

The Development Prospects and Future Trends of China's Badminton Industry Under the Guidance of Sports Industry Policies

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Abstract

This article aims to explore the opportunities and challenges facing the badminton industry within the broader context of sports policies in China. By conducting an in-depth analysis of sports policies over the past decade, it seeks to understand the current state of the badminton industry and make reasonable predictions about its future prospects and development trends. Research Method: The article adopts a market-oriented approach, combining China's unique national conditions with the government's macroeconomic regulation to analyze the badminton industry, guiding it toward healthy development. Results and Discussion: The badminton industry is continuously expanding within the sports sector, encompassing areas such as leisure entertainment, professional competition, and training education, thereby creating abundant business opportunities and value-added services. Due to characteristics such as low risk, high technicality, and overall physical exercise, badminton has become widely popular, with over 200 million participants in China. Enhanced policy guidance is identified as a key driving force for the sports industry's development. The sustained economic growth and the implementation of the National Fitness Plan have further propelled the vigorous growth of China's sports industry, with badminton emerging as a new economic growth point. Findings: The Chinese badminton industry possesses abundant untapped resources, necessitating collaborative efforts from the government and society to establish mechanisms for innovative production factors. Market demand continuously drives the industry's innovative development, requiring enhancements in product quality and service levels to gain competitive advantages in a fiercely competitive environment. Upstream and downstream enterprises should share similar industry values and target customer groups to enhance competitiveness through mutual information and resource sharing. Badminton enterprises need to focus on enhancing core competitiveness, leveraging domestic advantages, integrating resources, and gradually achieving strategic objectives while actively expanding into international markets. The restructuring of the national industrial structure presents new

development opportunities for the tertiary industry, and badminton enterprises that seize timely opportunities are poised to become industry pioneers with international influence. The burgeoning badminton industry in the eastern region is expected to deepen its development in the central and western regions. Additionally, the development of the Chinese badminton industry should fully utilize economies of scale, leverage existing industrial advantages, and increase market share, enhancing the value-added services of badminton participation and viewing through cooperation with related industries to create a more competitive badminton industry chain.

Keywords: China, Sports Policy, Badminton Industry, Development Prospects

Background of China's Sports Industry Policy

The concept of industrial organization theory originates from the discussions on market competition mechanisms by the British classical economist Adam Smith. By the late 19th century, the "organization" theory by British economist Marshall already contained the rudiments of industrial organization theory (Ucak, 2015). At the beginning of the 20th century, Harvard University Professor Chamberlin and University of Cambridge economist Robinson conducted in-depth research on competition and monopoly, laying the foundation for the development of industrial organization theory (Arena, 2012.).

In the 21st century, badminton has also become a core component of the national movement in China, permeating into the lives of the masses, and becoming an indispensable part of the Chinese sports industry (Kong et al., 2017). As early as 2016, the badminton population in China had exceeded 200 million. Among numerous sports, apart from running, which is considered the most inclusive sport due to minimal participation restrictions regarding gender, age, income level, venue, time, skill level, team formation, and price, badminton enjoys the widest popularity.

The 2008 Beijing Olympics marked a historic achievement for China, fulfilling long-held national aspirations and elevating various sports to new heights. Hu Jintao and Xi Jinping emphasized transitioning China from a sports power to a sports powerhouse, encouraging social participation and coordinated development within the sports industry. Xi Jinping further linked this ambition to the Chinese Dream, signaling a new stage for China's sports undertakings.

Characteristics and Analysis of China's Sports Industry and Relevant Policies

Overview of the Characteristics of China's Sports Industry

With the progress and development of the nation and society, as well as the improvement of people's living standards, there has been an increasing emphasis on health, leading to the rapid development of the sports industry, particularly the badminton industry. Government departments are continuously increasing investments in sports infrastructure construction to meet the growing demand for sports and fitness. From the perspective of the development of China's sports industry, government-led sports management activities can smoothly operate under China's administrative system. On the other hand, with the deepening of reforms in China's sports system and the maturity of sports market mechanisms, private capital is becoming active within the sports industry, covering areas such as sports training, fitness and entertainment, and sports equipment manufacturing. The stable operation of the sports industry chain relies on both government management and market forces. The

importance of the badminton industry in China's sports industry lies in the outstanding performance of the Chinese badminton team in world-class competitions, the simplicity, entertainment, and fitness value of badminton, as well as its high popularity and broad market potential.

Interpretation of China's Sports Industry Policies

To enhance the physical fitness and health levels of the entire nation and address the continuously growing demand for sports and fitness among the populace, the government has introduced a series of policies related to the sports goods industry, creating a favorable environment for sports and fitness (Ekholm, 2019). For example, the "National Fitness Plan (2021-2025)" aims to increase the supply of fitness facilities for the entire population, including the construction of new or expanded sports parks, national fitness centers, public sports venues, etc., supplementing fitness facilities and equipment in towns and villages, and constructing public skating rinks, digitizing and upgrading public sports venues, etc. The "13th Five-Year Plan for the Development of the Sports Industry" clearly defines the goals of accelerating the cultivation of new formats and models of sports consumption, promoting the deep integration of sports with other industries, and proposes a series of policy measures to support the development of the sports industry (Table 1). These policies and plans provide policy support and guidance for the development of China's sports goods industry, promoting the healthy development of the sports industry.

Table 1

Summary of China's Sports Industry Policies

Time	Policy Name	Key Contents
2022	《"14th Five-Year National Health Plan"》	Build a higher-level comprehensive fitness service system, promote the opening and sharing of public sports facilities and school sports venues, and increase the coverage of convenient fitness facilities.
2022	《Opinions on Establishing a Higher-Level Public Service System for National Fitness》	Establish standards for facilities and equipment suitable for minors, cultivating their interest in participating in sports activities. Promote free or low-cost access to public sports venues for teenagers. Provide necessary assistance for the elderly to use facilities and equipment, addressing difficulties they face with sports technology. Create an accessible sports environment, facilitating the participation of people with disabilities in nationwide fitness activities.
2021	《National Fitness Plan (2021-2025)》	Increase the supply of public fitness facilities for all citizens. Construct or expand more than 2000 sports parks, national fitness centers, and public sports venues, supplementing equipment for fitness facilities in over 5000 towns and townships, and digitally upgrade and renovate more than 1000 public sports venues.
2020	《Key Points of National Sports Policy and Regulation Planning for 2020》	Drafting policy documents to strengthen the regulation and business guidance of national

		sports associations nationwide. Organizing and guiding relevant departments and units of the General Administration of Sport to formulate regulations and normative documents regarding mass sports, competitive sports, sports industry, sports associations, and anti-doping education management.
2019	《Opinions on Promoting National Fitness and Sports Consumption to Propel High-Quality Development of the Sports Industry》	Encourage localities to adopt flexible and diverse market-oriented measures to promote sports consumption, enrich mass sports events, and optimize the participant experience. Promote the extension of opening hours for public sports venues, encourage the development of fitness products, and provide sports training services.
2019	《Outline of Building a Sports Power》	Encourage sports equipment research, development, and manufacturing, focusing on high-tech, independent products. Foster globally competitive sports enterprises and brands, supporting them to expand internationally.
2018	《State Council's Opinions on Promoting Comprehensive Revitalization of the Sports Industry by Stimulating Sports Consumption》	To promote sports consumption and drive the development of the sports industry, measures have been proposed including strengthening the construction of sports consumption infrastructure, promoting the upgrade of sports goods consumption, and supporting the development of sports tourism.
2017	《Sports Industry Innovation and Development Plan (2017-2020)》	Promote the innovative development of the sports industry, support its integration with other industries, and enhance its competitiveness and influence.
2016	《National Sports Industry Demonstration Park Construction Plan (2016-2020)》	Establish a number of demonstration zones for the sports industry to promote its transformation and upgrading, and to facilitate its integration with related industries.
2015	《Several Opinions on Deepening Sports System Reform and Improving Club Management System》	A series of measures are proposed to reform the club management system, aiming to promote the healthy development of clubs.
2014	《Several Opinions on Accelerating the Development of the Sports Industry and Promoting Sports Consumption》	The statement identifies challenges in the sports industry like small scale and limited vitality and outlines development objectives and policy actions for 2025 to enhance its prosperity. These measures encompass innovating institutional mechanisms, fostering diverse entities, enhancing industrial layout, fostering integrated development, and other strategies, with the aim of positioning the sports industry as a key driver for the sustainable growth of the economy and society.

2014	《Notice on Promoting Free or Low-Cost Opening of Large Sports Venues》	It calls for large-scale sports venues under the jurisdiction of the Sports Department to be opened to the public for free or at a low cost, with clearly defined management responsibilities and protective measures in place.
2013	《Regulations on the Management of Licenses for Operating High-Risk Sports Projects》	Operating high-risk sports projects should apply for administrative permits from the sports authorities at or above the county level," and specific regulations should be made regarding applications, approvals, supervision and inspection, legal responsibilities, etc. This is to ensure consumer safety and promote the healthy development of the sports market.
2012	《Implementation Opinions on Encouraging and Guiding Private Capital to Invest in the Sports Industry》	Supporting, encouraging, and guiding private capital to enter the fields of sports goods production and sales, sports venue construction and operation, sports fitness and leisure, as well as sports competition and performance.
2012	《Implementation Rules for the Regulations on Lottery Management》	It not only provides more specific operational guidelines for the implementation of the "Regulations on Lottery Management" but also makes clear requirements for new situations and issues arising during the implementation process.
2011	《National Sports Industry Base Management Measures (Trial)》	Clear regulations have been established regarding the concept and classification of national sports industry bases, principles for establishment, application and approval procedures, base construction, management, and assessment.
2010	《Guiding Opinions on Accelerating the Development of the Sports Industry》	Emphasizing rapid sports industry development is crucial for expanding sports development, enriching lives, fostering talent, enhancing fitness, and promoting balanced development. The policy outlines principles and goals for 2020, with tasks including market development, competitive performance, industry cultivation, service trade promotion, and fostering industry interaction.

The current sports industry policies have three main characteristics. Firstly, they signify that China's sports industry has become an integral part of the national economic development strategy, ushering in a new era of rapid growth. Secondly, several policies are regarded as significant milestones in the history of sports industry development. Scholars view them as "policy dividends benefiting a market worth 5 trillion yuan, and the upgrading of the sports industry will enter a golden new decade." Thirdly, the aforementioned policy documents no longer solely focus on the sports industry itself but elevate it to a new height in terms of national economic development, sports reform, and people's livelihood security. The

documents emphasize the importance of the sports industry in expanding domestic demand, increasing employment, and cultivating new economic growth points, and propose a series of policy measures to deepen sports reform, promote nationwide fitness, and stimulate mass participation in sports activities. By accelerating the development of the sports industry, the government aims to further promote economic development, deepen sports reform, and ensure and improve people's livelihoods.

Current Status of Badminton Industry Development

Badminton, as a popular mass sport, boasts high technicality and low risk, making it suitable for widespread promotion. It not only enhances physical fitness but also contributes to the improvement of mental resilience. As one of the key projects in Chinese sports, badminton has a significant influence both domestically and internationally (Gao & Robinson, 2017.), with the Chinese national team frequently achieving honors in international competitions. Among the general public, badminton is also highly favored, becoming one of the beloved sports activities among Chinese people. According to statistics from the General Administration of Sport of China, as of December 31, 2023, there were a total of 246,100 badminton courts nationwide, including 210,500 outdoor courts and 35,600 indoor badminton halls. The badminton population in China has reached 250 million, with over 500 million badminton enthusiasts. Additionally, table tennis sports participation is also high, reaching 41.1%, ranking fourth among all sports (see Figure 1).

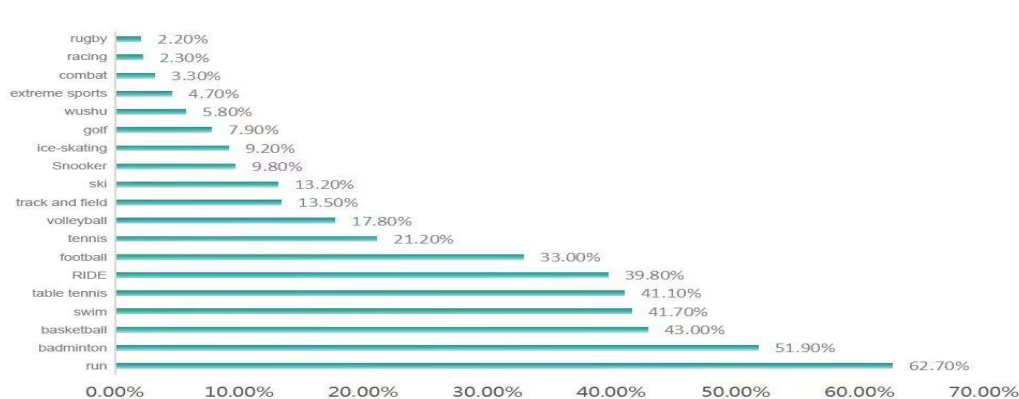


Figure 1. The sports activities participated by the Chinese population and their respective proportions in percentage.

Market Size Situation

Under the strong promotion of the government, badminton, as a widely popular sport, is increasingly favored by more people, promoting the development of China's badminton industry. The industrialization of badminton has become an undeniable fact (Yu & Yu, 2020). According to the "2021 China Badminton Market Analysis Report," the number of participants in badminton sports in China has exceeded 250 million, and the consumption of badminton has been increasing steadily in recent years. In 2014, the market size of China's badminton industry was only 25.7 billion yuan, and by 2019, it had reached 34.8 billion yuan, with a compound growth rate of 6.25%. The badminton industry as a whole has maintained a good development trend of positive growth. Although the market size declined in 2020 due to the impact of the epidemic, it gradually rebounded with the control of the epidemic. By 2022, the market size of China's badminton industry was approximately 7.58 billion yuan, with low-end

badminton accounting for about 50.9% and mid-to-high-end badminton accounting for about 49.1% (see Figure 2).

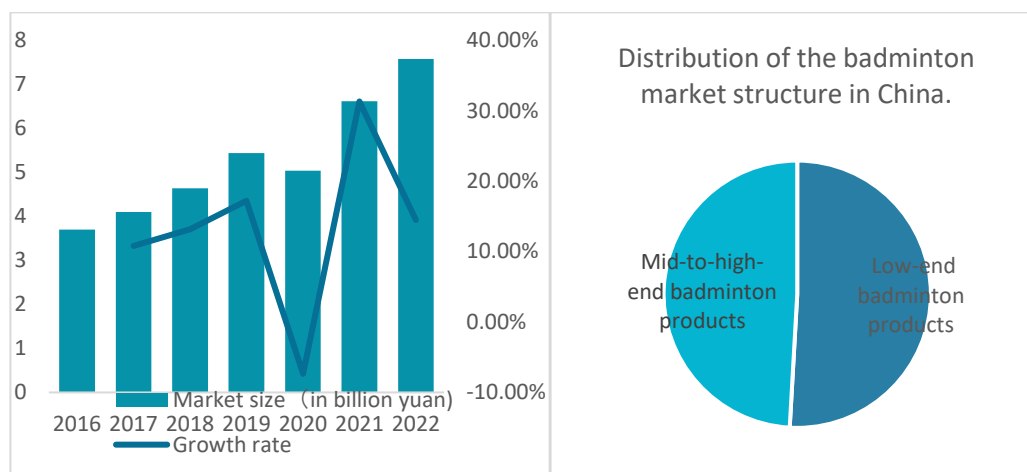


Figure 2 Market scale of the Chinese badminton industry from 2016 to 2022

Badminton Industry Supply and Demand Situation

With the rapid development of the Chinese economy and the improvement of residents' living standards, badminton has become increasingly popular in China, leading to continuous growth in demand for badminton and related products. On the supply side, China has numerous badminton manufacturers and brands, offering a wide range of products from low-end to high-end to meet the needs of different consumer groups. With the intensification of market competition, suppliers are continuously improving product quality and innovation to meet consumer demands. Overall, the supply and demand situation in the Chinese badminton industry is relatively balanced, but it may change with changes in market conditions and consumer demands. With the rapid development of the Chinese badminton industry and the growth of downstream demand, badminton production and consumption have continued to increase in recent years. According to data, in 2022, China's badminton production was approximately 669 million units, an increase of 8.6% compared to the previous year, while demand was approximately 334 million units, an increase of 12.1%. Among them, low-end badminton demand accounted for approximately 71.5%, while mid-to-high-end badminton demand accounted for approximately 28.5% (see Figure 3).

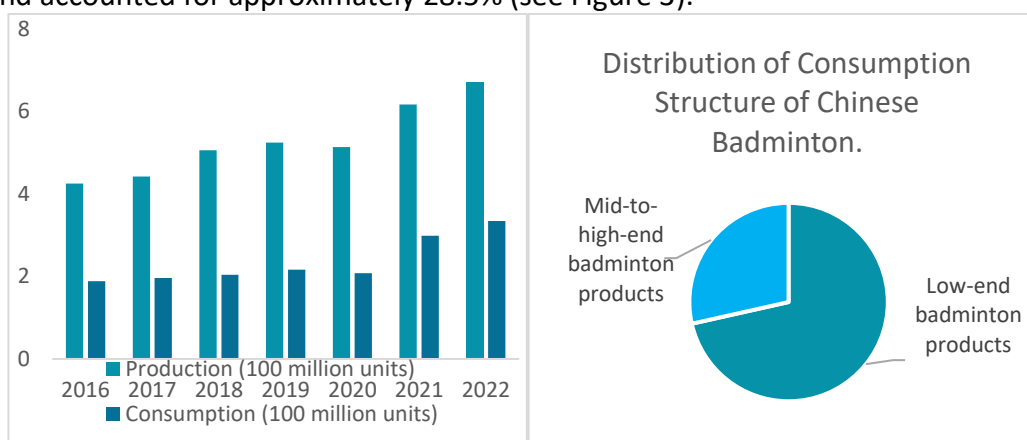


Figure 3 Supply and demand situation in the Chinese badminton industry from 2016 to 2022

Badminton Price Trend Situation

Price strategy is the most fundamental competitive method in China's badminton supplies market. The entry of new badminton supplies companies may reduce the profits of existing companies ("Consumer Behavior on Purchasing Decision in Buying Sports Clothes in Saraburi Province, Thailand", 2017), so existing badminton supplies companies may moderately lower product prices to prevent new companies from entering, or coordinate prices with other companies to share monopoly profits and control the market. After more than a decade of development, the competition in the Chinese badminton supplies market has become increasingly fierce. Due to the relatively low barriers to entry in the badminton supplies market and the increasing number of companies, supply far exceeds demand, leading to inevitable "price wars".

In recent years, with the rise in domestic labor costs and production raw material prices, the overall price of badminton in China has been on the rise. According to data, the average price of badminton in China in 2022 was approximately 2.27 yuan per unit, an increase of 2.3% compared to the previous year, an increase of 0.27 yuan per unit compared to 2015 (see Figure 4).

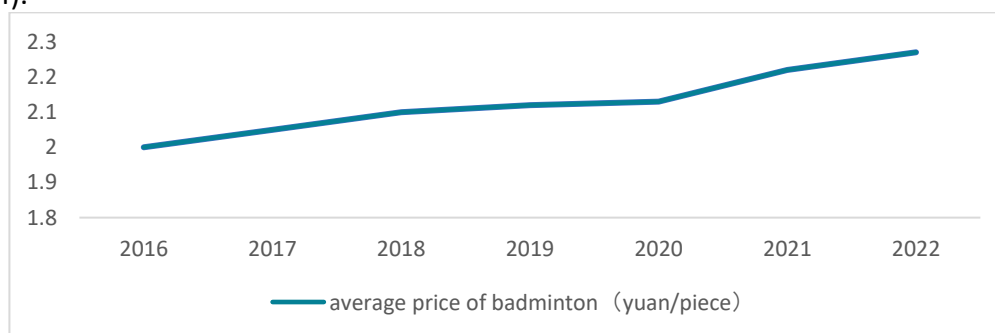


Figure 4 Price trends of Chinese badminton shuttlecocks from 2016 to 2022

Revenue Situation of Famous Enterprises

Li-Ning Limited, established in 1990, is one of China's leading sports brand enterprises, covering the entire process of brand marketing, research and development, design, manufacturing, and sales. It mainly operates professional and casual sports shoes, clothing, equipment, and accessories under the Li-Ning brand, and has established a large retail network and supply chain management system, continuously expanding its e-commerce business. In 2022, its main business revenue reached 25.803 billion yuan, a year-on-year increase of 14.3%. Among them, footwear business accounted for 52.2%, clothing business accounted for 41.5%, and equipment and accessories business accounted for 6.3% (see Figure 5).

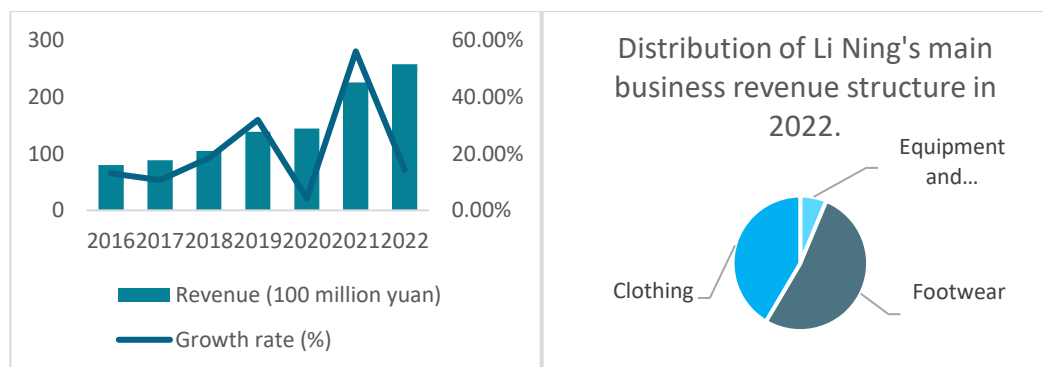


Figure 5. Li Ning's main business revenue situation from 2016 to 2022

The Chinese badminton equipment market demonstrates a relatively high level of market concentration and industrialization, with overall maturity and high efficiency in industry competition, providing ample room for enterprises to expand (Dunning et al., 1971). According to data from sports goods expos, China currently has numerous enterprises producing badminton and related products, with nearly a hundred badminton brands. Among them, enterprises in Zhejiang Jiangshan and Anhui Dongqiao have annual output values reaching tens of billions of yuan, with products exported to South Korea, Malaysia, Japan, Thailand, and the Middle East. The badminton equipment market has numerous enterprises, including large-scale leading enterprises and small enterprises focusing on badminton OEM.

The Chinese badminton equipment market is highly differentiated (Zheng & Chen, 2016). Leading brands like Li-Ning, Victor, and YONEX use new technologies and designs to expand their market share, with Li-Ning incorporating traditional Chinese elements and YONEX emphasizing Japanese craftsmanship. Meanwhile, many domestic producers are small-scale, with low-tech, low-value products and limited innovation. Although the simple, low-profit production of ordinary badminton makes market entry easy, new companies face challenges in the related product market due to existing firms' cost advantages and economies of scale, though these do not create significant barriers (Yu & Yu, 2020).

Prospects and Future Trends of the Badminton Industry

The scope of the badminton industry continues to expand, becoming an important trend in the sports industry. The badminton sector covers various areas including leisure entertainment, professional competition, and training education, providing more possibilities for the extension and development of the industry chain, bringing abundant business opportunities and value-added services. Due to the characteristics of badminton, such as low risk, high technicality, and overall physical exercise, it has become one of the widely popular sports. Currently, the popularity of badminton in China has exceeded 200 million people, reflecting the love and demand for this sport. This trend indicates that the badminton industry has broad development prospects, not only in the domestic market with immense potential but also gradually gaining recognition on the international stage.

Enhanced policy guidance is one of the key driving forces for the development of the sports industry (Zakizadeh & Kohandel, 2022). Although in the early years of the founding of the People's Republic of China, the development of mass sports was somewhat restricted due to economic limitations. With the continuous economic growth, mass sports gradually became part of the national development strategy, receiving more attention and support

from government policies. The implementation of the National Fitness Plan has further propelled the vigorous development of China's sports industry, becoming one of the important means to boost domestic demand and increase national economic income. In the new economic era, badminton, as a popular sport, has also encountered opportunities for development, becoming a new economic growth point. This policy orientation contributes to the healthy development of the sports industry, promotes national health, and also provides new impetus and opportunities for economic growth.

Conclusion

The Chinese badminton industry possesses abundant untapped production resources, thus requiring concerted efforts from the government and society to establish mechanisms for innovative production factors. Market demand continuously drives the industry's innovative development, necessitating the enhancement of product quality and service levels to gain competitive advantages in a fiercely competitive environment. Meanwhile, upstream and downstream enterprises can share similar industry values and target customer groups, enhancing competitiveness through mutual information and resource sharing. Badminton enterprises should focus on enhancing core competitiveness, fully leveraging domestic advantages, integrating resources, gradually achieving strategic objectives, and possessing international brand awareness to actively expand international markets. The restructuring of the national industrial structure provides new development opportunities for the tertiary industry, and enterprises within the badminton industry, if able to seize opportunities in a timely manner, are poised to become industry pioneers with international influence. The burgeoning badminton industry in the eastern region is expected to deepen its development in the central and western regions. Additionally, the development of the Chinese badminton industry should fully utilize economies of scale, leverage existing industrial advantages, and increase market share. Through cooperation with related industries, the industry can enhance the value-added services of badminton participation and viewing, thereby creating a more competitive badminton industry chain.

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