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The Current State of the Robo-Advisor Industry in South Korea: A SWOT Analysis

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Abstract

This paper examines the evolving landscape of the Robo-Advisor industry in South Korea and enhances understanding of its strengths, weaknesses, opportunities, and threats through a qualitative research approach. Drawing on a systematic literature review and semi-structured interviews with industry experts, the study captures both the broader industry environment and the perspectives of key decision-makers. A preliminary SWOT analysis based on public data, media sources, and academic literature informs the development of interview guidelines covering themes such as infrastructure and market entry, profitability and trust, growth frontiers, and governance and competition. The next stage is planned to conduct a series of interviews involving interview participants, selected from senior positions across financial, technological, and regulatory sectors, to provide in-depth insights into industry dynamics. The findings will offer a comprehensive overview of the current state of the Robo-Advisor industry in South Korea. This study serves as a progress report for a broader research agenda, contributing to both information systems scholarship and industry practice.

Keywords: Robo-Advisor, SWOT analysis, infrastructure and market entry, profitability and trust, growth frontiers, governance and competition

Introduction

The application of information technology has gained significant interest in the financial industry. As such, FinTech (Financial Technologies) has played a major role in disruptive innovation within the industry and beyond. It utilized innovations in the Internet, blockchain, big data, 5G, cloud and edge computing, and artificial intelligence (AI) (Mei 2022), enabling the creation and efficiency of financial services in the industry. A noteworthy FinTech among them is Robo-Advisor. It emerged after the 2008 financial crisis, during which traditional financial institutions experienced diminishing trust (Salo, 2017), advising investors for optimum portfolio allocations via automated predictive algorithms without human interaction (Boreiko & Massarotti, 2020). It has been hugely successful, as indicated in the estimation of its global market size of USD 6.61 billion in 2023 and a projected compound annual growth rate (CAGR) of 30.5% from 2024 to 2030 (Grand Review Research, 2023).

Despite this rosy perspective, the process of industry transformation using Robo-Advisor tools was not seamless. The willingness to try Robo-Advisors dropped a few times over the course (Reuba, 2017), and some experts expressed concerns with Robo-Advisors, noting that the embedded technology does not live up to the hype and that Robo-Advisors are more about process automation than AI (Nanalyze, 2016). Furthermore, the environment for Robo-Advisors substantially varies from country to country (CBInsights, 2017), depending on technological tool adoption, financial literacy, regulatory structures, economic conditions, and the characteristics of the financial industry.

Thus, it is challenging to render the exact landscape of the Robo-Advisor industry in each country, considering the multifaceted and dynamic nature of environmental factors. This paper aims to survey the current state of the Robo-Advisors industry in South Korea and deepen understanding of the wide range of strengths, weaknesses, opportunities, and threats, utilizing a systematic literature review and interviews with industry experts in South Korea. Adopting the interview approach and SWOT analysis, this manuscript is structured as follows. The next chapter overviews Robo-Advisors and their adoption in South Korea. The subsequent chapter addresses the theoretical underpinnings of the overall research design.

Literature review

The generations of Robo-Advisors

Robo-Advisor does not represent a single type of technology at its core, as there have been multiple generations of Robo-Advisor, each with a vastly different set of features (INSART, 2025); The first generation features Web questionnaire-based customization where customers are offered customized product proposals or portfolio allocations, making human advisors play a critical role.

The second generation comes with a set of dedicated tools that enable financial advisors to manage risk-based portfolio allocation or rebalancing, making the procedure semi-automatic, as human advisors still oversee the investment algorithm. The third generation emerged with embedded algorithms, limiting human involvement to a minimum, where human advisors are involved with final oversight and approval only.

The recent generation is equipped with AI, promising fully automated investing processes. The emergence of Natural Language Processing models represents a significant stage in the evolution of Robo-Advisors services, marking the integration of artificial intelligence and chatbot interfaces into the delivery of automated financial advice. With the introduction of Natural Language Processing, the user interface is transformed to accommodate conversational interaction (Lopez-Martinez & Sierra, 2020). Companies such as Moody's, NetOwl, etc., used high-end sentiment analysis via NLP technology to examine market sentiment by collecting data from news stories and social media (Siyongwana, 2022). The era of AI has further observed deep learning algorithms, explainable AI, and hybrid models (Abbas 2024). A series of Robo-Advisors with deep-learning models has emerged and redefined the industry since 2019, offering timely solutions and customized recommendations (Tiberius et al., 2022). Algorithms like Long Short-Term Memory (LSTM) neural networks (Sahoo et al., 2019), specialized in time series data processing, were used to create dynamic investment strategies, enhancing accuracy and speed. It is expected that generative AI, quantum computing, and blockchain will be the core of the future generation (Abbas, 2024).

Benefit and Trust

It is well-documented that cost savings due to a high degree of automation are the primary benefit of adopting Robo-Advisors (Ngo-Ye et al., 2018). However, cost-cutting without offering proper investment expertise hampers its adoption (Ngo-Ye et al., 2018). Recent developments in AI provide highly dynamic and robust options by analyzing an unprecedented array of data and relevant factors. Surpassing human capability in performance will eventually address such concerns (Grant, 2024).

Studies noted that "transparency through a consolidated user interface is another key dimension to be considered" (Salo, 2017) as transparency allows users to understand the relevant circumstances as a whole (Ngo-Ye et al., 2018). Without a clear understanding of how AI models work, understandable rationales for investment are considered in the black and cannot be trusted. Consumers are concerned about how

"black-box" AI models work (Hassija et al., 2024), and there exists a trust gap between AI and consumers (Abbas et al., 2023). As such, hybrid models that combine humans and AI are becoming more popular (Gnewuch et al., 2024), addressing concerns relevant to transparency and trust. The investment in hybrid systems showcased the industry's acknowledgement that a human component is critical in some parts of the financial planning equation (Abbas, 2024). Both investment expertise and transparency play a crucial role in trustworthiness and, hence, the adoption of Robo-Advisors.

Robo-Advisors in South Korea

Within just a few years since the Robo-Advisor services were introduced to the South Korean financial market in 2016, subscribers surpassed 380,000 (Lee, 2021). However, as the Robo-Advisors market in South Korea is still in the infant stage, empirical studies surveying a variety of topics on the South Korean Robo-Advisors market are still scarce, besides a few exceptions, which mainly focus on the current status of the market or the aspects relevant to the service vendor strategies. One study surveyed the Robo-Advisor market in South Korea. It concluded that the regulatory and supervisory system largely lacks clarity and requires a complete overhaul so that the Robo-Advisor algorithms are well understood by the customers and the overall business model is clearly explained (Lee, 2021). The other study investigated the factors affecting the selection of Robo-Advisor products and illustrated that needs, convenience, cost, and communications are critical dimensions in this order (Woo et al., 2023). One aspect worth noting is that the performance in asset management did not bring in more Robo-Advisors users as service accessibility plays a critical role (Lee, 2021).

South Korea's Robo-Advisor industry provides a compelling illustration of how a localized cultural and behavioral ecosystem can reshape a globally standardized financial technology. While foundational automated wealth management algorithms—originally developed in Western markets by platforms such as Betterment and Wealthfront—emphasize passive, long-term index investing (Liu, 2020), the South Korean market has evolved along a markedly different trajectory.

A distinctive feature of Korea's financial landscape is the highly active and speculative orientation of retail investors, often referred to as "Ants" (Gaemi). Driven by strong aspirations for rapid wealth accumulation, these investors frequently exhibit pronounced behavioral biases, including overconfidence, momentum trading, and herd behavior (Kim & Han, 2025). As a result, retail participation is heavily concentrated in high-volatility domestic technology stocks, speculative overseas instruments (often described as the "West Ants" phenomenon), and cryptocurrencies. In contrast, conventional Western Robo-Advisor models are built around low-cost, passive "set-and-forget" portfolios primarily composed of global ETFs (Liu, 2020). This inherently conservative and long-horizon investment philosophy often diverges from the more active and sentiment-driven preferences observed in the Korean retail market.

To remain relevant, Robo-Advisor services in South Korea have therefore adapted beyond purely passive allocation strategies. This adaptation is further reinforced by the country's "pali-pali" culture, which prioritizes speed, immediacy, and efficiency in service delivery. Supported by near-universal smartphone penetration and world-leading digital infrastructure, Korean users increasingly expect onboarding, execution, and portfolio allocation to occur almost instantaneously.

This limited tolerance for multi-step or friction-heavy financial processes has constrained the growth of standalone Robo-Advisor platforms in the domestic market. Instead, the industry has increasingly converged around fintech super-app ecosystems such as Toss and Kakao Pay Securities (Kim & Han, 2025). By embedding Robo-Advisor functions within established digital wallet and messaging platforms, these services enable near-instant risk profiling and capital allocation without requiring users to switch applications, thereby aligning closely with prevailing cultural expectations for seamless and rapid digital execution.

Considering the diverse factors involving the adoption of Robo-Advisors in South Korea, the present study explores the Strengths, Weaknesses, Opportunities, and Threats faced by Robo-Advisor services in the South Korean market.

Methodology

Interview

Interviews are considered a key methodology in the social sciences and management when involving individuals who are often difficult to reach. This study adopts a qualitative research approach based on interviews with industry experts and elites. It has benefits, including the potential to solicit information that is novel and insightful about the industry environment, their motivations, and decisions (Natow, 2020).

Expert and Elite

An expert is any person who has specialized information on or who has been involved in the political or social process of interest (Dexter, 2006), including academics, practitioners, political elite, managers, or any other individuals with specialized experience or knowledge (Maestas, 2018). Although conceptually related, elite interviews are grounded in a status-oriented approach, concentrating on individuals situated at the highest levels of social, political, or organizational structures, such as CEOs and boards of directors who “occupy top positions in social and political structures” and “exercise significant influence over social and political change” (Collins and Evans, 2007). Thus, for most research objectives, the selection of expert interview partners should be problem-oriented and centered on relevant expertise rather than status. That said, expertise and elite status may intersect, as some individuals possess both specialized knowledge and elite standing (Von Soest, 2023).

Quality Criteria

A substantial body of literature exists on qualitative research broadly and interviewing specifically, encompassing a variety of philosophical and practical considerations. This literature addresses, among other topics, various forms of qualitative interviewing (Roulston and Choi, 2018), the practical challenges and limitations of interview design and execution (Langley and Meziani, 2020), and alternative criteria for evaluating qualitative research quality (Pratt et al., 2020).

Richness is a central quality criterion of interview data (Ma et al., 2021), as the breadth and depth of interviewees’ experiences, perspectives, and contexts significantly affect the quality of qualitative research (Kvale and Brinkmann, 2009; Ritchie et al., 2013; Rubin and Rubin, 2011). Authenticity is another essential dimension supporting high-quality qualitative research (Ma et al., 2021), as it relies on the collection of reliable and genuine information (Kvale and Brinkmann, 2009; Rubin and Rubin, 2011). Together, these dimensions enable “deeper, fuller conceptualizations of subjects’ lives we are most interested in understanding” (Miller and Glassner, 1997).

Expert interviews

There are some caveats to be considered for this approach, though. Expert interviews are particularly valuable when other forms of data are unavailable (Von Soest, 2023). Broad questions, such as the prospects of an entire industry (e.g., Robo-Advisor services), cannot be readily addressed through experimental or

statistical analyses, especially when the number of observations is limited. Second, expert interviews offer an effective means of complementing experimental findings by providing insights into how decisions are made in practice (Fu and Simmons, 2021). Third, they enable researchers to elicit context-specific information that is often not publicly accessible; such qualitative insights are especially useful for interpreting turbulent environments in which infant industries begin to emerge (Von Soest, 2023). We believe that expert interviews constitute an appropriate methodology for addressing the research questions posed in this study.

Research Design

Following Ma et al. (2021), two dimensions of expert interview research design are considered. The first dimension distinguishes between individual-based and firm-based designs, allowing researchers to choose whether interviews focus on individual experts or on experts representing specific organizations. The second dimension differentiates between serial and one-off interviews. Serial interviews, involving repeated encounters, facilitate trust building and enable researchers to capture temporal developments. Together, these dimensions yield four types of research design (Ma et al., 2021). The first type of research design, “individual-based, one-off” interviews, typically focuses on members of a specific group of business elites. This design is particularly well-suited to identifying prominent patterns of action, experience, and narrative across an elite group and involves conducting interviews based on shared roles or group membership, such as company directors or board members (Ma et al., 2021). The second type of design, “individual-based, serial” interviews, differs from the first in that interviews are conducted repeatedly over time (Ma et al., 2021). This repetition enables researchers to trace changes and developments in interviewees’ narratives over the course of the research process. The third and fourth types of research design focus more strongly on firm-level phenomena (Ma et al., 2021) and are therefore not considered in this study, as the emphasis here is on an industry-level perspective. As the present study aims to capture a snapshot of the overall status of the Robo-Advisor industry, the “individual-based, one-off” interview design is considered the most suitable and is therefore adopted.

A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is particularly well suited for examining the socio-technical ecosystem of Robo-Advisors because it provides a structured framework for evaluating the technological, organizational, market, regulatory, and societal factors that collectively shape the industry's development. Robo-advisors operate within a complex socio-technical environment in which technological innovation interacts with investor behavior, institutional arrangements, regulatory frameworks, and broader market dynamics. Technology-centered evaluation approaches often focus primarily on technical performance and system capabilities while overlooking the wider contextual factors that influence adoption and success. SWOT analysis addresses this limitation by facilitating a comprehensive assessment of both internal factors, such as platform capabilities and operational challenges, and external factors, including market opportunities, regulatory developments, and competitive pressures. As a result, it offers a holistic perspective on the multifaceted environment in which Robo-Advisors services evolve and compete.

As a semi-structured format with predefined topics and pre-formulated questions is considered desirable for expert interviews (Tansey, 2007), this research first conducts a SWOT analysis based on publicly available data, published media sources, and research articles to develop interview guidelines. The SWOT analysis constitutes the initial phase of the research and provides the foundation for the development of interview questions. This manuscript reports the findings of the SWOT analysis and presents the resulting interview protocol. The subsequent phase of the study will involve conducting expert interviews, analyzing the data obtained, and reporting the findings. The authors acknowledge the use of generative AI tools for

assistance in editing portions of the manuscript to enhance readability (ChatGPT) and in analyzing the literature (NotebookLM). The authors utilized NotebookLM to assist in identifying relevant literature and conducting a preliminary review of the collected materials. All sources and references were independently verified by the authors for accuracy and appropriateness. The subsequent analysis, interpretation, and synthesis of the literature were performed entirely by the authors.

SWOT Analysis

Strengths

South Korea benefits from world-class technological infrastructure and is ranked fifth globally in emerging technologies (Belfer Center, 2025). This position is supported by advanced information and communication technology infrastructure, globally leading internet speeds, government-led digital transformation initiatives, the presence of major technology firms, and a highly tech-savvy population (International Trade Administration, 2024). Such advanced technological infrastructure has enabled Robo-Advisor services to be integrated into dominant digital platforms such as Kakao Pay and Toss, both of which maintain large existing user bases (InnReg, 2026). This integration allows for substantially lower customer acquisition costs—typically ranging from USD 5 to 15—compared with USD 150 to 350 for traditional banks (YouYaa, 2024).

The South Korean Robo-Advisor industry is shaped significantly by a rigorous regulatory framework administered by the Financial Services Commission (FSC). South Korea requires a dedicated “Testbed” verification process operated by Koscom. Under this system, algorithms must undergo a structured sequence of simulation and live testing to obtain classification as an “electronic investment advice device” under the Financial Investment Services and Capital Markets Act (FSCMA) (Chambers and Partners, 2025). This procedure ensures that algorithms satisfy stringent standards related to stability, risk management, and consumer protection, thereby fostering greater public confidence in the reliability and robustness of the underlying technology.

Another strength of the South Korean Robo-Advisor industry is the explosive growth of the domestic Exchange-Traded Fund (ETF) market, whose Net Asset Value (NAV) increased 44% in 2024 (Korea Capital Market Institute, 2025). It provides the critical infrastructure for Robo-Advisors as they rely on the liquidity, transparency, and low cost of ETFs to build diversified global portfolios for retail clients (Korea Capital Market Institute, 2025).

Last but not least, South Korea stands out as the only country to have achieved a dramatic surge in global AI adoption, with cumulative growth exceeding 80% since October 2024—substantially surpassing the global average (Microsoft AI Economy Institute, 2026). This environment provides an ideal foundation for the widespread acceptance of AI-based Robo-Advisors.

Weaknesses

The South Korean Robo-Advisor industry is intensely competitive among more than twenty-five active players and is in the stage of price wars, with average management fees projected to drop to 0.4% from 0.75% (Ken Research, 2025a). This puts significant pressure on the profitability and sustainability of Robo-Advisor providers. This challenge is further intensified by the high costs associated with implementation and ongoing maintenance, particularly for advanced AI and cybersecurity infrastructure, which can average approximately USD 1.2 million per project (Ken Research, 2025b).

Despite the rigorous regulatory framework administered by FSC to enhance public confidence, approximately 65% of consumers remain concerned about sharing personal financial data with automated platforms, primarily due to fears of data breaches and the perceived “black box” nature of AI systems (Ken Research, 2025a). This trust deficit may hinder both user adoption and retention, presenting a substantial challenge for Robo-Advisory services seeking to establish and sustain a loyal customer base within a highly competitive market (Ken Research, 2025a).

Finally, limited financial literacy among certain retail investor segments may foster unrealistic expectations regarding returns and contribute to dissatisfaction during periods of market volatility (Ken Research, 2025a).

Opportunities

There are four primary opportunity areas. First, the introduction of a regulatory sandbox allows Robo-Advisor firms to offer discretionary management for individual retirement pension accounts (Korea Capital Market Institute, 2025). This development marks a shift from advisory-only services, enabling algorithms to rebalance Individual Retirement Pension (IRP) accounts without requiring explicit investor consent for each transaction. The ability to deliver “customized investment allocation using AI” is considered a central advantage, as it allows for portfolio construction that reflects individual risk profiles while reinforcing the long-term investment discipline necessary for retirement accumulation (ChosunBiz, 2026).

Second, the senior population tends to expect superior investment performance from financial AI services, such as Robo-Advisors, relative to human advisors. This view is more prevalent among seniors than among other generations. Notably, 50.7% of individuals in the top 20% of financial asset holders expressed positive expectations regarding AI performance, citing easier access than professional advisory services and faster responsiveness to market conditions as key advantages (Maeil Business Newspaper, 2025).

Third, there is a substantial opportunity for Robo-Advisors to serve South Korea’s underbanked population, which numbers approximately 12 million individuals. By providing low-cost, tailored investment solutions to this segment, firms can access a previously underserved market, potentially expanding both their customer base and assets under management (Research and Markets, 2023). The average management fee for Robo-advisor services in South Korea was approximately 0.75% in 2023 and is projected to decline to 0.4% due to intense industry competition and ongoing price-based competition (Research and Markets, 2023). Although the literature does not provide a single benchmark fee for traditional human-led wealth management services, conventional models are generally associated with higher costs, including sales loads and distribution fees, which Robo-Advisor platforms and publicly offered investment products seek to reduce or eliminate. In addition, Robo-Advisors typically emphasize lower-cost investment vehicles, such as exchange-traded funds (ETFs), in portfolio construction, thereby reducing the overall expense ratio borne by investors (Research and Markets, 2023).

Finally, Korean Robo-Advisor technology is being exported globally to accelerate AI asset management internationally. Standalone Robo-Advisors, such as Qraft Technologies and Fount, have increasingly pursued B2B partnerships to achieve greater scale. Headquartered in Seoul, Qraft secured a \$146 million investment from SoftBank Group in 2022 to accelerate its AI expansion. The company provides B2B AI solutions for global asset managers, including data processing, investment strategy development, and order execution. Notably, its collaboration with Hana Life Insurance produced the world’s first comprehensive suite of AI-powered variable life insurance products, highlighting the industry’s capability to integrate AI into complex insurance offerings (Business Wire, 2022; Business Wire, 2024).

Threats

The primary threats can be categorized as follows: emerging AI governance standards, stringent privacy regulations, competition from established incumbents, and systemic risks associated with algorithms and market dynamics.

The transition toward discretionary management of Individual Retirement Pension (IRP) accounts represents a significant turning point in the South Korean Robo-Advisor industry, transforming the technology from a passive advisory tool into an autonomous investment decision-making agent. However, this development also introduces two important sources of risk: legal challenges and trust-related concerns. Granting algorithms the authority to execute trades on behalf of investors necessitates robust frameworks for accountability, transparency, and risk management. At the same time, trust remains a critical barrier to the widespread adoption of discretionary services, as increased algorithmic autonomy may heighten consumer concerns regarding control, reliability, and responsibility for investment outcomes.

As the industry enters 2025, regulatory attention has broadened to encompass the overall governance of artificial intelligence. On January 21, 2025, the National Assembly enacted the Framework Act on the Advancement of Artificial Intelligence and the Establishment of a Foundation for Trust (commonly referred to as the AI Basic Act), which takes effect on January 22, 2026 (Park et al., 2025). This legislation is particularly significant for Robo-Advisors, as it establishes the concept of “high-impact AI”—systems that can substantially affect human life, safety, or fundamental rights—including AI applications in loan screening and potentially advanced investment management (Park et al., 2025). Companies deploying such systems must inform users in advance and implement transparency measures, such as clearly labeling AI-generated outputs (Park et al., 2025).

Stringent data privacy regulations further present significant challenges for AI implementation within South Korea’s financial services sector. The Personal Information Protection Act (PIPA) requires strict adherence, influencing how financial institutions collect and use customer data. In the future, non-compliance penalties could reach up to USD 1 million, potentially deterring some firms from fully adopting AI technologies due to concerns over legal liabilities and reputational risk (Ken Research, 2025b).

In the meantime, Intense competition from traditional financial institutions represents another major threat. Legacy banks and securities firms are rapidly developing their own Robo-Advisor solutions or forming partnerships with fintech companies, leveraging substantial capital and established trust to regain market share. Furthermore, macroeconomic instability—such as elevated interest rates or disruptions in the real estate project financing (PF) market—could trigger broader market volatility and a “flight to safety,” adversely affecting performance-based AI portfolios (Park et al., 2025).

Finally, algorithmic risk, arising from the potential for systemic market movements driven by synchronized automated trading, continues to concern regulators and may result in more restrictive trading regulations (Park et al., 2025). The term “systemic market movements” refers primarily to “market disturbance” and the broader “algorithmic risk” that South Korean regulators are actively seeking to mitigate. These systemic movements inherently threaten the “stability of the financial market and financial order.” Crucially, this risk is explicitly linked to “high-speed algorithmic trade,” which is legally defined as automated trading executed via exclusive, high-performance ordering systems frequently co-located within the computing centers of exchange members. A prominent example of this phenomenon is an “Algorithmic Market Disturbance,” a recognized threat wherein the design architecture of a trading algorithm inadvertently or intentionally precipitates “price manipulation or market disturbance.” Reflecting the severity of this risk

under South Korean jurisprudence, programmers who develop these algorithmic tools can be held legally liable as accomplices if their code is found to facilitate such systemic financial instability (Park et al., 2025).

Research Interview Guide: The South Korean Robo-Advisor Industry

Building on the above SWOT analysis derived from the literature review, we developed a semi-structured interview guide. The questions are designed to extend beyond the existing literature by eliciting expert insights on the interactions and interdependencies among the identified SWOT factors.

Theme 1: Infrastructure and Market Entry (Strengths)

- **Platform Integration:** With Robo-Advisors integrating into "super-apps" like Kakao Pay and Toss, how do you see the role of standalone fintech firms evolving? Is the B2B partnership model (like Qraft's) the only sustainable path for smaller players?
- **The ETF Catalyst:** The 44% growth in the domestic ETF market is a major tailwind. How are Robo-Advisors differentiating their portfolio construction when many are pulling from the same pool of liquid Korean ETFs?
- **The "Testbed" Moat:** Does the rigorous Koscom Testbed process act more as a "seal of quality" that builds consumer trust, or as a "barrier to entry" that slows down the deployment of newer, more experimental Generative AI models?

Theme 2: Profitability and Trust (Weaknesses)

- **The 0.4% Fee Floor:** As management fees trend toward 0.4%, and infrastructure costs remain high (\$1.2M per project), where do you anticipate the "breaking point" for mid-sized firms? Will we see a wave of M&A activity in 2026?
- **The "Black Box" Problem:** Despite the FSC's oversight, 65% of consumers fear data breaches or lack of transparency. What specific "Explainable AI" (XAI) features are most effective in converting skeptical South Korean retail investors?
- **Volatility and Literacy:** During periods of market volatility, do you observe a higher "churn rate" among retail investors due to limited financial literacy? How are firms balancing automated management with the need for human-like "financial coaching"?

Theme 3: Growth Frontiers (Opportunities)

- **Retirement (IRP) Migration:** The shift to discretionary management for IRPs is a significant milestone. How will the competition for retirement assets change the risk appetite of the algorithms being developed today?
- **The "Silver Tech" Surge:** High-asset seniors show a surprising preference for AI over human advisors. How must the UI/UX of Robo-platforms adapt to cater to this demographic without alienating the "tech-savvy" younger base?

- Global Export: South Korean firms are successfully exporting AI solutions to global markets. What specific "K-Fintech" traits are proving most attractive to international B2B partners?

Theme 4: Governance and Competition (Threats)

- The AI Basic Act (2026): As we approach the enforcement of the "High-impact AI" classification, how are firms preparing for the "transparency labeling" requirements? Do you foresee this leading to "compliance fatigue"?
- The PIPA Penalty Risk: With penalties reaching USD 1 million for data non-compliance, are firms scaling back on "Hyper-Personalization" to stay within safe regulatory boundaries?
- Incumbent Resurgence: Traditional banks are leveraging their massive capital to build in-house solutions. In your view, does "Established Trust" (Banks) currently outweigh "Technological Agility" (Fintechs) in the South Korean psyche?
- Systemic Algorithmic Risk: As more portfolios become synchronized through similar AI logic, how concerned are you about a "flash crash" scenario in the KOSPI/KOSDAQ markets driven by automated liquidations?

Closing Probes

- If you had to identify one "Black Swan" event that could derail the growth of the Korean Robo-Advisor industry in the next 24 months, what would it be?
- In your opinion, will the South Korean market eventually consolidate into 3–4 dominant players, or is there room for 25+ specialized "niche" advisors?

Discussion and Conclusion

This paper aims to examine the current state of the Robo-Advisors industry in South Korea and to deepen understanding of its strengths, weaknesses, opportunities, and threats through a systematic literature review and interviews with industry experts. To achieve this, the study adopts a qualitative research approach based on interviews with experts and elites, as this method enables the collection of novel and insightful information regarding the industry environment, as well as the motivations and decision-making processes of key actors. Interview participants are drawn from individuals occupying senior positions within social, political, or organizational structures—such as chief executive officers and board members—who exercise substantial influence over organizational and broader institutional developments.

Given that semi-structured interviews with predefined topics and questions are considered appropriate for expert interviews (Tansey, 2007), this study first conducts a SWOT analysis based on publicly available data, media sources, and academic literature to develop interview guidelines. Building on this analysis, a set of interview questions is formulated around key thematic areas, including infrastructure and market entry, profitability and trust, growth frontiers, and governance and competition. The subsequent stage involves selecting interviewees across relevant expert groups, conducting the interviews, and deriving insights from the collected data.

This study targets information systems academics and industry practitioners by offering an overview of the current state and environment of the Robo-Advisory industry in South Korea. It also functions as an interim progress report of the broader research project.

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