An extensive analysis of the profitability of 28 classic cocktails.

BevSpot brings you this exclusive handbook to help you break down your cocktail list and learn what you should really expect in terms of profitability.

Stephen Ngo
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Data can be a powerful tool in a bar manager’s toolkit. In our previous analyses of bar profitability, we looked into the data of our users’ overall profitability metrics. What we discovered was that the typical pour cost of a BevSpot user was about 15% for spirits & cocktails. What this translates to is that, before paying wages and rent, the median BevSpot establishment is getting an 85% gross profit margin on its Moscow Mule.

If that number seems off to you, your instincts are close to the truth. When we delved a little deeper into the data, it revealed that the 15% aggregate pour cost does measure general profitability for individual establishments, but it also represents an average of all the various drinks being sold by those bars. As most will know from experience, costs and pricing can vary widely between drinks, especially cocktails: the profit margin on a bar’s Negroni recipe almost certainly won’t be the same as that of its Old Fashioned.

Understanding the costs and profit margins of various recipes is critical for designing and pricing a successful drink menu. Within this handbook, we’ll be crunching these numbers for a range of common cocktails. By understanding the base performance of these common cocktails, you should be able to confidently know what to expect in terms of profitability as you are crafting your own cocktail list.

We took a look at BevSpot user sales data from nine major metro areas across the United States to see which popular cocktails are the most and least profitable for bars. We then organized our results by International Bartenders Association cocktail category. Here’s what we found.

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**What's BevSpot?**

BevSpot is a bar management software platform for inventory, ordering, invoicing and unlocking your bar’s sales data. Sales data from the platform has generated the insights discussed in this report.
SECTION 01

The Unforgettables
Firstly, keep in mind that a bar’s pour cost—also known as its cost percentage, or liquor cost of goods sold—is equal to its product usage divided by its sales, or one minus its gross profit margin (we’ve provided a handy explainer for calculating pour costs). A 15% pour cost means that 15% of a drink’s price goes to paying for the drink itself; the other 85% goes to employee wages, rent and other operating expenses. A higher pour cost makes a drink more relatively expensive for the bar, while a lower pour cost makes a drink relatively more profitable.

In short: the lower the pour cost, the higher the profit margin.

To generate our pour cost estimates, we compared the average prices charged by BevSpot users to their unit costs before adjustments for spillage and comped drinks. This is to show the theoretical margins that bars target when initially building and pricing their menus.

Of the nine cocktails covered in this IBA category, the Manhattan is the most costly for your bartender to serve; the Tom Collins, the most profitable. As a group, these cocktails have an average pour cost of 16.8%. The relatively high pour costs of the Manhattan, Sazerac, and Negroni push the average up. When you exclude those drinks, the average of the group is 14.4%.
It’s also worth keeping in mind that pour cost is a ratio. If a bar is pricing all of its drinks to have similar profit margins, drinks that are more costly to make would be more expensive. In this chart, we show how product costs and pricing interact to generate this metric. For example, while the Martini and Old Fashioned have similar product costs, the Martini tends to be sold at a higher price point. For the bar, both cost and price are indispensable metrics; pour cost is useful because it uses both measures.

Note that these unit cost and profit estimates are after adjustments for spillage and comped drinks are made. Such adjustments reflect additional expenses for the bars that make them, but are dependent on the policies and training provided by individuals bar. Such expenses into their bottom lines in a way that isn’t reflective of the true basic cost of making a drink. To account for this, we show the average unit cost and profit of each cocktail—after adjustments.

As a group, the Unforgettables have an average price of just over $9 and an average cost of around $1.60.
The Manhattan is about 60–70% whiskey by volume. It’s the most important part of the drink, so customers want that whiskey to be a quality brand—preferably rye, due to both consumer flavor preferences and the 19th century roots of the drink. This can’t be hidden. That results in a recipe where the drink itself is entirely made of alcoholic components (as opposed to being watered down or filled with juice), which results in a product that’s relatively costly for the bar.

**Manhattan Price Breakdown**

*Across BevSpot customers*

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**SAMPLE INGREDIENTS**
- 2 oz Rye or Canadian whiskey
- 1 oz Sweet Red Vermouth
- 2 dashes Angostura Bitters
- Maraschino cherry

**POUR COST**
- 23.7%

**GROSS MARGIN**
- 76.3%

**UNIT COST**
- $2.21

**UNIT PROFIT**
- $6.98
The typical Sazerac has the same rye or cognac content as a Manhattan or Vieux Carre. But it substitutes these peers’ full ounce of sweet vermouth with a quarter ounce (or in some cases, less) of absinthe. The choice to substitute a healthy serving of a relatively prolific beverage (sweet vermouth) with a stingy helping of a more niche one (absinthe) is one that’s about neutral in cost terms—the average Sazerac costs about as much to produce as a Manhattan or Vieux Carre, even at a diminished serving size.

In this case, the difference in pour cost comes from higher pricing: the average sale price of a Sazerac is just under $10.50 in our data set, making it the highest-priced cocktail in this list. Esquire has referred to this drink as the “Connoisseur’s Choice” for mixed drinks—and whenever that’s the case, the connoisseurs pay for it.
The Negroni and the Boulevardier are quite similar drinks; yet in spite of their similarities, the former has an average pour cost of 20.5%, while the latter has an average pour cost of just 16.4%. Where does that 4.1 percentage point difference come from?

The first reason is that the Negroni traditionally uses an ounce of gin instead of an ounce-and-a-half of bourbon. Among bars in the data set that served both cocktails and only varied this component of this recipes, this made the Negroni about 20 cents more expensive. In these bars, the Negroni was served at a pour cost between 2 and 5 percentage points higher than its counterpart’s.

The second reason is that the Negroni is more popular, and often sold in bars that don’t really sell Boulevardiers. These bars often have high cocktail pour costs compared to ones with more expansive programs—skewing the average.
Unlike most of the household names of the whiskey cocktail world, this drink follows a template common among the low-pour-cost members of the vodka and rum kingdoms: a liquor base masked with fruit juice and/or syrup. In such cases, the quality of that liquor base is much more flexible—the bar can often produce a functional drink without reaching for the top shelf.

And, given that juice and syrup are always cheaper than vermouth and bitters, this recipe is almost the highest-margin drink on this list—even at by far the lowest average sale price.
As cocktails go, the Martini is one of the most ubiquitous in popular culture. James Bond’s usual drink of choice is somewhat above average when it comes to pour costs for bars. It’s a veritable workhorse, but to be a true cash cow, the margins need to be higher.

**Martini Price Breakdown**

*Across BevSpot customers*

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<thead>
<tr>
<th>POUR COST</th>
<th>GROSS MARGIN</th>
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</thead>
<tbody>
<tr>
<td><strong>15.8%</strong></td>
<td><strong>84.2%</strong></td>
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</table>

**Sample Ingredients**

- 3 oz gin
- ½ oz dry vermouth

**UNIT COST** $1.56

**UNIT PROFIT** $7.78
Sweet yet acidic, this drink manages to be mostly liquor by volume, and still cost a relatively measly $1.31 to produce on average.
Simple, classic, economical: the whiskey cocktail of old has a pour cost to match its traditional austerity. In addition to the relatively high profit margins it generates, this drink is one of the highest-selling cocktails among BevSpot bars, making it one of the biggest cash cows of any product in our data set (not that that’s a surprise).
This drink’s simplicity is a key element of its enduring appeal. That also makes it a lucrative one for bars: 3 ingredients mixed together in a shaker, all of them staples of any cocktail program. It manages to have an average pour cost of less than 14%, even with one of the lowest average sale prices of its rum-based peers.
This drink is loaded with components that are commonly used to water down liquor in low-pour-cost cocktails: water, lemon juice, and syrup. Its 12.4% pour cost makes it one of the highest-margin cocktails that we have examined; on average, it costs about as much to produce as a margarita, but at a higher sale price. It’s a recipe for profit as straightforward as the recipe of the drink itself.
SECTION 02
Contemporary Classics
Of the ten cocktails covered in this IBA category, the Mai Tai is the most costly for your bartender to serve; the Tom Collins, the most profitable. As a group, these cocktails have an average pour cost of 13.7%—over three percentage points lower than that of the Unforgettables.
Like the Unforgettables, the Contemporary Classics we examined also have an average price of around $9, yet they have significantly lower pour costs. This is because they cost an average of $1.30 to make. This holds true even when you exclude the Bloody Mary, the drink with the lowest average price of the group (and the lowest unit cost to produce).
The Mai Tai has a pour cost 3.3 percentage points higher than the next most costly rum cocktail that we examined (the Piña Colada). In our sample, it also tends to be the highest priced at $10.51. What gives?

For starters, most lists of essential rum cocktails are dominated by recipes that call the tropics to mind; this list is no exception. Such recipes call for fruit juice, and plenty of it. The Mai Tai distinguishes itself from its tropical peers with its disproportionately high alcohol content. While the other drinks described here are at most half liquor by volume, 70% or more of a typical Mai Tai will be made of rum and orange liqueur. As a result, this drink becomes relatively more costly to make.
This is one drink where the managers at Bevspot bars might be splurging a bit more, to their patrons’ benefit (or detriment). While a quick Google search yields Piña Colada recipes that call for 1 part rum and 4 parts juice and cream, our data tends to have recipes that call for 2 parts rum and 4 parts juice.

When paired with an average sale price ($9.00) that is the lowest of any cocktail on this list, the more rum-heavy recipes yield an average estimated pour cost of 15.8%. Water down your drinks with their non-liquor components, and you might see a pour cost more akin to those of the following drinks.

### PIÑA COLADA PRICE BREAKDOWN

*Across BevSpot customers*

<table>
<thead>
<tr>
<th>Piña Colada</th>
<th>POUR COST</th>
<th>GROSS MARGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.8%</td>
<td>84.2%</td>
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**SAMPLE INGREDIENTS**

- 4 oz pineapple juice
- 1 oz golden rum
- 1 oz coconut rum

**UNIT COST**

- $1.42

**UNIT PROFIT**

- $7.58
The Long Island Iced Tea is a perfect drink for summer, when the data shows vodka, rum, and tequila consumption spike. If you’re building a vodka and tequila-dominated cocktail menu for warm weather, it’s worth considering this drink’s relatively low pour cost—though with eight or more possible ingredients, you might want to consider the associated labor costs.
The sweeter, fruity flavors of the juices and Cointreau in this drink ensure that it goes down more easily, even if the bartender isn’t using top shelf vodka. So while the Cosmo isn’t as cheap to produce as other juice-dependent recipes, it allows the manager to find a more reasonable trade-off between liquor quality and price.
This, perhaps the most ubiquitous of brunch cocktails, is simple, refreshing, and very often made in batches. Simplicity in production on a large scale is the key to keeping costs down. As a result, at $1.16 per serving, this cocktail is one of the cheapest for bars in terms of unit cost. It’s the under-recognized powerhouse of a boozy brunch program.
The most popular of tequila cocktails is represented in our data by a large diversity of flavors and recipe variants. So, while the most traditional recipe listed here is certainly common, we have taken into account these variants while calculating our expected cocktail pour cost.

Yet the 13.1% average pour cost we observed is almost 2 whole percentage points below the average bar’s spirit & cocktail pour cost. For most of the major spirit types, higher liquor content in a cocktail generally leads to a higher pour cost. Yet for the Margarita, a high liquor content doesn’t lead to high pour costs relative to other tequila cocktails. This is probably indicative of the uniquely high gross margins that tequila-based recipes can generate for a beverage program.
Bartenders are probably disappointed to see this item at this point in our list. And for perfectly valid reasons: it’s time-consuming to make, the mint is irritating to stock and keep fresh, and orders for the cocktail spread like wildfire among inexperienced drinkers.

In protest, some bartenders have taken to refusing to prepare the problem drink. But practically speaking, time spent mixing a mojito is worthwhile if the bartender and the bar are properly compensated. With an average cocktail pour cost of 13%, it seems like BevSpot bars have the right idea.
This cocktail sees pretty large variation in pour cost because its contents vary so widely; while the vodka and tomato juice are a constant, our measures of the typical Bloody Mary price and unit cost are representative of some kind of middle ground in how Bevspot bars build theirs. Though recipes for this drink can be time-consuming to complete (a factor which bars may be using to justify higher pricing independent of product cost), this drink’s lower liquor content relative to other cocktails results in a lower pour cost overall. This is especially true if the other flavors overpower thriftiness in the bar’s choice of vodka.
The high ratio of juice to tequila in this recipe keeps the liquor cost low. Its most typical recipes also add a dose of syrup, making it even sweeter than many other juice-loaded drinks. Bars can use pretty much any tequila they want to keep Tequila Sunrise drinkers happy—which, unsurprisingly, results in low pour costs across the board.
With less than 30% liquor by volume and a reputation that Esquire has called “silly”, the Moscow Mule gives bars plenty of room to find profits without really skimping on quality. The ginger beer overpowers much of the variation in flavor between choices of vodka brand; Marie Claire’s take calls for Smirnoff. The drink is profitable and easy to make—if you serve it at your bar, put this one at or near the top of the menu.

### Moscow Mule Price Breakdown

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<tr>
<th>POUR COST</th>
<th>GROSS MARGIN</th>
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<tbody>
<tr>
<td>9.4%</td>
<td>90.6%</td>
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</table>

**Sample Ingredients**
- 4 oz ginger beer
- 1½ oz vodka
- ¾ oz lime juice

**Unit Cost**
- $1.01

**Unit Profit**
- $9.22
New Era & Non-IBA Drinks
Of the nine cocktails that are either “New Era” IBA drinks, or not IBA-sanctioned, the Last Word is the most costly for your bartender to serve; the Paloma, the most profitable. **As a group, these cocktails have an average pour cost of 16.9%**—slightly higher than that of the Unforgettables, mostly due to the Last Word and the Vieux Carre, which are outliers compared to the rest of the group’s pour costs. The rest have margins more similar to those of the Contemporary Classics.
Put together, the New Era and Non-IBA cocktails we looked at have an average cost around that of the Unforgettables ($1.60) and an average price that is higher than that of the Unforgettables (around $9.50).

But the diversity of this group makes it more difficult for any generalizations to stick. It includes two of the costliest cocktails that we examined (the Last Word and the Vieux Carre) and one of the least costly (the Paloma). Take those averages with a grain of salt.
Rachael Maddow once called this drink the “last word for the end of the world.” Likewise, you might want to make this depression-era creation the last word for the end of your menu, if at all. Almost half of the recipe’s cost comes from its green Chartreuse, a liqueur produced by two monks in a single French distillery; this and the drink’s maraschino liqueur means that half the drink’s volume comes from more specialized ingredients, which tends to lead to higher costs. Its cult popularity also ensures that it tends to be popular among cocktail aficionados, who would prefer that it be served with higher-quality gin and fresh lime juice.

Yet despite its high unit cost, the Last Word tends to be priced at about $8.96, below average for the gin cocktails covered here. This makes for a disproportionately high average pour cost—the last thing any bar should highlight on its menu.
Like the Manhattan, this 1930s New Orleans creation is mostly rye whiskey and sweet vermouth by weight, with a couple dashes of bitters and a piece of fruit for garnish; it mainly diverges by substituting cognac for half of the Manhattan’s rye volume. Accordingly, the drinks have quite similar average unit costs, with the Manhattan being only 7 cents more costly.

Their 1.3 percentage point difference in pour cost comes from their pricing: the average Vieux Carre is sold at a 44 cent higher price, possibly due to some combination of the difference in recipes and the extra labor required to produce a slightly more complex recipe.
You probably know that this drink first appeared in 1953’s Casino Royale, the first of Ian Fleming’s many James Bond novels. Like his character, Fleming was a prolific drinker with a taste for good liquor, and it shows: this recipe is over 90% gin and vodka by volume, so liquor quality is key. This is especially true if the customers who want it have discerning taste buds. Even with higher pricing, cocktails with more liquor by volume often have higher pour costs, and this is no exception.

This cocktail’s reliance on gin and vodka makes it relatively costly overall—but since it emphasizes these over the Negroni’s Campari and vermouth, it does not become an outlier.
This bourbon-based cousin of the Negroni is around 50 cents cheaper to produce than the whiskey cocktails previously discussed. Much of this is due to the substitution of 2 ounces of rye with 1.5 ounces of bourbon—a smaller volume of whiskey, usually at a lower unit cost. In fact, while the rye constituted most of the previous drinks’ costs (commonly around $1.50 of it, to be precise), the Campari in this recipe actually constitutes most of its cost: while the Campari accounts for about $1 of the total $1.68 unit cost, the bourbon is responsible for fewer than 50 cents.

Since the Boulevardier’s $9.60 average price tag is around that of the Vieux Carre, this means that it comes at a much lower pour cost for the bar.
The Gimlet has an average pour cost of around 15%, which is pretty close to the median spirit & cocktail pour cost we’ve seen before. Like many of the lower-pour-cost cocktails we’ve seen before, this drink manages to be cheaper because of its use of juice and syrup; for such a drink, however, it is relatively high in its liquor base by weight. The Gimlet is not particularly cheap, and not particularly costly.
At around a 15% pour cost, the White Russian—the drink in part popularized by “The Big Lebowski”—is almost exactly “middle of the road” when it comes to spirit and cocktail profitability and even price point.

**WHITE RUSSIAN PRICE BREAKDOWN**

*Across BevSpot customers*

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**White Russian**

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<tr>
<th>POUR COST</th>
<th>GROSS MARGIN</th>
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<td>15.0%</td>
<td>85.0%</td>
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</table>

**SAMPLE INGREDIENTS**
- 1.5 oz vodka
- 1 oz cream
- 3/4 oz coffee liqueur

**UNIT COST**
- $1.32

**UNIT PROFIT**
- $7.27
While it lacks the fruit juice content of more traditionally “tropical” rum-based cocktails, the Dark ‘n Stormy’s murky origins definitely involve Bermuda to some extent—making it more authentically tropical than the California-derived Mai Tai.

The drink’s traditional recipe has a composition similar to that of the Piña Colada: 4 parts a sweet non-liquor component, 2 parts rum. The difference is in the pricing: while the the Dark ‘n Stormy and Piña Colada both had average unit costs of around $1.45, the former tended to sell for above $8 a unit, while the latter sold for closer to $7.50 a unit.
As you might have guessed, this drink is a tequila-based variant of the Bloody Mary. It has a pretty similar average pour cost to the original cocktail, but as we noted in our vodka cocktail list, this average masks wide variation in margins due to differences in how bars build their recipes. The same drivers of lower pour cost are also true of this drink: lower liquor content, strong flavors overpowering the taste of the alcohol, and a high time cost of labor that businesses may be pricing in.
The Paloma isn’t yet very popular in the United States. That’s a shame. The cocktail is easy-to-make, and its use of grapefruit may improve upon the common pairing of lime with tequila. Grapefruit soda is also similar to fruit juice when it comes to bars’ bottom lines: it provides a distinct flavor that balances out the liquor in the drink, and is also relatively cheap by volume. Maybe it really is about to take the States by storm.
Of course, we at BevSpot know that you can’t simply make a cocktail list out of the most profitable cocktails featured here and walk away with your head held high. There is something to be said for creativity when it comes to cocktailing and developing your own personal recipes. You also need to obviously instill some individual character and personality for your establishment and your bartenders with your cocktail menu. We created this guidebook with the hopes of helping you be just a little more strategic when building out your menus and your individual cocktail recipes.

Look out for more useful tools and guides coming to our Resources library in the future as we continue to develop everything a bartender and bar manager would need to make their establishments a success, both creatively and financially.

Data was sourced from BevSpot customers located in nine metropolitan areas across the continental United States. Product cost and revenue estimates represent sales-weighted averages of typical drink costs and pricing.
New to BevSpot? Welcome!

Did the results from this guidebook surprise you at all? How do your cocktails' pour costs compare to our results? Perhaps some of this information has made you consider making changes to your own menu.

While you're mulling that over, have you also thought about making your backend practices more business effective as well? We're passionate about using actual inventory, ordering, and sales data to unlock the best business decisions for bars and restaurants everywhere. With a more efficient inventory system in place and a firm grasp of their numbers, our users can focus on what matters the most: providing the best possible experience to their guests.

We work with our users to understand how their pour costs stack up to the rest of the industry, find the ideal sitting inventory for their establishment, and set their drinks to the most profitable prices. The results speak for themselves.

If you're ready to bring your beverage program to the next level, we're here to help. Check out our growing library of free tools and see what our software can do to get you to where you want to be.