



State of CCPA & GDPR Privacy Rights Compliance Research Report – Q2 2022

91% companies unprepared for CCPA

94% companies unprepared for GDPR

Non-Compliant companies are making progress

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Research Overview

CYTRIO, a next generation data privacy compliance 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 EU's General Data Protection Regulation (GDPR) DSAR (Data Subject Access Request) compliance requirements. During Q2 2022, CYTRIO researched 1,525 companies, bringing the total number of companies researched to **8,270** companies. In Q2 2022, CYTRIO also investigated for insights into compliance improvements among companies that were either non-compliant or partially compliant (using manual processes) in Q1 2022.

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 **91%** of companies are not compliant or somewhat compliant with CCPA and CPRA DSAR compliance requirements and **94%** of companies are using error prone and expensive manual processes to comply with GDPR DSAR compliance requirements. Further, 3.5% of companies that were using manual processes in Q1 2022 moved to compliance automation solutions, while 6% of non-compliant companies moved to a manual process to comply with CCPA. This tells us companies are slowly moving up the CCPA/GDPR compliance maturity curve.

Research Methodology

The second CYTRIO State of the CCPA Privacy Rights Compliance report, published in April 2022, studied **6,745** U.S. mid to large companies with revenues from \$25 million to \$5+ billion. In Q2 2022, CYTRIO researched an **additional 1,525** companies for CCPA and GDPR DSAR compliance, bringing the total number of companies researched to-date to **8,270** U.S. mid to large companies. The results in this research are as of June 30, 2022. CYTRIO updates 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), and (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 – 91% companies unprepared for CCPA & CPRA

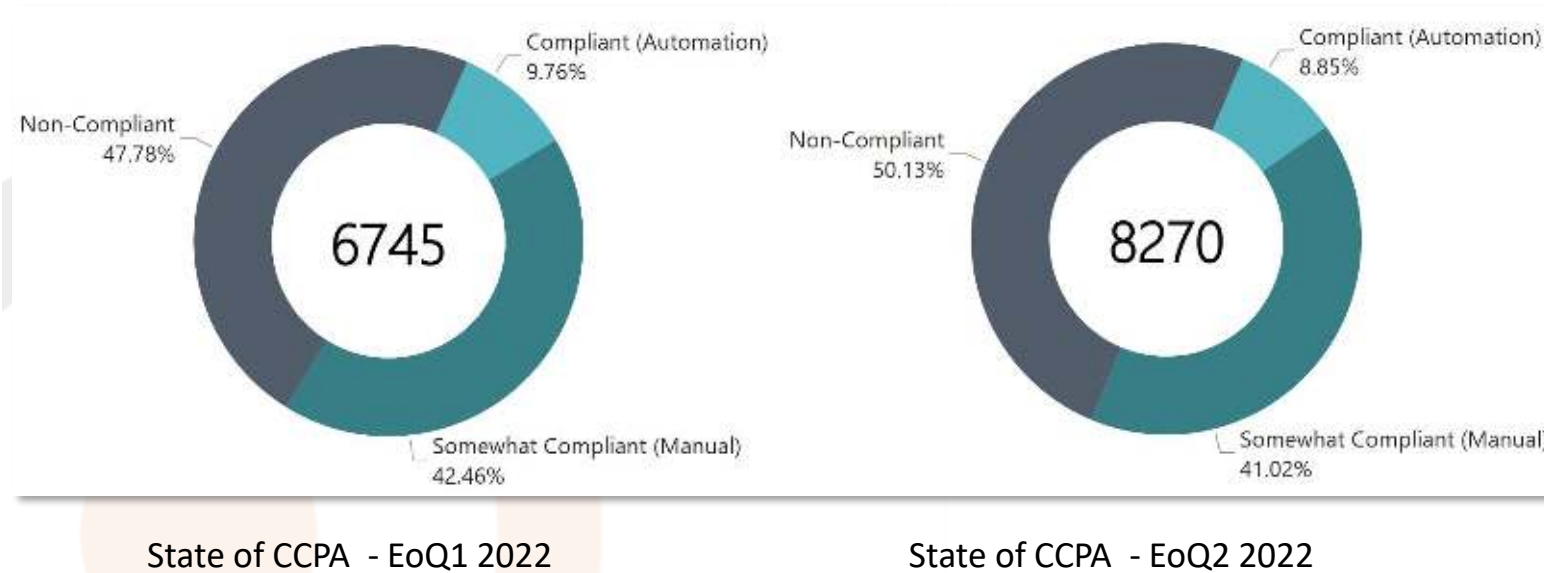


Figure 1: CCPA Readiness Assessment

CYTRIO’s research indicates at the end of Q2 2022 that nearly **91%** 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).

Troubling to find more than **50%** of companies that acknowledge in their privacy policy they need to comply with CCPA do not provide a mechanism for consumers to exercise their data privacy rights.

Key Finding – 94% companies unprepared for GDPR

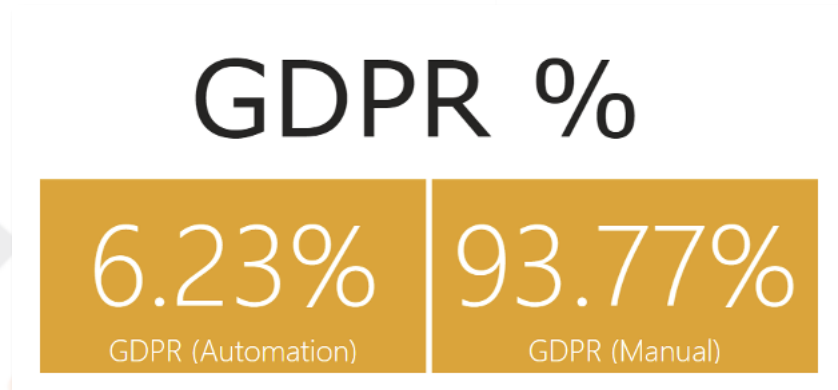
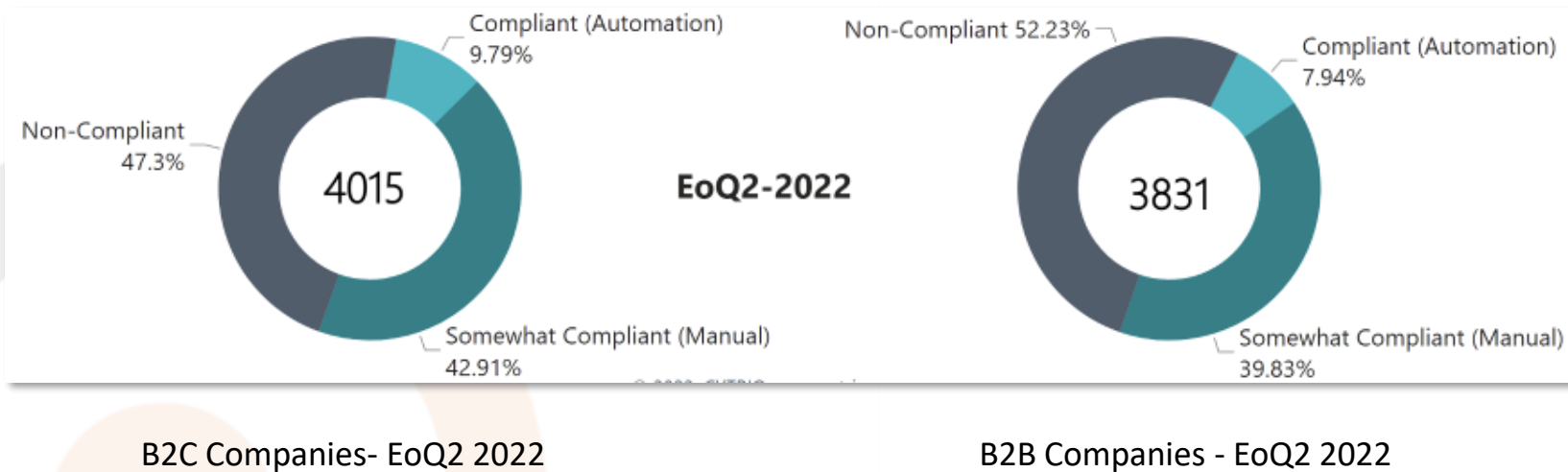


Figure 2: GDPR Readiness

CYTRIO’s research indicates at the end of Q2 2022 that nearly **94%** 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).

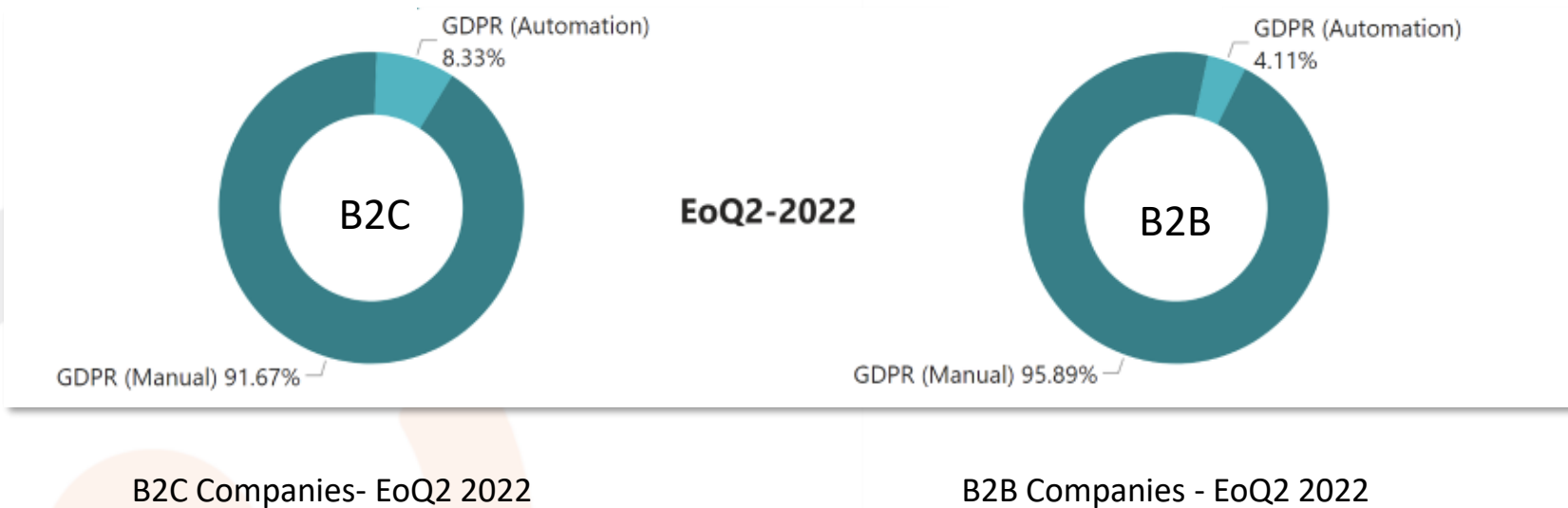
Observation #1 – B2B & B2C companies woefully unprepared for CCPA compliance



B2C companies are more likely to deploy an automation solution and are better prepared to comply with CCPA privacy rights. 52.23% of B2B companies do not provide a mechanism for consumers to exercise their data privacy rights compared to 47.3% of B2C companies.

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 two times more willing to implement a privacy rights management automation solution compared to B2B companies.

Figure 4: B2C vs B2B GDPR Readiness

Observation #3 – Top 3 verticals constitute 55% of total

CYTRIO’s research shows that the top 3 most compliant verticals remained the same from the end of Q1 2021 to the end of Q2 2022. **Business Services, Retail, and Finance** made up 55% of the companies researched. This is noteworthy because CCPA is, broadly speaking, agnostic to industry verticals. 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).

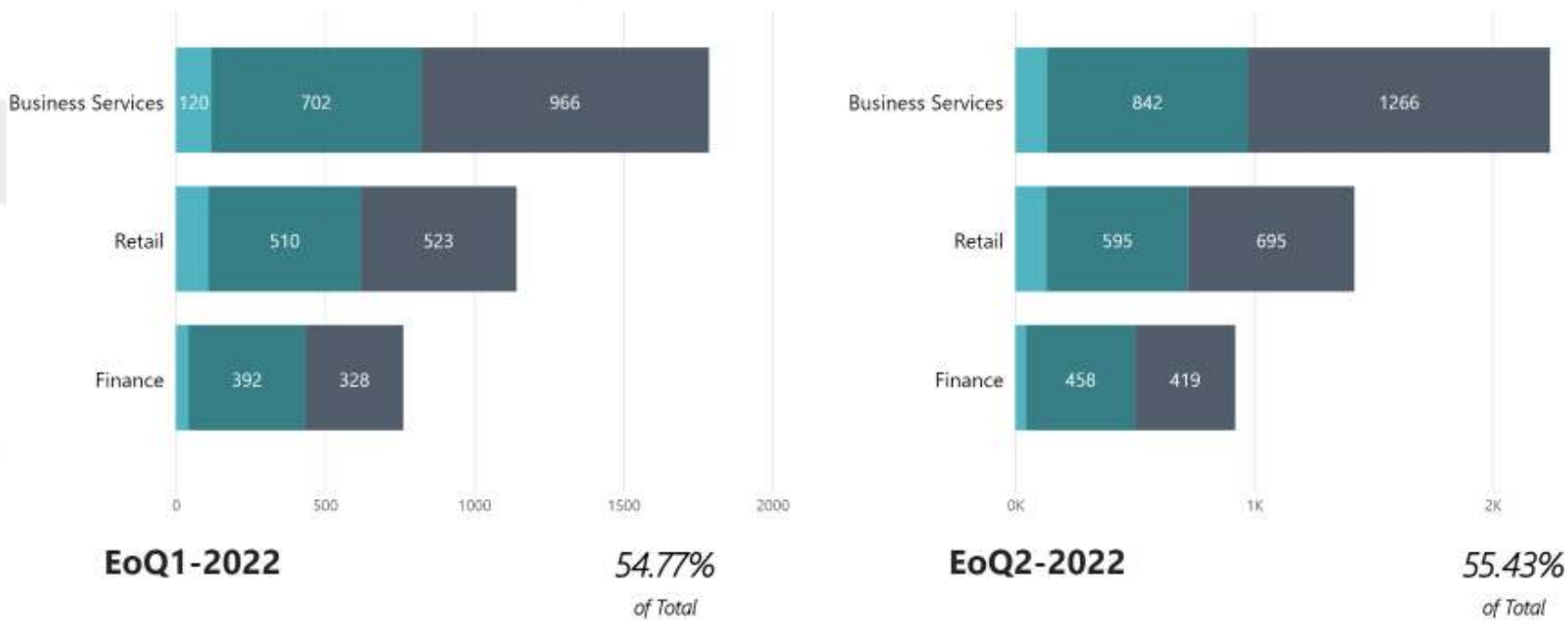


Figure 5: Q1 2022 vs Q2 2022

Observation #4 — Less than 9% have a CCPA DSAR automation solution

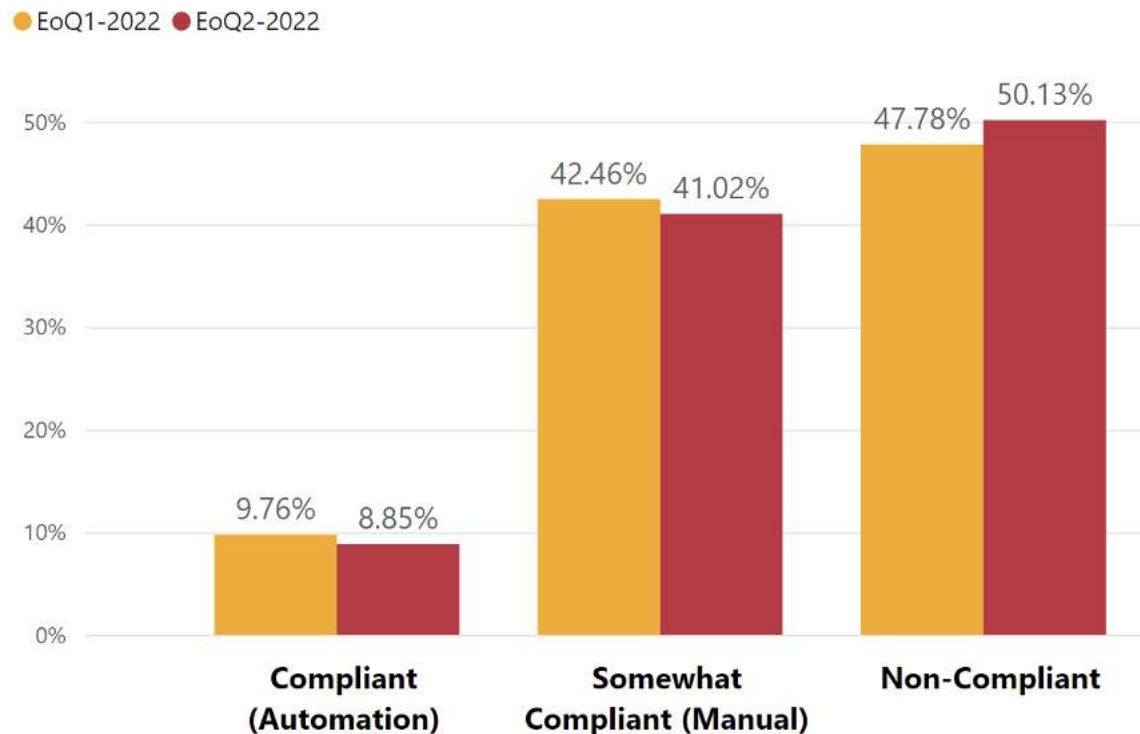


Figure 6: CCPA Readiness Assessment

CYTRIO’s research shows that although DSAR automation solutions exist, less than 9% 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 a dedicated team of privacy professionals. CYTRIO provides a Next Generation Privacy Rights Management solution that is easy to install, configure, and maintain.

Observation #5 — 22% need to comply with both CCPA and GDPR



Among the 1,525 companies researched in Q2 2022, CYTRIO found that **22%** of the companies stated they need to comply with both CCPA and GDPR, an almost 6% increase from the Q1 2022 cohort. Of these, approximately 6% are using privacy rights management automation solutions and **94%** are using manual processes.

Figure 7: CCPA and GDPR Readiness

Observation #6 – Top 3 states remained the same; others are catching up

CYTRIO’s research shows the top 3 most compliant states remained the same from Q1 2022 to Q2 2022. Total number of companies from the top 3 states (**California, New York, and Texas**) as a % of total companies stood at 32.5% as of end of Q2 2022.



Figure 8: Top 3 States Q1 2022 vs Q2 2022

Observation #7 – Businesses of all sizes poorly prepared to meet CCPA

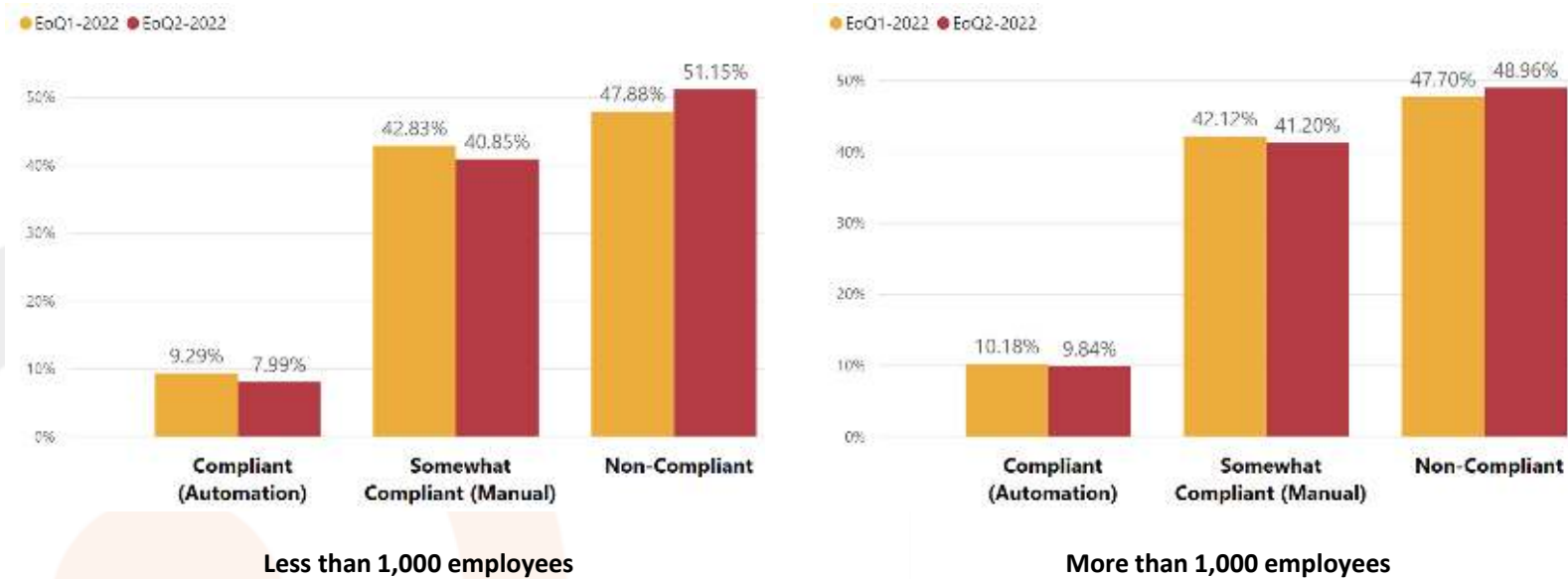


Figure 9: CCPA Preparedness by Company Size

CYTRIO’s research shows that larger companies (greater than 1,000 employees) are deploying CCPA data rights management automation solutions vs mid-sized businesses with less than 1,000 employees). As larger companies receive higher numbers of DSARs due to the fact they collect and process more PI data, they are more likely to adopt an automated DSAR management solution.

The research indicates that both large and mid-sized businesses are woefully unprepared for CCPA. **90%** of large businesses rely on manual processes.

Observation #8 – B2C companies are 2x more likely to deploy GDPR automation

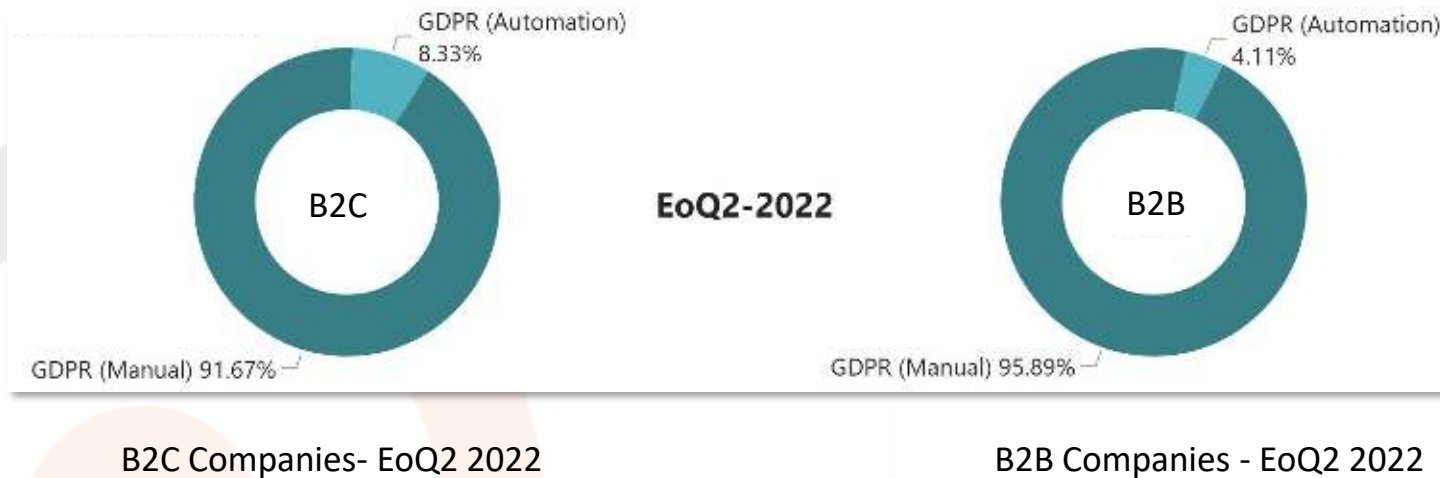


Figure 10: GDPR Compliance

CYTRIO's research revealed that B2C companies are two 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 **94%** relying on manual processes.

Observation #9 – Q1 2022 to Q2 2022 changes in somewhat compliant cohort

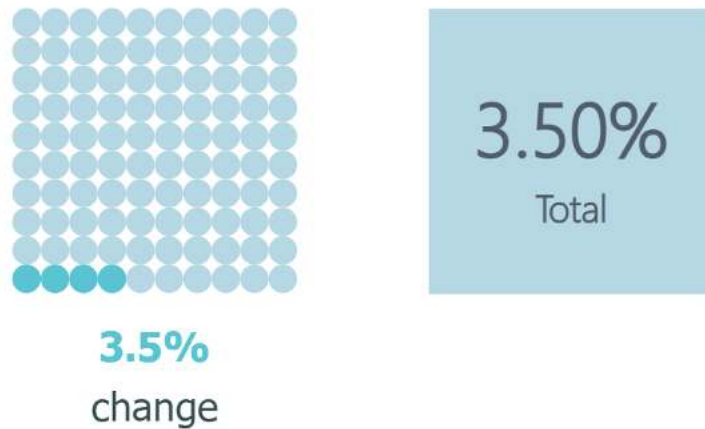


Figure 11: Q1 2022 to Q2 2022 Trends in Somewhat Compliant Cohort

CYTRIO investigated a random sample of somewhat compliant companies from Q1 2022 to see what % of them either moved to automation group or non-compliant group. We found 3.5% of companies in somewhat compliant group moving to the automation group.

We observed 5% of B2B companies from Q1 2022 somewhat compliant cohort deployed an automation solution vs 2% of B2C companies. 5% of large companies (> \$100M in revenue) from Q1 2022 somewhat compliant cohort deployed an automation solution vs 2% of medium sized companies (\$25-100M revenue).

Observation #10 – Q1 2022 to Q2 2022 changes in non-compliant cohort

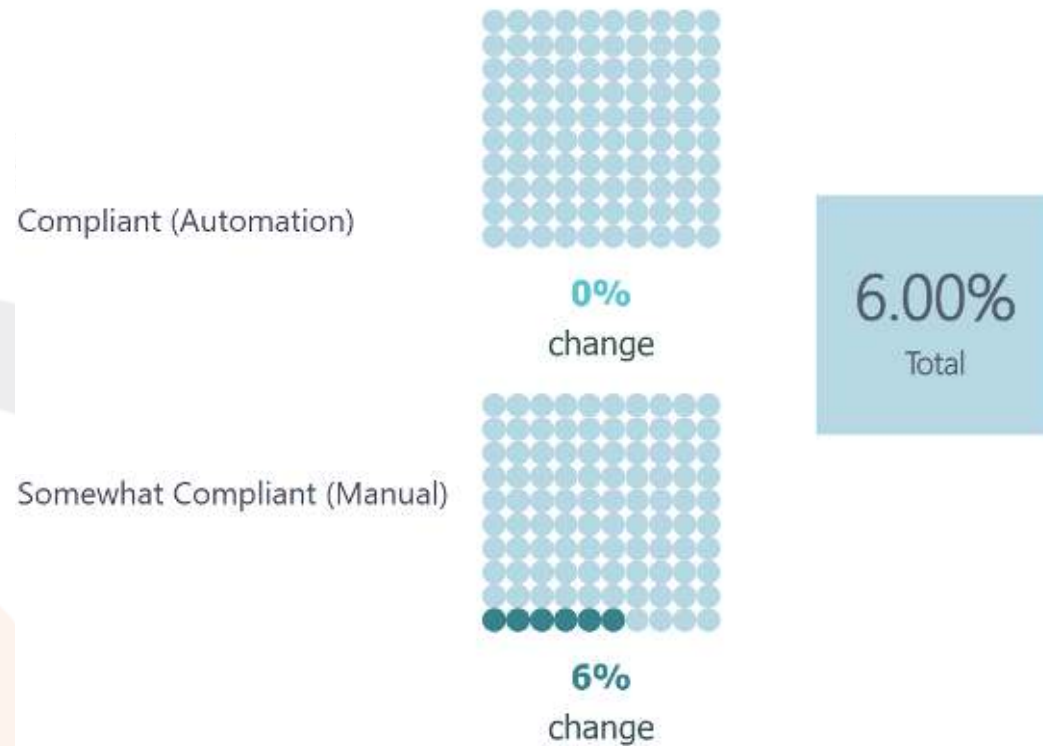


Figure 12: Q1 2022 to Q2 2022 Trends in Non-Compliant Cohort

CYTRIO investigated a random sample of non-compliant companies from Q1 2022 to see what % of them either moved to either automation group or somewhat compliant group. We found 6% of companies in non-compliant group moving to somewhat compliant (manual) group.

We observed 9% of B2B companies from Q1 2022 non-compliant cohort are using manual processes (somewhat compliant) vs 3% of B2C companies. 4% of large companies (> \$100M in revenue) from Q1 2022 non-compliant cohort are using manual processes (somewhat compliant) vs 8% of medium sized companies (\$25-100M revenue).

Conclusion

CYTRIO's research found that 91% of companies (across all verticals, states, and business size) are woefully unprepared for CCPA and 94% of companies are using time consuming and error prone manual processes to comply with GDPR privacy rights. Q1 2022 to Q2 2022 trend data confirms the data privacy maturity curve. It is heartening to see companies that started with acknowledging they need to comply with CCPA but started as non-compliant moving up the maturity curve by implementing manual processes and some companies in somewhat compliant group deploying DSAR automation solutions.

- Companies need to be aware of numerous changes in the more expansive CPRA that goes into effect on January 1, 2023, requiring companies to deploy an effective and scalable CCPA and GDPR management solution. Additional states continue to approve data privacy regulations in the U.S.
- GDPR continues to be actively enforced with fines totaling in excess of \$2B as of June 2022.
- CCPA (California Privacy Protection Agency), the agency responsible for CPRA enforcement, will actively enforce CCPA/CPRA and companies that are found non-complaint will be subject to fines.
- DSARs from data aggregators continue to grow 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 requests, including validation of data deletion.

CYTRIO offers Next Generation Privacy Compliance 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 and GDPR compliance.

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