

AI PLAYBOOK 9

The AI transparency advantage: Building trust through disclosure

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[theCMA.ca](https://www.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

Why transparency matters

The marketing landscape has reached an inflection point where AI transparency has evolved from ethical consideration to a business imperative. Organizations that embrace proactive AI disclosure are discovering that transparency isn't a burden; it's a competitive advantage that drives measurable business outcomes.

Consumers are increasingly scrutinizing how brands use AI in their interactions. Organizations that clearly communicate their AI practices differentiate themselves from their competitors. This transparency translates directly into customer loyalty, as consumers gravitate toward brands that respect their intelligence and right to understand how decisions affecting them are made.

Proactive disclosure mitigates risk and helps organizations avoid regulatory penalties, reputational damage from undisclosed AI use, and the costly process of rebuilding trust.

The Canadian Marketing Association (CMA) recognizes this transformation and is equipping Canadian marketers to navigate it strategically. As the catalyst to help Canada's marketers thrive today while building the marketing mindset and environment of tomorrow, the CMA provides essential guidance on AI adoption, practical insights for ethical implementation, and roadmaps for navigating the operational challenges that arise. This includes developing best practices that help marketers leverage AI effectively while maintaining the trust that forms the foundation of successful customer relationships.

The business case for transparency

Trust drives loyalty, and loyalty drives revenue. Organizations that embrace AI transparency unlock multiple competitive advantages that directly impact their bottom line. Enhanced brand reputation emerges as consumers increasingly prefer brands aligned with their values, with transparency serving as a powerful differentiator in crowded markets.

Trust erosion translates directly to customer churn risk, making transparency a critical lever in a retention strategy. Conversely, organizations demonstrating clear AI practices build deeper customer relationships that withstand competitive pressures.

Beyond trust building, transparency delivers measurable operational benefits. Organizations with clear AI disclosure practices may experience fewer customer service-related inquiries or escalations, reduced legal exposure and streamlined regulatory compliance processes. The financial impact extends to reduced crisis management costs, as transparent organizations rarely face the expensive reputation recovery campaigns that follow controversies.

Decision framework: When and how to disclose

Effective AI transparency requires systematic decision-making rather than ad-hoc approaches. This five-step framework provides marketers with clear criteria for disclosure decisions while ensuring consistency across campaigns and channels.

Step 1: Involves AI involvement assessment, evaluating whether AI plays a primary creative role, provides moderate assistance with human oversight, or offers minimal support like grammar checking. High involvement scenarios, where AI generates entire content pieces or makes autonomous decisions, generally warrant disclosure, while minimal involvement may not require explicit mention if it doesn't materially affect the consumer's experience.

Step 2: Focuses on consumer impact evaluation, asking whether non-disclosure could mislead consumers or significantly influence their decisions.

Step 3: Examines legal, ethical, and platform-specific compliance requirements and policies.

Step 4: Ensures brand value alignment with organizational ethics and authenticity positioning.

Step 5: Conducts risk-benefit analysis, weighing transparency benefits against potential risks like competitive positioning concerns or overwhelming consumers with too much technical information.



Transparency
is about
building trust.

AI-assisted customer service disclosures

AI-powered customer service represents one of the most common consumer-facing AI applications, making clear disclosure essential for managing expectations and building trust. Effective disclosure should occur at the initial interaction point, setting appropriate expectations about AI capabilities and provide clear pathways to human assistance when needed.

For chatbots and virtual assistants, optimal disclosure language includes:

"Hi! I'm [Bot Name], an AI assistant here to help with your questions. I can handle many common inquiries, but I'll connect you with a human team member for complex issues or when you prefer personal assistance."

This approach immediately identifies the AI nature while emphasizing helpfulness and the availability of human backup.

For AI-powered support systems, consider:

"Our customer support is enhanced by AI to provide faster responses and 24/7 availability. While AI handles initial inquiries and common questions, our human specialists are always available for complex issues or personalized assistance. You can request human support at any time by typing 'human agent' or using the transfer option."

Timing is crucial. Disclosure should occur before substantive interaction begins, typically in the greeting message or initial interface.

AI-generated content disclosure

AI-generated content requires clear disclosure that varies based on the level of AI involvement and content type. The goal is transparency without undermining content effectiveness, achieved through honest communication about AI's role while emphasizing human oversight and quality control.

For fully AI-generated articles or blog posts, use a variation of the following:

"This article was created using AI technology and reviewed by our editorial team to ensure accuracy, relevance, and alignment with our brand standards. Our human editors have fact-checked all AI-generated content and added contextual insights based on industry expertise."

This acknowledges AI creation while emphasizing human quality control.

For AI-assisted content with significant human involvement, consider:

"This content was developed collaboratively between our team and AI tools, with human writers providing strategic direction, fact-checking, and final editing to ensure quality and accuracy."

For AI-generated images and videos, simple labeling works effectively:

"Image created with AI" or "AI-generated visual content."

For social media posts, use platform-specific tools like AI content labels and include disclosure in captions:

"Created with AI assistance #AIgenerated."

AI-powered personalization disclosures

AI-driven personalization requires disclosure that explains how data informs tailored experiences while providing users with control over their personalization preferences. Effective disclosure balances transparency with user empowerment, helping consumers understand and manage their personalized experiences.

For recommendation engines, use explanatory language like:

"Our AI analyzes your browsing history, purchase patterns, and stated preferences to suggest products you might enjoy. We use this information to personalize your shopping experience while protecting your privacy. You can adjust your personalization preferences or opt out of AI-driven recommendations in your account settings."

For dynamic pricing systems, transparency becomes crucial:

"Our pricing may be personalized based on factors like your location, browsing history, and current demand. We use AI to ensure fair pricing while offering relevant promotions. You can view our pricing methodology and request standard pricing in your account preferences."

Privacy policy integration is essential, link directly to relevant sections explaining data collection and use. Provide accessible user controls for preference management, including options to easily reduce or eliminate AI-driven personalization.

Real brand examples: Effective vs. insufficient approaches

Learning from real-world implementations provides valuable insights into transparency best practices and common pitfalls. These examples illustrate how disclosure decisions impact brand perception and consumer trust.

Effective approaches demonstrate proactive transparency that builds trust and competitive advantage. Adobe Firefly exemplifies this through clear communication about training data sources Adobe Stock images, openly licensed content, and public domain content where copyright has expired. This transparency addresses copyright concerns upfront while positioning Adobe as a responsible AI leader. Unilever's Dove soap brand has a commitment against AI distortion which represents values-based transparency, pledging never to use AI to distort women's images in advertising, reinforcing their "Real Beauty" campaign while addressing consumer concerns.

Insufficient approaches highlight the risks of inadequate disclosure. There are organizations that have faced significant backlash for initially using AI-generated visuals in promotional materials without disclosure. For example, a school known for human creativity using undisclosed AI drew criticism.

On the other hand, misidentified AI content demonstrates that there are implementation challenges with platform-specific labelling capabilities, and the critical role human oversight plays in the space.

Implementation roadmap: Your next steps

Successful AI transparency implementation requires systematic planning and cross-functional coordination. This roadmap provides practical steps for organizations beginning their transparency journey or enhancing existing practices.

Policy development forms the foundation, requiring clear internal AI use policies that define ethical boundaries, specify disclosure requirements, and establish accountability frameworks. Team training ensures consistent implementation across the organization through cross-functional sessions covering AI ethics, disclosure policies, and customer communication best practices. Audit processes identify current AI applications requiring transparency assessment using our five-step decision framework (see page 4).

Integrating AI disclosures into workflows makes transparency automatic rather than an afterthought. Build disclosure requirements into content creation processes, campaign approval workflows, and platform publishing procedures. Use templates and checklists to ensure consistent application across teams and channels. Measurement approaches track transparency effectiveness through customer feedback monitoring, engagement metrics analysis, and brand perception assessment. Legal consultation ensures compliance with evolving regulations across relevant jurisdictions. The key to successful implementation is treating transparency as an ongoing capability rather than a one-time compliance exercise.

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Recommended reading and references

- [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 Mastery Series: AI Playbooks](#)
- [Digital Marketing Institute: The ethical use of AI in digital marketing](#)
- [FTC: Crackdown on deceptive aim claims schemes](#)
- [Sprout Social: AI disclaimers - What marketing leaders need to know](#)
- [nDash: Consumer demand for AI transparency in Content Marketing](#)
- [Nemko: AI transparency competitive advantage](#)
- [Zendesk: Building trust with AI transparency](#)



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The CMA

The CMA is the voice of marketing in Canada and our purpose is to champion marketing'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.

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Systematic
transparency
delivers on
the promise
of trust.

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