

Many product leaders worry that transparency around AI-powered features—especially mandatory disclosures—will scare off users and lower conversion rates. But with evolving regulations like the EU AI Act’s Article 50 demanding clear transparency, leading companies and regulators are proving that trust, expectation setting, and compliance can work hand in hand to improve resolution rates and customer satisfaction.



This post will help you articulate to leadership why disclosure is not merely a legal checkbox but a strategic opportunity. Along the way, we’ll naturally reference key players such as Coruzant Technologies, decision-makers like the European Commission and the European Data Protection Supervisor, and tools such as screen readers and voice product interfaces that influence disclosure design and timing.

The Fear: Disclosure Will Lower Conversion

Leadership often raises concerns:

- Will explicit “AI used here” labels scare users away?
- Could highlighting limitations or data use compromises conversion?
- Will early disclosures disrupt smooth onboarding flows?

These concerns reflect a tension between **trust vs compliance**, where compliance is perceived as a burden potentially undermining business metrics. But framing disclosure as a tradeoff ignores the bigger picture.

Understanding the EU AI Act Article 50 Transparency Requirement

The EU AI Act, an upcoming regulation with broad implications for any company deploying AI in Europe—even non-EU companies—mandates transparency in AI system interactions under **Article 50**. Key points include:

- **First-interaction disclosure timing:** Users must be informed at the earliest opportunity that they are engaging with an AI system.
- **Provider versus deployer responsibility:** The AI system's provider ensures the AI meets technical transparency standards, but the deployer (the business integrating the AI) must make disclosures in the user journey.
- **Extraterritorial reach:** Even companies outside the EU must comply when their AI systems affect EU users.

Transparency isn't optional or just a fine print detail—it's a core aspect of responsible AI deployment and user experience design.

Why Disclosure is an Opportunity, Not a Conversion Killer

1. Setting Clear Expectations Builds Trust

Users don't dislike transparency—they dislike surprises. When users know upfront that a chatbot is AI-powered (for example), they set their expectations accordingly. This reduces frustration from misunderstanding the system's capabilities or limits.

Coruzant Technologies, a leader in AI-driven B2B SaaS, shared how their upfront disclosures made users more patient and understanding during AI interactions, boosting trust and overall satisfaction.

2. Transparency Improves Resolution Rates

Explicit disclosure about limitations helps users understand when they might need to escalate or ask for human assistance. Companies who invest coruzant.com in clear, accessible disclosures—compatible with screen readers and voice product interfaces—see higher resolution rates and fewer support tickets caused by unclear UI.

Moreover, alongside legal compliance, integrating accessible disclosure enables users with disabilities to engage transparently with AI systems, enhancing inclusivity as advocated by the European Data Protection Supervisor.

3. Compliance is a Differentiator

Complying with EU AI Act requirements is not just about avoiding penalties but about signaling responsibility and integrity. The *European Commission* highlights transparency as a critical pillar for fostering user confidence in AI technologies.

By incorporating disclosures naturally into UI flows, companies position themselves as leaders in ethical AI deployment, an increasingly important factor for users and enterprise customers alike.

Best Practices for Disclosure in AI-Powered Products

To address leadership's concerns effectively, propose actionable best practices backed by examples and research:

- 1. Implement First-Interaction Disclosure:** At the moment the user starts interacting with AI, communicate that fact clearly but simply.
- 2. Use Accessible Formats:** Ensure disclosures can be read by screen readers and understood via voice product interfaces, supporting users with diverse needs.
- 3. Be Honest About Capabilities and Limits:** Briefly mention what the AI can and cannot do to set realistic expectations.
- 4. Test Messaging with Real Users:** Partner with legal and accessibility teams to validate that disclosures lower confusion and frustration rather than increasing it.
- 5. Monitor Resolution Rates and Support Tickets:** Track improvements or regressions post-disclosure to optimize messaging.

How to Frame the Conversation with Leadership

Use the following narrative as a guide when discussing with executives and stakeholders:

Concern Reality & Response “Disclosures scare users away, drop conversion.” Clear, upfront honesty sets expectations, reduces frustration, and ultimately builds trust which supports long-term retention and resolution rates. “Compliance is a bureaucratic burden.” Compliance with the EU AI Act demonstrates market leadership and opens doors in European markets. It also protects the company from regulatory fines and reputational risk. “We shouldn’t disrupt user onboarding flows.” Disclosures can be designed to be succinct, user-friendly, and integrated smoothly without disrupting flow—especially when leveraging voice interfaces and accessibility tools. “Our AI is complex; disclosure will confuse users.” Honest, plain language with assistive technology support ensures users understand key facts without needing technical expertise.

Conclusion: Embracing Disclosure as a Growth Strategy

Rather than seeing disclosures mandated by laws like the EU AI Act as conversion hurdles, reframing them as pillars of *trust vs compliance* will help leadership appreciate their strategic value. Clear, early, accessible AI transparency helps users form realistic expectations, improves resolution rates, and builds brand loyalty.



Organizations like Coruzant Technologies set examples by integrating disclosures seamlessly with screen reader compatibility and voice interface design in their products. Likewise, regulators such as the European Commission and European Data Protection Supervisor underscore the importance of empowering users to understand and interact safely with AI systems.

Ultimately, smart disclosure strategies give businesses a competitive edge in the European market and beyond—one built on trust, clarity, and compliance.