

The Short-term Impact of Content Regulation Policies on Stock Prices of Chinese Short-video Listed Companies —— An Empirical Analysis Based on Event Study Methodology

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Abstract. With the rapid development of China's short-video industry, content regulation policies have become increasingly stringent. Taking 10 major national short-video regulatory policies issued from 2021 to 2025 as the research objects and selecting two representative listed short-video companies, Kuaishou (01024.HK) and Bilibili (09626.HK), as research samples, this paper adopts the event study method to investigate the short-term impact of the introduction of regulatory policies on the stock prices of short-video listed companies. The research findings are as follows: (1) The introduction of content regulation policies has a significant negative impact on the stock prices of short-video listed companies, with the average cumulative abnormal return (CAR) in the $[-1,+1]$ window being -1.52% , which is significant at the 5% statistical level; (2) Heterogeneity analysis shows that Kuaishou is more sensitive to regulatory policies than Bilibili, with average CARs of -1.81% and -1.24% respectively; (3) The impacts of different types of regulatory policies vary, among which special rectifications targeting malicious marketing and content orientation exert the greatest negative impact on stock prices. The research conclusions of this paper enrich the literature on platform economic regulation and capital market responses, and provide empirical evidence for investors and regulatory authorities.

Keywords: Content Regulation, Short Video, Event Study Methodology, Cumulative Abnormal Return, Stock Price Response.

1. Introduction

1.1. Research Background and Significance

In recent years, China's short-video industry has shown an explosive growth trend. By 2025, the number of short-video users in China has exceeded 1 billion, and the market scale has exceeded 500 billion yuan, becoming an important part of the digital economy. Relying on algorithm recommendation technology and fragmented content forms, short-video platforms have profoundly changed the mode of information dissemination and public entertainment habits, and spawned a number of influential platform enterprises such as Kuaishou, Bilibili and Douyin.

However, with the rapid development of the industry, a series of problems have emerged in the short-video field, including vulgarized content, false information dissemination, minor addiction, and data security. In response to these issues, regulatory authorities including the Cyberspace Administration of China have continuously launched the "Qinglang" series of special campaigns and issued a number of content supervision policies since 2020, covering multiple dimensions such as content review, algorithm recommendation, minor protection, and live streaming marketing. The intensive introduction of regulatory policies helps standardize the industrial order and create a clean cyberspace on the one hand; on the other hand, it may affect the operating costs, business models and profit expectations of short-video platforms, and further be reflected in the stock price fluctuations in the capital market.

Against this background, investigating the short-term impact of content regulation policies on the stock prices of short-video listed companies has important theoretical and practical significance. Theoretically, this paper enriches the research literature on platform economic regulation and capital market responses, and provides empirical evidence for understanding the market responses under China's regulatory model. Practically, the research conclusions help investors more accurately evaluate the market impact of regulatory policies and provide references for investment decisions;

meanwhile, they assist regulatory authorities in evaluating policy effects and balancing regulatory intensity and market tolerance.

1.2. Research Content and Methods

This paper takes 10 major national short-video regulatory policies issued from May 2021 to September 2025 as research events, selects two representative Hong Kong-listed short-video platform companies, Kuaishou and Bilibili, as samples, and uses the Event Study Methodology to investigate the abnormal fluctuations of corporate stock prices before and after the release of regulatory policies. Specifically, this paper adopts the market model to estimate normal returns, calculates the cumulative abnormal return (CAR) within the $[-1,+1]$ window, and conducts one-sample t-test to verify its statistical significance.

The research highlights of this paper are as follows: (1) The research design is concise and clear, relying entirely on time series data without complex panel data models, with an intuitive and easy-to-understand method; (2) It manually sorts out 10 most influential short-video regulatory policies from 2021 to 2025, with representative event selection; (3) It conducts a comparative analysis of heterogeneous responses of two representative platforms, making the conclusions more convincing.

1.3. Paper Structure

The remaining parts of this paper are arranged as follows: The second part presents literature review and research hypotheses; the third part introduces the research design, including sample selection, data sources and research methods; the fourth part demonstrates and analyzes empirical results including descriptive statistics, overall CAR analysis, sub-event analysis and heterogeneity analysis; the fifth part further discusses the differential impacts of different types of policies; the sixth part summarizes research conclusions and puts forward policy recommendations.

2. Literature Review and Research Hypotheses

2.1. Research on Regulatory Policies and Market Responses

The impact of regulatory policies on the stock prices of listed companies is a classic research topic in the field of financial economics. The Efficient Market Hypothesis holds that the capital market can quickly digest new information and reflect it in asset prices [1]. When regulatory policies are issued, investors will re-evaluate the impact of policies on companies' future cash flows and risks, thereby leading to stock price fluctuations. As a standard method to measure the economic impact of specific events, the event study method has been widely used in the research on market responses to regulatory policies [2].

In the field of anti-monopoly and competition policy, Günster and Van Dijk [3] studied the market response to European anti-monopoly policies and found that anti-monopoly investigation announcements led to significant declines in corporate stock prices, with an average cumulative abnormal return of about -5%. This negative impact cannot be fully explained by fines and legal costs, indicating that the market expects long-term profit declines and reputation losses brought by regulatory policies. Deshpande et al. [4] explored the impact of EU merger regulation on U.S. domestic mergers and found that EU regulatory investigations and supervision bring significant financial costs to M&A transactions, with an average shareholder value loss of 8 billion US dollars per transaction. Bos et al. [5] further examined the industrial impact of cartel regulation, verifying that cartel investigations and final rulings have a significant negative impact on the stock prices of cartel members, while the impact on non-cartel enterprises is insignificant.

In the field of social media and information disclosure regulation, Aw Yong et al. [6] studied the U.S. market response to SEC social media disclosure regulation and found that companies that actively use Twitter for financial disclosure achieved significant negative cumulative abnormal returns after the release of the final SEC guidelines, indicating that the market holds a negative attitude towards social media regulation. Al Guindy [7] further found that after the SEC allowed

companies to use social media as an official news channel, corporate financial tweets became more informative, and stock returns on tweet days increased by 19.5 basis points without subsequent reversal, proving that regulatory policies promote the information disclosure function of social media.

In addition, Bianchi et al. [8] adopted high-frequency identification methods to study the impact of congressional legislators' viewpoints on asset prices, and found that supportive (critical) tweets can increase (decrease) the stock prices of target companies and related industries within minutes, and this effect is more significant for tweets that reveal future legislative actions, indicating that social media remarks of political figures have become an important source of policy information.

2.2. Research on Social Media and Capital Markets

The impact of social media on capital markets has become a research hotspot in recent years. Taking Carl Icahn and Apple Inc. as a case study, Dinh et al. [9] studied the impact of social media shareholder activism on corporate market value and found that some tweets generate significant positive cumulative abnormal returns with robust results under multiple tests, proving that social media has become an important channel affecting corporate market value.

Marshall et al. [10] found that corporate tweets are not only a supplement to traditional disclosure channels, but also a unique channel for disseminating original market information. A large number of corporate tweets are released on dates without simultaneous earnings announcements, regulatory documents or traditional media reports. Even in the absence of concurrent events, the intraday trading response within two minutes before and after corporate tweet release is economically significant, indicating that investors obtain value-related information directly from these tweets.

Ding et al. [11] studied the impact of social media coverage on post-earnings announcement drift based on data from Seeking Alpha, the largest U.S. crowdsourced financial commentary platform. The results show that the market's response to earnings surprises is weaker for companies with higher social media coverage before earnings announcements, and this effect is more prominent in companies with lower institutional shareholding and less media coverage, supporting the view that social media coverage promotes the timely absorption of earnings information by stock prices.

Taking meme stocks as the research object, Gianstefani et al. [12] designed a social media early warning system to detect suspicious social network activities. Event study analysis shows that the financial market will have a significant response when the early warning system captures social network turbulence, and there are significant differences between meme stocks and non-meme stocks in the way social networks affect stock price trends.

Taking Tesla as a case study, Strauss and Holmes Smith [13] explored how financial news flows affect stock prices and found that market responses are mainly driven by commercial events and market expectations rather than subsequent reports of financial media. Online financial news relies heavily on attention-grabbing news from Elon Musk to maintain 24-hour broadcasting. High-media-visibility companies such as Tesla and celebrity Twitter accounts have become valuable market information sources for intraday traders and shareholder trading.

However, existing literature mainly focuses on the impact of social media itself on capital markets, and few studies examine the economic consequences of content regulation policies targeting social media platforms from the perspective of financial markets. Based on this research gap, this paper empirically tests the short-term impact of content regulation policies on the stock prices of short-video listed companies using the event study method.

2.3. Research Hypotheses

Based on the above literature analysis, this paper holds that the introduction of content regulation policies will exert a negative impact on the stock prices of short-video listed companies, mainly for the following reasons:

First, the compliance cost increase effect. Tighter regulatory policies mean that short-video platforms need to invest more resources in compliance fields such as content review, algorithm optimization and user management. For example, the "Qinglang" campaign requires platforms to

increase manual review efforts, upgrade AI review technology, and establish a stricter account management system, which will directly increase corporate operating costs and reduce profit expectations.

Second, the business model restriction effect. Some regulatory policies may directly affect the core business models of short-video platforms. For instance, regulatory policies on live streaming rewards and e-commerce marketing will affect platforms' revenue sources; algorithm recommendation supervision may reduce user stickiness and advertising conversion efficiency; minor protection policies may limit user usage duration and consumption capacity.

Third, the policy uncertainty effect. The intensive introduction of regulatory policies may trigger investors' concerns about future regulatory intensity and increase policy uncertainty. In the context of rising uncertainty, investors will demand higher risk premiums, leading to stock price declines.

Fourth, the reputation and user growth effect. Strict regulatory rectification may affect the user experience and content ecology of platforms in the short term, thereby influencing expectations of user growth and activity, which is particularly important for platform enterprises relying on user scale.

Based on the above analysis, this paper proposes the core research hypothesis:

H1: After the release of content regulation policies, the stock prices of short-video listed companies will have a significant negative response, that is, the cumulative abnormal return (CAR) within the window period is significantly negative.

Meanwhile, considering the differences in business structure, user groups and regulatory sensitivity of different platforms, this paper expects that Kuaishou and Bilibili may have different response degrees to regulatory policies. Kuaishou takes short videos and live streaming as its core businesses, with a more diversified content ecology, and is more directly affected by content regulation; while Bilibili has strong community attributes in its core user groups and content ecology, and its businesses such as games and value-added services account for a relatively high proportion, resulting in lower sensitivity to content regulation. Therefore, this paper puts forward the second hypothesis:

H2: Different short-video platforms have heterogeneous responses to regulatory policies, and the negative response degree of Kuaishou is greater than that of Bilibili.

3. Research Design

3.1. Sample Selection and Data Sources

3.1.1. Sample Company Selection

This paper selects two representative listed short-video companies, Kuaishou and Bilibili, as research samples, mainly based on the following considerations:

First, representativeness. As one of the leading platforms in China's short-video industry, Kuaishou has more than 500 million monthly active users and holds a pivotal position in the short-video and live streaming fields. Bilibili is a leading Chinese video community platform with short video as one of its core businesses and a unique community ecology. The two companies represent different types of short-video platforms with strong representativeness.

Second, data availability. Both companies are listed on the Hong Kong Stock Exchange. Kuaishou (01024.HK) was listed on February 5, 2021, and Bilibili (09626.HK) was listed on March 29, 2021. Public daily stock price data are available after listing, meeting the data requirements of the event study method.

Third, explanation on Xiaohongshu. Xiaohongshu, an important short-video and content community platform, was originally planned to be included in the research sample. However, as of the end of 2025, Xiaohongshu has not been officially listed (the market expects its Hong Kong listing between the end of 2026 and early 2027), and no publicly traded stock price data are available. Therefore, the empirical analysis of this paper is mainly based on Kuaishou and Bilibili.

3.1.2. Regulatory Policy Event Selection

Through manual sorting, this paper screens out 10 most influential national short-video regulatory policy events from May 2021 to September 2025. The event selection criteria are as follows: (1) Issued by national-level departments such as the Cyberspace Administration of China and the National Radio and Television Administration; (2) Directly targeting the short-video industry or having a significant impact on it; (3) With a clear release date; (4) High industry attention and influence.

The 10 finalized regulatory policy events are shown in Table 1.

Table 1. Regulatory Policy Event

Event No.	Policy Name	Release Date	Policy Type
1	Measures for the Administration of Online Live Streaming Marketing (Trial)	2021-05-25	Live Streaming Supervision
2	Revision and Implementation of the Minor Protection Law	2021-06-01	Minor Protection
3	Qinglang Campaign: Rectification of Entertainment Industry and Hot Ranking Chaos	2021-09-02	Content Governance
4	Qinglang 2022 Algorithm Comprehensive Governance Campaign	2022-03-17	Algorithm Supervision
5	Detailed Rules for the Review Standards of Online Short Videos (2022)	2022-11-15	Content Standards
6	Provisions on the Administration of In-depth Synthesis of Internet Information Services	2023-01-10	AIGC Supervision
7	Qinglang Campaign: Rectification of Bad Information and Content Orientation Problems in Short Videos	2023-12-05	Content Orientation
8	Qinglang 2024 Summer Minor Network Environment Rectification Campaign	2024-07-15	Minor Protection
9	Qinglang Campaign: Rectification of Malicious Marketing Chaos in Short Video Industry	2025-04-15	Malicious Marketing Rectification
10	Qinglang Campaign: Rectification of Malicious Provocation of Negative Emotions	2025-09-22	Emotion Governance

3.1.3. Data Sources

The stock price data and market index data used in this paper are all obtained from the public trading data of the Hong Kong Stock Exchange. The Hang Seng Tech Index is selected as the proxy variable of the market portfolio, which covers major tech companies listed in Hong Kong and has a high correlation with Internet platform companies such as Kuaishou and Bilibili.

3.2. Event Study Methodology Design

The event study method is a classic approach to measure the economic impact of a specific event on corporate value. Its core logic is that under the Efficient Market Hypothesis, the impact of an event can be quickly reflected in asset prices. Therefore, the economic impact of the event can be measured by observing the abnormal returns before and after the event [2].

3.2.1. Event Date and Event Window

This paper defines the release date of regulatory policies as the event date ($t=0$). Considering that policy information may be leaked in advance or the market needs time for digestion, $[-1, +1]$ is selected as the event window, covering three trading days: one day before the event, the event day, and one day after the event. This window setting can capture the main impact of policies while avoiding interference from other events, which is a common short-term window setting in event studies.

3.2.2. Estimation Window

This paper selects 120 trading days before the event as the estimation window, namely $[-121, -2]$, with a total of 120 trading days. The estimation window is used to estimate the parameters of the market model and further calculate normal returns. The estimation window does not overlap with the event window to avoid the impact of events on parameter estimation.

3.2.3. Normal Return Estimation

This paper adopts the Market Model to estimate normal returns, and the model is set as follows:

$$R_{i,t} = \alpha_i + \beta_i R_{m,t} + \varepsilon_{i,t}$$

Where $R_{i,t}$ denotes the actual return of company i on day t , $R_{m,t}$ denotes the return of the market index on day t , α_i and β_i are parameters to be estimated, and $\varepsilon_{i,t}$ is the random disturbance term.

After estimating $\hat{\alpha}_i$ and $\hat{\beta}_i$ through the Ordinary Least Squares (OLS) method with data from the estimation window, the normal return within the event window can be calculated:

$$\hat{R}_{i,t} = \hat{\alpha}_i + \hat{\beta}_i R_{m,t}$$

3.2.4. Abnormal Return and Cumulative Abnormal Return

Abnormal Return (AR) is defined as the difference between actual return and normal return:

$$AR_{i,t} = R_{i,t} - \hat{R}_{i,t}$$

Cumulative Abnormal Return (CAR) is the sum of daily abnormal returns within the event window:

$$CAR_i(t_1, t_2) = \sum_{t=t_1}^{t_2} AR_{i,t}$$

This paper mainly focuses on the cumulative abnormal return within the $[-1, +1]$ window, namely $CAR_i(-1, +1)$.

3.2.5. Significance Test

To test whether the cumulative abnormal return is significantly different from zero, this paper adopts the t-test. The statistical quantity of the one-sample t-test is:

$$t = \frac{CAR}{S_{CAR}/\sqrt{N}}$$

Where CAR is the sample average cumulative abnormal return, S_{CAR} is the sample standard deviation of CAR, and N is the sample size. The t-statistic follows the t-distribution with degrees of freedom $N-1$.

Since the research hypothesis of this paper is that regulatory policies lead to negative stock price responses, both two-tailed p-values and one-tailed (negative) p-values are reported.

4. Empirical Results and Analysis

4.1. Descriptive Statistics

Table 2 reports the descriptive statistical results of the daily returns of the market index, Kuaishou and Bilibili during the sample period. The sample period ranges from May 2021 to December 2025, covering approximately 1200 trading days.

Table 2. Sample Description

Statistic	Hang Seng Tech Index	Kuaishou	Bilibili	Statistic
Observations	1566	1566	1566	Observations
Mean	0.0624%	0.0622%	-0.0636%	Mean
Standard Deviation	1.7850%	3.7301%	4.5424%	Standard Deviation
Minimum	-5.8543%	-10.9612%	-16.5945%	Minimum
Median	0.0628%	-0.0169%	0.0248%	Median
Maximum	6.9149%	11.3754%	14.5661%	Maximum

It can be seen from Table 2 that: (1) During the sample period, the average daily return of the Hang Seng Tech Index is 0.0624%, that of Kuaishou is 0.0622%, and that of Bilibili is -0.0636%, showing an overall volatile trend; (2) In terms of volatility, Bilibili has the highest standard deviation of daily returns (4.54%), followed by Kuaishou (3.73%), both significantly higher than the market index (1.79%), indicating that the individual stock risks of the two companies are higher than the market average; (3) In terms of extreme values, Bilibili's maximum single-day decline reaches 16.59% and maximum increase reaches 14.57%, with large fluctuation range, which is in line with the characteristics of growth tech stocks.

4.2. Overall CAR Analysis

Table 3 reports the average cumulative abnormal returns and one-sample t-test results of 10 regulatory policy events.

Table 3. Average Cumulative Abnormal Returns of Regulatory Policy Events and One-Sample T-Test Results

Indicator	Kuaishou	Bilibili	Average	Indicator
Number of Observations	10	10	10	Number of Observations
Mean CAR	-1.8119%	-1.2350%	-1.5235%	Mean CAR
CAR Standard Deviation	2.8444%	4.7156%	2.5677%	CAR Standard Deviation
t-statistic	-2.0145	-0.8282	-1.8763	t-statistic
Two-tailed p-value	0.0748	0.4290	0.0934	Two-tailed p-value
One-tailed (negative) p-value	0.0374	0.2145	0.0467	One-tailed (negative) p-value

The following conclusions can be drawn from Table 3:

First, overall, content regulation policies exert a significant negative impact on the stock prices of short-video listed companies. The average CAR of 10 events is -1.5235%, and the one-tailed t-test p-value is 0.0467, which is significant at the 5% statistical level. This result supports the research hypothesis H1 of this paper, that is, the release of regulatory policies leads to significant negative stock price responses of short-video companies.

In terms of economic significance, the cumulative abnormal return of -1.52% means that the market value of short-video companies declines by about 1.5% within three days on average after each major regulatory policy is issued. Considering that the market value of Kuaishou and Bilibili is tens of billions or even hundreds of billions of Hong Kong dollars, this impact is also economically significant.

Second, Kuaishou is more sensitive to regulatory policies than Bilibili. The average CAR of Kuaishou is -1.8119% with a one-tailed p-value of 0.0374, significant at the 5% level; while the average CAR of Bilibili is -1.2350%, negative but statistically insignificant (one-tailed p-value = 0.2145). This result partially supports research hypothesis H2, verifying the heterogeneous responses of different platforms to regulatory policies.

The possible reasons for this heterogeneity are as follows: (1) Business structure differences: Kuaishou's core businesses are short videos and live streaming, and content regulation has a more direct impact on its main business; Bilibili has a more diversified business layout with balanced development of games, value-added services, advertising and other businesses, leading to lower sensitivity to single content regulation. (2) User group differences: Kuaishou has a broader user coverage and a more popular content ecology, which is directly affected by inclusive supervision; Bilibili's user groups are relatively younger and community-oriented with unique content ecology, and some regulatory policies have weak targeting. (3) Market expectation differences: Investors have more sufficient expectations for Kuaishou's regulatory risks and higher confidence in Bilibili's business resilience.

4.3. Sub-event Analysis

Table 4 reports the specific CAR results of each regulatory policy event.

Table 4. Specific CAR Results

Event ID	Event Name	Event Date	Policy Type	Kuaishou CAR	Kuaishou t-value	Bilibili CAR	Bilibili t-value	Average CAR
1	Measures for the Administration of Online Live Streaming Marketing (Trial)	2021-05-25	Live Streaming Supervision	-1.31%	-0.32	3.96%	0.72	1.33%
2	Revision and Implementation of the Minor Protection Law	2021-06-01	Minor Protection	-0.35%	-0.08	-3.13%	-0.57	-1.74%
3	Qinglang Campaign: Rectification of Entertainment Industry and Hot Ranking Chaos	2021-09-02	Content Governance	-6.15%	-1.40	4.03%	0.69	-1.06%
4	Qinglang 2022 Algorithm Comprehensive Governance Campaign	2022-03-17	Algorithm Supervision	-2.44%	-0.58	1.66%	0.36	-0.39%
5	Detailed Rules for the Review Standards of Online Short Videos (2022)	2022-11-15	Content Standards	1.34%	0.31	-4.67%	-1.04	-1.66%
6	Provisions on the Administration of In-depth Synthesis of Internet Information Services	2023-01-10	AIGC Supervision	-0.70%	-0.17	4.56%	0.96	1.93%
7	Qinglang Campaign: Rectification of Bad Information and Content Orientation Problems in Short Videos	2023-12-05	Content Orientation	-1.16%	-0.25	-7.93%	-1.65	-4.54%
8	Qinglang 2024 Summer Minor Network Environment Rectification Campaign	2024-07-15	Minor Protection	2.60%	0.64	-2.36%	-0.42	0.12%
9	Qinglang Campaign: Rectification of Malicious Marketing Chaos in Short Video Industry	2025-04-15	Malicious Marketing Rectification	-5.22%	-1.16	-7.70%	-1.52	-6.46%
10	Qinglang Campaign: Rectification of Malicious Provocation of Negative Emotions	2025-09-22	Emotion Governance	-4.73%	-1.03	-0.77%	-0.16	-2.75%

The conclusions drawn from sub-event analysis are as follows:

First, most events show negative average CARs. 7 out of 10 events have negative average CARs, accounting for 70%, indicating that the negative impact of regulatory policies is widespread.

Second, the impact intensity varies greatly among different events. The three events with the strongest negative impacts are "Qinglang Campaign: Rectification of Malicious Marketing Chaos in Short Video Industry" (average CAR=-6.46%), "Qinglang Campaign: Rectification of Bad Information and Content Orientation Problems in Short Videos" (average CAR=-4.54%) and "Qinglang Campaign: Rectification of Malicious Provocation of Negative Emotions" (average CAR=-2.75%). All three events are special rectification campaigns directly targeting short video content with strong pertinence and high intensity, leading to more intense market responses.

Third, some events show positive CARs. For example, the average CAR of "Provisions on the Administration of In-depth Synthesis of Internet Information Services" is 1.93%, and that of "Measures for the Administration of Online Live Streaming Marketing (Trial)" is 1.33%. The possible reasons are: (1) The market has fully anticipated the release of these policies in advance, resulting in a "bad news fully priced" effect after official implementation; (2) Some regulatory policies are conducive to the standardized development of the industry in the long run, and leading platforms may benefit from it; (3) Single events are susceptible to noise interference from other factors.

4.4. Robustness Test

To ensure the reliability of research conclusions, this paper conducts robustness tests from multiple dimensions:

4.4.1. Robustness of Different Event Windows

This paper mainly reports the results of the [-1, +1] window. To test the sensitivity of results to window selection, this paper also calculates CARs of [0, +1], [-2, +2] and other windows. The results show that the core conclusions are consistent across different windows, with negative average CARs

and similar statistical significance levels, verifying that the research conclusions are not sensitive to event window selection.

4.4.2. Robustness of Different Market Indexes

This paper mainly adopts the Hang Seng Tech Index as the market portfolio. For robustness verification, the Hang Seng Index and CSI 300 Index are also used as market portfolios to recalculate CARs. Although the specific values are slightly different, the core conclusion that regulatory policies have a significant negative impact on the stock prices of short-video companies remains unchanged.

4.4.3. Robustness after Excluding Abnormal Events

Considering that individual events may have special interference factors, this paper excludes the two events with the largest absolute CAR values and re-conducts the test. The results show that the average CAR is still significantly negative with only a slight decline in significance, indicating that the research conclusions are not driven by individual extreme events.

5. Further Discussion: Differential Impacts of Different Policy Types

To further explore the differential impacts of different types of regulatory policies, this paper classifies the 10 policies by type and calculates the average CAR of each type of policy. The results are shown in Table 5.

Table 5. Results

Policy Type	Number of Events	Kuaishou Mean CAR	Bilibili Mean CAR	Overall Mean CAR
Malicious Marketing Rectification	1	-5.22%	-7.70%	-6.46%
Content Orientation Rectification	1	-1.16%	-7.93%	-4.54%
Emotion Governance	1	-4.73%	-0.77%	-2.75%
Content Standards	1	1.34%	-4.67%	-1.66%
Content Governance	1	-6.15%	4.03%	-1.06%
Algorithm Supervision	1	-2.44%	1.66%	-0.39%
Minor Protection	2	1.12%	-2.74%	-0.81%
AIGC Supervision	1	-0.70%	4.56%	1.93%
Live Streaming Supervision	1	-1.31%	3.96%	1.33%

The following rules can be concluded from Table 5:

First, special rectification policies directly targeting short video content have the greatest impact. The three types of special campaigns focusing on short video content quality, namely malicious marketing rectification, content orientation rectification and emotion governance, have average CARs of -6.46%, -4.54% and -2.75% respectively, with significantly greater negative impacts than other types of policies. This indicates that the market is most concerned about the direct impact of content regulation on platforms' core businesses. Malicious marketing and inappropriate content orientation are key profit and content ecology pillars of short-video platforms. Special rectification actions force platforms to comprehensively adjust their content operation and marketing strategies, directly curbing disorderly revenue expansion and triggering strong negative market feedback.

Second, industrial standardized supervision policies have mild negative or even positive market responses. Traditional normative policies including live streaming supervision, AIGC supervision and minor protection show relatively weak negative impacts, and some generate positive average CARs. The underlying reason is that these standardized regulatory measures are long-term, predictable institutional arrangements for industrial development. Investors generally recognize that standardized industry governance helps eliminate industry chaos, reduce systemic operational risks, and promote the healthy and sustainable development of leading platforms in the long run. Therefore, the short-term negative impact of compliance cost growth is offset by positive long-term development expectations.

Third, algorithm supervision and universal content governance policies present differentiated platform responses. Algorithm governance and universal content rectification policies exert more

significant negative impacts on Kuaishou, while Bilibili shows positive abnormal returns in corresponding events. This difference stems from the distinct algorithmic operation modes and user attributes of the two platforms. Kuaishou relies heavily on recommendation algorithms to drive short-video traffic and live streaming monetization, making its business more vulnerable to algorithm regulation constraints. In contrast, Bilibili's user stickiness is mainly derived from community culture and high-quality UGC content, with algorithm recommendation playing a relatively auxiliary role, thus it is less impacted by algorithm-oriented regulatory policies and even benefits from industry standardization.

In summary, the market's response to short-video content regulation policies is heterogeneous across policy types, which is essentially a rational pricing of the short-term cost increment and long-term value optimization of platform enterprises brought by different regulatory measures. Targeted special rectifications for industry chaos bring prominent short-term operational shocks, while inclusive standardized supervision helps optimize the industry competition pattern and release long-term development dividends.

6. Conclusions and Policy Recommendations

6.1. Main Research Conclusions

Based on the event study methodology, this paper takes 10 major national short-video content regulatory policies issued from 2021 to 2025 as research events and selects Kuaishou and Bilibili, two representative Hong Kong-listed short-video platform enterprises, as research samples to empirically test the short-term impact and heterogeneous mechanism of content regulation policies on the stock prices of short-video listed companies. The main research conclusions are summarized as follows:

First, content regulation policies have a significant short-term negative impact on the stock prices of short-video listed companies. Within the $[-1,+1]$ event window, the overall average cumulative abnormal return of the sample enterprises is -1.52%, which is statistically significant at the 5% level. This verifies that the release of regulatory policies will trigger negative market expectations, resulting in a significant decline in the market value of short-video platforms in the short term.

Second, there is obvious platform heterogeneity in the market response to regulatory policies. Kuaishou, which takes short videos and live streaming as its core businesses, is more sensitive to content regulation, with an average CAR of -1.81% (significant at the 5% level). Bilibili, with diversified business layout and prominent community attributes, has a weaker negative response, with an average CAR of -1.24% that fails to pass the significance test. The differences in business structure, user ecology and market risk expectations are the core reasons for the heterogeneous responses.

Third, different types of regulatory policies produce differentiated market impacts. Targeted special rectification policies for malicious marketing, content orientation and negative emotion provocation have the strongest negative impact on stock prices, with the average CAR of malicious marketing rectification reaching -6.46%. By contrast, standardized industrial supervision policies such as minor protection, algorithm governance and live streaming regulation have mild negative or even positive market responses, as they help standardize industrial order and optimize long-term industry development quality.

Fourth, the market impact of regulatory policies is robust. After replacing the event window and market index and excluding extreme abnormal events, the core conclusion that content regulation has a significant negative short-term impact on short-video platform stock prices remains valid, which proves the reliability of the empirical results.

6.2. Practical Recommendations

Based on the above research conclusions, this paper puts forward targeted recommendations for regulatory authorities, investment investors and short-video platform enterprises respectively:

For regulatory authorities: First, implement differentiated and precise supervision. For special chaotic phenomena such as malicious marketing and inappropriate content orientation in the short-video industry, continue to strengthen special rectifications to curb industry disorder; for standardized institutional supervision such as algorithm governance and minor protection, maintain stable policy expectations to avoid excessive market shocks. Second, balance regulatory intensity and industrial development. While standardizing the content ecology of the short-video industry, fully consider the short-term operational pressure and market value fluctuations of platform enterprises, and establish a tolerant and prudent regulatory mechanism suitable for the development of digital platform economy. Third, improve the policy release mechanism, fully release policy interpretation and guidance information while issuing regulatory documents, reduce market information asymmetry and policy uncertainty, and ease excessive negative market expectations.

For capital market investors: First, establish differentiated investment judgment logic for short-video platform enterprises. Fully recognize the difference in regulatory sensitivity between different platforms, pay more attention to the policy risk exposure of platforms with single short-video and live streaming business structure, and reasonably avoid investment risks. Second, classify and price regulatory policy events. Distinguish between short-term special rectification policies and long-term standardized supervision policies, rationally view the short-term negative stock price fluctuations caused by industrial standardization, and grasp the long-term investment value of high-quality community-based platforms. Third, take policy supervision as an important factor in investment decision-making, build a policy risk early warning mechanism, and optimize asset allocation strategies in response to intensive regulatory events.

For short-video platform enterprises: First, accelerate business diversification and reduce regulatory dependence risks. Platforms dominated by short-video and live streaming businesses should expand high-value businesses such as paid content, technological innovation and industrial services, optimize the business revenue structure, and weaken the impact of single content regulation on corporate performance and market value. Second, improve the active compliance system. Establish a full-chain content review and algorithm governance mechanism, take the initiative to rectify inappropriate content and malicious marketing behaviors, reduce passive regulatory shocks, and transform compliance costs into long-term brand and ecological competitiveness. Third, strengthen investor relationship management. Timely disclose corporate compliance progress and business adjustment strategies after policy releases, actively transmit long-term development value to the capital market, and stabilize market investor expectations.

6.3. Research Limitations and Future Prospects

This paper adopts the event study method to analyze the short-term impact of content regulation policies on the stock prices of short-video listed companies, which enriches relevant research on platform economic regulation, but there are still some research limitations to be improved:

First, the research sample is limited. This paper only selects two Hong Kong-listed short-video platform enterprises, Kuaishou and Bilibili, as research samples, excluding unlisted short-video platforms such as Douyin and Xiaohongshu due to the lack of public stock price data. The sample coverage is limited, and the research conclusions can only represent the characteristics of listed short-video platforms.

Second, this paper only focuses on the short-term market impact of regulatory policies within the $[-1, +1]$ window. Due to the research positioning of the event study method, the long-term dynamic impact of content regulation policies on the operating performance, business model evolution and long-term market value of short-video platforms is not further explored.

Third, this paper mainly analyzes the overall and heterogeneous effects of policy events, and does not further quantify the transmission mechanism of regulatory policies affecting stock prices, such as the mediating role of corporate compliance costs, user activity and advertising revenue changes.

On the basis of the above limitations, future research can be expanded from three aspects: First, with the gradual listing of short-video platform enterprises, expand the research sample size, and

conduct comparative research on listed platforms with different positioning and business scales to improve the universality of research conclusions. Second, combine long-term panel data to explore the long-term impact of content regulation on the operational performance and sustainable development capacity of short-video enterprises, and analyze the dynamic evolution process of policy effects. Third, introduce mediating and moderating variables to empirically test the internal transmission path of regulatory policies affecting stock prices, and further reveal the microscopic mechanism of the capital market's response to platform content supervision.

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