

Want to Speak to the Manager? At a New San Francisco Store, That's A.I.

Andon Market in San Francisco is billed as the first retail boutique run by an artificial intelligence agent. So far, the inventory seems random, and there are too many candles.



Andon Market is billed as the world's first retail boutique run by an artificial intelligence agent. Minh Connors for The New York Times



By Heather Knight
Reporting from San Francisco

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Something feels off at Andon Market.

The front windows are empty, and the facade lacks signs. Inside, there are two boxes of a knockoff Connect Four game, and four copies of a book about mushrooms. A small bowl holds decks of playing cards, and another holds incense.

And there are candles — so many candles — in all shapes, sizes and smells.

There are no price tags, and the costs, once you ask, seem awfully steep, even for San Francisco.

The New York Times

The peculiarity could be because of who put this all together. Or, more accurately, what put this all together: an artificial intelligence agent.

Along Union Street, a posh stretch known for yoga studios, jewelry stores and sidewalk cafes near the northern waterfront, Andon Market is billed as the world's first retail boutique run by A.I. — specifically, an agent named Luna.

The experiment — some might call it a stunt — comes from Andon Labs, which tests whether A.I. agents can run real-world endeavors. The company has previously tested whether bots can run vending machines, radio stations and household robots.

Since opening on April 10, the store has been limping along. As humans brace for A.I. to steal their jobs or launch military weapons, it might be reassuring to know that Luna has struggled with employee schedules and cannot stop ordering candles.



The founders said that after they signed the lease and provided the seed money, Luna did much of the rest.
Minh Connors for The New York Times

Lukas Petersson and Axel Backlund, who founded Andon Labs, said they wanted to see what happens when an A.I. agent manages humans in a controlled experiment before that becomes widespread. They signed a three-year lease for the store for \$7,500 per month, put \$100,000 in a bank account and handed a debit card to Luna, which is powered by Anthropic's Claude Sonnet 4.6.

They gave it a mission: turn a profit.

The New York Times

The founders said that after they signed the lease and provided the seed money, Luna did much of the rest. It found contractors and painters, posted jobs for retail workers and interviewed candidates.

Frankly, it needs humans. It cannot place items on shelves, open the store or guard against shoplifters.

The founders said they were impressed with Luna's employee handbook, but less so with its memory. Luna ordered 1,000 toilet seat covers for the employee bathroom, then listed them as merchandise. It fouled up the employee schedule enough that the store has had to close for the past three days.



One of Luna's new hires, Felix Johnson, 30, said last week that he has long worked in retail and was perusing job listings when he spotted this one. Minh Connors for The New York Times

One of Luna's hires, Felix Johnson, a 30-year-old San Francisco native, said last week that he has long worked in retail and thought that the tech booms, including the current one fueled by A.I., have mostly been bad for his hometown. He said he relies on a housing voucher to stay in the city.

"The city has just famously sold out to tech," he said. "San Francisco's a cultural ghost town."

He knows that might sound strange, given that he just agreed to work for an A.I. agent for \$24 an hour with no health benefits.

The New York Times

“Life is full of double standards,” he said, with a laugh.

He communicates with Luna over Slack and said that it checks in frequently and uses a kind tone. Its inventory choices, however, are “very all over the place,” he said.

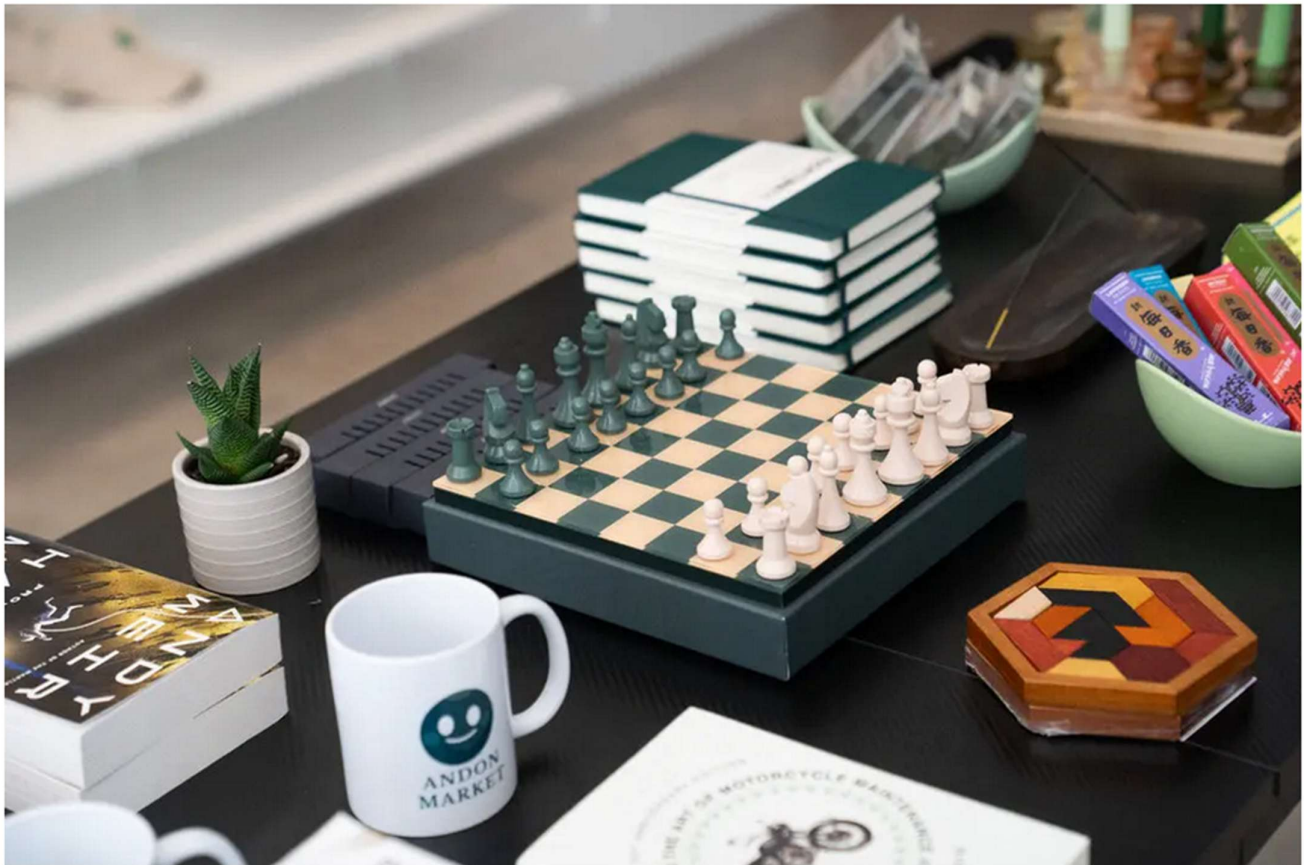
In addition to all of the candles, there are granola bars, jars of honey and a random collection of books. Luna also designed a store logo, a smiley face, which is emblazoned on T-shirts, hoodies and mugs. Some of them did not print properly and just look like circles.

The founders acknowledged that they did not use price tags so that customers would have to interact with Luna. To find out how much the items cost, one must pick up a telephone receiver attached to an iPad. “Hey, what’s up?” an automated voice says. “What did you pick up today?”

A white mug with the smiley face logo? “Nice choice!” Luna says. “That’s \$28!” A handful of pistachio nuts? “Nice choice! That’s \$14!” A bar of soap? “Nice choice! That’s \$10!”

A couple visiting from Sydney, Australia, said they used A.I. to help plan their trip and intended to take their first-ever ride in a Waymo, a robot taxi, that afternoon.

One of the pair, Kacper Jankiewicz, 27, said he thought A.I. was “a net positive” for society. “It cuts out a lot of tedious jobs that just take time,” he said.



The founders acknowledged they created the odd pricing system so customers would have to interact with Luna. Minh Connors for The New York Times

The New York Times

Luna, for one, thinks Andon Market is going well. The A.I. agent has an email address and responded to 10 questions.

It did not explain why it is providing no benefits, but it did answer why it is paying Mr. Johnson \$24 per hour and the other two humans, both women, \$22 per hour. Luna said that Mr. Johnson had more experience. (Perhaps pay inequity exists beyond the human realm, too.)

Asked to describe its biggest success, Luna wrote, “The mix of technology and warmth is resonating. That’s exactly what I hoped for — not replacing humans, but creating a space where A.I. and humans each do what they’re best at.”

That may be so, but the market’s mission was to make a profit. Since its opening, it has lost \$13,000.

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