more exciting.”* (*Chris Bumbaca, 2024)*

This project aims to enhance this entertainment by making it profitable.

# Objectives

The following objectives will be achieved upon completion of this project:

**Market Identification:**  Research and identify particular markets where the bookies edge is at its lowest. Knowing this will give me a better insight into what kind of data I will need to gather.

**Create Predictive Models:** Applying machine learning algorithms will enable me to develop predictive models. In their implementation, these models will attempt to predict match results and individual player stats. They will give me an insight into team performances while also casting light on how certain teams perform against other particular teams.

**Testing Models:** Ensure the model is performing accurately by acquiring the F1 score. Once the model is adequately tested, new data will be applied to ensure it can retain accuracy.

**Applying Other Metrics:** Extracting other metrics from the data, such as expected goals, will provide a more in depth analysis of how each team performs on a weekly basis. These metrics will help create an estimation of how many goals a team should score and/or concede, thus aiding in the prediction of the outcome.

**Develop Betting Strategy:** To ensure profitability, I will develop a betting strategy based off the results of the data acquired. This will most likely come in the form of a spreadsheet that details stake size, edge percentage of particular markets and market fluctuations. \**I will not be doing any real gambling. All bets will be fictional.*

# Problem Definition

For me to gain an edge over the bookie I will have to find value bets . A value bet is when an event, such a team winning or a certain amount of goals to be scored, has a better chance of occurring than the book makers odds reflect. *(Sacha Alche, 2024)* Using player and team data to calculate expected goals and overall team performance, I will be able to calculate my own odds of that particular event occurring. By comparing my interpreted odds with that of the book maker, I will hopefully be able to identify scenarios where my algorithms odds are greater than the bookies odds, thus generating value and shifting the edge in my favour. Odds in this case refers to the probability of the event occurring.

I will create an excel spreadsheet to document my findings and the book makers findings on a particular event. As I will not be placing any real bets. Instead, I will use a column to display fictional bets to see if my algorithm generates profit over time.

## Potential Challenges

**Ensuring the data I acquire is the most up to date and accurate**: so my predicted probabilities are true. This may require using a data scraping API to obtain the most recent information.

**Adhering to the CRISP-DM workflow protocol:** Applying the six main CRISP-DM headings will ensure I am on task while maintaining the integrity of the project.

**Finding and circumventing bias:** Use only the data to draw any conclusions made about particular events. Don’t allow outside opinion affect any decision making based around the project.

# Scope

The project will take place over two semesters with the workload spread evenly throughout. The following topics will be explored ion each semester:

### Semester 1

* Establishing markets and which leagues to build project around.
* Collect all the relevant data.
* Strategise how best to extract the appropriate data.
* Begin building models to predict certain outcomes.
* Undergo testing determine accuracy.
* Perform evaluation.

### Semester 2

* Continue model building and begin testing
* Acquire more data
* Testing new model on old and new dataset
* Implementation of algorithm.
* Begin making fictional bets.
* Develop spreadsheet to document all fictional wins and losses.

### Possible Data Sources

|  |  |  |
| --- | --- | --- |
| Name | Source | Permission |
| Premier League Matches 1993 - 2023 | <https://www.kaggle.com/datasets/evangower/premier-league-matches-19922022> | Open Source |
| European Soccer Database | <https://www.kaggle.com/datasets/hugomathien/soccer> | Open Source |
| Historical Results/ Betting Odds Data | <https://www.kaggle.com/datasets/mexwell/historical-football-resultsbetting-odds-data> | Open Source |
| Data Scraping API | [https://www.zyte.com/zyte-api-extraction-lp/?kw=website data extractor&cpn=20986803769&utm\_source=ADW&utm\_medium=PAI&utm\_campaign=Automatic\_Extraction\_SaaS\_EMEA\*\*web\_extractor\*\*website data extractor&gad\_source=1&gclid=Cj0KCQjwqpSwBhClARIsADlZ\_TlJmVRzQZ\_Jq1l3IDt4tIyR5OM9vW0P169HBx3v6RJrqrw\_nYubAtkaAj-KEALw\_wcB](https://www.zyte.com/zyte-api-extraction-lp/?kw=website%20data%20extractor&cpn=20986803769&utm_source=ADW&utm_medium=PAI&utm_campaign=Automatic_Extraction_SaaS_EMEA**web_extractor**website%20data%20extractor&gad_source=1&gclid=Cj0KCQjwqpSwBhClARIsADlZ_TlJmVRzQZ_Jq1l3IDt4tIyR5OM9vW0P169HBx3v6RJrqrw_nYubAtkaAj-KEALw_wcB) | Open Source |

# Ethical Considerations

Gambling can be extremely addictive activity. There is an extremely fine line between a person enjoying an occasional bet to developing a gambling disorder. For this reason, I will not actually be placing any bets. This project is a hypothetical experiment to see if using data to gain an advantage is possible.

*“Many people may take gambling lightly, not realizing that it may be addictive and harmful in many of the same ways as drugs are.“ (Yale Medicine, 2024)*

In terms of the data itself, all my data sheets are open source. Should I find anymore that I deem beneficial to the project, I will ensure they adhere to the appropriate guidelines, Ie., all personal/ sensitive data redacted to adhere to GDPR regulations, correct Harvard referencing etc.

I will also ensure that the data I am testing is free of bias and my results and predictions are based off correct decision making procedures and are undertaken in a logical way.

A blue and yellow line on a calendar

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*Fig 1 – Gannt Chart of Semester 1*

# CA2 – Examining A Dataset and building a Machine Learning Model

## Project Management And Planning

My plan for the second part of this project is to establish a market to build my predictive model around. It’s no secret that the English Premier League is the most volatile league in the sense that any team can turn up on any day and beat any team. Ie., the bottom team can beat the best team with no prior warning. In terms of betting, this doesn’t bode well for being able to gain an edge on the bookies. However, with the correct game selection and research it will hopefully alleviate any major upsets. Another reason for selecting the Premier League is there is a lot more up to date datasets available*.*

### Market Identification

I will build my model to predict two things:

* The match result / who will win. (Categorical task)
* The total expected goals per game. (Regression Task)

The main challenges surrounding this come in the form of what models to use and establishing how to implement them on my dataset. It is of paramount importance to select the correct features and ensure the appropriate testing has taken place to confirm accuracy. I will have to create two or more models as they are both predicting different outcomes. Upon early examining of the dataset, I can see there are expected goal scored and expected goal conceded features. Calculating the expected goals for both sides will give me the match result. However, I will create a separate model for the result feature.

**Below is a data dictionary detailing each feature in the dataset. *(Not included in wordcount)***

|  |  |
| --- | --- |
| **Unnamed:** 0 : Column especially for index | **PKatt:** Penalty kicks attempted. |
| **Date:** Date of match | **Poss:** Possession per centage in the game. |
| **Time:** Match kick off time | **Attendance:**  Stadium attendance. |
| **Comp:** What competition the game took place in. | **Captain:** Captain name. |
| **Round:** How many match weeks have taken place | **Formation:** How the teams lined up. |
| **Day:**  Day of week the match took place. | **Referee:** Who refereed the match. |
| **Venue:** What stadium the match took place in. | **Match Report:** Link to the official match report |
| **Result:** Match result (W, L , D) *(Categorical Target)* | **Notes:** additional notes about the match. |
| **GF:** Goals for. *(Regression Target)* | **Sh:** Number of shot taken by the team. |
| **GA:** Goals Against. *(Regression Target)* | **SoT:** Shots on target by the team |
| **Opponent:** Who the “Team” opponent was. | **Dist:** Average distance the shots were taken |
| **xG:** Expected Goals | **FK:** Number of free kicks taken. |
| **xGA:** Expected goals against. | **Season:** The season year | |
| **PK:** Penalty kicks scored. | **Team:** The team each data row is based around. | |

## Statistical Analysis

To begin, I conducted some statistical analysis on certain aspects within the dataset to ascertain if I could use any other features to gain an edge over the bookies.

**Team home form –** gauging how a team plays in their home stadium is vitally important when trying to predict the outcome of a match and will definitely provide valuable betting analysis. I have only conducted the analysis on each teams winning and drawing records in their home stadium as I will only betting on a team to win rather than lose.

I used the .groupby function. I took all the “W” from the “Result” feature for each “Team” game that was played from the “Home” string value in the “Venue” feature. I used the .sum() function because I am adding all the values together. I used the .value() function to count all the home games played. Divided by each other and times by 100 provides a per centage. The same was repeated for the draws.

A graph showing the results of a team

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**Overall Team Possession**

A graph of different colored lines

Description automatically generated

An indication of team possession is important for insight into team performances.

## EDA & Descriptive Statistics

Upon uploading the dataset in Jupyter Notebook, I discovered the following:

* 606 observations
* 28 features

Of the 28 features:

* 11 features containing floating point values
* 4 features containing int point values
* 13 features containing object point values

One feature has missing values but the rest looks to be devoid of Nan values.

**The distribution of all the numerical columns are as follows:**

A group of blue and white graphs

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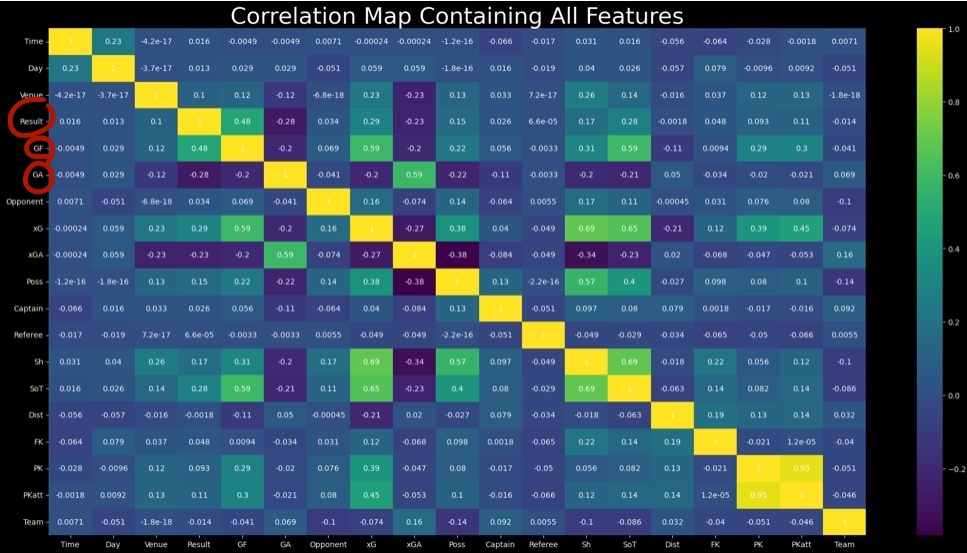
I’m ignoring features “Unmamed 0”, “Notes” and “Season” as they have no relevance to the target variables. The rest of the features are relatively evenly distributed. There are some outliers in features “GA”, “GF”, “xG” and “xGA”.

A screenshot of a graph

Description automatically generated

I feel no threat of skewed results from the outliers present as there so few and they are contained in the target variable for the regression task. However, I noted it and will return to handle them if the model is under performing.

## Correlation Map



I removed any feature that has less than 1% correlation to the target variables.



## Feature Engineering

I used one hot encoding to convert the categorical data into binary vectors. It alleviates hierarchical assumption within the categories while improving the accuracy of the model. *(Analytics Vidhya, 2024)*

I created a new dataset of the encoded values and concatenated it with the original dataset using pd.concat function. Finally, I dropped the original features.

A screen shot of a computer code

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A screenshot of a computer code

Description automatically generated

The new dataset looks as follows:

A close up of a number

Description automatically generated

Finally, prior to model building I rounded all the floating value features to integers as it makes it easier to interpret the results.

A screenshot of a computer

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## Machine Learning Implementation and Evaluation

What models am I using and why?

**Categorical Prediction Of Match Result – Random Forest**

Reasons for Random Forest are:

* Adept at when confronted with overfitting
* Excellent at handling high dimensional data
* Allow the ability to extract feature importance

**Expected Goals Predictions -Linear Regression**

Reasons for Linear Regression are:

* Easiest models to implement
* Using linear regression will provide a foundation level approach to the model and allow me to build from there

## Model Implementation

### Random Forest on Match Result

With a train/ test split of 70/30 - standard random forest test split as the decision tree will always not see 30% of the data. (*R, S.E., (2021)*

The model results were as follows:



**Results breakdown**

* Perfect training score can indicate overfitting.
* Test score is minimally less but still quite high. This is evidence that the model is generalising the data well.
* Hyperparameter Tuning and Cross Validation
* I tuned the max features and n\_estimator based off the results of using the best estimator function.
* n\_estimator is the number of trees used in the random forest.
* Max\_features provides the appropriate amount of features to gain accurate results when testing.

A screenshot of a computer program

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#### **Model Evaluation**

**Confusion Matrix**

A number with numbers on it

Description automatically generated with medium confidence

|  |  |  |
| --- | --- | --- |
| Class 1 | Class 2 | Class 3 |
| 41 True Positives | 76 True Positives | 63 True Positives |
| 2 False Positives | 0 False Positives | 0 False Positves |

A black text with numbers

Description automatically generated

1. 98.93 % Precision score: Shows the model doesn’t make many mistakes. It rarely identifies negative instances as positive.
2. 98.9%Recall score indicates the model doesn’t often miss positive instances and correctly detects a significant number of them. This is evidence of a low false negative rate.
3. 98.9% is a combination of both the Recall and F1 score. This high score implies good classification of instances.

A diagram of a confusion matrix

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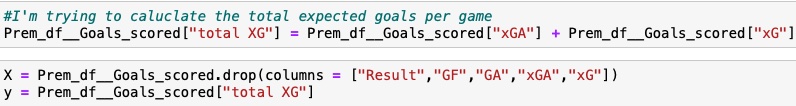
#### **Summary of Random Forest**

Overall, the model is performing well but in my opinion the high accuracy results indicates slight overfitting. Moving forward, I will try a different approach to feature engineering, use some feature scaling.

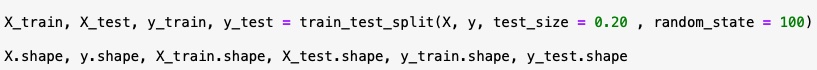
### Linear Regression on Total Expected Goals

Before splitting data, I removed some more columns to reduce the possibility of bias. As the the Result, GF,GA all contain goal data from the match I will remove them before implementing the model.

I also made a new column containing the total xG per game which is made up by adding the expected goals for and expected goals against feature together.



I employed the linear regression model with 80/20 train/test split.



The accuracy was as follows:



#### **Model Evaluation**

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1. Mean Absolute Error - measures the distance between predicted values and actual values.
2. Mean Squared Error – measures the average squared distance between predicted and actual values.
3. Mean Squared Error - is the square root of the mean squared error.
4. R^2 – scores the model on a 0 – 1 scale based on the explained variance.

#### **Model Visualisation**

A table with numbers and a number on it

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A graph with a red line and yellow dots

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#### **Summary of Linear Regression**

The high results raise some concern for me and could be due to a number of things:

The high amount of features, due to one hot encoding has led to target leakage. This occurs when observations are using information from the target and not the observation in the dataset.

Moving forward, I will try PCA in case the dataset is suffering from the curse of dimensionality.

I will employ scaling and some more feature engineer and perhaps combing data from other sources and making a dataset more geared towards the target I am looking for.

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