

Kluwer Mediation Blog

How Conflict Resolution Systems Can Support Brazilian Startups Facing Financial Difficulties

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In recent months, Brazilian startups such as [Hurb](#) and [123 Milhas](#), two prominent players in the country's tourism market, have encountered significant financial challenges. These companies offered highly attractive promotional travel packages at exceptionally low prices, creating a large customer base. However, when the financial pressures grew, both companies found themselves unable to fulfill some contracts they had signed with customers, leading to widespread dissatisfaction.

Many consumers have faced difficulties in obtaining refunds for trips they had already paid for but never took. Over a year after this crisis first emerged, many are still left without either their planned vacations or their invested funds.

To illustrate the scale of consumer frustration, data from the platform [Consumidor.gov](#) shows that in the first quarter of 2023 alone, HURB received 7,737 complaints—an average of about 86 per day. This number represents more than half of the total complaints recorded in 2022, which amounted to 12,764.

The impact of these disputes on the overall business environment highlights the need for a well-designed conflict resolution system to mitigate legal battles and restore trust with consumers.

The Role of Conflict Resolution Systems

Conflict resolution systems, when properly designed, can help companies handle disputes more effectively and efficiently, preventing legal escalation and fostering healthier relationships between businesses and consumers. A robust system follows five critical stages: diagnosis, rule creation, testing, evaluation, and adjustment. Let's explore how each of these stages can help companies like Hurb and 123 Milhas navigate their current challenges.

1. Diagnosis: Identifying the Root Causes of Disputes

The first step in designing any conflict resolution system is to understand the nature and sources of the disputes. In the case of Hurb and 123 Milhas, the financial difficulties have likely caused disruptions in service delivery, cancellations, or refund issues, leading to dissatisfaction among consumers. By conducting a thorough diagnosis, companies can uncover the primary points that are driving the disputes and better understand the expectations of their consumers. This stage ensures that the system addresses the actual problems at hand rather than treating only the

symptoms.

2. Rule Creation: Establishing Clear Guidelines

Once the diagnosis is complete, the next step is to create rules and processes for resolving disputes. These rules should be clear, transparent, and fair to both parties, ensuring consumers feel their concerns are addressed in a structured manner. For startups like Hurb and 123 Milhas, this could mean creating fast-track processes for handling common complaints, such as cancellations or refund requests, while providing more comprehensive mediation options for complex disputes.

3. Testing: Implementing the System on a Small Scale

Before rolling out the conflict resolution system across the board, it's essential to test it in a controlled environment. This might involve piloting the system with a small group of cases to see how well it functions in practice. For instance, startups could start by offering the new system to customers who have experienced recent issues with bookings or services. Testing allows companies to identify any flaws in the system before full-scale implementation, minimizing future disruptions.

4. Evaluation: Analyzing the Effectiveness

After the system has been tested, companies need to evaluate its performance. This involves gathering feedback from consumers, analyzing dispute resolution times, and reviewing the overall satisfaction rates. Key metrics such as the number of disputes resolved without legal intervention and the rate of successful consumer agreements can help companies assess whether their conflict resolution system is meeting its objectives.

5. Adjustment: Fine-Tuning for Better Results

No system is perfect from the start. Based on the evaluation, adjustments should be made to improve the system. Companies like Hurb and 123 Milhas may need to refine certain rules or processes based on consumer feedback or legal requirements. Continuous improvement ensures that the conflict resolution system remains effective in a dynamic business environment.

Conclusion

For Brazilian startups like Hurb and 123 Milhas, designing a robust conflict resolution system can be a powerful tool to navigate the financial difficulties they are facing. By following a structured process of diagnosis, rule creation, testing, evaluation, and adjustment, these companies can build systems that not only resolve disputes efficiently but also rebuild trust with their consumers.

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