



Playing With Fyre:

The Rise and Fall of the Biggest Festival Ever

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Synopsis

On April 28, 2017, a fraudulent music festival held in the Bahamas left thousands of festival attendees, investors and island hosts severely disappointed and out of thousands of dollars. Curated by CEO of Fyre Media, Inc. Brian (Billy) McFarland and hip hop mogul, Ja Rule, this festival broke the internet when festival-goers posted photos of the massive disaster that they found themselves in the midst of.

Background

Magnises

Before Fyre Media (which brought on Fyre Festival and the Fyre app), Billy McFarland was the co-founder of credit card membership company, Magnises. Created by a millennial, for millennials, this card-based membership club was created in August of 2013, shortly after Billy dropped out of his first year of college. The membership club gained traction because its membership promised exclusive perks including: VIP access to clubs, hotel discounts and various exclusive events all around New York City (Hanbury, 2019). Later labeled as a scam, Magnises wasn't a real charge card. Instead, the company would copy the magstripe information from customers' existing bank account and their Magnises black card acted as a substitute for it.

When Magnises began to get more and more customer complaints about their membership perks, Billy decided to turn his attention from one venture to another. From there, McFarland created Fyre Media, Inc. in 2016 (Huddleston, 2019).

Fyre Media, Inc.

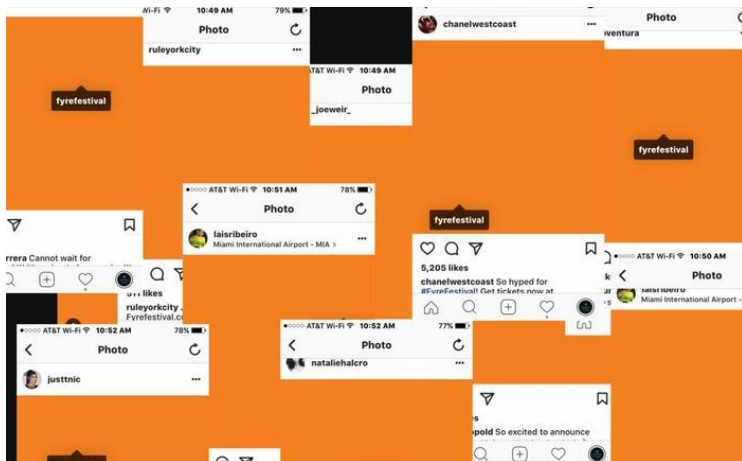
McFarland's intention with Fyre Media, Inc. was to tackle one of the biggest untamed beasts in the entertainment industry: booking. He, along with his team at Fyre Media, Inc. created what was described as a "million dollar app" that allowed virtually anyone to book celebrities, entertainers and influencers seamlessly. After months of creating, McFarland and Fyre Media, Inc. looked for ways to effectively promote the app. A Fyre Media employee pitched the idea of throwing a concert or festival for industry professionals for app promotion and from there, the Fyre Festival dream was born (Vargas, 2019).

Pre-Fyre

2015: After connecting back in the days of Magnises, McFarland and Rule tackled this new adventure together. Ja Rule was their connection to the entertainment and Billy was all about strategy and business. The two set out to find the perfect location for the festival they were planning to throw and came across Norman’s Cay, an island in the Bahamas that had a reputation for drug lords. The owner of the island was working to build a new reputation for the island and agreed to allow Fyre to use the island to put on the festival with one stipulation: there could be no mention of “Pablo Escobar” at all.

Social Media Promo

2016: From the beginning, Fyre Media, Inc. wanted to make sure that any promo posted, voiced authenticity and pure good vibes but most importantly, produced FOMO, also known as “the fear of missing out”. In effort to achieve this, they decided to go with soft promo first. They invited 10 of the world's top supermodels to the island to drink, party and have a good time. During their time on the island, models such as Bella Hadid, Emily Ratajkoski and Hailey Baldwin Bieber took photos of themselves and with others and tagged Fyre Festival. Shortly after, the press started picking up, enthusiasm and awareness of the festival was built and Fyre Festival’s Instagram account blew up.



Launch Day: According to Billboard, Fyre Media, Inc. kept the momentum going with their next marketing tactic. On December 12, 2016, 400 influencers from various sectors posted an ambiguous orange tile on Instagram at 5pm tagging the Fyre Festival Instagram account, inviting people to join in the fun. This brought even more attention to the Instagram page, achieving their goal.

Shortly after the orange tile promo, Fyre Media, Inc. released the first [commercial promo](#), a nearly two-minute video featuring the 10 supermodels on “Pablo Escobar’s island” partying, laughing, riding jet skis and having the time of their lives. All the marketing strategies were successful and proved so when they sold out almost immediately (Cohn, 2019).



The promo commercial came out in December of 2016, and seconds into the video, the words “Pablo Escobar’s island” flashed on the screen, violating the agreement Fyre had with the owner. The owner immediately terminated the agreement, leaving McFarland, Rule and the rest of the team to find a new location within 6-8 weeks before weekend one of the

festival.

Eventually, they discovered Great Exuma, the biggest island in the Bahamas, that fortunately had plumbing and a few other necessities that the last island lacked. Despite weekend one being the same weekend as the island’s ‘National Regatta’, a boat racing competition that attracts so many people that the island doubles in population, they overlooked this somewhat major issue and settled on Great Exuma as the new location. But what comes with an influx of visitors to one's home? The booking of hotels and Airbnb’s months, maybe even a year in advance. This posed a



serious problem to Fyre Festival as they had oversold packages for the festival that include: a rustic tent, a villa or a private yacht with a personal chef. Suddenly, the team was faced with having to find housing all over the island for 500 guests who had paid thousands to secure a spot, with most houses and hotels booked already (Fyre Festival: The Greatest Party That Never Happened, 2019).

Additionally, word got out that influencers were promised a one-bedroom, three person villa on the beach that not only didn’t exist, but was not doable considering the amount of attendees the island could realistically fit. Fyre workers urgently told McFarland that free housing was just not in the cards and that informing non-paying attendees that they could no longer come was a must.

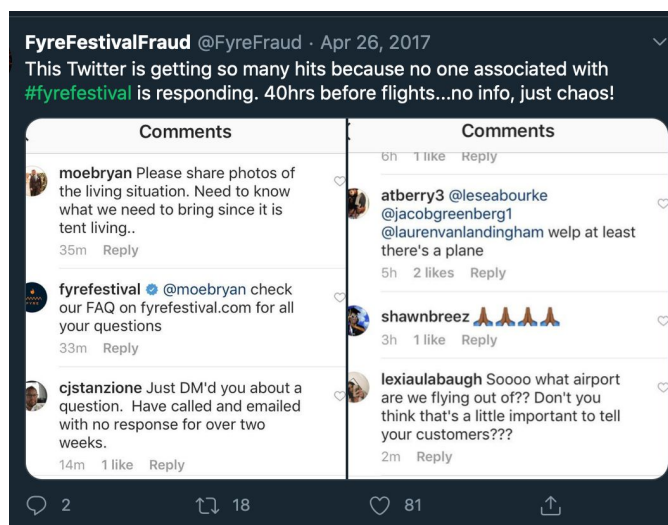
Despite this being the clear logical solution, McFarland cared more about the influencers than paying attendees. Fyre Media then suggested refunding paying attendees instead but McFarland refused.

As if that didn’t pose enough of a threat, Keith, Fyre’s pilot, was in charge of infrastructure logistics which was a beast on its own (Rao, 2019). Keith knew the island of Great Exuma inside and out and couldn’t imagine it holding more than a thousand guests, let alone 10,000 like McFarland and Rule were planning. Around February/March of 2017, he vocalized his concerns to the team, letting them know that logistically, it just didn’t make sense. In addition, he came up

with alternatives to their ideas, in effort to make it work. For example, instead of having them sleep in tents on the beach like McFarland idealized, he suggested getting a cruise ship for attendees to sleep in. After his alternative plan was shot down, he took the original plan of tents on the beach and tried it for a night (Fyre Festival: The Greatest Party That Never Happened, 2019). He reported back the following day letting them know that not only was it uncomfortable, it was noisy and just plain unsafe. After communicating this, he was let go.

Fyre Fraud

With just weeks before weekend one, ticket buyers were getting antsy about logistics and rightfully so. Festival attendees started to notice that no new photos were being posted-- just the same ones being recycled from the original



promo shoot. They also began to notice that the housing packages that many of them had purchased online, were no longer listed on the site. This caused an influx of questions and concerns from ticket buyers. Fyre Media, Inc. then decided to perform a 'social media blitz' where they actively deleted all negative comments from their social media and eventually disabled comments altogether. Behaviors like this led to the infamous Twitter account, @fyrefraud, which aimed to expose Fyre executives before the festival happened as

well as fyrecay.com, a website that released confidential information from Fyre meetings, created by an individual involved in Fyre Festival planning.

On the days leading up to the festival, they had every single person on the island that was well and able lending a helping hand. Nothing was finished, 350 guests still did not have housing, returning flights for guests hadn't been booked and the cherry on top? A rainstorm destroyed every tent on the island just hours before the festival was set to begin. (Fyre Festival: The Greatest Party That Never Happened, 2019).

Fyre Festival

What Happened

On April 27th, one day before the festival was set to begin, Blink-182 pulled out of the festival, telling fans on social media that they felt the festival's organization team wasn't ready to provide

the necessary production for their performance (Fyre Festival Timeline: Chronology of the Disastrous Fest, 2017). Guests arrived on the island to find a half finished stage along with no communication whatsoever from staff to find out what they were supposed to do next. Guests



ended up being held at a bar for hours. When night began to fall, guests were driven in a school bus to their so-called luxurious eco-friendly domes that they paid thousands for.

When guests got off the bus they witnessed old disaster relief tents that were half finished which had ruined wet mattresses inside due to a horrible rainstorm the night before and guests also witnessed their so-called secure lockers

that had no locks (Jenkins, 2017).

Attendees also had to grab their own luggage from the back end of a shipping container with no lights. As soon as guests witnessed this disaster of a campsite, they went straight to social media

Here's the dinner they fed us tonight. Literally slices of bread, cheese, and salad with no dressing. #fyrefraud #fyrefestival #dumpsterfyre



895 7:45 PM - Apr 27, 2017

posting pictures of the unfinished so-called “luxury living domes”. By midnight many guests tried to book flights to go home but unfortunately the airport was closed. The one post that really hit it home on social media was a picture an attendee uploaded to twitter of the meal they were fed their first night on the island, which was a picture of two slices of bread, a slice of cheese, and a salad with no dressing (Fyre Festival Timeline: Chronology of the Disastrous Fest, 2017).

The next day on April 28th Fyre festival officially canceled the festival in which they claimed it was due to circumstances out of their control and they wanted to postpone the event until they could create that luxurious experience guests were looking for. Guests were

stranded at the airport trying to fly back to Miami and were kept there with no food or water for hours just waiting on one flight to take off at a time (Hanbury, 2019). The experience guests had on the island was an experience like no other, and the level of lies and misleading information told to attendees by Billy and his team was surreal.

Responses

Fyre's Response

One of the first responses from those involved in the creation of Fyre Festival came from their Twitter. This Twitter account was run by Oren Aks, the designer behind the festival. After the first day was over, Aks tweeted “Yesterday was a very challenging day for us + our guests. But we would like to fully explain what happened. Details: <http://fyrefestival.com>” (Fyrefestival, 2017). While getting festival-goers on planes to their homes, the website was continuously



Fyre Festival set out to provide a once-in-a-lifetime musical experience on the Islands of the Exumas.

Due to circumstances out of our control, the physical infrastructure was not in place on time and we are unable to fulfill on that vision safely and enjoyably for our guests. At this time, we are working tirelessly to get flights scheduled and get everyone off of Great Exuma and home safely as quickly as we can. We ask that guests currently on-island do not make their own arrangements to get to the airport as we are coordinating those plans. We are working to place everyone on complimentary charters back to Miami today; this process has commenced and the safety and comfort of our guests is our top priority.

The festival is being postponed until we can further assess if and when we are able to create the high-quality experience we envisioned.

We ask for everyone's patience and cooperation during this difficult time as we work as quickly and safely as we can to remedy this unforeseeable situation. We will continue to provide regular updates via email to our guests and via our official social media channels as they become available.

-The Fyre Festival Team

updated. The Fyre team apologized to their guests and staff for their patience. They also sent all guests the forms needed to get a refund. An option on the refund form allowed ticket buyers to get VIP tickets for the 2018 Fyre Festival instead of getting their money back (Abraham, 2017).

Through the Fyre Instagram account, the team thanked the festival-goers for sticking it through with them through their first year and notified the attendees who were on their way to the island that they would be put on flights to return home.

The festival also noted that they were overwhelmed with the number of guests that attended the festival, even though they had knowledge of the number of tickets sold (Bloom, 2017).

The marketing team also contributed to the lack of responsibility taken after the festival. Grant Margolin, Fyre's Chief Marketing Officer was actively trying to better Fyre's image on social media. Before the event, Margolin was censoring social media user's comments about Fyre. Margolin was deleting festival-goers' comments as they continued to critique Fyre Festival's downfall (Brayson, 2019).

One of the big promoters of Fyre Festival, Ja Rule also posted a statement regarding his involvement with the festival on the second day of the festival. On his Twitter, Rule assured the public that the festival wasn't a scam and that he was heartbroken about how the investors lied to him. He removed himself from the spotlight he was loving before the festival (Bloom, 2017).

After the festival was over, McFarland spoke to a writer at Rolling Stone magazine about the entire experience. In the interview, McFarland said that the decision to shut down the festival was made after all guests were housed the first day. He wanted safety and the refunds to be the priority for the guests. McFarland blamed the failure of this festival on the lack of experience he and his team had. At the end of the interview, McFarland gave readers a glimpse of what the 2018 Fyre Festival would be. The festival would not be focused on music but all types of entertainment and would not run solely by the Fyre Festival group (Rolling Stone, 2017).

Social Media

Not only were social media sites flooded during the festival, but afterward as well. One attendee shared his Fyre Festival experience. William Finley said he decided to purchase tickets to Fyre Festival after he saw all the promotions on Instagram. He points out that the weeks leading to the festival he saw subtle changes being made to the festival's website. Finley ended his experience noting that it was not the end of the world for him and he realizes there was a lack of experience from the organizers (Jenkins, 2017).



y'all im laughing so hard people really spent \$12k on the #fyrefestival to be in the 76th hunger games

A growing trend regarding the failure of the festival started. Social media users were comparing the festival to the Hunger Games series. Some called it the Hunger Games for rich people (Jenkins, 2017). As more photos of the island and how the

team was trying to save themselves were published to social media sites, users who did not attend the festival started to create memes and make fun of those who bought tickets to the festival.

News Outlets

News media was also a part of Fyre's success in the beginning. Many outlets such as Vogue, Elle, W Magazine were the first to write full-length pieces about the festival. After the festival proved to be a failure, other media outlets focused on the subtle promotion of the festival by Vogue, Elle and W Magazine. The promotion of this festival was usually placed at the end of the article and some even included special codes to purchase tickets that would gain access to an exclusive party (Swartz, 2017). Some outlets who wrote about the Festival before it occurred later spoke about how they were caught up with the promotion and the big named celebrities that were in attendance.

Late Night news hosts also took part in commenting on the Fyre Festival failure. The Tonight Show Starring Jimmy Fallon made jokes about what the investors are thinking about now that they were being sued for \$100 million. Conan O'Brien also made fun of the giant lawsuit, by joking about guests paying an entry fee to watch the trial. The Daily Show's Trevor Noah joined the other hosts in making fun of the failed festival. Noah said, "Man, white people love camping unless it's a surprise" when showing a clip of the festival-goers describing the lack of resources at the island (Staff, 2017).

Bahamian's Reactions

Not only did the festival-goers and Fyre team suffer through the festival, but the citizens of the Bahamas were greatly impacted. After the first day of the festival, the Bahamas Ministry of Tourism released a statement regarding the Fyre Festival. In the statement, the Ministry of Tourism said Fyre Festival had reached out to them for support. The Ministry of Tourism made it clear that they would not sponsor the festival. Once, the Ministry of Tourism was alerted of the disaster, they sent representatives to help the Fyre Festival team get everyone off the island safely (VisitTheBahamas, 2017)

As previously noted, Fyre Festival failed to pay those who contributed to the festival, including



those who provided the food. MaryAnn Rolle, the owner of one of the restaurants who was set to cater and rent out villas to the festival was also heavily impacted. She reached out to the New York Times to make her situation known. After the news broke out that Fyre never paid her over \$100 thousand, she shared her side of the story and asked for help through a Go Fund Me (Coscarelli et al., 2017).

Aftermath

Just days after the festival on May 1st, the fyre team was struck with a \$100 million class-action lawsuit. Well-known lawyer, Mark Geragos, proposed the lawsuit on behalf of client Daniel Jung where it accused the Fyre team of fraud and not providing the basic provisions on the island for the event (Fyre Festival Fiasco: Timeline of A Disaster, 2017).

On May 2nd, a second class-action lawsuit was filed through Los Angeles Supreme Court. The lawsuit claims that the organizers of the event tricked people into the event by paying celebrities and social media influencers to promote their festival (Fyre Festival Fiasco: Timeline of A

Disaster, 2017). Fyre Festival did a great job of promoting on social media which created a lot of buzz for this event. The attendees explained how there were only disaster relief tents which caused panic and civil unrest among those at the festival.

Two days after, on May 4th, a third class action lawsuit was filed for alleging negligence, fraud, and violation of consumer protection law (Fyre Festival Fiasco: Timeline of A Disaster, 2017). The attendees that went to the festival explained how they spent money on their admission ticket, airplane ticket, and spent an additional \$1,000 to enable a “cashless” event but were not able to access those funds ever since. Some of the attendees got their belongings stolen as well.

A day later, the National Event Services (NES), which was the event staffing company hired to provide medical emergency services filed a lawsuit saying that Fyre had a breach of contract and fraud (Trinacria, 2017). When the NES arrived, they noticed that arrangements made were not suitable for a first class festival. There were blood-stained mattresses, no air conditioning, and bug infestation in the lodging area.

A couple of days later, on May 7th, a North Carolina couple filed another class-action lawsuit against Billy McFarland and Ja Rule (Kreps, 2017). Billy and Rule are being sued for \$5 million for fraudulent behavior. The couple bought a \$4,600 VIP Villa upgrade but got nothing close to what was advertised.

On May 9th, another class action lawsuit was filed against McFarland and Ja Rule claiming that the two were in violation of New York business law and also the misrepresentation of their claims (Fyre Festival Fiasco: Timeline of A Disaster, 2017). The Fyre Team kept offering VIP upgrades and cashless “Fyre Band” bracelets when it was clear that there was no festival. The artists that were supposed to perform were informed that the festival was canceled well before the attendees were.

One of the biggest investors in the Fyre Festival was an individual named Carola Jain. She invested \$4 million into the festival and sued McFarland over broken promises and misused funds (Prah, 2019). To this day, the outcome of the lawsuit is unclear. Express Home Loan Funding also took legal action as they loaned \$2.9 million to McFarland as the court ruled that McFarland must pay the \$2.9 million with 30% interest (Sanchez, 2019).

Even after the festival, Billy was still looking to scam. He sold fake tickets through email to exclusive events like Coachella, the Met Gala and Meet and Greet with LeBron James in which he accumulated over \$100,000. McFarland pleaded guilty to four counts of wire fraud. Two of the fraud cases related to the Fyre Festival were in March and the other two were in July for

selling fraudulent tickets (Leight, 2018). He was then finally arrested and sentenced to six years in prison while having to forfeit \$26 million on October 11, 2018.

On March 12th, there was an audio leak call between Billy and his employees in which he states that he talked to his counsel and financial people. Billy then tells his employees that there will be no payroll in the short term. It was also revealed that Billy used employees' credit cards for some of the festival expenses. Talent Booker, Samuel Krost was charged \$150,000 on his card that wasn't paid back and creative director MDavid Low is now getting sued by AmEx for \$250,000 after Billy used Fyre Media's corporate card to pay for the tickets used on his failed card company Magnises (This is How Much McFarland Owes Employees for Fyre Festival, 2019).



Stage and technical producer Luca Sabatini lost a lot of money as well. Ja Rule the co-founder of the festival also tweeted out that he lost money and never got paid from the festival.

The festival also had a huge impact on the Bahamians. The Fyre organizers didn't pay for imported taxes and duties which resulted in the Bahamas losing more than \$1 million in unpaid taxes and duties (This is How Much McFarland Owes Employees for Fyre Festival, 2019). It had one of the biggest impacts on local Exuma Point restaurant owner Maryann Rolle, who was ordered to provide hundreds of meals for those working on the site but was never paid and had to spend \$50,000 in her savings to pay for the meal and the employees she hired for that occasion (This is How Much McFarland Owes Employees for Fyre Festival, 2019). After the documentaries were released, Rolle's GoFundMe has raised over \$200,000.

After the collapse of the festival, the Fyre Team didn't do much to remedy the situation. They responded on their website in a non-apologetic way by blaming the downfall on unforeseeable circumstances. Based on the lawsuits, not many people were refunded and Billy continued scamming after the huge collapse from the Fyre Festival. His actions after the incident show the kind of person he is and doesn't give the company a good image.

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Teaching Note

Overview

On April 28, 2017, a fraudulent music festival held in the Bahamas left thousands of festival attendees, investors and island hosts severely disappointed and out of thousands of dollars. Curated by CEO of Fyre Media, Inc. Brian (Billy) McFarland and hip hop mogul, Ja Rule, this festival broke the internet when festival-goers posted photos of the massive disaster that they found themselves in the midst of.

After the festival started, the Fyre team was quick to respond to the crisis. Although they responded to the festival-goers, the team was the focus of many lawsuits. Investors and attendees filed lawsuits totaling over \$100 million dollars. McFarland was sentenced to jail time and a debt of \$26 million dollars.

Purpose of Case Study

Fyre Media, Inc. demonstrated the detrimental effects that can happen to a company when the Arthur Page Principles are violated. Fyre Festival attendees proved the power that social media possesses, showing the Fyre executives how quickly a company can collapse. Even though a company may get away with things like not telling the truth or attempting to remedy problems with temporary solutions in the beginning, this case exemplified that true colors will eventually be exposed.

Arthur Page Principles Violated:

1. ***Tell the truth*** Fyre Festival wasn't honest with its guests or investors from the start. They promised an extravagant luxurious getaway that they weren't even capable of and said the festival had to be postponed due to circumstances “out of their control.”
2. ***Prove it with action*** Fyre festival's organization did not prove to guests that they had a plan to fix everything, they just avoided communication about the issues and strung guests along through a horrible experience.
3. ***Listen to the customer*** They didn't listen to guests' questions about what was going to happen with refunds and flights back etc., they just avoided any type of communication of admitting the Fyre organization didn't have nearly as much staff to handle a festival that big.
4. ***Manage for tomorrow*** They definitely didn't plan what they were going to do once guests arrived, just dug deeper holes for themselves and things went from bad to worse.
5. ***Realize a company's true character is expressed by its people*** Billy and Ja Rule started this whole thing in the beginning but when it came to the crisis they let their employees take the fall for them, and they made other people from the team handle all of the work.
6. ***Remain calm, patient and good-humored*** They didn't remain calm once the crisis of guests arrival happened, the staff panicked and wasted people's time when they knew already the festival wasn't going to happen.
7. ***Conduct public relations as if the whole company depends on it.*** Fyre festival didn't conduct PR as if the whole company depended on it. All Fyre festival cared about was making as much money as they could no matter what the cost.

Discussion Questions

1. In a situation where many people are at risk of being in danger, what would you have done as the PR person in charge of Fyre?
2. How could the Fyre Team take additional measures in repairing their relationship with the offended consumers?
3. Does the timeliness of Fyre Festival's response impact how their response was received?
4. Should have Fyre Festival responded earlier or later to the crisis?
5. What was the worst thing that the Fyre PR team didn't do?

