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Drinking While Painting: The Party Franchise Niche That's Booming

Are you looking to get out of Corporate America and into a job that's less stressful and more fun?

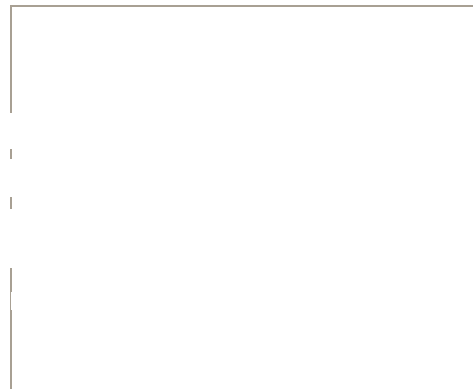
There's a franchise concept that's exploding across the nation, in part because it offers owners just that opportunity — a chance to spend time in a fantastic work environment with a real party atmosphere. This business idea also feeds into Americans' insatiable desire to find something different, affordable, and enjoyable to do with their friends, family, or co-workers.

What is this business? Welcome to the world of "paint 'n' sip" franchises.

Franchise owners in this niche organize alcohol-fueled painting parties. Working from an example canvas, party guests create their own version of the artwork on a canvas they get to take home as a souvenir, all while visiting with friends and enjoying a glass of wine or a craft beer. This isn't like art class, and guests aren't expected to be artistically savvy — it's "fun art" you can bond over making, and then take home. And classes are affordable, around \$30 or so per person.



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How fast is the paint-and-drink phenomenon spreading? Here's a look at four of the biggest franchise chains in the category, their business models, and their growth plans for this year:

Painting With a Twist

The oldest and biggest of the franchise chains, PWAT was founded by New Orleans moms Cathy Deano and Renee Maloney, who were looking for a way to escape the post-Hurricane Katrina blues. The chain now has 190 locations in 28 states, and expects to open more than 100 new painting-party studios this year. The growth isn't all in new units, either — sales at stores open more than a year were up 37 percent in 2014, the company reports, as word of mouth brings in more customers and existing customers return for more parties.

The company's instructors have created more than 5,000 copyrighted pieces for partygoers to riff on. Besides nighttime painting parties — which include a BYOB option — PWAT studios offer kids' classes, weekday "coffee and canvas" groups for moms, and team-building corporate events.

It costs roughly \$100,000 to open a franchise. The chain's SEC disclosure documents show the median annual income for established stores is around \$300,000.

Pinot's Palette

Founded in 2009 by couple Beth and Charles Willis and Craig Ceccanti, Houston-based Pinot's Palette began franchising in 2010. The chain has grown to 100 franchise locations in 31 states, with a big presence in California, Texas, and New Jersey. The chain expects to add

60 more units this year, says company marketing manager Jacqueline Deavenport. Customers range in age from 25-55, typically, and events include girls-night-out, kids' Little Brushes art classes, and corporate events.

Pinot's offers franchisees three different formats for the business — a BYOB model, a bar model, and a retail studio.



Pinot's Palette is one of many "paint-n-sip" franchises that are expanding rapidly in 2015.

Costs to get into a Pinot's franchise can range from \$80,000-\$170,000, depending on the format chosen and the cost of retail space in your market. In its disclosure documents, Pinot's reports net income, rather than the gross income figures most franchisors state. Average net income for stores open more than a year was \$268,000 in 2013. It's notable that only 13 stores have been open that long — most of the chain's growth came in the past 18 months or so.

What explains the explosive growth of this niche? Deavenport says, "Our candidates come from the corporate world, and have extensive marketing and management backgrounds. They want to do something for themselves, and something that's fun. Your role is to have a party every night — and that's attractive to people leaving the corporate sector. And everyone wants to do something new and fun, so for patrons,

this is a little different.”

Wine and Design

Founded in 2010 in Raleigh, N.C., Wine and Design just began franchising in 2011 but already has 55 units in 13 states. Co-founder Harriet Mills says she’s forecasting they’ll end the year with between 75 and 100 studios, with expansion focused on the Midwest and East Coast. Besides the usual array of classes and event nights, Wine and Design has a “Design on Wheels” option that will bring the painting party to a location of your choice.

This is a low-cost model — it’s just \$35,000-\$83,000 to buy a franchise. Gross revenues are lower, too, though — an average of \$131,000 in 2013, Mills says.

Paint Nite

This company began in 2012, with a different approach — it bases the painting parties in existing bars. Though Paint Nite was late to the paint-n-sip party, this easily implemented model is already an international smash, while the studio-based models are still focused on U.S. expansion. Paint Nite parties are already taking place in 134 cities in the U.S., Canada, Australia, Argentina, South Africa, and the U.K.

Paint Nite is also different because it uses a licensing arrangement with local entrepreneurs to grow, rather than a franchising model. Unlike in franchising, there aren’t up-front fees. Licensee income varies, but co-founder Sean McGrail says most licensees net between \$50,000-\$70,000 a year, working four to five nights a week.

The bars reserve enough space for tables and easels, and the local Paint Nite licensee sells tickets to the party. Bars get more alcohol revenue from the painting-party guests, while the licensee gets the ticket revenue, and remits 30 percent of those proceeds back to Paint Nite.

No doubt there's hard marketing work that goes into booking enough parties every month to make the paint-n-sip business model work. But there's something to be said for having your typical workday consisting of bringing people together to laugh, drink, and paint pictures.

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