

AI PLAYBOOK 19

How Trust-Driven AI Builds Stronger Consumer Relationships

August 2025



theCMA.ca

Content partially generated by artificial intelligence, refined by human expertise.

This Playbook is part of the CMA's AI Mastery Series, empowering marketers to Implement AI in ways that earn regulatory confidence, maintain strong brand reputation, and foster consumer trust

The consumer trust paradox is reshaping Canadian marketing

Canadian consumers are sending marketers a complex message: we want personalized experiences, but we're concerned about privacy. This creates a challenge, as well as an opportunity for marketers willing to embrace responsible AI implementation.

Recent consumer research reveals that this trust paradox isn't a contradiction, it's an evolution. Canadian consumers have become sophisticated enough to engage in value exchanges when brands demonstrate transparency, deliver genuine benefits, and implement responsible data practices.

Marketers must develop AI strategies that lead with value, explainability and opt-in consent models. This creates a massive opportunity for marketers who can leverage AI to meet these elevated expectations while building meaningful trust.

Consumer attitudes toward personalization have shifted

The CMA's 2025 research report: [Consumer Expectations for Privacy and Relevance in a Data-Driven World](#), reveals a remarkable transformation in Canadian consumer behaviour. Seventy three percent of Canadians now prefer receiving digital ads relevant to their interests over generic, unrelated ads—a significant 12 point increase from the prior year. This isn't merely a preference shift; it represents a fundamental change in how consumers evaluate marketing communications.

Yet privacy concerns remain paramount, with 90% of Canadians expressing at least some concern about the privacy of their personal information online. However, the research shows nuance in these concerns. When asked about their greatest worries, 53% focus on serious harms like identity theft by hackers, while only 12% worry about their information being used for targeted advertising without consent.

This data reveals that consumers understand the modern digital economy and are willing to participate in value exchanges when their data is handled responsibly.

The challenge for marketers is no longer whether to personalize, but how to do so in a manner that builds trust. AI emerges as the technology that can deliver the scale and sophistication needed to meet these evolved consumer expectations.



The new
consumer
reality:
demanding
both relevance
and privacy.

4

Irrelevant marketing creates substantial business risks

The financial implications of failing to meet consumer expectations for relevance are severe. Eighty seven percent of Canadians report being bothered by irrelevant communications—up from the prior year—with nearly half (47%) being very or extremely bothered by such experiences. This frustration translates directly into business consequences that no marketer can afford to ignore.

The research reveals that 47% of Canadians now consider it unacceptable for organizations to send irrelevant ads given today's technology. More critically, this irrelevance damages trust: people lose confidence in organizations that send information about products and services that don't interest them. The ultimate consequence is brand switching, with 59% likely to switch due to irrelevant communications.

With this in mind, AI-powered personalization creates significant competitive advantages. Use zero-party data to power personalization — preferences users explicitly provide. to be respectfully relevant.

Research from McKinsey shows companies using AI for marketing and sales have seen an average increase in conversion rates of 25%. The business case is clear: AI isn't just a technology upgrade, it's a competitive necessity for Canadian marketers who want to build strong customer relationships.

Canadians are ready for a sophisticated value exchange

The research demonstrates that Canadian consumers have developed a pragmatic understanding of the data economy. Seventy three percent are comfortable sharing their information in exchange for benefits like special offers, discounts, and enhanced shopping experiences. This represents a significant shift from viewing data-sharing as purely risky to seeing it as a potential value exchange.

Specific comfort levels reveal where opportunities exist:

- 73% are comfortable with organizations sending special offers or discounts for products that interest them,
- 70% accept data use for improving product selection and store hours, and
- 68% welcome more personalized experiences.

These aren't reluctant concessions. They represent active consumer desires for more relevant interactions.

The key insight is that consumers want to feel valued and understood, not just targeted. When organizations demonstrate that data sharing leads to genuine benefits and improved experiences, consumers respond positively. This creates a clear mandate for marketers: use AI to deliver personalization that feels like service, not surveillance. The 73% who are willing to engage in value exchanges represent a substantial market opportunity for brands that can deliver on this promise.

Trust is the critical competitive differentiator

Transparency drives consumer comfort with data sharing more than any other factor. Fifty-nine percent of respondents say they're more comfortable sharing information when they understand how and why their data is being used, while 57% want choices about providing data and options to change preferences later. This suggests that clear communication about AI and data practices isn't just ethical, it's strategically essential. For example, location data helps provide relevant store hours and local inventory, and purchase history allows brands to recommend products consumers want to buy.

The research reveals additional trust-building factors that create competitive advantages. Fifty-five percent are more comfortable when businesses meet legal requirements for data protection, and the same percentage appreciate knowing "there's something in it for me." Three-quarters (75%) believe stronger privacy laws would enhance their comfort in sharing data, suggesting that compliance is a differentiator.

Building trust requires moving beyond compliance to genuine partnership with consumers. The 93% who believe consumers share responsibility for privacy protection indicates an opportunity for collaborative approaches. Organizations that position themselves as partners in privacy protection rather than entities that consumers must guard against will capture the trust dividend that drives long-term customer relationships and sustainable competitive advantage.

Transform consumer insights into competitive advantage

The research provides clear guidance for implementing AI-driven personalization that builds trust. First, prioritize transparency by developing plain-language explanations of how AI enhances customer experiences and what benefits consumers receive. With 59% more comfortable when they understand data use, clear communication becomes a competitive advantage rather than just good practice.

Focus on delivering genuine value through the exchange. Since 73% are comfortable sharing information for benefits, ensure personalized offers provide real savings and relevance. Make the connection explicit between data shared and benefits received, avoiding generic communications that undermine the value proposition. Use AI to demonstrate understanding of individual preferences and needs.

Address consent fatigue through intelligent design. With 41% finding cookie consent pop-ups irritating, implement more sophisticated consent mechanisms that provide meaningful control without creating burdensome experiences. Reference the CMA's AI principles for marketers as an implementation framework, ensuring human oversight, regular bias auditing, and clear accountability structures. Position responsible AI implementation as a strategic differentiator that captures market share from competitors who cannot balance relevance with privacy protection.

Recommended reading and references

CMA resources

- [Consumer Expectations for Privacy and Relevance in a Data-Driven World \(2025\)](#)
- CMA AI Principles for Marketers: Framework for responsible AI implementation, [Canadian Marketing Code of Ethics & Standards](#), Chapter O
- [CMA Mastery Series: AI Playbooks](#)
- [CMA Guide on AI for Marketers](#)
- [Setting the Stage on Artificial Intelligence: A CMA Primer on AI for Marketers](#)
- [CMA Accountability Checklists for AI In Marketing](#)
- [CMA Transparency for Consumers Guide](#)
- [CMA Application of Law 25 to Marketing Activities Guide](#)

References

- McKinsey & Company: [The State of AI in 2021: AI-powered organizations performing ahead of the curve](#)

The CMA

This playbook is developed with guidance by the CMA AI Committee and is part of the CMA's comprehensive AI initiative designed to empower Canadian marketers with the knowledge, skills, and ethical frameworks needed to implement AI responsibly and effectively.

As the voice of Canadian marketing, the CMA champions our profession's powerful impact. We are the catalyst to help Canada's marketers thrive today, while building the marketing mindset and environment of tomorrow.

We provide opportunities for our members from coast to coast to develop professionally, to contribute to marketing thought leadership, to build strong networks, and to strengthen the regulatory climate for business success. Our Chartered Marketer (CM) designation signifies that recipients are highly qualified and up to date with best practices, as reflected in the CMA's Canadian Marketing Code of Ethics and Standards.

We represent virtually all of Canada's major business sectors, and all marketing disciplines, channels and technologies. Our Consumer Centre helps Canadians better understand their rights and obligations. For more information, visit thecma.ca.

10



Turn
consumer
expectations
into
competitive
advantage.

11