



State of CCPA Compliance Q1: 2022 Research Report

“89% companies unprepared for CCPA & CPRA”

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Research Overview

CYTRIO, a next generation data privacy compliance company, is publishing this research report on the state of CCPA compliance as of December 31, 2021, to understand better how well companies are prepared to meet California Consumer Privacy Act (CCPA) and California Privacy Rights Act (CPRA) DSAR (Data Subject Access Rights) compliance requirements.

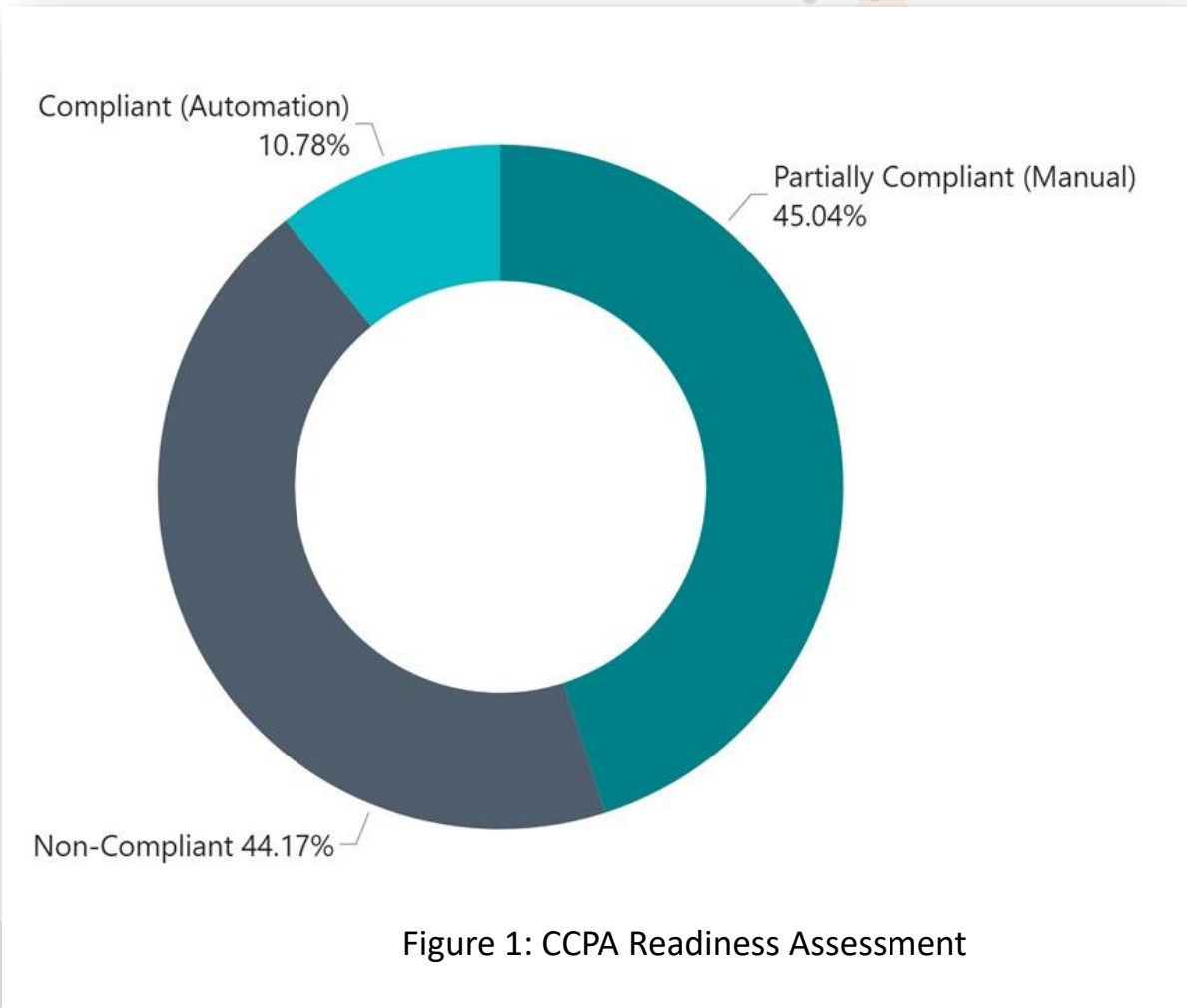
CYTRIO's independent research uncovered many findings of the readiness of businesses to comply with CCPA & CPRA, including a key finding that **89%** of businesses are not compliant or somewhat complaint with CCPA and CPRA DSAR compliance requirements. This problem will become more pronounced as CPPA (California Privacy Protection Agency) rolls out active CPRA enforcement with the stringent lookback window of 12 months (which has already started on January 1, 2022) and as employees also get to exercise their data privacy rights.

Research Methodology

The inaugural CYTRIO 2021 State of the CCPA Compliance report studied **5,175** U.S. mid to large enterprises with revenues from \$25 million to \$5+ billion. CYTRIO conducted the research over six months, and the results in this research are as of Dec. 31, 2021. This CCPA readiness research will be updated on a quarterly going forward.

The research investigated many readiness factors based on information including a company's privacy policy, CCPA guidance provided in the company's privacy policy (if any), the mechanisms provided when CCPA guidance is mentioned in the privacy policy, among other publicly available information that indicate a company's readiness for CCPA/CPRA. The research assessed a company's preparedness by considering if a company's privacy policy: (1) has no mention of CCPA (not compliant), (2), mentions CCPA but mechanisms to submit DSARs is rudimentary (e.g., email only), (3) redirects CCPA DSAR requests to a privacy rights management solution.

Key Finding – 89% companies unprepared for CCPA & CPRA



CYTRIO’s research indicates that nearly **89%** of companies that must comply with CCPA are not prepared to meet the CCPA compliance requirements (i.e., they are non-compliant or partially compliant), especially when managing Data Subject Access Requests (DSARs).

Noteworthy, many of the same companies state in their privacy policies that they needed to comply with CCPA but didn’t provide a mechanism for consumers to exercise their data privacy rights under the law. The data in figure 1 provides data supporting this conclusion.

Observation #1 – B2B & B2C companies woefully unprepared for CCPA compliance

CYTRIO's research indicates that both B2C and B2B companies are almost equally unprepared to comply with CCPA. Both business segments show similar observations – around 10% are prepared, and 90% are not prepared to meet CCPA. Both business segments.

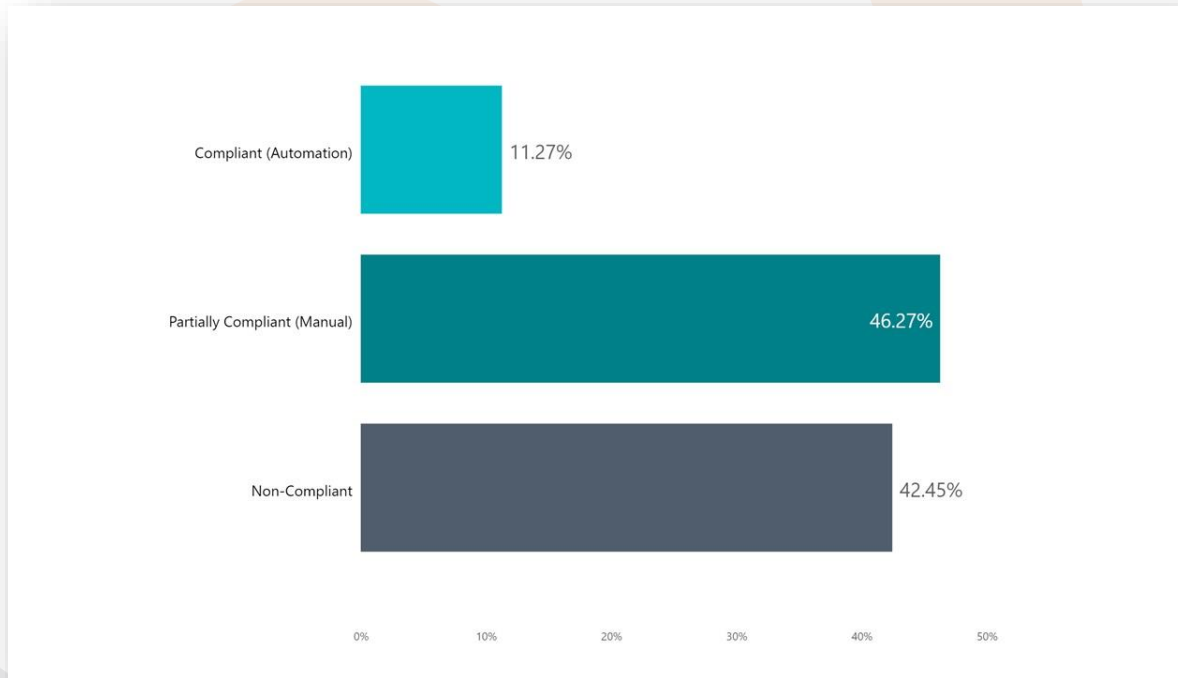


Figure 2: B2C CCPA Readiness

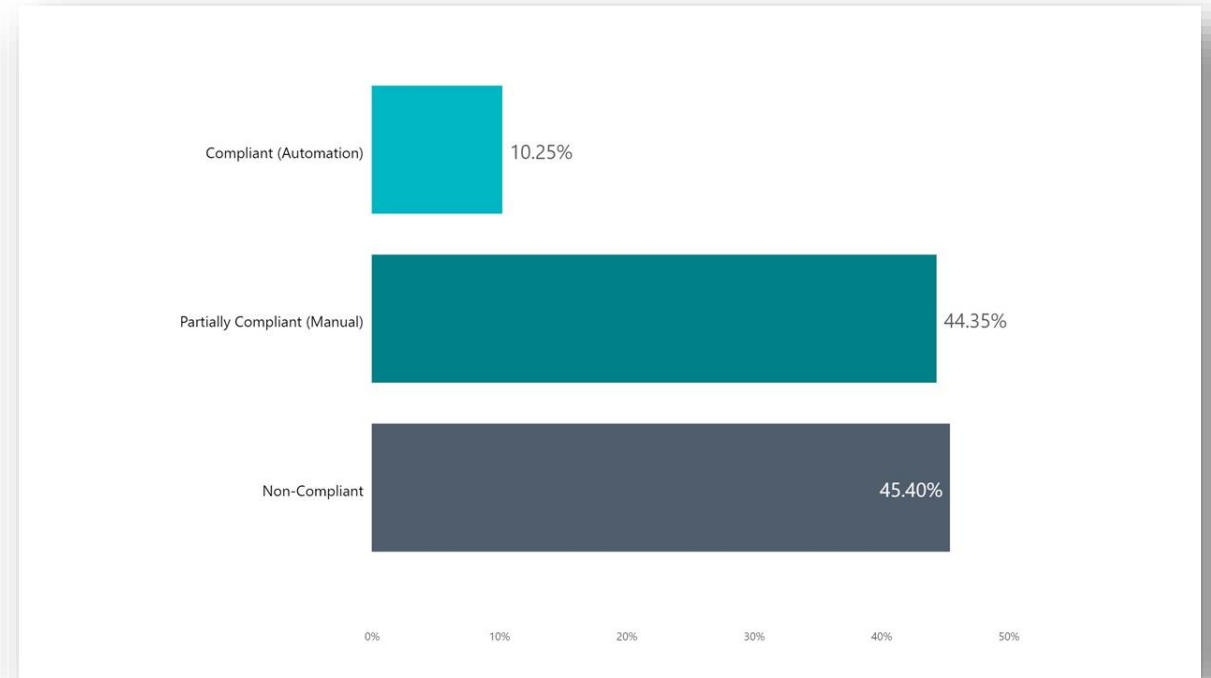


Figure 3: B2B CCPA Readiness

Observation #2 – Significant Variation in Preparedness Across Verticals

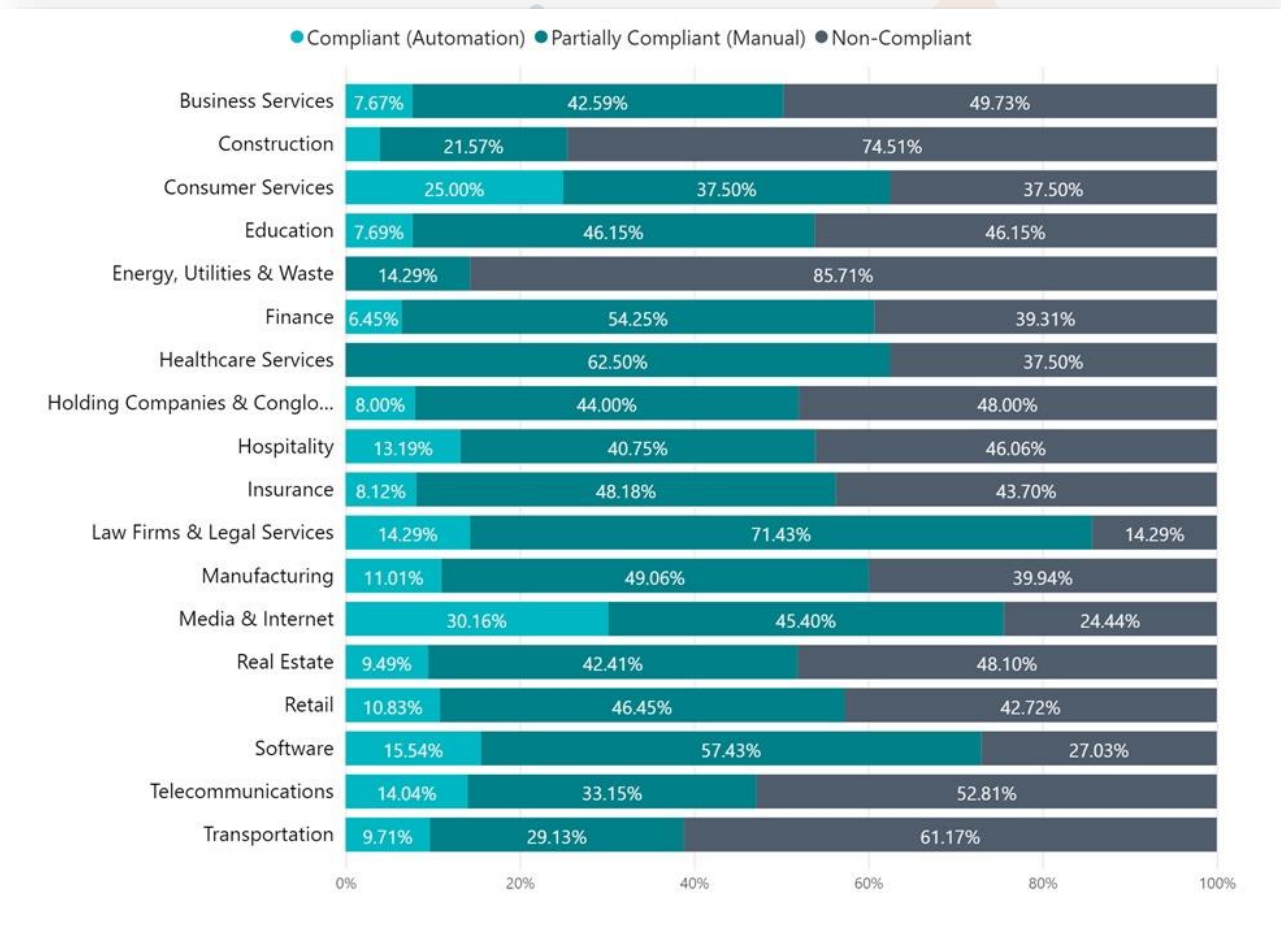


Figure 4: Vertical CCPA Preparedness

CYTRIO’s research shows that certain vertical markets are more prepared for CCPA/CPRA than others. Industries leading the pack include Media & Internet (30% compliant) and Consumer Services (25% compliant). Industries trailing behind are Healthcare Services (0% compliant) and Education (8% compliant).

This is noteworthy because CCPA is, broadly speaking, agnostic to vertical industry. All businesses must evaluate whether they need to be compliant with CCPA according to the guidance in the regulation (i.e., revenue greater than \$25M or sells the personal information of 50,000 or more consumers).

Observation #3 — Less than 11% Have a DSAR Automation Solution

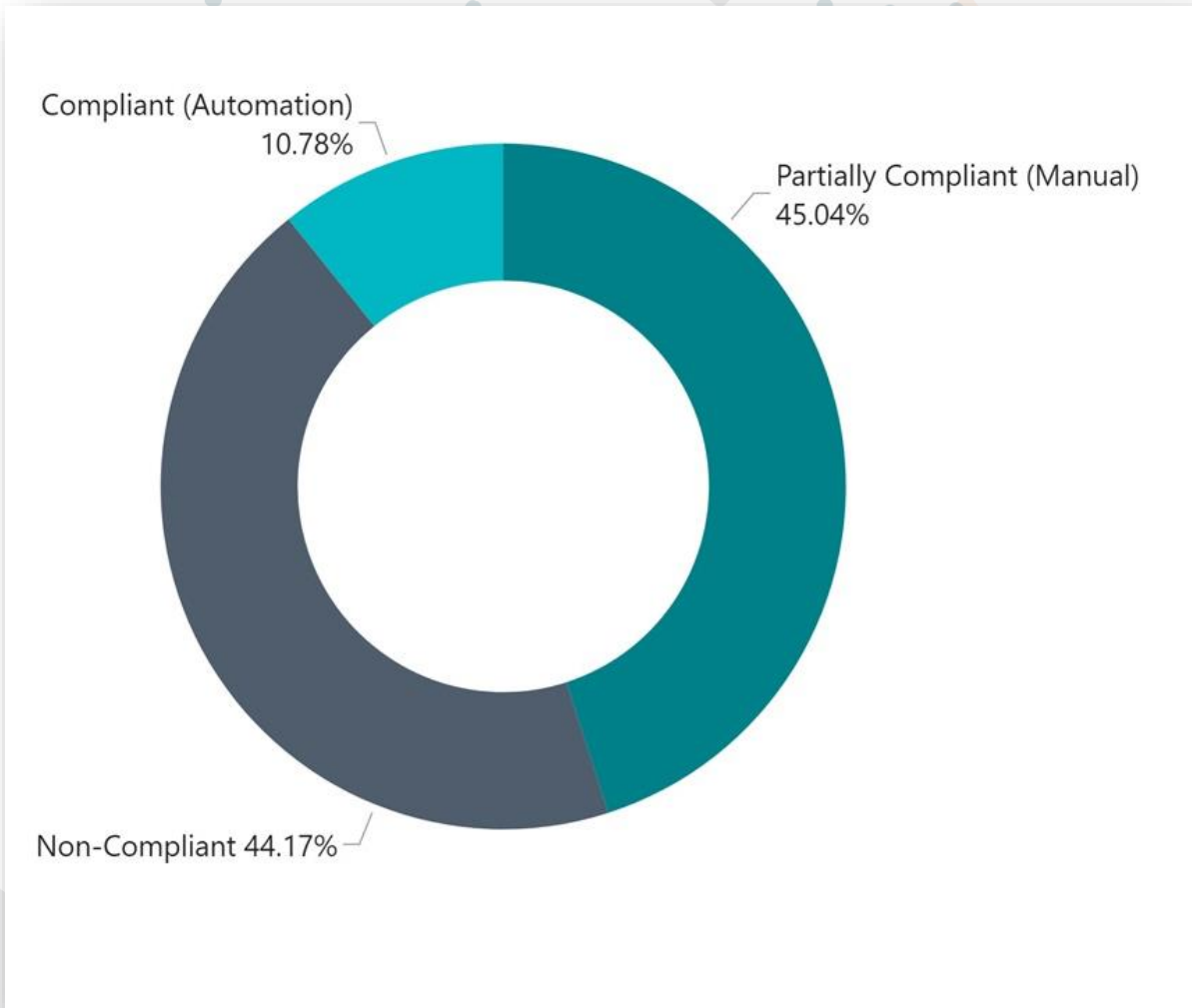


Figure 5: CCPA Readiness Assessment

- CYTRIO’s research shows that although DSAR Automation solutions exist, only 11% of the companies researched have deployed a CCPA DSAR Management Automation solution.

This is noteworthy because it indicates that existing commercial solutions have not gained wide adoption. Historically, software that manages a specific IT function (e.g, network management, security management, etc.) goes through a maturity process. Unfortunately, early adopters of these solutions are often challenged by the complexity of these solutions.

CYTRIO provides a Next Generation Privacy Rights Management solution that is easy to install, configure, and maintain.

Observation #4 – California Companies Less Prepared Than Other States

CYTRIO’s research shows that certain states are more prepared for CCPA/CPRA than others. States leading the pack include New Hampshire (24% compliant) and Utah (18% compliant). States trailing behind, with 0% preparation include Alaska, Arkansas, Idaho, Montana, New Mexico, South Dakota and West Virginia). California is in the middle of the pack (15%).

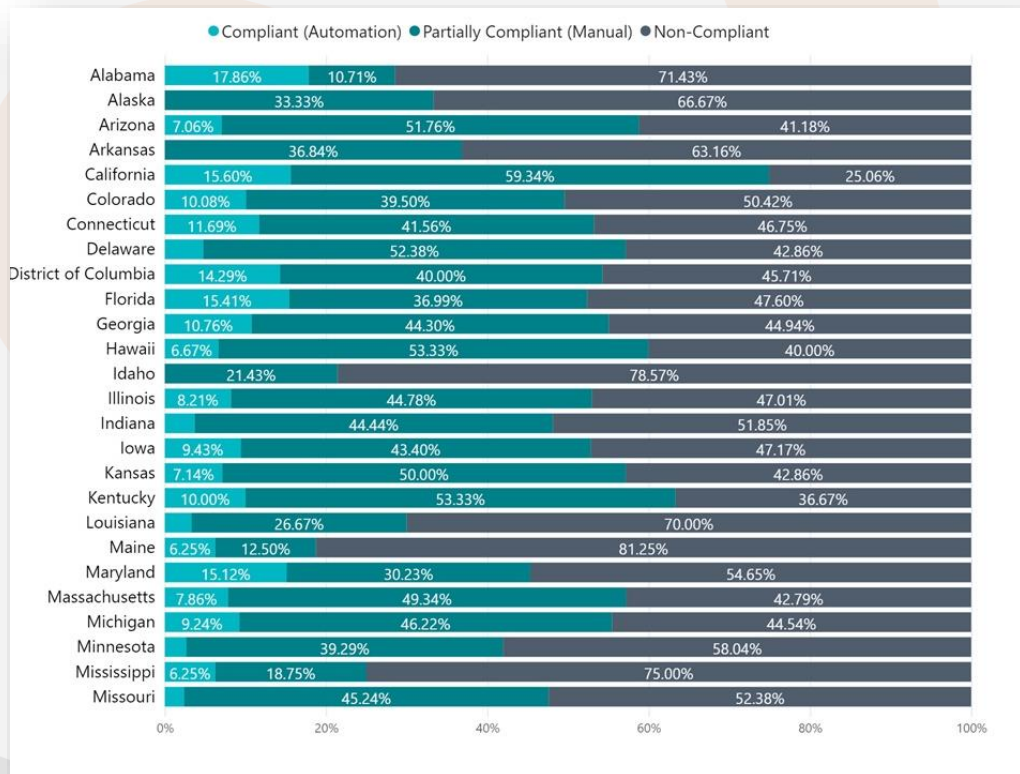


Figure 6: CCPA Preparedness By State (A-M)

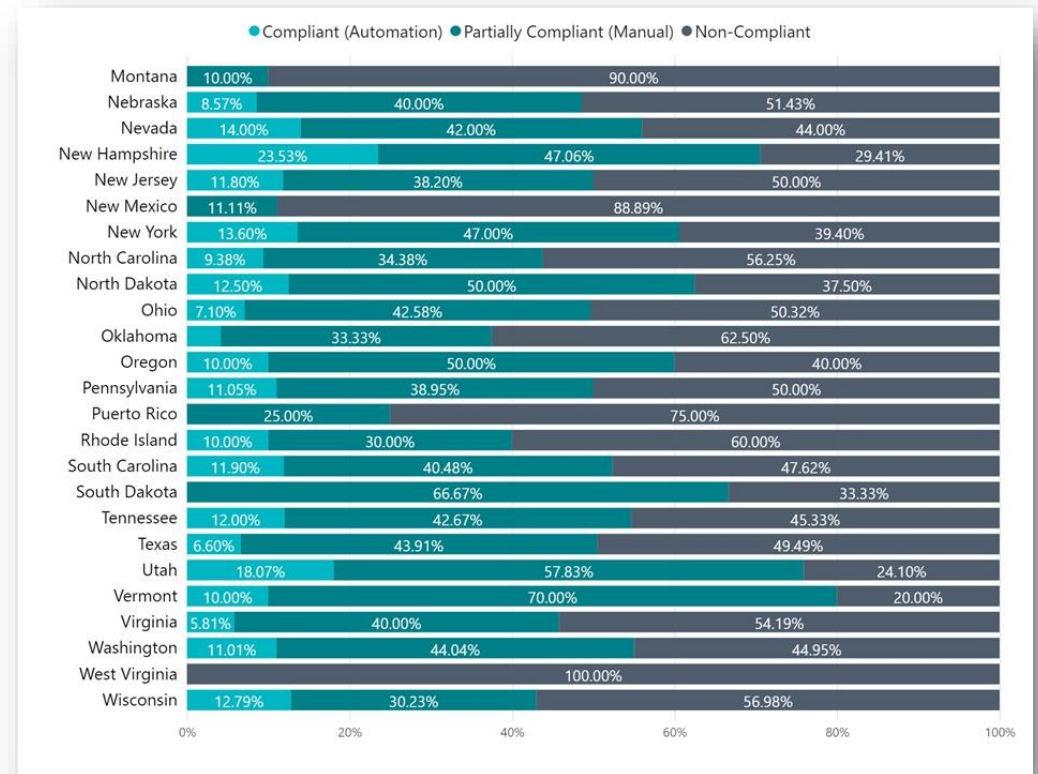


Figure 7: CCPA Preparedness By State (M-Z)

Observation #5 – Business of All Sizes Poorly Prepared to Meet CCPA

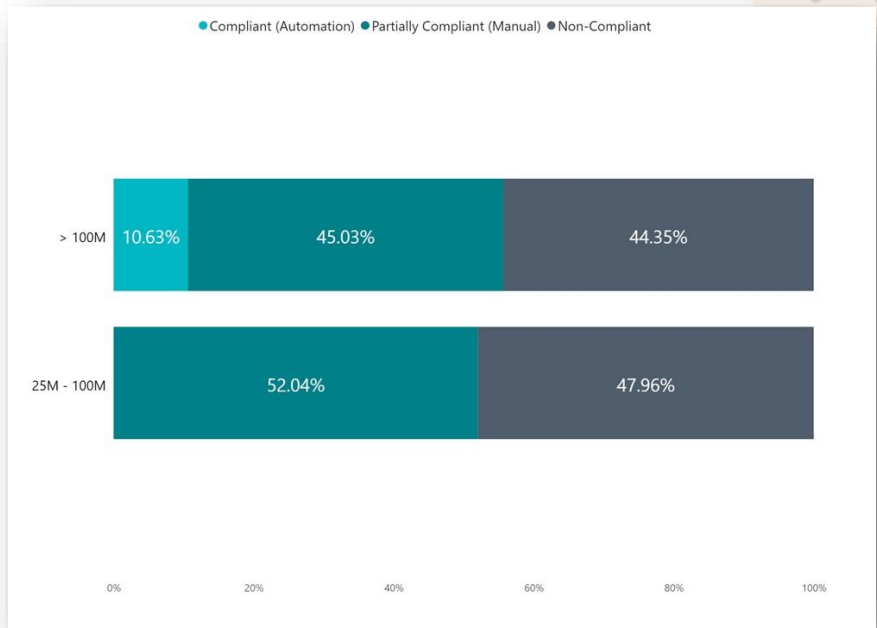


Figure 8: CCPA Preparedness by Company Size

CYTRIO’s research shows that larger business (greater than \$100M annual revenue) are better prepared than mid-sized businesses (\$25M-\$100M). Although this is expected, because larger companies must be able to process significantly more consumer DSARs and therefore more likely to adopt a more automated DSAR management solution.

The research indicates that both large and mid-sized businesses are woefully unprepared for CCPA (larger business are less than 11% compliant, and mid-sized business have not yet started to adopt a commercial solution, and rely heavily on manual processes

Conclusion

CYTRIO's research uncovers that too many companies (across all verticals, states, and business size) are woefully unprepared for CCPA. Organizations need to be aware of numerous changes in the more expansive CPRA that go into affect on January 1, 2023 that will require companies to deploy an effective and scalable CCPA management solution:

- CPRA will be enforced starting in 2023, however companies must support a 12-month lookback (to January 1, 2022) for consumer requests. This no doubt will be painful for businesses that are not prepared now.
- It is expected that California Privacy Protection Agency (CPPA), agency responsible for CPRA enforcement, is expected to grow in excess of 200 enforcement staff members in 2022. This will increase the likelihood for non-compliant companies being investigated and fined.
- CPRA increase the types of requests (e.g., delete) a consumer can submit. This will greatly increase the number of DSARs a company must process.
- CPRA allows employees to submit DSAR requests. This too will increase the number of DSARs a company must process.
- DSAR aggregators are starting to come out of woodwork. This will also greatly increase the number of DSARs a company must process.

CYTRIO has built a Next Generation Privacy Rights Management Solutions. Companies that are not compliant, struggling to be compliant, or overwhelmed by complex generation one solutions, should evaluate CYTRIO to achieve CCPA compliance.

To learn about how CYTRIO can help you with CCPA compliance please visit us at www.cytrio.com