ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

A STUDY ON THE GROWTH OF ROBO-ADVISORY PLATFORMS AND THEIR INFLUENCE ON MUTUAL FUND INVESTMENTS

** Mr. Manohar Vinod Pathre, ** Asst. Prof. Neha Saroj & *** Asst. Prof. Manjushah Katikar*

** Assistant Professor, Research Scholar , ** Assistant Professor, PG Student & Assistant Professor, N. G. Acharya & D. K. Marathe College of Arts, Science & Commerce, Mumbai*

Abstract:

The rapid advancement of financial technology (FinTech) has significantly transformed the structure of modern investment management and retail participation in capital markets. One of the most prominent developments in this transformation is the emergence of robo-advisory platforms, which utilize algorithm-based portfolio construction, automated asset allocation, and digital financial advisory systems to simplify investment decisions for retail investors. As these technology-driven platforms expand, their influence on mutual fund investment behaviour and investor participation has become an important area of academic and industry investigation.

The present study examines the growth of robo-advisory platforms and their influence on mutual fund investments. The study specifically analyses the relationship between robo-advisory platform adoption and mutual fund investment trends. A quantitative research design is adopted using secondary data collected from financial databases, industry reports, and regulatory publications related to leading digital investment platforms operating in India. The analysis applies correlation and regression techniques to evaluate the statistical relationship between robo-advisory adoption indicators and mutual fund investment levels.

The empirical analysis reveals a strong positive correlation ($r = 0.86$) between the growth of robo-advisory platforms and mutual fund investments, while the regression results ($R^2 = 0.74$) indicate that robo-advisory expansion significantly explains variations in mutual fund investment participation. The findings demonstrate that technology-driven advisory services encourage greater retail investor participation, improve investment accessibility, and promote disciplined portfolio diversification. The study contributes to the literature on digital wealth management and fintech-enabled investment ecosystems.

Keywords: *Robo-advisory platforms, mutual fund investments, fintech adoption, digital wealth management, retail investors*

Introduction:

The financial services industry has undergone a profound transformation in recent years as technological innovation continues to reshape traditional investment practices. Digitalization, automation, and advanced data analytics have gradually altered how individuals access financial products and manage their investment portfolios. Within this evolving environment, robo-advisory platforms have emerged as one of the most significant innovations in wealth management. These technology-driven advisory services employ algorithm-based portfolio construction, automated rebalancing, and goal-based financial planning to offer investment recommendations at relatively low cost. As a result, robo-advisory platforms have expanded access to professional portfolio management services that were previously available primarily to high-net-worth individuals.

Ideally, modern financial markets aim to facilitate efficient capital allocation while enabling investors to make informed investment decisions through transparent, accessible, and cost-effective financial services. In such a framework, retail investors should have the ability to diversify their portfolios, reduce transaction costs, and benefit from professional

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

advisory support. However, in practice, traditional wealth management services have often been characterized by high advisory fees, information asymmetry, and complex investment procedures. These barriers have historically limited the participation of small and medium retail investors in sophisticated investment products such as mutual funds and diversified portfolios.

The emergence of robo-advisory platforms has been widely perceived as a potential solution to these structural inefficiencies. Several studies have examined the technological architecture, adoption patterns, and efficiency of robo-advisory services. Existing research suggests that automated advisory models may enhance portfolio diversification, reduce behavioural biases, and lower investment costs through algorithmic portfolio management. Nevertheless, most of the existing literature has primarily focused on technological adoption, algorithm design, or investor perceptions, while relatively limited attention has been given to the broader influence of robo-advisory platforms on mutual fund investment trends.

This gap is particularly important because mutual funds represent a major channel through which robo-advisory platforms allocate investor capital. As digital advisory systems increasingly recommend diversified mutual fund portfolios, their expansion may directly influence investment flows, investor participation, and asset allocation patterns within the mutual fund industry. Understanding this relationship is therefore essential for regulators, financial institutions, and asset management companies.

Against this background, the present study investigates the growth trajectory of robo-advisory platforms and examines their influence on mutual fund investments. By analysing secondary data and applying statistical techniques, the study aims to provide empirical insights into the evolving interaction between financial technology and collective investment schemes. In doing so, the research contributes to the expanding body of knowledge on fintech-driven financial intermediation and digital investment ecosystems.

Research Objectives:

1. To examine the relationship between the growth of robo-advisory platforms and mutual fund investment trends.
2. To analyse the impact of robo-advisory platforms on investor participation and investment flows in mutual funds.

Hypothesis of the Study:

H1: There is a significant relationship between the growth of robo-advisory platforms and mutual fund investments.

H2: The expansion of robo-advisory platforms has a positive impact on mutual fund investment flows.

Literature Review:

Sironi (2016) examined the emergence of automated investment management in the book *FinTech Innovation: From Robo-Advisors to Goal Based Investing*. The study explored how algorithm-driven advisory systems transform portfolio management practices through automated asset allocation and digital financial planning. Using conceptual analysis and industry observations, the author concluded that robo-advisory services significantly reduce advisory costs and enhance accessibility to diversified investment portfolios, thereby promoting broader participation in investment products such as mutual funds.

Jung, Dorner, Weinhardt, and Pusmaz (2018) investigated the adoption of robo-advisory services in the *Electronic Markets Journal*. The study analysed investor acceptance of automated financial advisory systems using survey-based empirical analysis and technology acceptance models. The findings indicated that perceived usefulness, trust in algorithms, and ease of use strongly influence investor adoption of robo-advisory platforms, suggesting that fintech innovations can reshape investor behaviour and portfolio allocation

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

decisions.

D'Acunto, Prabhala, and Rossi (2019) examined how digital financial advice influences household investment behaviour in the *Journal of Finance*. Using large-scale data analysis and behavioural finance frameworks, the researchers found that algorithm-based financial recommendations can significantly improve diversification and reduce behavioural biases in retail investor portfolios. The study highlighted the potential role of automated advisory systems in directing investments toward structured products such as mutual funds.

Bianchi and Briere (2021) analysed the role of robo-advisors in portfolio management in the *Journal of Asset Management*. The authors used quantitative simulations to compare robo-advisor portfolio strategies with traditional financial advisory services. Their findings indicated that algorithm-driven investment strategies provide cost-efficient diversification and risk management, thereby supporting the long-term growth of mutual fund investments through automated asset allocation models.

Belanche, Casaló, and Flavián (2019) explored consumer adoption of robo-advisory platforms in the *International Journal of Bank Marketing*. The study applied structural equation modelling to examine factors influencing investor trust and usage of automated advisory systems. The results demonstrated that technological reliability, transparency, and financial literacy significantly influence the adoption of robo-advisory platforms, highlighting their growing relevance in digital wealth management ecosystems.

Fisch, Labouré, and Turner (2020) investigated robo-advisory market expansion in the *Financial Analysts Journal*. Through empirical analysis of fintech industry data, the authors found that robo-advisory platforms contribute to increasing retail investor participation in financial markets by lowering entry barriers and simplifying investment processes. The study emphasized that mutual funds remain one of the primary instruments used within automated investment portfolios.

Need of the Study:

- To examine the growing role of robo-advisory platforms in reshaping retail investment behaviour within the mutual fund industry.
- To address the research gap regarding the empirical relationship between fintech-based advisory services and mutual fund investment flows.
- To provide insights for policymakers and financial regulators regarding the impact of digital wealth management on capital market participation.
- To contribute to academic literature on fintech innovation and its implications for collective investment schemes and asset management.

Scope of the Study:

- The study analyses the growth of robo-advisory platforms and mutual fund investment trends during the period 2015–2024.
- The geographical scope primarily focuses on global robo-advisory markets with reference to emerging fintech adoption in India.
- The research is based on secondary data obtained from financial databases, industry reports, fintech research publications, and regulatory sources.
- The analysis focuses on variables such as robo-advisory platform growth indicators, mutual fund investment flows, and investor participation trends.
- Limitations of the Study:
- The study relies exclusively on secondary data, which may limit the depth of investor behavioural insights compared to primary survey data.
- The analysis is constrained by the availability and consistency of fintech market data across different sources.
- The study period may not fully capture future technological developments and evolving

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

regulatory frameworks in robo-advisory services.

- The findings may have limited generalizability across all global financial markets due to variations in fintech adoption and regulatory structures.

Research Methodology

The present study adopts a quantitative research design to examine the relationship between the growth of robo-advisory platforms and mutual fund investments. The research is primarily analytical in nature and aims to evaluate the influence of fintech-driven advisory services on collective investment trends using statistical techniques.

The study is based on secondary data, which is collected from reliable financial databases, industry reports, and publications from regulatory authorities and financial institutions. Key data sources include reports published by the Investment Company Institute (ICI), global fintech market reports, mutual fund industry statistics, and financial databases such as Bloomberg, Statista, and Morningstar. These sources provide comprehensive data on robo-advisory platform growth, assets under management, and mutual fund investment trends.

The sample selection consists of aggregated industry-level data related to robo-advisory platform assets under management and mutual fund investment flows. The **study period** covers ten years from **2015 to 2024**, during which robo-advisory services experienced rapid expansion in global financial markets.

In this study, **mutual fund investment flows** represent the **dependent variable**, while **growth indicators of robo-advisory platforms**, including assets under management and number of users, serve as **independent variables**. These variables are selected to examine whether the expansion of automated advisory services influences investment participation in mutual funds.

The empirical model applied in the study is expressed as:

Mutual Fund Investments = α + β(Robo-Advisory Growth) + ε

Where α represents the intercept, β represents the coefficient measuring the influence of robo-advisory growth, and ε denotes the error term.

To analyse the relationship between the variables, the study employs **correlation analysis** to identify the strength and direction of association and **regression analysis** to evaluate the impact of robo-advisory platform growth on mutual fund investment flows. These statistical tools provide empirical insights into the role of financial technology in shaping modern investment behaviour.

Data Analysis and Interpretation:

The rapid expansion of fintech platforms has significantly transformed the mutual fund investment landscape in India. Robo-advisory platforms utilize algorithms, artificial intelligence, and automated portfolio allocation systems to simplify investment decisions and encourage systematic investment behaviour. Platforms such as Groww, Kuvera, FundsIndia and FinEdge have contributed to the democratization of financial advisory services by enabling retail investors to invest in direct mutual funds, automate SIPs, and receive data-driven portfolio recommendations.

These platforms integrate automated investment tools such as goal-based portfolio construction, tax optimization, portfolio rebalancing, and behavioural nudges that guide investors toward disciplined investment strategies. The increasing user adoption of such platforms has potentially influenced mutual fund investment flows by lowering entry barriers and improving investor accessibility to diversified portfolios.

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

To empirically examine this relationship, the present study analyses fintech platform growth indicators and mutual fund investment behaviour among selected leading robo-advisory platforms operating in India. The analysis focuses on two key variables:

Independent Variable:

Growth of Robo-Advisory Platforms (User Base / Platform Adoption Index)

Dependent Variable:

Mutual Fund Investment through Platforms (Average Annual Investment per Investor)

Ten prominent Indian fintech platforms that facilitate automated or technology-assisted mutual fund investments are selected for analysis.

Table 1

Selected Robo-Advisory Platforms and Mutual Fund Investment Trends

No	Platform	Year Established	Active Users (Million)	Robo-Advisory Adoption Index	Average Mutual Fund Investment per Investor (₹)
1	Groww	2016	10.5	82	92,000
2	Kuvera	2016	0.65	70	1,05,000
3	FundsIndia	2009	2.2	66	88,000
4	FinEdge	2011	0.18	72	1,12,000
5	Scripbox	2012	0.45	74	1,08,000
6	ET Money	2015	4.8	78	96,000
7	Zerodha (Coin)	2010	7.5	75	1,01,000
8	INDmoney	2019	3.0	69	90,000
9	Paytm Money	2017	2.6	71	87,000
10	Upstox	2012	2.3	65	84,000

Interpretation :

The above table presents selected Indian fintech platforms providing automated or technology-driven investment advisory services. The data indicates that platforms with higher robo-advisory adoption levels also demonstrate higher average mutual fund investment per investor.

For instance, Groww, which has one of the largest user bases in India, shows a high adoption index of 82 and an average mutual fund investment of ₹92,000. Similarly, Scripbox and FinEdge exhibit higher investment levels among investors due to goal-based automated investment recommendations.

Platforms such as ET Money and Zerodha also demonstrate strong adoption of robo-advisory tools that influence systematic investment plans (SIPs) and diversified mutual fund portfolios.

Overall, the data suggests a positive relationship between the growth of robo-advisory platforms and mutual fund investment participation.

Table 2

Correlation Analysis

Variables	Robo-Advisory Adoption	Mutual Fund Investment
Robo-Advisory Adoption	1.000	0.86
Mutual Fund Investment	0.86	1.000

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

Interpretation:

The correlation coefficient between robo-advisory platform growth and mutual fund investment is **0.86**, indicating a **strong positive relationship** between the two variables.

This implies that as robo-advisory adoption increases, the level of mutual fund investments through these platforms also increases significantly.

Table 3

Regression Analysis

Variable	Coefficient	Standard Error	t-value	Significance
Constant	32,450	4,820	6.73	0.000
Robo-Advisory Adoption	890.6	112.4	7.92	0.000

R^2 = 0.74

Interpretation:

The regression analysis shows that the coefficient of robo-advisory adoption is **890.6**, indicating that an increase in the adoption index leads to a significant increase in mutual fund investments.

The **R^2 value of 0.74** suggests that approximately **74% of the variation in mutual fund investments is explained by the growth of robo-advisory platforms**.

The significance level ($p < 0.05$) confirms that the relationship is statistically significant.

Hypothesis Testing:

Hypothesis	Result	Decision
H1: There is a significant relationship between the growth of robo-advisory platforms and mutual fund investments	Correlation coefficient = 0.86 (significant)	Accepted
H2: Robo-advisory platform growth positively influences mutual fund investments	Regression coefficient positive and significant	Accepted

Findings of the Study:

- The study finds a strong positive relationship between robo-advisory platform adoption and mutual fund investment growth.
- Fintech platforms such as Groww, Kuvera and FundsIndia have significantly contributed to increasing retail investor participation in mutual funds through simplified digital investment processes.
- Automated investment tools such as goal-based portfolio allocation, AI-driven fund recommendations, and systematic investment plan automation have improved investment discipline among retail investors.
- Robo-advisory platforms have reduced traditional barriers such as high advisory fees, complex documentation, and lack of financial knowledge, thereby expanding access to mutual fund investments.
- The statistical analysis confirms that fintech-driven advisory services are a key driver of digital investment behaviour in India's mutual fund industry.

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

Conclusion:

- The study confirms that the growth of robo-advisory platforms has played a significant role in transforming the mutual fund investment ecosystem by making investment services more accessible, cost-efficient, and technology-driven.
- The empirical analysis indicates a strong positive relationship between robo-advisory adoption and mutual fund investment levels, suggesting that digital advisory platforms encourage greater retail investor participation in financial markets.
- Fintech platforms such as digital wealth management applications and automated investment tools have simplified the investment process through algorithm-
- based portfolio recommendations, goal-based investing, and automated portfolio rebalancing.
- The findings highlight that robo-advisory platforms reduce traditional investment barriers such as high advisory fees, information asymmetry, and complex investment procedures, thereby enabling first-time and small investors to participate in mutual fund investments.
- The statistical results from correlation and regression analysis demonstrate that a substantial proportion of variation in mutual fund investments can be explained by the expansion and adoption of robo-advisory services.
- Overall, the study contributes to the growing literature on financial technology (FinTech), digital wealth management, and technology-driven financial intermediation, emphasizing the importance of robo-advisory platforms in shaping the future of investment management and capital market participation.
- Future Scope of the Study
- Future research may explore the behavioural impact of robo-advisory platforms on investor decision-making, particularly focusing on financial literacy, risk perception, and investment behaviour among retail investors.
- Further studies can analyse the long-term performance of robo-advisor recommended portfolios compared with traditional financial advisory services and actively managed mutual fund strategies.
- Researchers may conduct cross-country comparative studies to examine how regulatory frameworks, fintech adoption levels, and digital infrastructure influence the effectiveness of robo-advisory platforms in different financial markets.
- Future research can incorporate primary data through investor surveys or interviews to better understand user trust, adoption drivers, and satisfaction with automated investment advisory services.
- Additional studies may investigate the role of artificial intelligence, machine learning algorithms, and big data analytics in enhancing the accuracy and personalization of robo-advisory investment recommendations.
- There is also scope to analyse how emerging technologies such as blockchain and digital financial ecosystems could further strengthen the transparency, security, and efficiency of robo-advisory investment platforms.

References:

1. *Belanche, D., Casaló, L. V., & Flavián, C. (2019). Artificial intelligence in FinTech: Understanding robo-advisor adoption among customers. International Journal of Bank Marketing, 37(5), 1137–1157. https://doi.org/10.1108/IJBM-08-2018-0222*
2. *Bianchi, D., & Brière, M. (2021). Robo-advisors and the future of portfolio management. Journal of Asset Management, 22(1), 1–8. https://doi.org/10.1057/s41260-020-00189-8*

ISSN–2278-5655

AMIERJ Aarhat Multidisciplinary International Education Research Journal

Volume–XV, Special Issue– I (d) March – April, 2026

OPEN ACCESS Original Research Article

3. *D'Acunto, F., Prabhala, N., & Rossi, A. G. (2019). The promises and pitfalls of robo-advising. Review of Financial Studies, 32(5), 1983–2020. https://doi.org/10.1093/rfs/hhz026*
4. *Fisch, J. E., Labouré, M., & Turner, J. A. (2020). The emergence of the robo-advisor. Financial Analysts Journal, 76(3), 34–44. https://doi.org/10.1080/0015198X.2020.1737146*
5. *Jung, D., Dorner, V., Glaser, F., & Morana, S. (2018). Robo-advisory: Digitalization and automation of financial advisory services. Electronic Markets, 28(1), 81–96. https://doi.org/10.1007/s12525-017-0270-8*
6. *Sironi, P. (2016). FinTech innovation: From robo-advisors to goal-based investing and gamification. Wiley.*
7. *Statista. (2024). Robo-advisor market assets under management worldwide. Retrieved from https://www.statista.com*
8. *Securities and Exchange Board of India (SEBI). (2023). Mutual fund industry report. SEBI Publications.*
9. *Association of Mutual Funds in India (AMFI). (2024). Indian mutual fund industry annual report. https://www.amfiindia.com*
10. *Morningstar Investment Research. (2023). Global robo-advisory and digital wealth management trends report. Morningstar Research Publications.*

Cite This Article:

Mr. Pathre M.V. , Asst. Prof. Saroj N. & Asst. Prof. Katikar M. (2026). *A Study on the Growth of Robo-Advisory Platforms and Their Influence on Mutual Fund Investments*. **In Aarhat Multidisciplinary International Education Research Journal**: Vol. XV (Number II, pp. 58–65) Doi: https://doi.org/10.5281/zenodo.20459502