



WeissBeberger's product enables Haifa's Tzafirim 1 bar to adopt data-driven promotions. (Courtesy Tzafirim 1)



WeissBeberger claims its product provides a level of analysis that is not available elsewhere. (Courtesy WeissBeberger)

# The business of beer

Tel Aviv-based WeissBeberger makes pulling pints a precision game



Vice president and cofounder Ori Fingerer with WeissBeberger's product. (Eitan Arom)

• By EITAN AROM

**T**he stretch of coastline between Jaffa and Herzliya is home to Israel's hi-tech hub, as well as many of its bars and nightclubs. These two sectors typically share nothing but Tel Aviv's shoreline.

But in the offices of beverage start-up WeissBeberger, located just up the coast from Old Jaffa, two worlds collide.

Beer is business. "We turn beer into data," says senior analyst Gil Kaplan.

Sitting in a corner of the two-room office is a beer tap, hooked up to a miniature keg with a computer mon-

itor mounted on the wall behind it. It's a floor model, so to speak, of the device that landed WeissBeberger in bars and breweries across Israel, Eastern Europe, Turkey, Germany, Spain and the UK.

There are tricks to pouring beer from a tap, explains vice president and co-founder Ori Fingerer, pouring me a cup of suds from the office tap.

As he pulls down on the tap, a valve measures the amount, quality and temperature of the beer passing through it, then transmits the information wirelessly to the cloud. The data then become an analytical tool for both bars, and the breweries that supply them.

The whole system consists of 10 valves for up to 10 taps, and a transmitter equipped with a SIM card essentially no different from one found in a cellphone. It comes in a compact cardboard box and is easier to install than a cable box, Fingerer says.

"You don't need to be a beer expert," he says. "You just open it, cut the beer lines and insert the flowmeters."

This plug-and-play model endows WeissBeberger's system with that magic word of the start-up scene: scalability. That is, without much extra effort, the technology can be spread to many bars, allowing breweries to get a good look at how their products are

selling across many locations.

So, if you order a pint at Agnes Pub on Tel Aviv's Ibn Gvirol Street (or any of a number of bars across Israel and Europe that have installed WeissBeberger's device) you become part of a giant experiment. Your beer, along with every pint poured in the bar, is recorded: its brand, temperature, quality and the time it was poured. Taken together, that information creates a kind of data profile of the bar's sales. On a larger scale, breweries that supply multiple bars can collect data from all those locations to get a snapshot of how their beers do once they leave the loading dock.

What can you do with the data?

At the bar level, collecting data over multiple shifts can give you a profile of your clientele. For instance, Dani Ashur, who owns the beer-focused Agnes Pub, found that certain porters do better before midnight than after. Why would that be? Ashur figures his early evening crowd is older and more mature than his late-night crowd; their beer taste is consequently more refined, suited to the subtle, hoppy tastes of a porter.

That's not just a fun fact – for Ashur it's an actionable insight. Thus, he might put up a large sign outside his pub on busy Ibn Gvirol between 7 and 10 p.m., offering a deal on porters.

But on a macro scale, Tel Aviv's bar-

hopping public is part of a market for beer that is supplied by breweries, which gain valuable insight on their product by studying the behavior of customers across many bars. Just as important for the breweries: WeissBeberger's product measures the behavior of the beer, its temperature and cleanliness.

So while Fingerer says many large beer brands are able to monitor about 5 percent of their market by sending representatives to bars, WeissBeberger digitizes that process, widening the scope of observation for brands.

"The large brands have more than 100,000 locations that are pouring their beer," he says. "How can you



WeissBeerger's data analysis. (Courtesy WeissBeerger)

reach 100,000 locations?"

For distributors, says John Holl, editor of *All About Beer Magazine*, maintaining quality control after the beer leaves the brewery "has always been a frightening thing."

"Customers very rarely blame the bar," he notes. "If you're visiting some place and you have a pint of beer that doesn't taste very good, you're probably going to blame the brewer, when it could be that the bar itself served it out of faulty draft lines."

WeissBeerger sells more than just quality control. The product is a package of data services rolled into one, from asset management to marketing - enabling brewers to, for example, offer promotions on low-selling beers. That means bars stand as much to gain from the product as breweries.

"The restaurant business is not the smartest business," says Dadi Zoref, who left the medical devices industry in 2009 to start his first restaurant. He now owns and operates Tzafririm 1, a bar in Haifa that uses WeissBeerger's system, dubbed "Alcohol Analytics."

About a year ago, Zoref began to notice discrepancies in his sales figures. In his three-month performance reviews, the data on beer were increasingly murky; customer receipts tallying how much beer was sold failed to line up with the amount he had ordered from the supplier. "The numbers weren't right," he explains.

For Zoref, a former industrial engineer, being hands-on with his restaurants and closely monitoring their progress is important. Fingerer says WeissBeerger doesn't market directly to bars, instead reaching out to breweries; but that didn't prevent Zoref from finding the company.

Now, he says, Zoref is able to immediately address customers complaining of warm or otherwise low-quality beer. He also engages in the data-driven promotions that WeissBeerger makes possible.

"When we tried that, it actually worked," says Zoref. "In the resta-

urant business, if something works you don't argue with it."

The vision in WeissBeerger's small but fashionable Tel Aviv office is to connect bars and breweries in novel ways. Fingerer tells the story of a brewery that sought to promote its brand for the 2014 FIFA World Cup. During the Brazil-Germany match, it instructed bars to start with a 50% discount on its beer, then lower the discount by 10% for every goal scored. WeissBeerger's moment-by-moment data showed the promotion worked: beer sales spiked.

WeissBeerger believes the time is right to shake up the booze industry; president Omer Agiv described the beer-sphere as a "very conservative" industry, lacking the technical sophistication of other market sectors. Holl, the beer magazine editor, disagrees, saying that some breweries in places such as the US already employ real-time data tracking ("It's a pretty big beer world").

WeissBeerger maintains its product brings something new to the table - not just a flowmeter to measure beer quantity and quality, but a set of algorithms and analytical tools to make the beer market more efficient.

"The flowmeter is like a wheel, and we invented the car," Agiv says.

Either way, the atmosphere at the company's cramped headquarters - Agiv, Fingerer and Kaplan share an office dominated mostly by their three desks - is one of rapid and continued growth. Last year, the firm moved into the soft drink arena with a product to measure the performance of soda taps. In October, the company announced a partnership with a large Spanish beer tap manufacturer to create a spout that comes equipped with beer monitoring integrated into the device.

Meanwhile, WeissBeerger's core business - bringing bars and breweries into the digital age - continues to spread. Soon, Agiv says, it will be moving into the American market. Agiv declined to give the exact number of devices sold, instead putting the figure at "hundreds of thousands of taps."

Needless to say, the company is not the first Israeli start-up to try to make a splash. But if WeissBeerger's experiment is successful, beer taps will be the latest entrant into the ever-growing Internet of Things, the universe of everyday devices from thermostats to kitchen appliances that have been connected to the Web.

And for the beer market and its players, that could be a big deal.

"There are breweries that are 500 years old," Agiv says. "The beer tap has existed since the 1930s; it hasn't been changed. We wanted to turn the tap into a 'smart tap.'"



The system can be easily installed. (Courtesy WeissBeerger)

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