



State of CCPA & GDPR Privacy Rights Compliance Research Report - Q1 2022

90% companies unprepared for CCPA

95% companies unprepared for GDPR

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4/26/2022

Research Overview

CYTRIO, a next generation data privacy rights management company, is publishing this quarterly research report to understand how well U.S. companies are prepared to meet California Consumer Privacy Act (CCPA), California Privacy Rights Act (CPRA), and GDPR DSAR (Data Subject Access Rights) compliance requirements. During Q1 2022, CYTRIO researched an additional 1,570 companies, bringing the total to 6,745 companies.

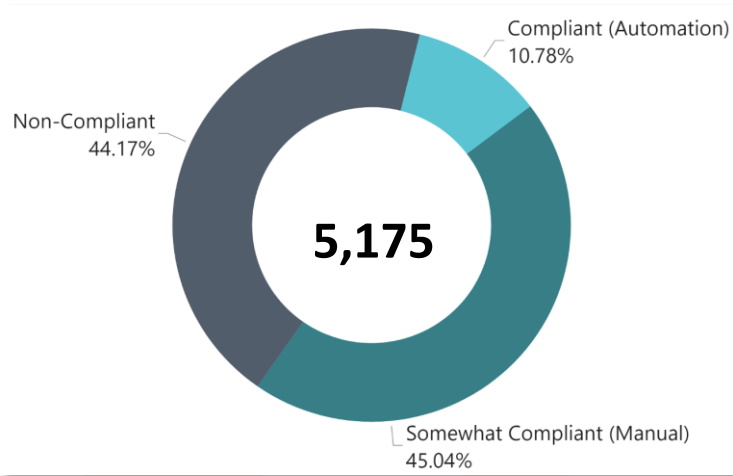
CYTRIO's independent research uncovered many findings of the readiness of companies to comply with CCPA, CPRA, and GDPR privacy rights, including a key finding that **90%** of companies are not compliant or somewhat complaint with CCPA and CPRA DSAR compliance requirements and **95%** of companies are using error prone and expensive manual processes to comply with GDPR DSAR compliance requirements. This problem will become more pronounced as CPPA (California Privacy Protection Agency) rolls out active CPRA enforcement with the stringent 12-month lookback window (which already started on January 1, 2022) and as employees also get to exercise their data privacy rights.

Research Methodology

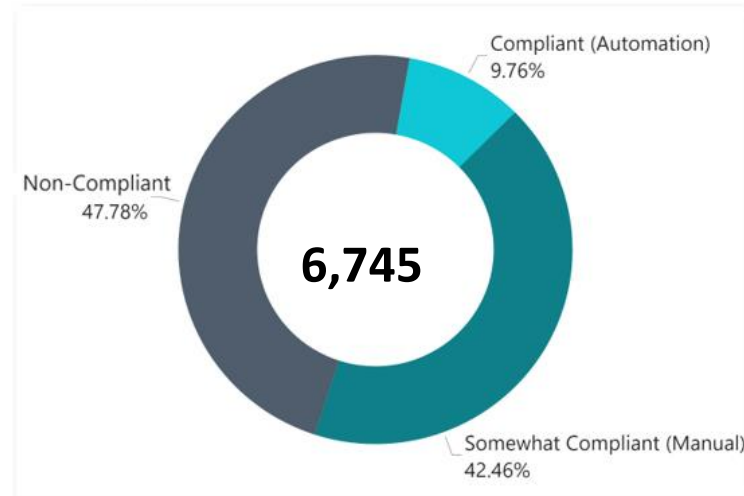
The inaugural CYTRIO 2021 State of the CCPA Privacy Rights Compliance report, published in January 2022, studied **5,175** U.S. mid to large enterprises with revenues from \$25 million to \$5+ billion. In Q1 2022, CYTRIO researched an **additional 1,570** companies for CCPA and GDPR DSAR compliance, bringing the total number of companies researched to date to **6,745** U.S. mid to large enterprises with revenues from \$25 million to \$5+ billion. The results in this research are as of March 31, 2022. CYTRIO will update CCPA and GDPR readiness research data on a quarterly basis.

The research investigated many readiness factors including review of a company's privacy policy, CCPA and GDPR guidance provided in the company's privacy policy (if any), mechanisms provided when CCPA and GDPR guidance is mentioned in the privacy policy, among other publicly available information, that indicate a company's readiness for CCPA/CPRA/GDPR DSAR compliance. The research assessed a company's preparedness by considering if a company's privacy policy: (1) has no mention of CCPA (not compliant with CCPA), (2), mentions CCPA and or GDPR but mechanisms to submit DSARs is rudimentary (e.g., email, telephone only), (3) redirects CCPA and GDPR DSAR requests to a privacy rights management solution. Privacy rights managements solutions provide either automated workflows or automated data discovery plus workflows.

Key Finding – 90% companies unprepared for CCPA & CPRA



State of CCPA - EoY 2021



State of CCPA - EoQ1 2022

Figure 1: CCPA Readiness Assessment

CYTRIO’s research indicates at the end of Q1 2022, nearly **90%** of companies that must comply with CCPA are not prepared to meet the CCPA privacy rights compliance requirements (i.e. they are non-compliant or partially compliant) especially when managing Data Subject Access Requests (DSARs).

Noteworthy, many 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.

Key Finding – 95% companies unprepared for GDPR

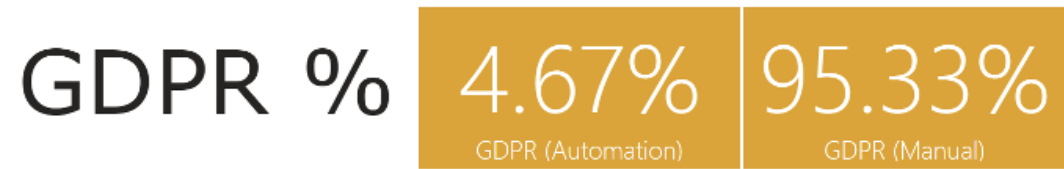
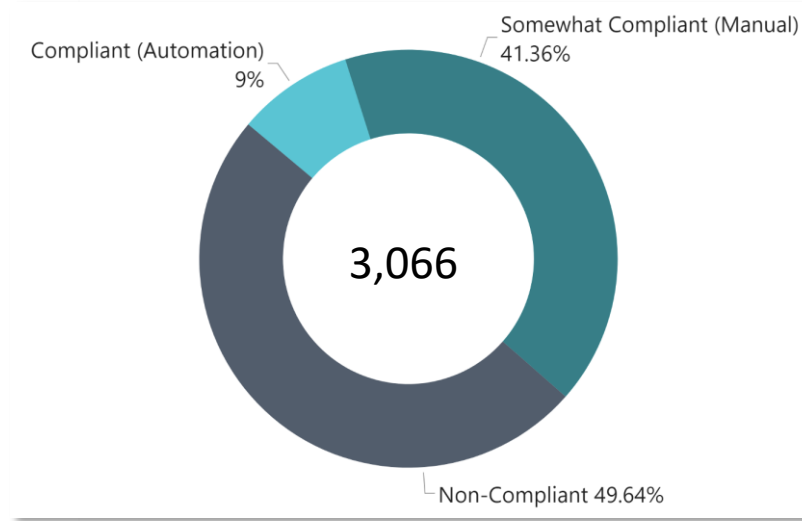
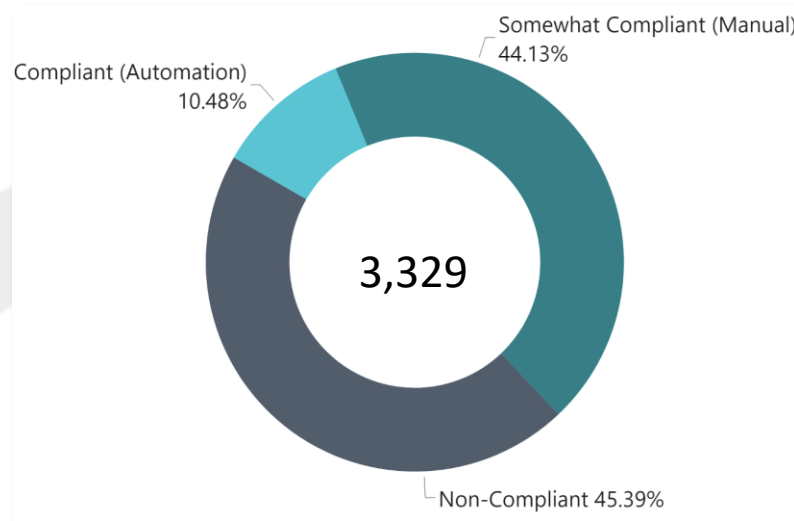


Figure 2: GDPR Readiness

CYTRIO’s research indicates at the end of Q1 2022, nearly **95%** of companies that must comply with GDPR are ill prepared to meet the GDPR privacy rights compliance requirements (i.e. they are using error prone and expensive manual processes) when managing Data Subject Access Requests (DSARs).

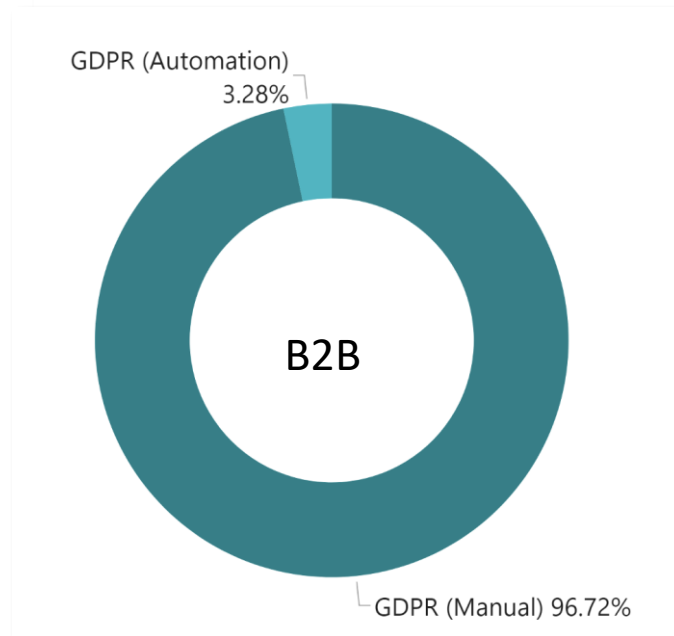
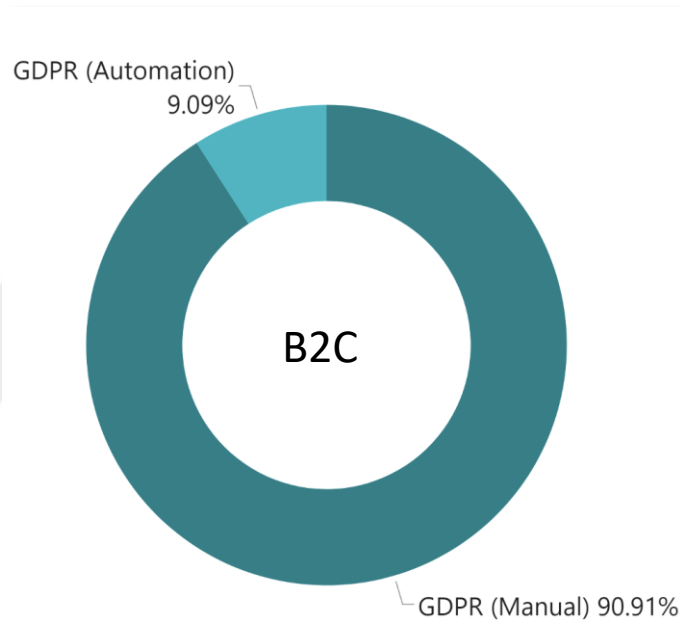
Observation #1 – B2B & B2C companies woefully unprepared for CCPA compliance



There is negligible difference between B2C and B2B companies in their preparedness to comply with CCPA privacy rights. Both business segments show similar compliance – around 10% are prepared, and 90% are not prepared to meet CCPA.

Figure 3: B2C vs B2B CCPA Readiness

Observation #2 – B2B & B2C companies woefully unprepared for GDPR compliance



When it comes to GDPR privacy rights compliance, there is noticeable difference between B2C and B2B companies. B2C companies are 3 times more willing to implement a privacy rights management automation solution as compared to B2B companies.

Figure 4: B2C vs B2B GDPR Readiness

Observation #3 – Top 3 verticals constitute 54% of total

CYTRIO’s research shows that the top 3 most compliant verticals remained the same from end of Q4 2021 to end of Q1 2022. Business Services, Retail, and Finance made up 54% of the companies researched. 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).



Figure 5: Q4 2021 vs Q1 2022

Observation #4 — Less than 10% Have a CCPA DSAR Automation Solution

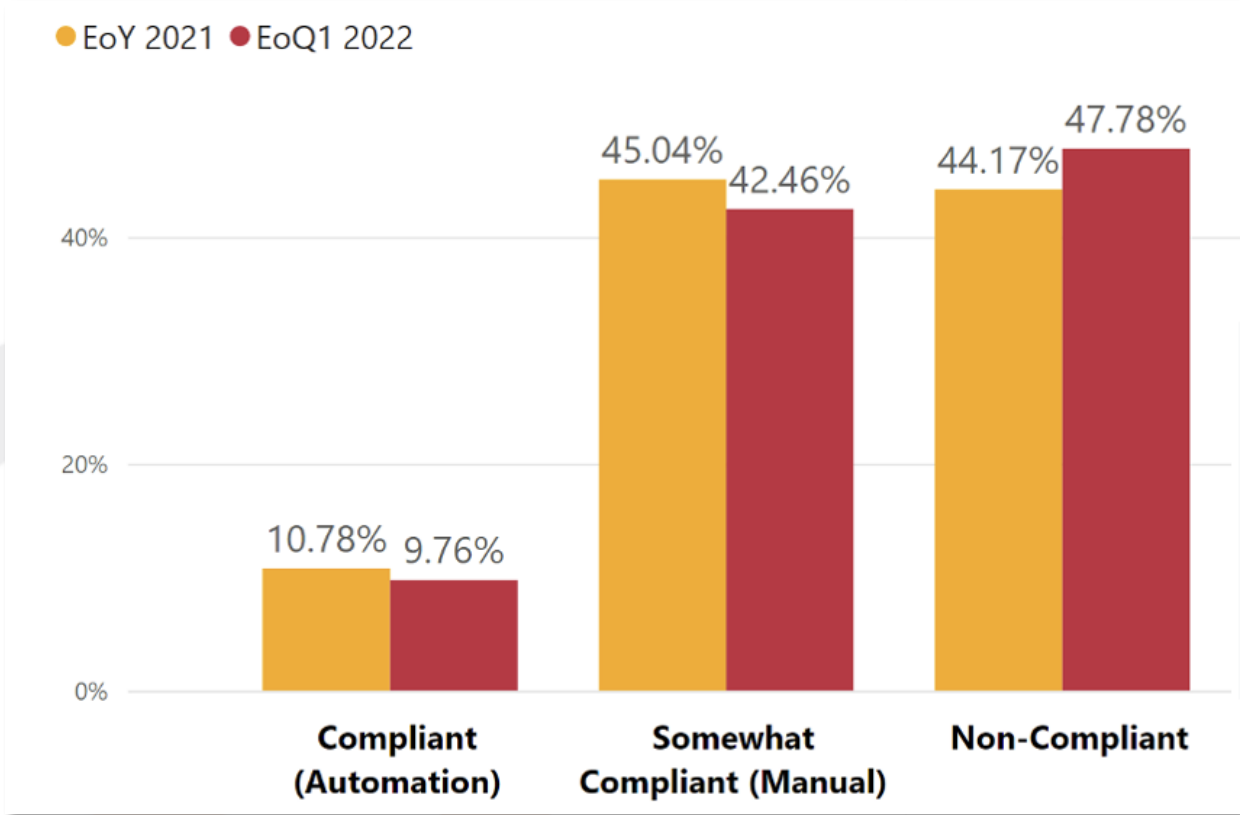
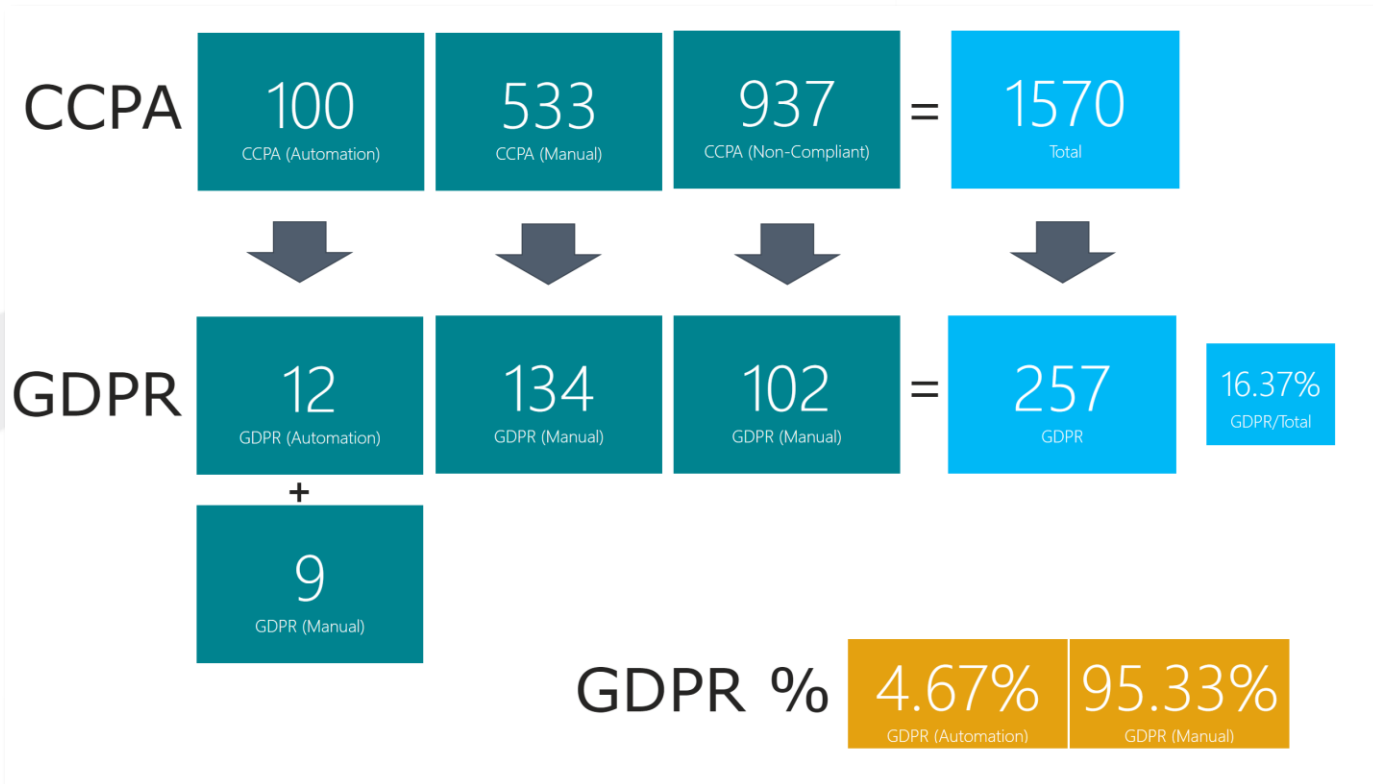


Figure 6: CCPA Readiness Assessment

CYTRIO’s research shows that although DSAR automation solutions exist, only 10% of the companies researched have deployed a CCPA DSAR management automation solution.

In a recent online poll, when asked what was holding them back from deploying an automated privacy rights management solution, **63% of respondents said cost was the #1 reason** followed by **deployment complexity at 22%**. This explains why 1st generation privacy rights management solutions have not gained wide adoption. This bodes well for next generation privacy management solutions that focus on simplicity, ease of deployment, fast time to value, and do not require dedicated team of privacy professionals. CYTRIO provides a Next Generation Privacy Rights Management solution that is easy to install, configure, and maintain.

Observation #5 — Less than 20% need to comply with both CCPA and GDPR



Among the 1,570 companies researched in Q1 2022, CYTRIO found that only 16.37% of the companies stated they need to comply with both CCPA and GDPR. Of these, less than 5% are using privacy rights management automation solutions.

Figure 7: CCPA and GDPR Readiness

Observation #6 – While Top 3 States remained the same, others are catching up

CYTRIO’s research shows the top 3 most compliant states remained the same from Q4 2021 to Q1 2022. The total number of companies from the top 3 states (California, New York and Texas) as a % of total companies decreased from 31% to 25%. This is encouraging as it shows companies from other states as beginning to pay attention to CCPA compliance.

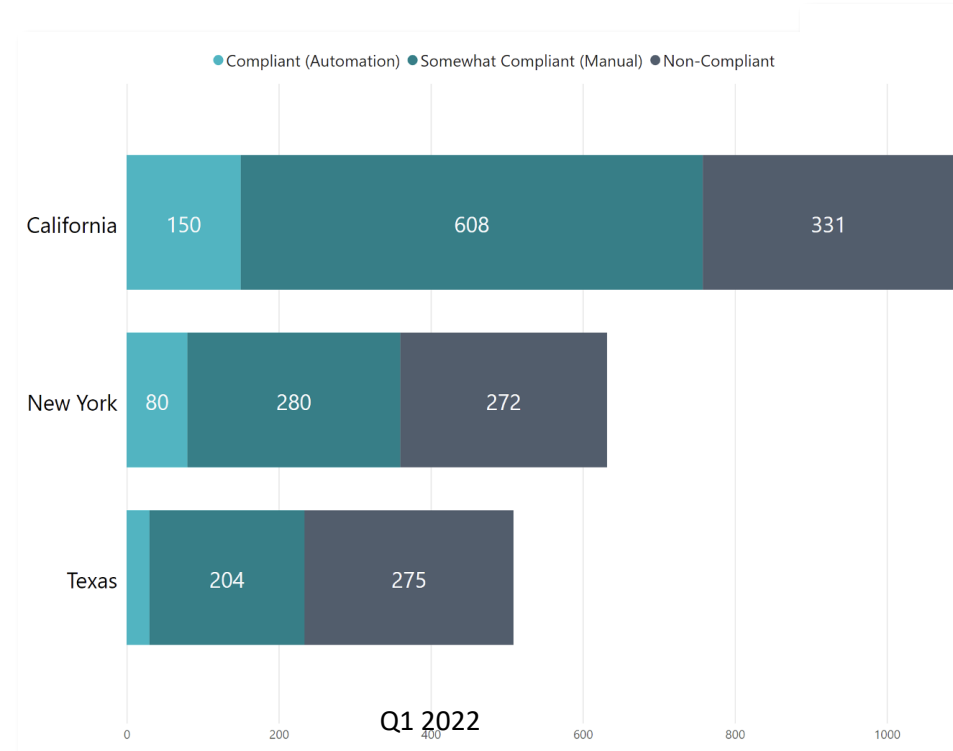
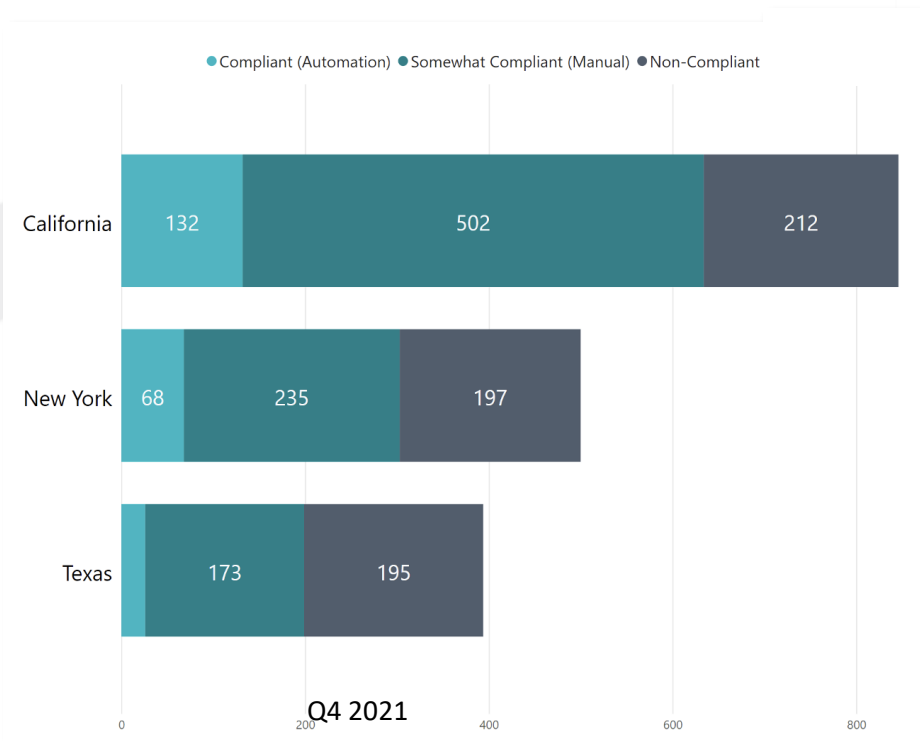


Figure 8: Top 3 States Q4 2021 vs Q1 2022

Observation #7 – Business of All Sizes Poorly Prepared to Meet CCPA

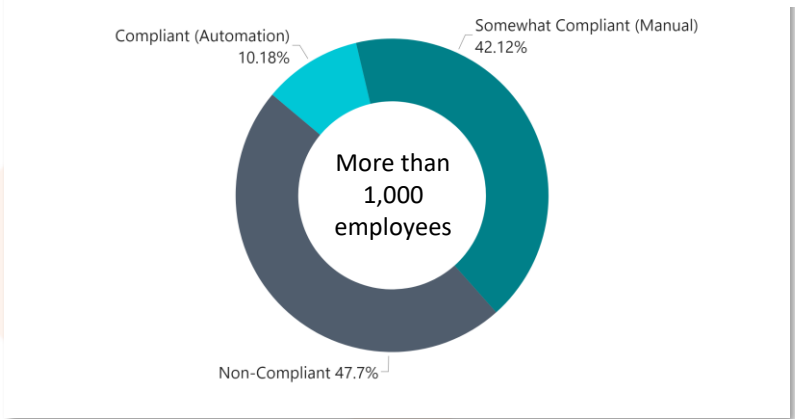
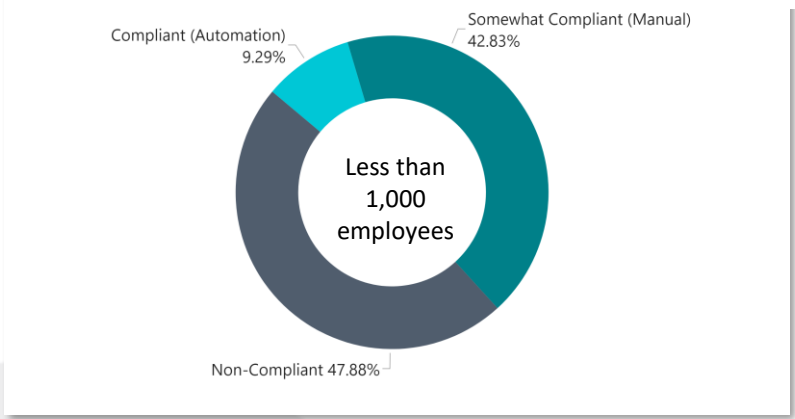
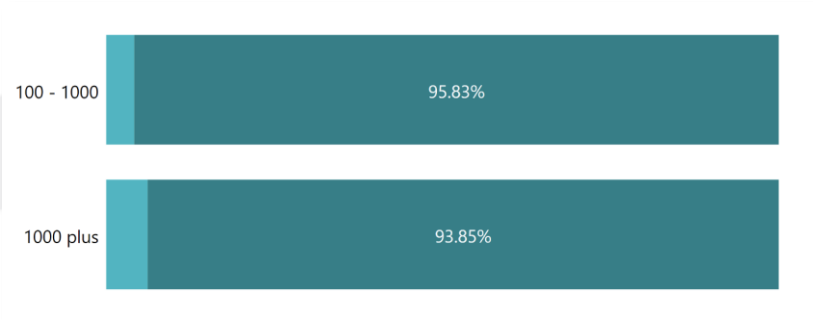


Figure 9: CCPA Preparedness by Company Size

CYTRIO’s research shows that there is no noticeable difference between larger companies (greater than \$100M annual revenue) vs mid-sized businesses (\$25M-\$100M). This is surprising because larger companies do receive higher numbers of DSARs due to the fact they collect and process more PI data, and therefore are 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 10% compliant, and 90% rely heavily on manual processes).

Observation #8 – B2C companies are 3x more likely to deploy GDPR automation



By Employee Count

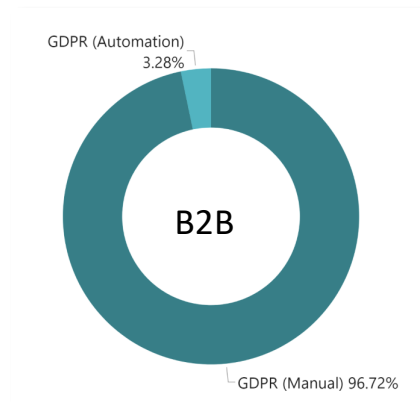
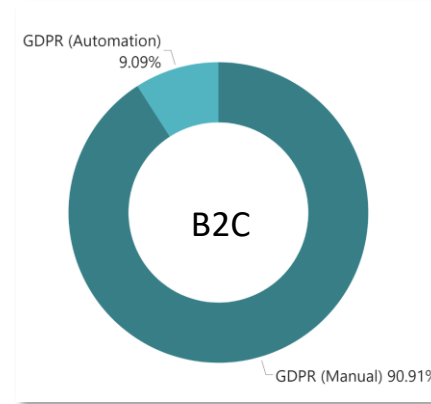


Figure 10: GDPR Compliance

CYTRIO's research shows that there is no noticeable difference between larger companies (greater than \$100M annual revenue) vs mid-sized businesses (\$25M-\$100M) deploying GDPR privacy rights management automation solution. CYTRIO found that B2C companies are 3 times more likely to deploy a GDPR DSAR automation solution vs B2B companies.

The research indicates that both large and mid-sized businesses are woefully unprepared for GDPR with 95% relying on manual processes.

Conclusion

CYTRIO's research found that 90% of companies (across all verticals, states, and business size) are woefully unprepared for CCPA and 95% of companies are using time consuming and error prone manual process to comply with GDPR privacy rights. Companies need to be aware of numerous changes in the more expansive CPRA that go into effect on January 1, 2023 that will require companies to deploy an effective and scalable CCPA & GDPR management solution. Additional states will approve data privacy regulations in the U.S.

- 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.
- GDPR continues to be actively enforced with fines totaling in excess of \$1B in 2021.
- It is expected that California Privacy Protection Agency (CPPA), agency responsible for CPRA enforcement, will actively enforce CCPA/CPRA and companies that are found non-compliant will be subject to fines.
- DSARs coming from data aggregators is increasing in frequency and volume. Companies must prepare to respond to these requests in a timely manner.
- Majority of the requests are Right to Delete (Erasure). Companies must follow a well-defined process when responding to right to delete request, including validation of data deletion.

CYTRIO has built a Next Generation Privacy Rights Management Solution that is simple to deploy and cost effective. Companies that are not compliant, or struggling to be compliant, should evaluate CYTRIO to achieve CCPA & GDPR compliance.

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