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The Current State, Challenges, and Strategic Approaches of Corporate Crisis Communication on Social Media

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Abstract: The mass development and diffusion of 5G technology and the sudden rise of short video platforms have made social media the main space used by companies to manage crisis communication. This has changed the nature of information dissemination as well, and we have gone from passive recipients of information to active participants and propagators of information. The Xiaomi SU7 traffic accident in March 2025 promptly sparked a public opinion storm within 24 hours, turning this issue into a public opinion crisis that exposed the shortcomings of traditional crisis management theories when dealing with the algorithm-driven content dissemination and emotion-driven information dissemination. Based on Focusing Events Theory, Image Repair Theory, and Situational Crisis Communication Theory, this paper explores the nature of the incident, and analyzes how the crisis communication works on social media. The results show that the propagation path of crisis propagation is namely "user-initiated reporting", "influencer amplification" and "widespread public content creation". The problems that are encountered by corporations are delayed reaction times and non-engagement with the audience. This work, in turn, suggests an integration of algorithmic and emotional perspectives as a dual mechanism to provide concrete ways of successfully communicating in the age of social media during crises.

Keywords: Corporate Crisis Communication; Social Media; Public Opinion Events; Image Repair Theory; Focusing Events Theory

1. Introduction

The characteristics of information dissemination have changed from a centralized to a networked decentralized system with the development of social media. The authors, Kaplan and Haenlein, argued that social media reduces organizations' control over information sharing, and puts users at the center of communication networks. Corporate crisis communication has thus become even more unpredictable and likely to be amplified these days [1].

On March 28, 2025, the Xiaomi SU7 accident was immediately met with a great deal of publicity, which typifies the features of information cascade transmission. Focusing Events Theory has found that a shock, a major event that comes into public attention, can quickly shift attention to the policy agenda [2]. Following studies point to the fact that the effects of such events are amplified and disseminated by the media and its tools [3]. Moreover, Multiple Streams Theory [4] indicates that these incidents, if they do connect with problem stream and policy stream, can effectively trigger institutional change.

The "spiral of silence" phenomenon, at the same time, is gaining in strength in social media settings. The "likes" and algorithmic recommendation systems amplify majority opinions and can squelch minority opinions. This is clearly reflected in the reality: corporate messages posted on social media platforms such as Weibo tend to get only a fraction (one-fifth) of the attention paid to the messages of opinion leaders (KOLs), which is why there is a need to develop a crisis communication strategy that fits the specific nature of social media. In Crisis Communication Management, Hu Baijing points out that restoring trust is a basic issue of crisis governance in the digital age. The "node-network" transmission pattern of social media makes the information spread about the crisis like a fission reaction in a few seconds [5].

The first 15-second video showing the accident was released at 8:12 a. m. March 28 by the Douyin account "Auto Observer" (which has 12, 000 followers). The video soon went into the homepage traffic pool, as a result of the platform's recommendation algorithm, reaching 500, 000 views within an hour. Later, the video was reposted by automotive KOL "Speed Car

Review" (2.87 million followers), with a comment about whether or not autonomous driving is safe, kicking off a second wave of attention. Within 24 hours, more than 32, 000 pieces of user-generated content had been created, such as accident reenactments, infographic explanations of brake systems and comparisons of automakers' safety commitments. This dissemination – from "user-initiated reporting" to "influencer amplification" to "widespread public content creation" – defied the conventional linear media stream: "reporter interviews - editorial review - publication". It confirmed Thomas Birkland's theory that a focus event is a point where several information flows converge and the focus event becomes a point of intersection between technical discussion, consumer rights issues and regulatory talk [6].

The various actors that played a role in the social media scene formed multiple layers of public opinion: the layer of the accident victims and their families, the layer of professionals (automotive engineers, safety certification bodies), the layer of dissemination (automotive KOLs, news media), the layer of general public (ordinary netizens), the layer of affiliate (competing marketing accounts), and the layer of regulation (official car market supervision agencies). These groups voiced different opinions on who was responsible for the accident, from claims of a defect in the brake system, to conspiracy theories involving company falsification of data, to claims the consumer was at fault for operating the system improperly. Negative sentiments about corporate concealment were also reinforced by the "spiral of silence" phenomenon: popular opinions got high attention and voices that differed were not heard, creating a one-sided, polarized public discourse on the platform [7]. This complexity means that companies should not allow themselves to use a one-size-fits-all approach, but rather engage in stakeholder segmentation as a basis for providing different messages to different groups.

The Xiaomi SU7 was a "phenomenal" "intelligent" electric vehicle that inherently possessed the "shock value" and "policy relevance" characteristics that Thomas A. Birkland discussed. It had been trending in Weibo's automotive topics for 72 straight hours, and got comprehensive reportage from authoritative media like CCTV Finance's Economic Information Broadcast and Xinhua's New Energy Vehicle Safety Investigation. This strand of public opinion directly resulted in the issuance by China's State Administration for Market Regulation on April 15th of the Safety Management Guidelines for Intelligent Connected Vehicle Manufacturers (Draft for Comments). According to Focusing Events Theory, these events create "policy windows" which enable previously neglected public demands to make it onto the policy agenda. This incident not only highlighted the issue of quality but also instilled a wider societal concern over the safety of L2+ autonomous driving, and the inadequate regulation of new energy vehicles. This increased sense of systemic risk captures the intrinsic mechanism of focus events to policy reform [8,9].

Based on this, the purpose of this study is to answer the following questions: (1) What are the key stages and critical moments about the dissemination of the Xiaomi SU7 crisis in social media? (2) What are some common issues in corporate crisis communication in the age of social media? (3) What are the theoretically informed strategies that can be proposed in order to improve the crisis response? This research is a single case study that uses a systematic content analysis of the communication trajectory of an incident, as well as corporate strategies and public reactions.

2. Research Subjects and Methodology

2.1 Case Selection

The traffic accident involving Xiaomi in March 2025 was chosen as the case of this study because of a few reasons. First, it was very much a "focus event", attracting 580 million views in 24 hours and leading directly to policy changes. Second, the case had multiple stakeholders, which vividly demonstrates the multi-faceted dynamics which are typical of crisis communication in social media settings. Third, the case happened at a more mature phase in the development of China's social media, making it more representative and relevant to the current social media communication environment.

2.2 Analytical Framework

This study used the qualitative content analysis approach, which was supported by two main theories to enable the study to be comprehensive:

Thomas A. Birkland's Focusing Events Theory

helped in understanding how the incident combined several topics and was the subject of intense media and public attention which eventually opened a policy window.

Benoit's Image Repair Theory was used to systematically analyse the crisis response strategies of Xiaomi, which involve denial, evasion of responsibility, minimization of offensiveness, corrective action and apology.

Moreover, the Spiral of Silence Theory (Noelle-Neumann, 1974) was incorporated to understand the nature of unidirectional public opinion trends which are frequently observed on social media, and how the dominant views overtook dissenting views, and how this led to polarization of the opinion.

3. Results

3.1 Stages of Crisis Communication

The analysis resulted in three different stages in the dissemination of the Xiaomi SU7 crisis:

3.1.1 Phase one: Ignition phase (March 28, 8:12 a.m.–midnight)

The crisis started with a short video that was posted by a user, which is an example of a user-driven propagation model. The algorithmic recommendation system helped to spread information. The company's early responses were felt to be lacking and ambiguous, which might have further contributed to public uncertainty [3]. The accident was caught on video by a Douyin user named “Auto Observer” who had 12,000 followers. With the support of the recommendation algorithm of Douyin, the video was put into the “homepage traffic pool” and obtained 500, 000 views in an hour. The first amplification wave was launched at 9:30 a. m. when the post was reposted with a comment by automotive Key Opinion Leader (KOL) “Speed Car Review” (2.87 million followers) questioning the safety of autonomous driving. In the first 16 hours the video produced 32, 000 pieces of user-generated content. At 10 a. m. Xiaomi made its first official Weibo post, which was ambiguous at best and said only that they were “attaching great importance to the event and are in the process of investigation”. A second, similar post was released at 6 p. m. and provided no technological clues or insights into accountability. At this stage, no corrective actions were taken.

3.1.2 Phase two: Amplification period (March 29–31)

As of March 29, the hashtag #XiaomiSU7Accident# had garnered 580 million views on Douyin and 1.2 billion on Weibo. The coded comments revealed a strongly negative impression of Xiaomi in public discourse with 67% failing to trust and 42% outright saying that Xiaomi was hiding information. A clear “spiral of silence” effect was seen with the number of likes on the skeptical comments about Xiaomi's safety concerns averaging 1, 200 likes while the supportive comments averaged around 80 likes, with many of the supporters getting negated comments which led to deletion of comments and silence. On March 30, Xiaomi deleted more than 2000 negative comments on Douyin, but this only exacerbated the criticism and caused a “secondary crisis” over the arrogant company. The hashtag ‘#XiaomiDeletingComments#' then became a hot topic on Weibo, with 300 million views on March 31. Emotional contagion intensified negative mood and the spiral of silence stifled positive voices throughout this stage, further polarizing the overall discussion and hindering positive communication, a phenomenon that has been well established in the context of social media [6].

3.1.3 Phase three: Policy impact phase (April 1–15)

Xiaomi CEO Lei Jun admitted on April 2 that the company lacked crisis management during an internal meeting and started taking action. The company held a technical review with the experts of China Automotive Engineering Research Institute and held a live Douyin broadcast of the SU7 brake system dismantling. These actions helped to lessen the negative sentiment from 67% to 48% by April 5. However, the incident had already sparked the regulatory gaze: On April 15, the State Administration for Market Regulation announced changes to the Safety Management Guidelines for Intelligent Connected Vehicle Manufacturers, where it explicitly stated that Xiaomi was one of the reasons for the changes. The accident's impact extended beyond just the immediate moment, as the revised draft outlined more stringent testing standards for the autonomous driving systems and required real-time data disclosure.

3.2 Observed Image Repair Strategies

According to Benoit’s framework, Xiaomi’s responses can be categorized as follows:

Day 1 (March 28): Responsibility evasion ("under investigation") and minimization of offensiveness ("very concerned") – no corrective actions or public apologies made.

Days 2–3 (March 29–30): No new strategies were used; however, it is worth noting that the deletion of negative comments created a 'boomerang effect' and increased the public's reaction against the comment deletion.

Day 4 (March 31): In an internal admission, the CEO Lei Jun admitted that there was some fault, but there was no formal apology to the public.

Day 5 onward (April 1–5): Expert technical hearings began as well as live demonstrations of the brake system being torn down.

The failure to take remedial measures reinforced the bad opinion that people had of the situation. The negative hashtag #XiaomiArrogance was able to reach more than 200 million views in the meantime by the time remedial measures were taken.

In situations where the responsibility is high, the key elements in crisis management are prompt apology and correction as suggested by Benoit's Image Repair Theory, which states that there is a set of strategies that an organization can use to respond to a crisis. This cautiousness of Xiaomi in adopting these approaches hence consolidated the negative public opinion [7].

4. Discussion

4.1 Common Challenges in Corporate Crisis Communication on Social Media

4.1.1 Challenge one: Organizational centrism and lack of dialogue

In the initial response, Xiaomi was more concerned about "what the company is doing" (e.g., investigations), than about "what concerns consumers" (e.g., brake safety, data transparency). This is a mind-set that is focused on an organization and that perceives communication as a one-way broadcast. Social media, on the other hand, has an interactive character and requires a "dialogic ritual" that is based on three core elements: a common direction of attention, emotional synchrony, and a "space of meaning". None of the above criteria were met in Xiaomi's official statements. Furthermore, the action of deleting negative comments was against the rules of dialogue and caused psychological reactance, setting off the crisis from being merely a product defect to a values clash.

4.1.2 Challenge two: Delayed response and missed "golden window"

Benoit's theory highlights the importance of the response strategy that is used during the first hours of a crisis in shaping public responsibility attribution. The vague and technically light declarations, as well as the lack of admission, were interpreted in the first two declarations by Xiaomi [10]. It took the fifth day until the company took corrective actions, and by then, the negative image had set in. The "golden window" timeframe for successful crisis response has shifted from 24 to less than 4 hours in the social media world. Xiaomi's first statement was released 1 hour and 48 minutes after the incident, but the true problem was with the content of the statement. However, another electric vehicle brand that found itself in a comparable situation took action by sending out a video apology from its CEO within 3 hours, effectively keeping the negative sentiment below 30%.

4.1.3 Challenge three: Underestimating algorithmic amplification

This case provides a reminder that the algorithms of social media websites are independent amplifiers. The first 15 seconds video was able to get to 500, 000 views, but not on the back of the poster but rather because of the algorithm that pushed it to those who had previously viewed automotive content. Key opinion leaders (KOLs) were being algorithmically suggested in the "related content" section as the video went viral, thus feeding into itself and furthering its reach. Companies generally do not include "algorithmic thinking" in their crisis management plan. For instance, Xiaomi didn't post specific positive content in the same recommendation streams as the negative content, which prevailed.

4.1.4 Challenge four: Spiral of silence and emotional contagion

The data clearly show the spiral of silence in action, as negative comments got 15x more likes than positive ones, which in turn reduced the likelihood of supporters to express themselves. Emotional contagion also amplified this as the video of the crash instilled fear and anger, emotions that are easily spread through social media. Rational, bureaucratic corporate solutions can't stop the contagion. The official statements of Xiaomi were set in bureaucratic jargon, and did not fully satisfy public concerns about safety

("highly concerned", "comprehensive investigation") [11]. Effective crisis communication, by contrast, frequently does include emotional components – like expressions of empathy for those affected, or a real concern for user safety – that can help to strengthen emotional links and reduce negative sentiment.

4.2 Theoretical Implications

The Xiaomi case provides empirical explanation for Thomas A. Birkland's Focusing Events Theory in the context of social media. The incident brought together various issues such as intelligent driving safety, regulatory requirements, and corporate transparency, and provided a vivid and emotionally charged presentation to the public as a "policy window" [8]. The original theory, however, assumes that the traditional media are the main agenda-setters. In this situation, social media users and key opinion leaders (KOLs) were more influential in maintaining the public's interest than were traditional media. This implies a theoretical revolution for the digital age: The focus events on social media are ones in which the agenda-setting function is decentralized, where algorithms and peer influence take the place of editors and journalists.

The case highlights the need for promptness, as one of the key points in Benoit's Image Repair Theory is the importance of timeliness. Although it is usually thought that all of Benoit's five strategies can be used, this study finds that only the corrective action and apology expressed within the first 48 hours are really effective in the fast-changing social media crisis landscape. Strategies that focus on evading responsibility and minimizing offensiveness, as Xiaomi first did, were seen as less than sincere and thus possibly worsened the situation. Moreover, the "boomerang effect" of the suppression of comments reveals a new and not yet explored area of response: "platform silencing," which can trigger ancillary crises, and thus Benoit's framework needs to be extended.

4.3 Practical Strategies

Strategy One: Establish a Dual-Track Response Mechanism Integrating "Algorithmic Insight + Emotional Intelligence"

In order to understand how to proactively prepare positive, fact-based communication content ready for instant use on these algorithmic systems, enterprises need to understand how these systems work, and how early engagement metrics can be used to determine whether content makes it into the "homepage traffic pool. At the same time, the use of sentiment analysis technologies to detect the emotional tone of users' comments (e.g. fear, anger and anxiety) is crucial, as this will allow for more targeted responses that target these emotions, rather than just providing facts and figures.

Strategy Two: Shift from Declarative to Action-Oriented Communication

In the age of social media, rhetoric doesn't come at a high price, but the real action earns credibility. Vague or perfunctory responses, or even the lack of one, should be avoided, and instead, within hours, organisations should be able to announce concrete steps that they will take, such as "Commissioned an independent third-party testing agency and will livestream the test results" Xiaomi's eventual corrective action – live disassembly of the brake system – was effective but late. Such transparency could have curbed the spiral of silence and diffused the anger if it had been exhibited on day one.

Strategy Three: Construct a Multi-Stakeholder Communication Matrix

Social media has different levels of audience (core, professional, dissemination, onlooker, affiliated, and regulatory) and it is impossible to reach each level with one corporate message. The need for tailored messaging and channels is essential: detailed technical reports for the professional layer, preemptive collaboration with trusted key opinion leaders (KOLs) for the dissemination layer to shape a balanced narrative, and concise and empathic video messages from the CEO for the general public, which are more resonant and widely reaching than static written announcements.

Strategy Four: Institutionalize a Cross-Sector Crisis Early Warning Alliance

The Xiaomi incident led to changes in policies, but this was a reactive measure. Industry associations, regulatory agencies and major auto companies should create an early-warning system for potential safety issues that are lurking. This could include a common database of near-miss incidents, regular testing of autonomous systems, and defined crisis communication procedures with specific time limits for replies. This type of institutionalised cooperation would enable the industry to identify and contain emerging risks more

quickly, thereby increasing the industry's resilience.

5. Conclusion

The traffic accident involving Xiaomi in March 2025 is a representative case of the new paradigm of corporate crisis communication in the social media age, serving as a prism to refract its complex and dynamic characteristics. The study tracked the course of the event in three phases and found the problems of organisational centrism, late corrective actions, underestimation of algorithm-driven amplification and the spiral of silence to be key issues. Practical strategies were put forward to overcome these issues based on Focusing Events Theory and Image Repair Theory.

The findings demonstrate that crisis communication today transcends a unilateral corporate narrative; it is an interconnected process involving platforms, regulators, and the public in a collaborative ecosystem. Organizations must move beyond the simplistic view of crises as isolated incidents and instead adopt a "community of trust" framework that redefines the logic of communication during crises. The revisions to safety standards triggered by the Xiaomi incident illustrate how even negative events can serve as catalysts for meaningful industry-wide improvements. As 5G technology and short-video platforms continue to transform information dissemination, any enterprise may quickly become the focal point of rapid public scrutiny, akin to a "butterfly effect." In this context, only by integrating algorithmic thinking, emotional sensitivity, and multi-stakeholder coordination can companies effectively navigate the volatility of modern crises. This holistic approach enables organizations not merely to survive the fleeting moments of intense attention but to leverage them as opportunities for brand growth and lasting resilience.

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