

# An AI smoothie shop opened in San Francisco with much hype. Why is it closed already?

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In September, a “bespoke AI nutrition” store opened in beleaguered downtown San Francisco to much fanfare, promising smoothie concoctions generated by AI and a much-needed boost to the area. Less than two months later, it has seemingly closed without explanation. BetterBlends advertised “Your Smoothie, powered by AI” and received positive press upon its opening, ginning up excitement for a new business and a novel use of artificial intelligence. Its AI model would take customer orders and preferences to generate a smoothie recipe that would then be blended by hand by co-founders Michael Parlato and Clayton Reynolds, who worked in the shop. But now the storefront sits empty. On Friday 20 October, the locked doors to BetterBlends featured a sign that read “temporarily closed”, stating the shop would reopen in one hour – but sources in the neighborhood said the storefront had been closed for more than three weeks. By the following Monday, the sign had been removed, and the inside of the shop was largely cleared of blenders, fruit, vegetables and other supplies – anything you might need to make a smoothie, with or without AI. Only a trashcan and a few plants remained. The store’s Google Maps listing speaks to both problems in the physical world and its roots in AI. A Google Maps review posted two weeks ago accompanied by a picture of the sign read: “I was hopeful for this business. The owners however did not understand the discipline to run a restaurant. It was often open late and closed early. They changed their hours after a week of being open. And then 1 day they put up a sign, ‘Temporarily closed, be back in an hour.’ They have not been back in over two weeks.” Other reviews were positive, awarding BetterBlends four or five stars. The shop owners themselves uploaded pictures of their smoothies to the Google Maps page as well as an image of happy customers that bears the hallmarks of generative AI. The light on their smiling faces is soft and glossy like a photoshoot. The fruits in the store window are, on closer inspection, unrecognizable blobs of fruit-colored things. The clear plastic cups are branded with gibberish characters that don’t spell anything and filled with lumpy smoothie-ish mixtures. They are cartoonishly large in the customers’ hands, one of which has only three too-long fingers. AI image generators have a documented history of failing to produce text within images or realistic human hands. Much has been said about the ongoing challenges of San Francisco, a city that continues to experience one of the slowest economic recoveries from Covid-19 in the US. BetterBlends was located on Market Street in one of the hardest-hit areas – once a bustling hub of tech offices where foot traffic has slowed to a crawl. The opening of BetterBlends garnered optimism, especially as the boom in artificial intelligence companies has appeared to many as a potential savior for the offices of the flailing city. “People really like the idea of us betting on San Francisco,” co-founder Reynolds said in September, stating that the local response had been “phenomenal”. Christian Cecena, who works at the coffee shop next door, said

the “be back in an hour” sign had been affixed to the door for weeks. An employee of a local community outreach group who is stationed on the sidewalk in front of BetterBlends said the longest he saw the business open consecutively was two weeks. “Then that sign went up and we never saw them again,” Cecena said. “It’s just sad because we really need more businesses in this area.” San Francisco still listed BetterBlends in its database of active food service establishment as of 25 October. The company and its co-founders did not respond to repeated requests for comment. BetterBlends’ abrupt apparent closure comes as downtown San Francisco endures the highest office vacancy rate in its history and the highest retail vacancy rate since 2006. The city has made a concerted effort to revitalize its empty storefronts and sidewalks through new grants and tax breaks targeted at the area BetterBlends briefly called home. San Francisco’s office of economic and workforce development told the Guardian that BetterBlends did not receive any funding from its office. “While the failure of San Francisco’s generative AI blockchain-powered autonomous 5G smoothie bot may be splashy, in no way is it a bellwether for downtown. For a much better indicator, look right across the street, to Ikea’s brand new six-story retail, food and co-working center. Look immediately upstairs from the now-vacant Robo-Blenderia, where empty office space is being converted into 40 apartments,” said Daniel Sider, chief of staff at the San Francisco planning department. New retail stores – successful ones – are integral to the recovery of San Francisco, said Stijn Van Nieuwerburgh, the economist behind the much-cited academic paper warning that the city is at risk of entering a “doom loop”. He warned that the artificial intelligence boom has not yet pulled the city out of the woods. “The AI sector is booming and looks like it is leasing at least some of the available office space, which is great,” he said. “[San Francisco] is still a long way from healthy levels of office vacancy, however.” It is unclear what is next for BetterBlends, or whether it ever intended to remain open for longer than a few weeks. Its co-founders previously worked at Local Kitchens, a food technology startup, and said they were seeking \$1m in funding to implement BetterBlends’ technology into apps and other businesses. The only visible contact information on the shop’s website was an email address listed under “How to invest” aimed at customers who “would like to contribute to the next generation of dining”. On a Friday morning, as BetterBlends sat empty, more than a dozen people filed in and out of the neighboring coffee shop, where Cecena works. He also sells smoothies – which at \$7.50, are priced competitively to the \$10 bespoke smoothies of BetterBlends. “I hate to say this, but I did hear that the smoothies weren’t that good,” he said.