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EXPLORING THE NEXUS OF ROBOTIC ADVISORY, DIGITAL FLUENCY, AND FINANCIAL LITERACY IN THE FUTURE INVESTMENT LANDSCAPE – A SYSTEMATIC REVIEW

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Abstract

Research background: The emergence of financial technology, namely robo-advice (RA), has transformed wealth management by increasing accessibility to customized financial guidance, extending beyond the realm of affluent individuals. Robo-advisors, changing the financial advice sector, use artificial intelligence and algorithms to provide customized portfolio recommendations that align with investors' risk tolerance and investment objectives.
Purpose: This paper explores the complex relationships between financial literacy, robo-advisory services, and digital fluency. These relationships are essential for comprehending investing behaviours within a quickly changing digital ecosystem.
Research methodology: This study employs a systematic review methodology to investigate the interplay between robotic advisory, digital fluency, and financial literacy. Using a SWOT analysis, we contrast the benefits and downsides of robo-advisers with traditional financial advisors, illuminating the potentially revolutionary nature of RA.
Results: The Indian robo-advisory industry is promising but there are still obstacles to overcome, including security issues and governmental oversight. Global robo-advisory platforms are still developing, but India's growth trajectory is unique because of changes in regulations and the country's acceptance of digital technology. Despite regulatory and literacy issues, the robo-advisory market in India is expected to grow to a value of US$25.74 billion by 2027 (Ken Research, 2022), indicating market potential (Singh, 2023). While this is in line with general trends, it also draws attention to particular

issues such a lack of financial literacy, cautious investor sentiment, and a preference for traditional advisors (Singh, 2023; Bhattacharyya, Bhattacharyya, 2022).
Novelty: The study offers a novel viewpoint on the expanding robo-advisory services industry, especially in light of digital fluency and financial literacy. Although robo-advisors have been the subject of earlier research, this work fills a gap in the literature by highlighting the significance of digital fluency and financial literacy.

Keywords: robotic advisory, digital fluency, financial literacy, digitalization, SWOT analysis

JEL classification: G11, G23, D83, O33

Introduction

Traditionally, wealth management relied on one-on-one conversations that built trust between advisor and client. This procedure takes a lot of time and money; therefore, only wealthy people can usually afford it. However, this atmosphere has altered with the rise of financial technology made possible by the internet, most notably Robo-advice (RA) (Gomber et al., 2017). By providing individualized portfolio recommendations by their risk tolerance and financial goals, robo advisors, or RAs, simplify the process of providing financial advice to investors. They also independently track and adjust portfolios over time (Jung et al., 2018; Sironi, 2016). By leveraging algorithms and artificial intelligence, robo-advice – a fintech advancement in personal financial planning – revolutionizes the investment advising industry. As robo-advice operates without human advisers, it does not require significant assets, as traditional approaches do, reducing administration expenses. Financial advice is now more widely accessible as a result (Waliszewski, Zięba-Szklarska, 2020).

The confluence of digital technology, advances in artificial intelligence, and the increasing emphasis on financial literacy drive the extraordinary rate at which the modern investing landscape changes. Investors must have a sophisticated grasp of the interactions between digital fluency, robotic advisory services, and financial literacy in this dynamic world where they face many opportunities and problems. Examining how these variables interact to influence investing behaviours in the future is crucial as the world moves towards more digitalized financial ecosystems. The study compares and contrasts the benefits and drawbacks of robo-advisers with traditional financial advisors, utilizing a SWOT analysis to identify environmental risks and opportunities. As financial services in India are rapidly shifting to

digital and fintech solutions like robo-advisors are becoming more and more popular, the study focuses on this industry. Retail investor numbers have increased in India as a result of regulatory changes, financial awareness efforts, and technology improvements (Singh, 2023). There is a strong argument for an analysis of the Indian robo-advisory market, which is expected to reach US$19.76 billion in assets under management (AUM) by 2024 at a predicted growth rate of 9.21% (CAGR 2024–2027) (Ken Research, 2022). Furthermore, a focused analysis is necessary because of India's legal environment and distinct investor behaviour, which offer a significant divergence to worldwide trends (Intercool Studio, 2024). In order to provide readers with a thorough grasp of India's robo-advisory market and its potential, a study of the literature is conducted to clarify the implications for future investments.

1. Objective

The relationship between digital fluency, robo-advisory services, and financial literacy has not received enough attention, despite the fact that a great deal of research has looked at how financial literacy influences investing decisions. This paper explores the complex relationships between financial literacy, robo-advisory services, and digital fluency. Examining how these variables interact to influence investing behaviours in the future is crucial as the world moves towards more digitalized financial ecosystems. The research attempts to assess the advantages, disadvantages, opportunities, and hazards of robo-advisers compared to traditional financial advisors using a SWOT analysis. It also looks at how robo-advisors might change the digital financial sector.

2. Methodology

This study employs a systematic review methodology to investigate the interplay between robotic advisory, digital fluency, and financial literacy. Through a thorough search of academic databases, including Scopus, Web of Science, and Google Scholar, relevant peer-reviewed articles in English are selected based on their direct relevance to the research question. Data extraction focuses on critical elements such as author(s), publication year, methodology, findings, and limitations. A quality assessment is conducted using established criteria for systematic reviews, ensuring the inclusion of high-quality studies. Synthesizing the extracted data reveals patterns, trends, and gaps in the literature, forming the basis for the discussion part and conclusions. Limitations include the language restriction to English and potential

variability in study quality. Ethical considerations involve proper citation and acknowledgment of the original authors.

2.1. Digitalization in investment

The financial sector has seen tremendous changes recently, primarily due to the increased usage of digital technologies. As a result, there has been an unparalleled increase in Indians using their own money to participate in the stock market. The report highlights how crucial it is to investigate how digitization affects Indian financial markets and investments, what that means for investors and other stakeholders, and what legislative changes need to be made to guarantee that digitization is used to promote equitable and long-term economic growth (Karan, 2023).

One of the main factors that has been transforming the Indian economy over the past few years is digitalization. Several elements have contributed to this development. The current transformations in the financial sector may be directly attributed to the broad use of digital technology. The practice of investing money in India has advanced due to the country's growing digitization (Singh, 2023). Digital technologies have significantly impacted India's financial and investment markets. An industry group called Assocham and PwC India performed research that predicts the number of retail investors in the country would rise from 20 million in 2015 to 150 million by 2025 (Business Today, 2018).

The introduction of digital technology has entirely altered how we buy, finance, and make investments. Participating in the Indian stock market has become easier for private investors because of the financial sector's increased automation. The proliferation of online trading platforms has allowed investors to trade and make stock investments from the comfort of their homes. Consequently, there has been a notable surge in individuals investing their funds in the Indian stock market (Singh, 2023). India's investment and financial sectors are rapidly digitizing; this presents both enormous opportunities and challenges. Investor trust must be maintained by protecting the security and integrity of user data. Including individuals without digital access is essential to preventing marginalization, especially in areas with poor internet connection (Singh, 2023). Furthermore, depending too much on digital platforms for investing advice has the danger of inducing overconfidence in computational models, which might result in choosing less-than-ideal financial assets.

2.2. Digital Fluency and Financial Literacy

In order to make better financial decisions, one must be financially literate, defined as understanding fundamental concepts, principles, skills, and vital financial products (Singh et al., 2024). An economy's financial structure is greatly influenced by financial literacy. It is assumed in the previous quote from Libby et al. (2002) that individual investors are conversant with the fundamentals of accounting and investing. Previous studies have indicated favourable relationships between an individual's financial literacy level and investment experience, supporting this widely held assumption. Financial literacy and stock market involvement, for instance, are positively correlated (Mwamtambulo, 2021). Hung et al. (2009) discovered that financial literacy, age, and income are noteworthy indicators of retirement planning. Making decisions requires a high degree of financial literacy, and higher education levels are often associated with a better grasp of finance. Students' financial literacy skills are significantly impacted by their educational experience, especially in higher education, which may help them become more skilled money managers. Furthermore, while age and income may not always impact financial literacy, demographic characteristics like gender might (Yuneline, Rosanti, 2023).

Many writers demonstrate how financial literacy is closely linked to many facets of financial behaviour, going beyond an individual's comprehension of financial ideas. For instance, financial literacy and daily money management abilities are strongly correlated (Hilgert et al., 2003). Lusardi and Mitchell (2007) also found that those with low financial literacy are less likely to plan for retirement and, as a result, accumulate less money during their career.

Today's Investors are increasingly drawn to financial markets that encourage involvement and education. An evident tendency is that investors are becoming more emotionally invested, affecting how they make investments. Investors frequently consult specialists for advice, which helps them make better decisions about goods and services – the participant's general level of satisfaction. A strong positive correlation exists between coachability and emotional intelligence, and a favourable association between emotional intelligence and intuitive decision-making (Champatiray et al., 2023).

Numerous academic studies have explored the concept of financial literacy, yet, as the study presented in Table 1 shows, there is still a need for improvement and clarification of what it means.

Table 1. Review of the Literature on financial literacy

Source	Definition
Hogarth, Hilgert (2002)	Financial literacy is the ability to manage one's finances, including budgeting, investing, saving, and purchasing insurance. The capacity to comprehend fundamental financial ideas and apply them to financial decision-making, planning, and management are key components
Lusardi and Mitchelli (2007)	The process by which financial consumers improve their understanding of financial ideas and products is referred to as financial education. By empowering people to acquire the knowledge and self-assurance required for increased awareness of financial dangers and possibilities, this approach facilitates making well-informed decisions. It also includes knowing where to get help and acting wisely to improve one's financial situation. Dissemination of knowledge, teaching, and unbiased counsel facilitates this education
Servon and Kaestner (2008)	The capacity to comprehend and use financial concepts effectively is known as financial literacy
Howlett, Kees and Kemp (2008)	Financial literacy helps people use financial products wisely, identify ways to reduce risk, and – most importantly – make wise decisions
Huston (2010)	Like general or health literacy, financial literacy involves using and understanding personal finance information to make informed decisions. It is the evaluation of a person's capacity to comprehend and apply knowledge pertaining to personal finance
Wachira and Kihiu (2012)	Being financially literate is having the skills and information necessary to manage money wisely

Source: own elaboration.

2.3. Robo Advisors and Robotic Advisory

Though this impression is only partially accurate, the word "robo-advisor" may conjure up ideas of a humanoid robot providing financial advice. Unlike what one might think, robo-advisors are virtual platforms rather than robots. These sophisticated, interactive user assistance tools use information technology to guide people through an automated financial advice process (Jung et al., 2018; Sironi, 2016; Ludden et al., 2015). The financial landscape has changed recently due to the emergence of robo-advisors. Thanks to these automated investing tools, people may now handle their finances without the help of a typical financial advisor. Robo-advisors are automated financial systems that manage and build client portfolios using algorithms. These algorithms consider age, risk tolerance, and investing goals to customize portfolios to each client's unique requirements (livemint.com).Various Authors have offered the following definitions, and are presented in below Table 2

Table 2. Review of the Literature on robo-advisors

Source	Definition	Function
Cline and Gray (2016)	Automated investing systems known as „robo-advisors" provide algorithm-driven financial planning services, sometimes with little to no human intervention	They provide portfolio management and investing guidance based on the objectives and risk tolerance of specific investors
Sen, Rehman and Gupta (2019	„Robo-advisors are digital wealth management systems that use algorithms to provide portfolio management and automated investing advice"	They provide people with easy and affordable ways to manage their assets according to their risk tolerance and financial objectives
Sironi (2016)	"Robotic advisers are automated investing solutions that offer automatic portfolio rebalancing using trading algorithms based on diversification and passive investment methods"	They provide advanced customer experience through digital tools that engage people in a self-assessment process and encourage basic goal-based
Lopez et al. (2015)	"Robo-advisors aim to provide simplified financial solutions using advanced web-based systems, reducing or doing away with the need for in-person meetings"	Participation in individual stock trading decision-making; passive investing strategy
Stanke and Leiderer (2017)	"Robo-advisors are online platforms that use algorithms to provide customers with automated portfolio management and investing advice"	They streamline the investment process, offering personalized recommendations based on client objectives, risk tolerance, and financial situation
Looi, Tan and Teo (2019)	"Digital platforms known as „robo-advisors" use algorithms to provide automated portfolio management and investment advising services"	They assist clients in setting investment goals, risk tolerance, and time horizon, offering personalized recommendations and rebalancing strategies
Scherer and Puschmann (2018)	Robo-advisors are online financial advisory platforms that utilize algorithms to automate investment management processes"	They offer personalized investment recommendations and portfolio allocation strategies based on client preferences and financial goals
Shanmuganathan (2020)	"Robo-advisors are defined as machine-operated, personalized, goal-setting services that use algorithms to provide customers an overview of their financial situation and suggest appropriate investment portfolios"	Personalized guidance and asset management value chain management; interactive and proactive investment strategy
Roy and Datta (2018)	"Robo-advisors, who provide automated portfolio management and investment advising services using digital platforms, are a disruptive innovation in the financial services industry"	They leverage algorithms to analyse client data and offer customized investment solutions tailored to individual needs and preferences
Hildebrand and Bergner (2020)	"Conversational robots for financial advice are advisory interfaces that mimic the essential elements of human-to-human communication through a dialogue-based procedure"	role in managing the asset management value chain and offering customized advice; proactive, interactive investing approach with „the human touch" of RA
Tse and Collier (2015)	"Robo-advisory services are digital platforms revolutionizing how individual investors access and manage their finances by leveraging technology and algorithms to provide automated investment advice and portfolio management"	Providing automated investment advice and portfolio management using technology-driven algorithms
Arnold, Syz and Wortmann (2016)	„Robo-advisors are digital platforms that use algorithms to provide automated financial advice. In line with their risk tolerance and financial objectives, they provide investors with individualized advice and portfolio management plans"	providing individualized portfolio management plans and investment advice based on each client's risk tolerance and financial objectives

Source: own elaboration.

Nowadays, robo-advisers create profiles of investors by gathering information from relatively simple surveys about their investment preferences. Because robo-advisors do not need additional staff, they can charge significantly less than traditional private bankers (PB) (Cho, 2019). Automated financial counsellors, sometimes called robo-advisors, are gaining popularity in the academic and business worlds. Robots employ verifiable methods and have minimal operational expenses, which may allow them to reach a broader range of investors (Bianchi, Bri'ere, 2021); this may help to restrict the amount to which biased advice is given (Philippon, 2019).

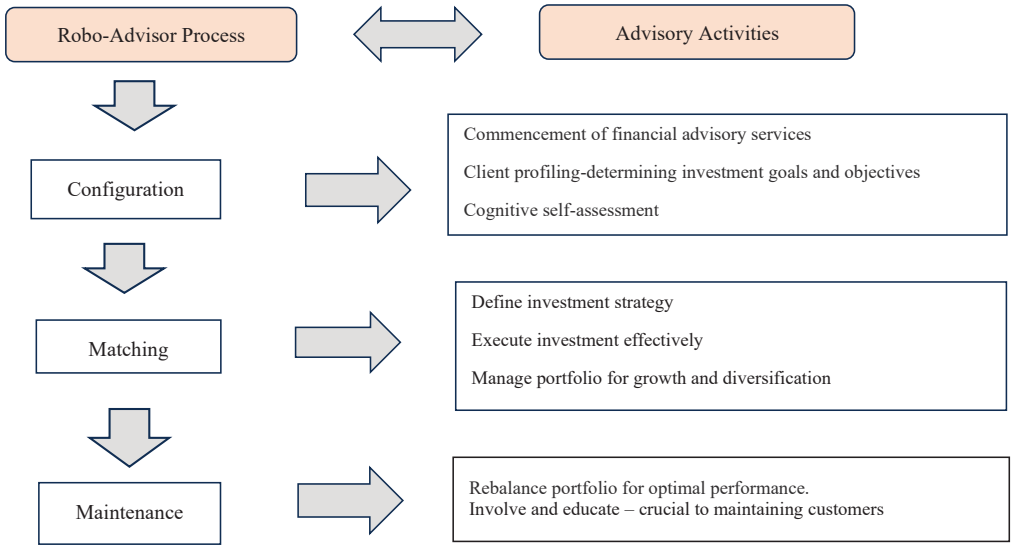


Figure 1. The flow chart of Robo-Advisors and its activities

Source: adapted from Jung et al. (2018), Cocca (2016), Sironi (2016).

The process of initiating financial advice, customer profiling, assessment, matching investment strategy, implementation, long-term portfolio visualization, money management, and portfolio maintenance – which includes monitoring, rebalancing, performance evaluation, and communication techniques – is depicted above in Figure 1. It emphasizes how robo-advisors play a part in carrying out these processes online. In investing robo advice, it is critical to comprehend and cater to investors' emotional requirements to maintain client loyalty and happiness. Robo advisers may adjust their tactics and solutions to meet these objectives using big data techniques to analyse investor emotions. This will improve the investor experience overall and increase trust in the business. A thematic analysis facilitates the interpretation

of essential factors influencing investor sentiment, enabling more efficient strategy optimization (Pattnaik et al., 2024).

2.4. Traditional Advisory Services vs. Robo

Robotic advisers are objective, accurate, quick, and efficient. Robo-advisers work constantly, unlike human advisors, who might be arbitrary, prone to mistakes, and time-consuming (Sabharwal et al.; 2018). Financial advisors may provide the same services, but not as often as robo-advisors can. The problem with these gadgets is that robo-advisors are impersonal. Unlike robo-advisers, human advisors can offer emotive guidance. Therefore, traditional financial counsellors and robo-advisors can coexist (Friedberg, 2018).

One possible advantage is the availability of robo-advisors around the clock over more conventional investing guidance. Lower net-worth clients are drawn to robo-advisors because of their lowered consultation costs and flexible scheduling (D'Acunto, Rossi, 2020; Horn et al., 2020; Rossi, Utkus, 2020b). They can also help investors create diverse investment portfolios and reduce behavioural biases, a prevalent problem with human advisers (Linnainmaa et al., 2020; Foerster et al., 2017; Inderst, Ottaviani, 2009). This is especially useful for investors who may not have access to private information. Because they adhere to predefined criteria, robo-advisors can reduce biases (D'Acunto et al., 2019).

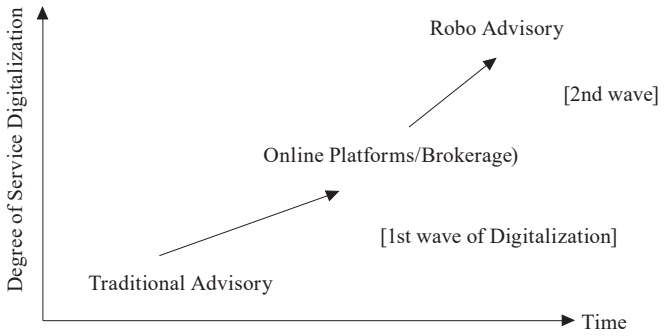


Figure 2. The growth of advisors from traditional to Robo-advisor

Source: Waliszewski, Zięba-Szklarska (2020).

As the above figure illustrates, significant events in the last several decades have sparked changes in financial advice services. Two separate phases of digitalization occurred in this industry: first, conventional financial advisers were replaced by online platforms, and then

robo-advisers took their place. The financial industry faces novel and demanding challenges, even in a positive macroeconomic climate. Industry trends toward the increased automation of financial activities result from technological breakthroughs and the need to remain profitable. Financial institution growth has also been made possible by loosening several necessary financial market restrictions. The increased need for and dependence on digital services across all aspects of consumers' lives means that digital transformation is no longer just a projection but an observable reality via the internet (Waliszewski, Zięba-Szklarska, 2020).

Robo-advisors have replaced traditional financial services to become the industry leader in wealth management. This change results from a new clientele with sophisticated digital abilities who want to actively manage their assets and get knowledge from many online resources (Shanmugaratnam, 2020; Sahu et al., 2023). The World Wide Web's emergence coincided with the continued progress of automation and digitization in investment and financial consulting. The ability of robo-advisory platforms to reach the underserved retail client sector with financial services sets them apart (Jung et al., 2018). Therefore, compared to traditional financial advising services, it can be claimed that robot advisors offer various options for prompt, lucid, and scientific assistance (Bhattacharyya, Bhattacharyya, 2022).

Robo advisers are more efficient than financial advisors in managing any size portfolio because of their exceptional speed in processing input data and flexibility in adjusting to changes in asset allocation. Additionally, when data is supplied, there is total transparency, robot advisors are generally more accountable, and the outcome is an objective result free from conflicts of interest. Last but not least, the one area in which robots fall short of human advisers is understanding personality features and goal priorities in the light of shifting conditions and timeframes. This understanding may not translate into input data that can be analysed further (Möwes et al., 2011).

Advisors should highlight their complete range of services, cut prices, provide cutting-edge technologies, and continue in-person meetings to keep customers. Developing trusting connections is essential, especially when dealing with urgent issues or inquiries. Advisors may need to reduce prices, add more technology, and provide individualized services to compete with robot advisors. Future prospecting for wealthy clients may benefit from automated advisers as complements (Leslie, 2018).

Robo-advisors differentiate themselves from traditional advising services on two conceptual levels: portfolio management for clients and client evaluation, as further explained and shown in the chart below (Jung et al., 2018). According to Jung et al. (2018) robo-advisors provide the main traits of financial services.

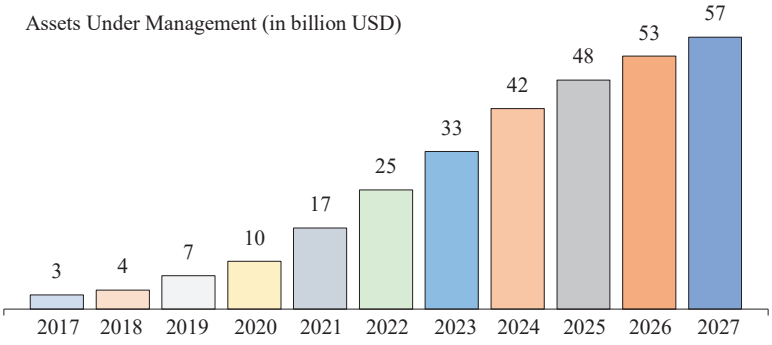
Table 3. Differentiation of Advising Services of Robo-advisors

Client evaluation		Portfolio management for customers	
Targeting Retail Clients as a Market	Automated Customer Profile Creation	Automated Investment Procedure	Investment Products That Are Passive
The target market is unaffected by real wealth	Self-reporting as a means of measuring a person's profile	Robotic advisors handle investing entirely automatically; no human labour is needed for portfolio administration or profiling	No actively managed financial instruments to cut expenses
No pre-selection or client screening procedure	Surveys to gauge a person's risk attitude	Quantitative optimisation forms the basis of asset allocation	Tools having an open cost structure

Source: Adapted from Jung et al. (2018), Bhattacharyya, Bhattacharyya (2022).

2.5. India's Anticipated Future for Robotic Advisory

According to Ken Research's report on India's financial planning industry, the country's financial advice market is expected to reach a remarkable size of ₹31,034 crore (US$4.1 billion) by 2024, demonstrating the sector's remarkable expansion. There are several important reasons for this increase. First, people now have more money to invest, thanks to the nation's booming economy, which has raised disposable income. Second, there has been a discernible increase in public financial knowledge, fuelled by several programs designed to advance financial literacy and the expanding availability of information. As a result, the significance of sound financial planning is becoming more widely recognized. Lastly, there is a rising need for professional help to effectively traverse the financial environment due to its complexity, typified by an extensive range of investment possibilities. These elements working together drive the financial advising



Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

Figure 3. The growth of the Robo-Advisor in India

Source: adapted from Fintoo (2023).

industry's explosive expansion in India and establish it as a significant force in the nation's changing financial scene (Intercool Studio, 2024).

The Indian robo-advisory market is expected to experience substantial expansion and diversification as it develops. In 2024, the market for robot advisors is anticipated to have US$19.76 billion in assets under management. Additionally, the AUM is anticipated to rise at a 9.21% annual rate (CAGR 2024–2027), reaching a projected total value of US$25.74 billion by 2027.

There is a wide range of participants in the Indian financial advice sector, creating a complicated ecosystem with much room for expansion. According to projections, the industry is expected to generate a whopping ₹52,230 crore (US$6.9 billion) in revenue by 2027. By 2023, the industry will employ over one lakh (100,000) registered financial advisers, demonstrating many financial advice experts. Furthermore, a significant increase in the clientele of financial advising businesses is anticipated, indicating a rising need for professional financial guidance among individuals. These figures highlight the substantial prospects in the Indian financial advice market. Furthermore, Ken Research provides an in-depth analysis of the KSA Fintech Market, providing projections through 2027 for those seeking deeper insights (Ken et al.,2022).

3. SWOT Analysis of Robo-Advisory

The study applies a methodological technique called "strengths-weaknesses-opportunities-threats," or SWOT analysis, as Helms and Nixon (2010) suggested, to analyse the complex market dynamics and strategic elements of the present robo-advisory sector. In order to simplify the complex components influencing motivation, this includes weighing the advantages and disadvantages of robo-advisors and considering outside factors represented by opportunities and threats. This SWOT analysis aims to showcase how robo-advice can revolutionize modern financial advisory services by objectively evaluating its advantages. Robo advisory services are examined using the SWOT analysis from both an international and Indian market perspective. Opportunities and threats differ by place, but strengths and limitations, such cost effectiveness and automation, are universal. Financial inclusion programs and an increasing number of tech savvy investors offer an opportunity in the Indian setting (Singh, 2023), while financial literacy gaps and changing rules present obstacles (Bhattacharyya, Bhattacharyya, 2022). Rapid financial digitalization and an expanding investor base create special prospects in the Indian setting; regulatory uncertainty and a lack of financial literacy are obstacles (Singh, 2023; Intercool Studio, 2024). Table 4 separates SWOT factors that are specific to India from those that are universal.

Table 4. The SWOT analysis of the Robo-Advisor

Strength	Weakness	Opportunities	Threats
– Lower costs and lower investment thresholds. – Benefit of tax loss harvesting. – Improved understanding of investing. – Automated rebalancing and algorithmic portfolio creation. – Reduction of affective decision-making	– The cost of investments is still high. – Possible conflicts of interest. – Insufficient evaluation of risk tolerance and absence of customization. – Lack of interpersonal communication. – Not fulfilling fiduciary duties	– Extensive accessibility to digital services. – Possibility of integration and standardization. – A focus on investing with goals. – Complementary function in addition to conventional advisors	– Competitive environment of the market. – Restricted acceptance by users. – Possible dangers to regulations. – Effects of negative markets and situations

Source: Bhattacharyya, Bhattacharyya (2022); Waliszewski, Zięba-Szklarska (2020); Jung, Glaser, Kopplin (2019).

According to Table 4, tax strategies and the reduction of emotional biases are two benefits of using robot advisory services, which also provide cost advantages, broad accessibility, and integration possibilities. High investment costs, possible conflicts of interest, and restrictions on risk assessment and customization continue to be issued, nevertheless. Market rivalry, user acceptability, legal issues, and susceptibility to downturns in the market are among the threats. Robo advisers must overcome these shortcomings, improve communication and customization, and negotiate regulatory environments to prosper and provide users with value and trust in both good and bad market situations.

3.1. Prospective Future Trends in Robotic Advisory

Robo-advisors take advantage of the widespread availability of digital services by focusing on younger, tech-savvy consumers who are progressively gaining ground in an expanding industry. They have the potential to enhance traditional advisers through partnerships or hybrid models, and they confront opportunities in standardizing and integrating increasingly complicated services, especially in goal-based investment. The changing scenario points to a move towards hybrid advisory methods, where robo and traditional services combine to effectively satisfy various investor objectives, even while issues like low AUM and high customer acquisition costs still exist (Jung et al., 2019).

Conclusions

To sum up, the dynamic field of financial advice, driven by digital technology and artificial intelligence, needs a sophisticated comprehension of the relationship between digital fluency, robo-advisory services, and financial literacy. This study emphasizes how crucial it is to understand how these variables affect investment decisions and the direction of finance. The Study has identified the benefits and drawbacks of robo-advisers compared to conventional financial advisors using a thorough SWOT analysis, emphasizing the revolutionary potential of this cutting-edge strategy. Though the robo-advisory space has advantages and disadvantages, there is still much-unrealized potential, indicating a move toward more dynamic and digitally-driven financial ecosystems.

Financial literacy, digital fluency, and robotic advisory services create a dynamic investing environment. As technology transforms the financial industry, maintaining a balance between innovation, accessibility, and education will be critical in promoting knowledgeable and capable investors.

The swift digitization of India's financial sector has increased to individual investors, primarily due to algorithm-driven robo-advisory services. Even though these services provide objective, easily accessible advice, security and inclusivity issues still exist. The ability to make sound financial decisions influences investing decisions, which makes it essential. Coexisting with traditional advisors is conceivable as the robo-advisory market expands, highlighting the necessity of embracing technology while upholding personalized services and trust. India is expected to see a boom in robo-advisory services as the country's use of digital finance grows. Nonetheless, financial literacy continues to play a crucial role in determining investment choices (Singh, 2023). Market adoption will be significantly shaped by regulatory frameworks, and it is imperative to guarantee security and inclusivity in digital investment platforms (Waliszewski, Zięba-Szklarska, 2020). This study offers insights into robo-advisory services while taking into account changes unique to India as well as global industry trends. India has special prospects due to growing digital literacy and financial inclusion, even though the benefits of automation, accessibility, and cost reduction are applicable globally (Intercool Studio, 2024).

The findings about investor trust, regulatory issues, and deficiencies in financial literacy are especially important for India, even if other emerging markets may face comparable difficulties. In order to improve market-specific strategies, future studies should investigate adoption patterns and regulatory frameworks relevant to different regions. The future of wealth

management in India appears bright overall, as the industry's income and assets under management are expected to grow significantly by 2027.

Driven by growing interest in digitization and the need to maintain competitiveness in service delivery, robo-advisory presents itself as a fascinating instrument with significant promise in the investment services space (Mrkývka, Šiková, 2023). Looking ahead, robo-advisory has several development prospects that it may use. The younger generation's reliance on electronics creates a fertile market for robo-advisors. Furthermore, goal-based investment may progress, allowing methods to be customized to fit specific periods, values, and goals. As Sironi (2016) points out, working with established financial institutions allows stand-alone robo-advisors to go from B2C to B2B2C models, opening up additional growth and market penetration opportunities.

The industry faces several impending difficulties. First, the landscape is marked by heightened rivalry, especially in Europe, where more than 70 different robo-advisors are vying for a market share (Schapiro, 2017). Second, people are still apprehensive about fully automated investing systems that do not involve human involvement. Third, the industry's practices might be threatened by regulatory scrutiny; groups like FINRA and the SEC have expressed concerns about them (SEC, 2015; Fein, 2016).

Future Research

The robo-advisory industry is growing, but it still needs to be determined if it can survive adverse market circumstances for the first time. Many questions remain about its architecture, application, and legal frameworks, highlighting how young the field of robo-advisory research is (Jung et al., 2018). The best way to create robo-advising interventions that meet different investor types' demands should be the subject of future investigation. Further research might look into whether the robo-advisory model must be customized to conform to other nations' unique economic and regulatory frameworks.

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