

Analysis of Influencing Factors on the Pricing of Individual Psychological Counseling Services

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Abstract

This paper aims to analyze the influencing factors on the pricing of individual psychological counseling services. Based on factor analysis and survey questionnaire data, it explores the main factors affecting the pricing of individual psychological counseling services. The research results indicate that the pricing of individual psychological counseling services is influenced by multiple factors, which can be primarily categorized into three factors: counselor's qualifications and market perception, service form and effectiveness, and client's ability to pay and personalized needs. Based on the results of the factor analysis, this paper provides a reference for pricing strategies in the individual psychological counseling industry.

Keywords

Individual Psychological Counseling; Pricing; Factor Analysis; Ability to Pay; Service Effectiveness.

1. Introduction

With rapid economic development and an accelerated pace of life, people in modern society are facing increasing pressure, and mental health issues have garnered significant attention. A report from the Institute of Psychology, Chinese Academy of Sciences, indicates that the detection rate for depression risk in China is 10.6%, and for anxiety risk, it is 15.8%, with young people facing a higher risk of depression. The "2023 Blue Book on China's Mental and Psychological Health" shows that the depression detection rate among high school students is 40%, junior high school students 30%, and elementary school students 10%. Mental health problems affect the quality of life, leading to a growing demand for psychological counseling. The market size of China's psychological counseling industry grew from 37.71 billion yuan in 2018 to 800.9 billion yuan in 2023, with the number of psychological counseling institutions exceeding 100,000, and an annual growth rate of over 40%. The growth in market size and the number of institutions indicates the industry's enormous potential, but the rationality of pricing is a major challenge currently faced.

2. Literature Review

The influencing factors on the pricing of individual psychological counseling services have been an important topic of continuous academic attention. From the perspective of individual characteristics, research by Zhao Lin et al. (2020) confirmed that an individual's income level, educational background, and awareness of mental health significantly affect the demand for psychological services [1]. Among them, high-income and high-awareness groups are more likely to generate service demand and have a higher acceptance of pricing. Consumers with strong mental health awareness are even willing to pay higher fees for high-quality services. In terms of service quality and brand dimensions, Hu Xiaoshan (2021) pointed out that the quality of psychological services and brand influence are positively correlated with consumers' price

perception and acceptance. High-quality services can enhance consumer trust, improve brand value, and thus provide support for pricing strategies, while brand building and product innovation can also increase pricing flexibility[2]. Regarding service channels, Lai Jiandong (2023) noted the rise of online psychological counseling under the “Internet +” background. This model, due to lower operating costs than traditional face-to-face counseling, can implement more flexible pricing strategies, and the popularization of remote counseling and grid-based layouts has further promoted pricing diversification[3]. The impact of market supply and demand relationships on pricing is also significant. Mao Wenxin (2004) found that there is an imbalance between supply and demand in the psychological counseling market, which causes some institutions to adopt high-price strategies due to insufficient supply (especially in second and third-tier cities), while other institutions choose low-price strategies due to competitive pressure. Prices in high-demand areas are often higher. Policy and social environment, as external factors, cannot be ignored[4]. In recent years, the state’s support for mental health services has increased, and some local governments have promoted service popularization through financial subsidies and other policies. These policies can affect pricing by reducing service costs or improving consumers’ ability to pay. At the same time, the government’s promotion of the mental health industry will also change the market competition pattern, thereby affecting pricing strategies.

3. Research Methods

This study used Wenjuanxing to distribute questionnaires and ultimately collected 1511 valid samples. Among the samples, females (57.5%) outnumbered males (41.2%), primarily consisting of young and middle-aged individuals aged 26-45 (82.6%), with an average age of 33, who are in critical stages of their careers and family lives. Individuals with a bachelor’s degree or higher accounted for 70.93%. Their occupations were mainly private enterprise employees, teachers, students, etc., and their industries were predominantly education and training, business services, and government institutions. The characteristics of the sample, to a certain extent, reflect the typical features of potential or actual users of individual psychological counseling services in China, making it targeted and reliable for studying the pricing factors of individual psychological counseling services. However, the relatively high proportion of highly educated individuals, specific occupations, and industries, as well as the prominent proportion of females, may limit the broad applicability of the research results. Nevertheless, the sample composition aligns with the characteristics of the main consumer groups for individual psychological counseling services, and the conclusions have important reference value for understanding the pricing sensitivity and preferences of the target market.

The questionnaire content covered factors such as counselor qualifications, service forms, reputation, service effectiveness, and client’s ability to pay. This study used SPSS 20.0 software for reliability and validity testing, and the results showed that $\alpha=0.917$, indicating good content consistency.

4. Data Analysis and Results

4.1. Factor Analysis Results

To assess the suitability of the collected data for factor analysis, KMO (Kaiser-Meyer-Olkin) and Bartlett’s sphericity tests were conducted. The test results showed:

- **KMO value:** 0.883. This value is greater than 0.8, indicating that there are many common factors among the variables, and the data is very suitable for factor analysis.
- **Bartlett’s sphericity test:** Approximate chi-square value is 760.668, degrees of freedom (df) is 78, and significance (Sig.) is 0.000 ($p < 0.001$). This result indicates that the

correlation matrix of the variables is not an identity matrix, meaning there are significant correlations between the variables, making it suitable for factor analysis.

The study employed Principal Component Analysis (PCA) for factor extraction and used the Varimax Rotation method to rotate the factors for better interpretation of the factor structure. According to the total variance explained table, the study ultimately extracted three main components (factors):

- **Counselor's qualifications and market perception:** Including the counselor's years of practice, certification qualifications, social reputation, etc., reflecting the counselor's professional competence and market recognition.
- **Service form and perceived effectiveness:** Including the choice between online and offline services, perception of service effectiveness, etc., reflecting the direct impact of service form on pricing.
- **Client's ability to pay and personalized needs:** Including the client's stratified demand based on ability to pay and whether additional psychological assessment reports are provided, reflecting the consumer's ability to pay and personalized needs in pricing.

4.2. Factor Loading Analysis

According to the factor loadings, "whether the counselor holds authoritative certification" (74.2%) and "the counselor's social reputation" (67.1%) have the most significant impact on pricing, indicating that the counselor's professional qualifications and reputation are important factors in determining the price of psychological counseling. In terms of service form, "service form (online/offline)" (55.3%) has a relatively large impact on pricing, indicating that different forms of counseling services have different market acceptance for prices.

5. Main Influencing Factors on the Pricing of Individual Psychological Counseling Services

5.1. Counselor's Qualifications and Market Perception

The counselor's qualifications and market perception are the primary factors determining service price. This dimension not only includes the counselor's professional competence (such as holding authoritative certification) and market reputation (such as social reputation) but also profoundly reflects the comprehensive impact of the macroeconomic environment (e.g., average consumption level in the city, industry average price) and relevant policy guidance (e.g., setting price ceilings or market supply and demand regulation mechanisms) on pricing[5]. Furthermore, clients' traditional perceptions of service effectiveness (e.g., believing offline counseling is more effective) and emerging perceptions (e.g., recognizing the convenience of online counseling), as well as their considerations of price fairness and the alignment of services with their cultural background, collectively constitute the rich connotation of this core factor. In short, the counselor's professional endorsement, market recognition, and the economic and policy environment in which they operate jointly shape the basis of service pricing.

5.2. Service Form and Perceived Effectiveness

Firstly, online counseling is priced lower due to its convenience; offline face-to-face counseling is priced higher due to its high interactivity and effectiveness. Especially among consumers who have high expectations for effectiveness, the premium for offline services is more pronounced[6]. Although online counseling is convenient and cost-effective, its communication effectiveness may not be as good as offline counseling. Offline counseling provides a direct communication experience, allowing counselors to obtain more information by observing clients' facial expressions, body language, etc., to understand problems more accurately and

provide targeted solutions. Patients with severe psychological problems may prefer offline counseling, believing it to be more effective and willing to pay higher fees. After all, face-to-face interaction is considered the best form of individual psychological counseling.

Secondly, the factor analysis results particularly highlighted the high loading of the variable "If the counseling effect is significant, I am willing to pay 20% above the market average price." This clearly indicates that after clients experience genuinely effective counseling services, their price sensitivity decreases, and their willingness to pay increases. Therefore, whether the service can bring perceptible and verifiable positive effects is key to supporting whether the service can obtain a higher market price; high-quality and high-effectiveness services are an important source of bargaining power.

5.3. Client's Ability to Pay and Personalized Needs

The client's ability to pay and expectations of effectiveness determine their price sensitivity[7]. High-income individuals are willing to pay above the market average for significant effects, while low-income individuals prefer low-priced counseling. When consumers choose psychological counseling, their ability to pay affects their choice of discounts, especially among price-sensitive groups. Providers of individual psychological counseling services need to gain insight into the payment willingness and specific requirements for service personalization of different client groups to formulate more flexible and attractive pricing plans.

6. Conclusion and Suggestions

6.1. Conclusion

The pricing of individual psychological counseling services is comprehensively influenced by multiple factors, among which the counselor's qualifications and market perception, service form and effectiveness, and client's ability to pay and expectations of effectiveness are the three most critical factors. Understanding and considering these factors can help psychological counseling institutions formulate more precise pricing strategies.

6.2. Suggestions

Psychological counseling institutions and practitioners should strengthen professional qualifications and brand building, improve counselors' professional levels, obtain authoritative certifications, and actively communicate to enhance reputation and goodwill[8]. This helps establish a reasonable price system and market trust. Secondly, they should emphasize service effectiveness and value transmission, ensuring counseling effectiveness is central, and establish assessment and feedback mechanisms. Clearly demonstrate service value and expected outcomes to clients, proving price rationality through high-quality services to increase willingness to pay. Implement differentiated and flexible pricing strategies, understand clients' ability to pay and needs, and provide diversified services and package options. Consider outcome-based payment models or tiered pricing to meet different needs. Finally, make pricing information transparent, disclosing service content, counselor qualifications, and price standards to reduce information asymmetry and enhance client trust and security.

Industry associations and regulatory agencies should standardize market order, strengthen the management of the psychological counseling industry, improve the counselor qualification certification system, combat false advertising and non-standard practices, and maintain fair competition. Guide reasonable pricing by providing industry guidance and publishing price reference information to form value-based reasonable pricing expectations and enhance public awareness of the value of psychological counseling services. Encourage service innovation, supporting the use of internet technology to reduce service costs and improve service accessibility. Research measures such as government procurement of services and inclusion in

medical insurance reimbursement to reduce the economic burden on specific populations and promote the inclusiveness of psychological services.

Through these multifaceted efforts, it is hoped that the field of individual psychological counseling services can be promoted towards a more professional, standardized, and human-centered direction, achieving a consistency between social and economic benefits.

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