



5th State of CCPA & GDPR Privacy Rights Compliance Research Report – Q4 2022

92% companies unprepared for CCPA

91% companies unprepared for GDPR

Non-compliant companies are making progress

Publication Date 2/15/2023

Research Overview

CYTRIO, a data privacy compliance company, is publishing the 5th State of CCPA & GDPR Privacy Rights Compliance 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 Q4 2022, CYTRIO researched 1,521 companies, bringing the total number of companies researched to **11,358**. In Q4 2022, CYTRIO continued to look for trends among companies that were either non-compliant or partially compliant (using manual processes) by comparing their compliance status in Q1 2022 to Q4 2022.

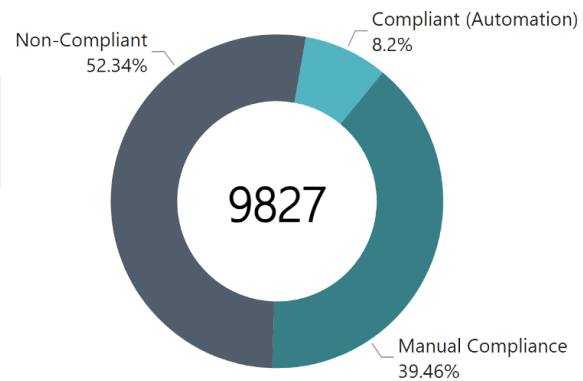
CYTRIO's research uncovered many findings of the readiness of companies to comply with CCPA, CPRA, and GDPR privacy rights, including a key finding that **53.2%** of companies stated they need to comply with CCPA but do not provide a mechanism for consumers to exercise their data privacy rights, while **38.6%** of companies are using expensive and error prone manual processes. **91.2%** of companies that state they need to comply with GDPR are using manual processes. We observed 4% of companies that were using manual processes in Q1 2022 moved to compliance automation solutions, while 11% 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

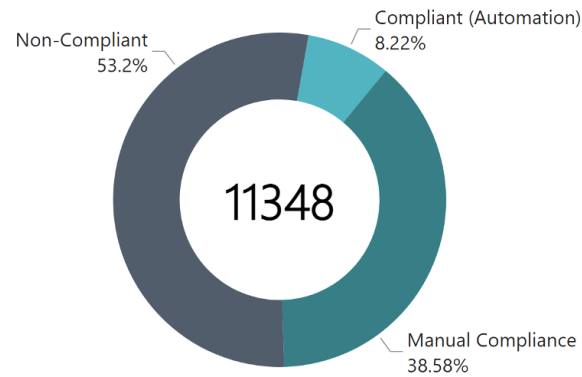
The 4th CYTRIO State of the CCPA Privacy Rights Compliance report, published in November 2022, studied **8,927** U.S. mid to large companies with revenues from \$25 million to \$5+ billion. In Q4 2022, CYTRIO researched an **additional 1,521** companies for CCPA and GDPR DSAR compliance, bringing the total number of companies researched to-date to **11,358** U.S. mid to large companies. The results in this research are as of December 31, 2022.

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 indicates 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 management solutions provide either automated workflows or automated data discovery plus workflows.

Key Finding – 92% companies unprepared for CCPA & CPRA



State of CCPA - EoQ3 2022

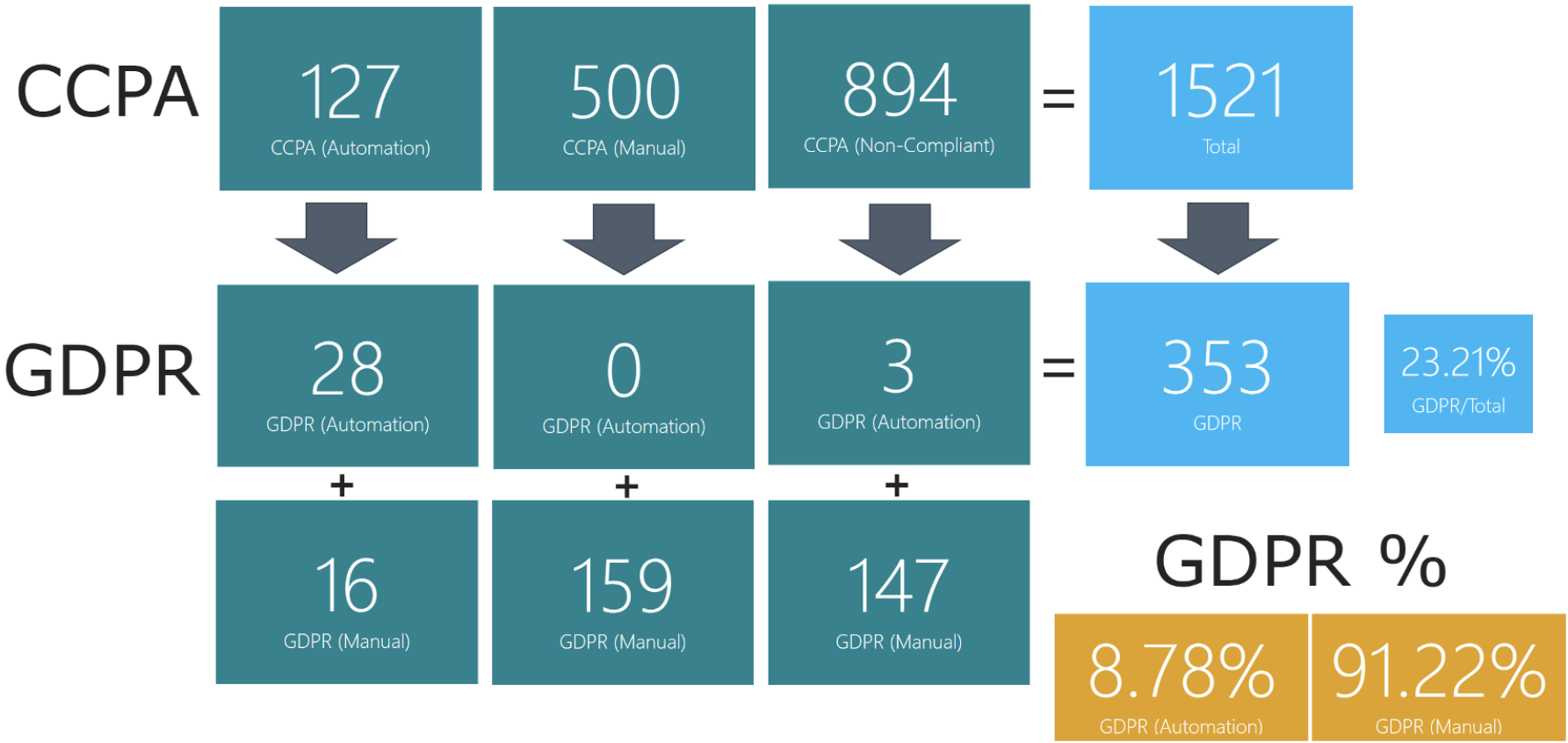


State of CCPA - EoQ4 2022

CCPA Readiness Assessment

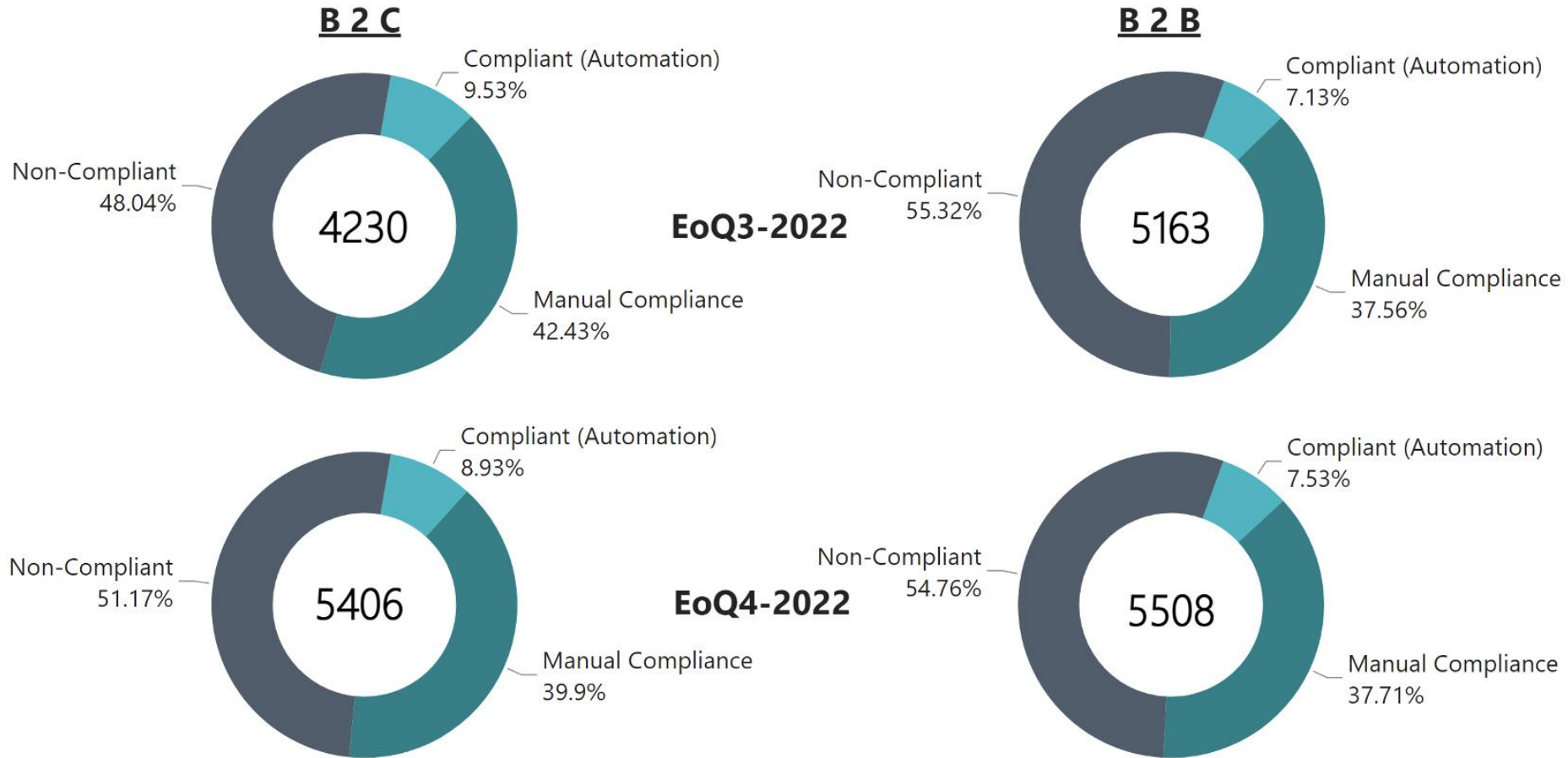
State of CCPA	EoQ3-2022	EoQ4-2022
Compliant (Automation)	806	933
Manual Compliance	3878	4378
Non-Compliant	5143	6037
Total	9827	11348

Key Finding – 91% companies unprepared for GDPR



GDPR Readiness

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



B2C vs. B2B CCPA Readiness

Observation #2 – Top 3 verticals constitute 55% of total

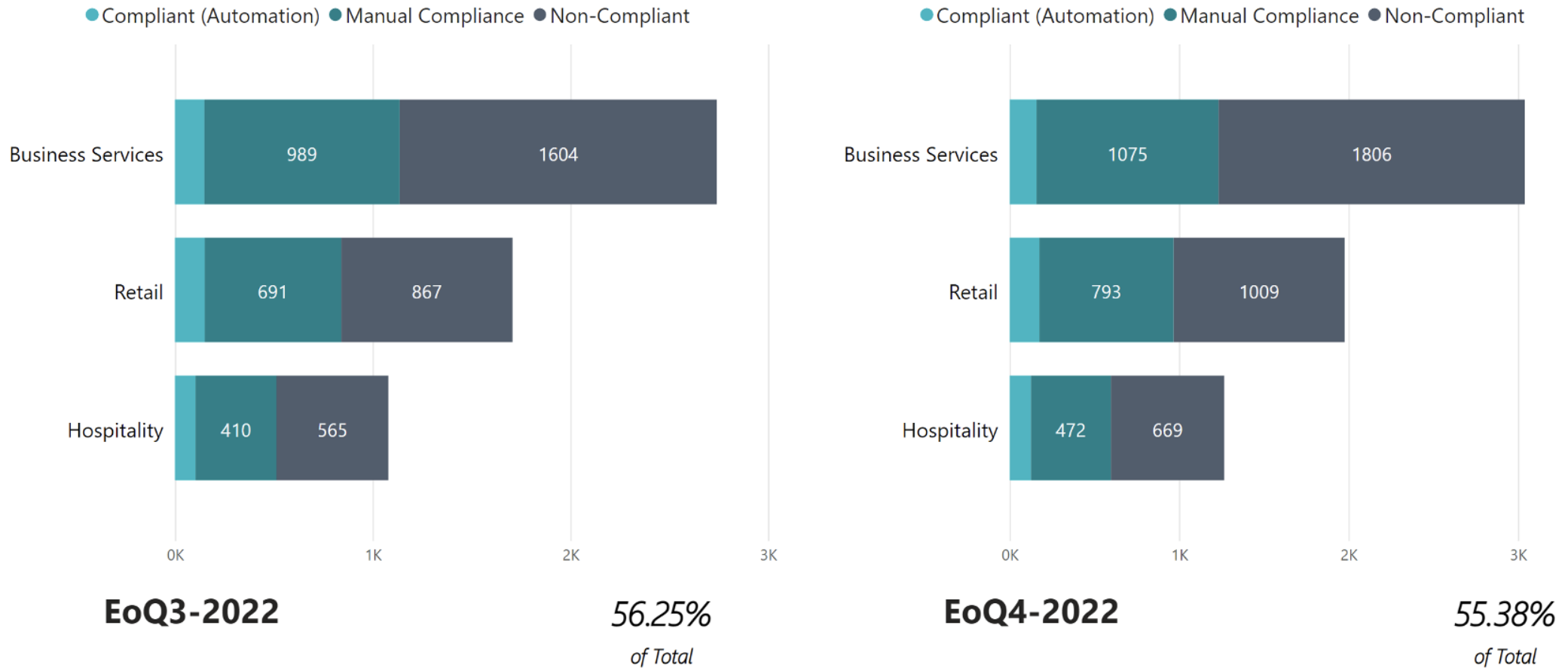
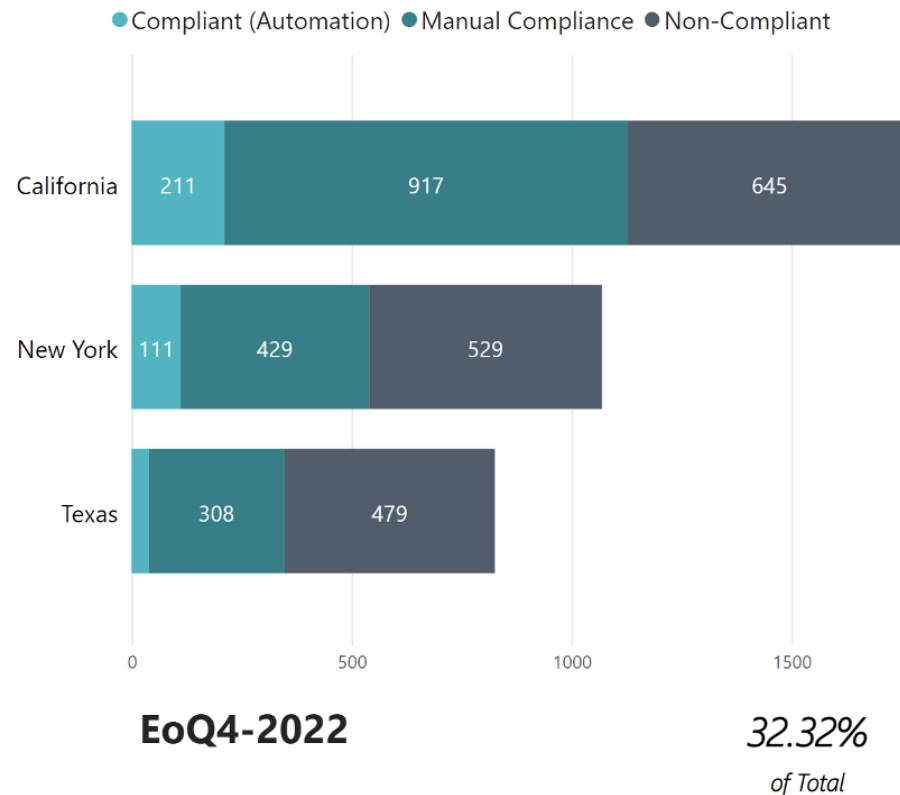
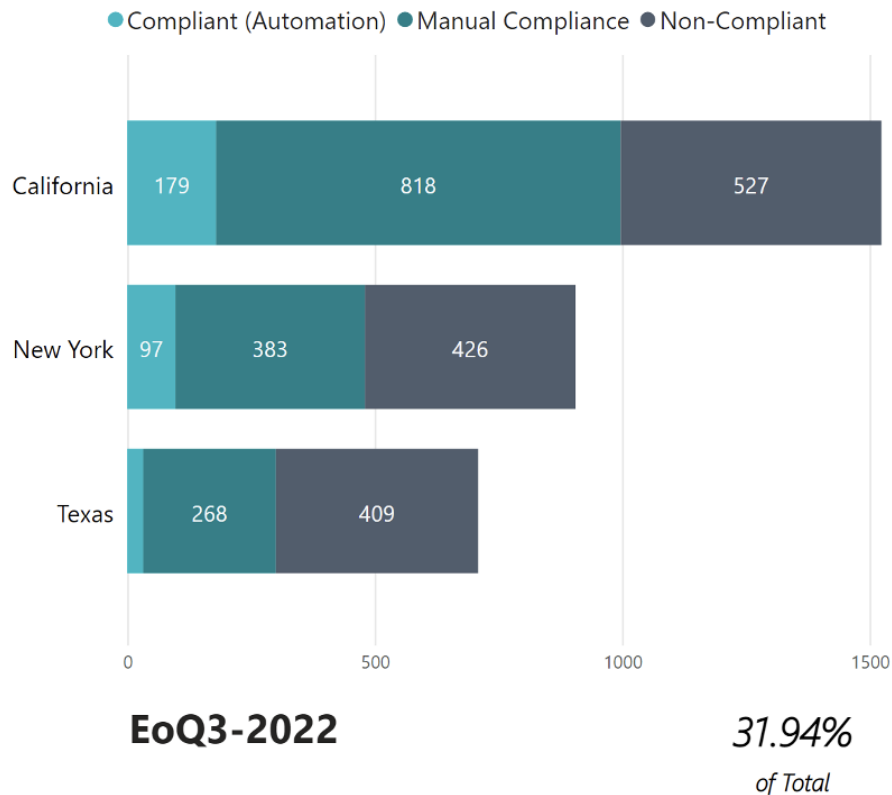


Figure 5: Q3 2022 vs. Q4 2022

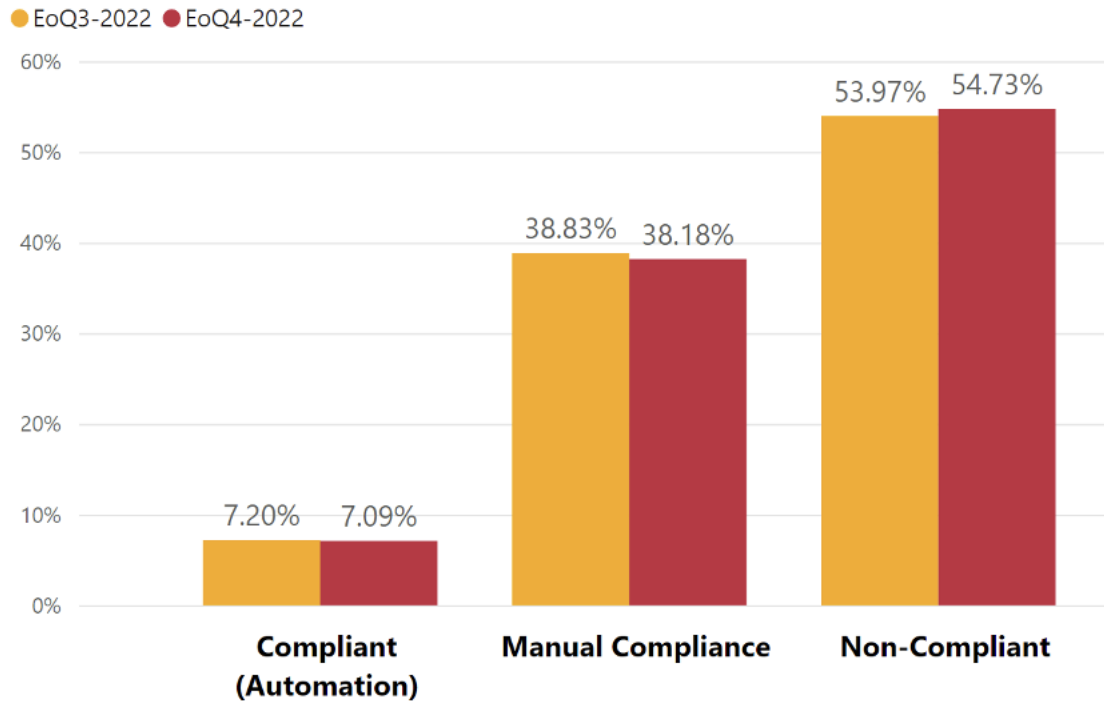
Observation #3 – Top 3 states remained the same; others are catching up



Top 3 States Q1 2022 vs. Q2 2022

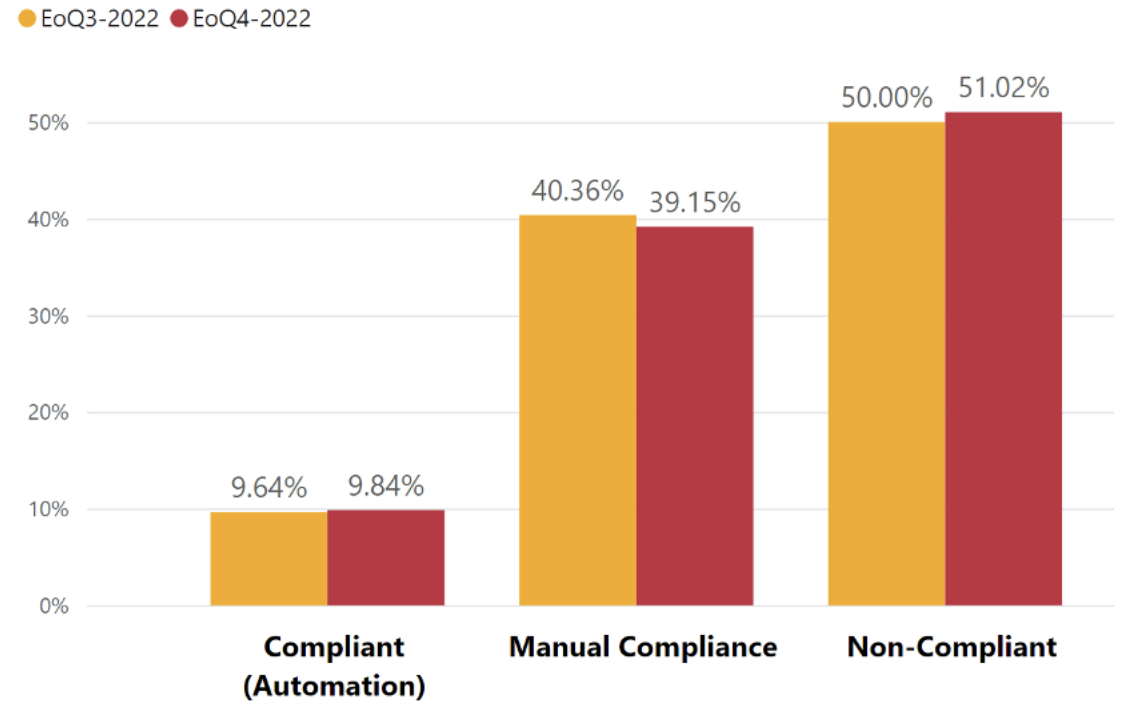
Observation #4 – Businesses of all sizes poorly prepared to meet CCPA

EoQ3-2022 vs. EoQ4-2022



Less than 1,000 employees

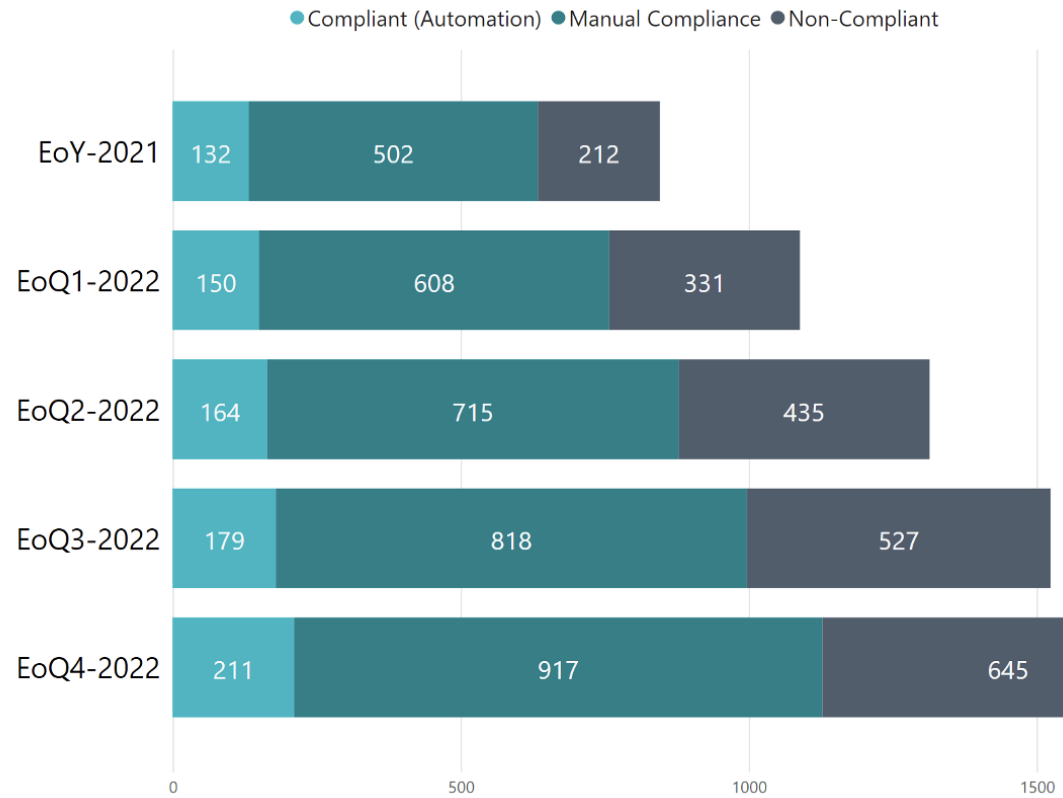
EoQ3-2022 vs. EoQ4-2022



More than 1,000 employees

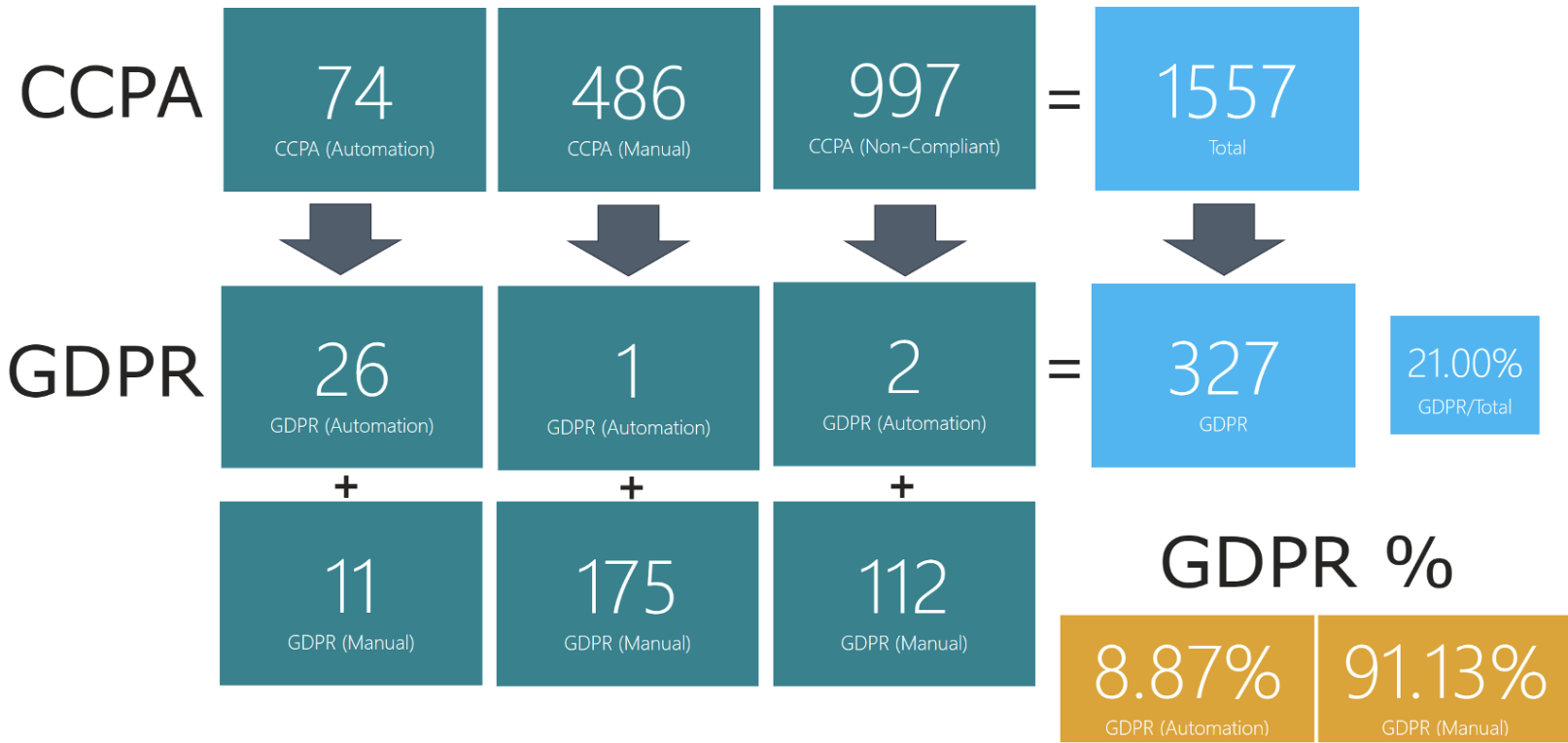
CCPA Preparedness by Company Size

Observation #5 – State of CCPA Compliance for California Companies



State of CCPA Compliance for California Companies

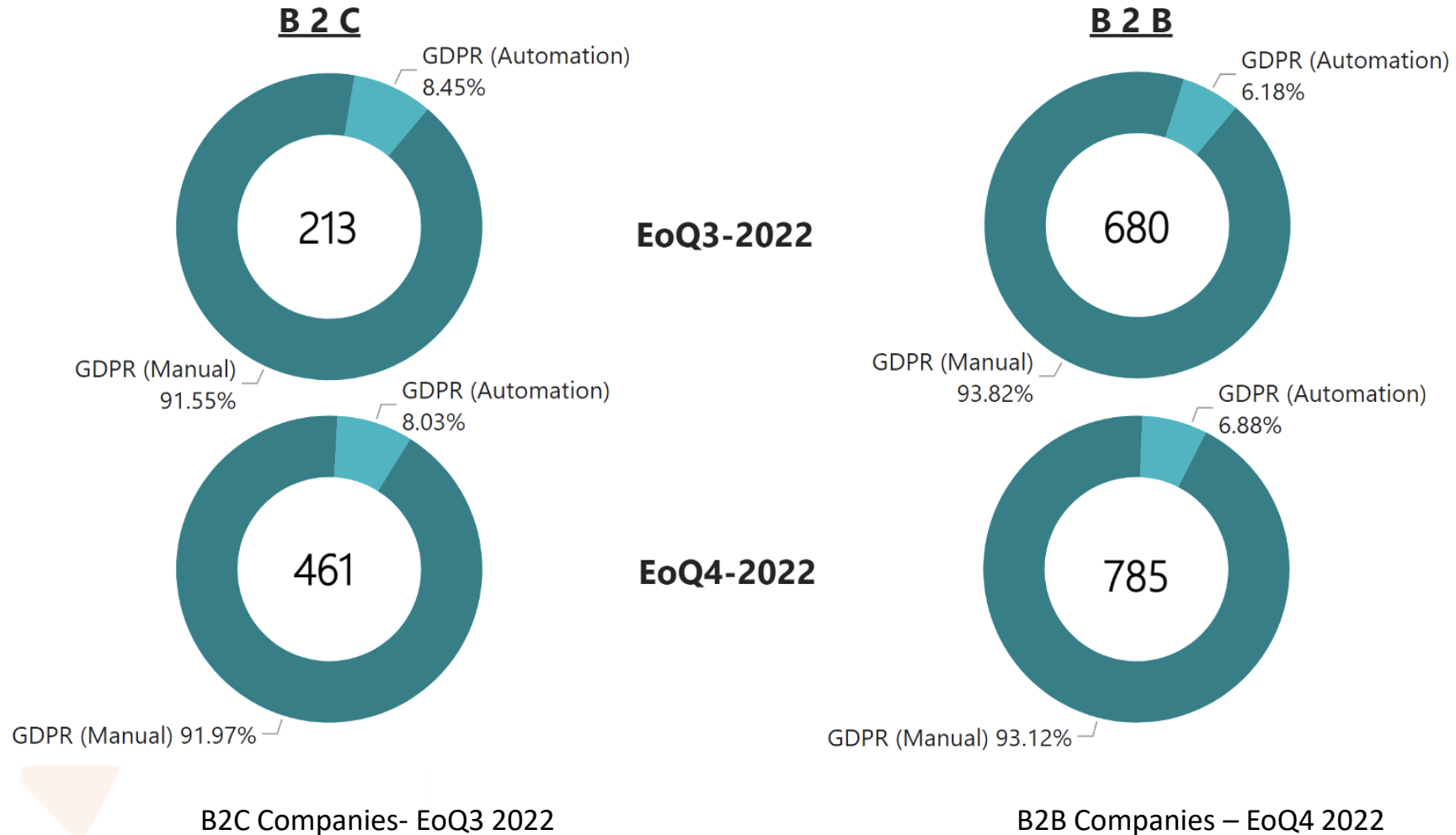
Observation #6 — 21% need to comply with both CCPA and GDPR



Among the 1,557 companies researched in Q4 2022, CYTRIO found that **21%** of the companies stated they need to comply with both CCPA and GDPR, consistent with Q3 2022 cohort. Of these, approximately 9% are using privacy rights management automation solutions and **91%** are using manual processes.

CCPA and GDPR Readiness

Observation #7 – B2C companies are more likely to deploy GDPR automation



B2C Companies- EoQ3 2022

B2B Companies – EoQ4 2022

GDPR Compliance

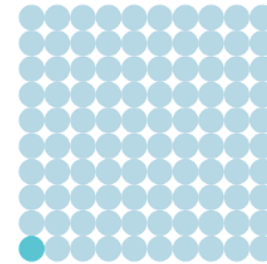
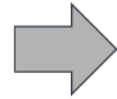
Observation #8 – Q1 2022 to Q4 2022 changes in manual compliance cohort



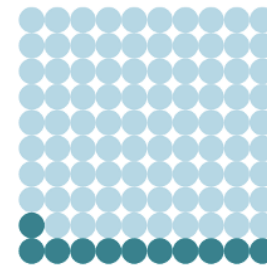
Q1 2022 to Q4 2022 Trends in Manual Compliant Cohort

Observation #9 – Q1 2022 to Q4 2022 changes in non-compliant cohort

CCPA



0.5%
change



11%
change



Q1 2022 to Q4 2022 Trends in Non-Compliant Cohort

Other Observations

CYTRIO's research found that 92% of companies (across all verticals, states, and business size) are woefully unprepared for CCPA/CPRA, and 91% of companies are using time consuming and error prone manual processes to comply with GDPR privacy rights. Q1 2022 to Q4 2022 trend data confirms the data privacy maturity curve.

- California AG recently launched a [Consumer Privacy Interactive Tool](#) to make it easy for consumers to send notice of non-compliance to companies for failing to post easy-to-find Do Not Sell My Information link on their website. CA AG intends to expand this tool to cover other consumer rights under CCPA & CPRA. This is a very encouraging development in the process of educating consumers about their rights under CCPA and CPRA, while making it easy to exercise their privacy rights.
- Companies need to be aware of numerous changes, including employees' right to exercise data privacy in the more expansive CPRA that went into effect on January 1, 2023, requiring companies to deploy an effective and scalable CCPA/CPRA and GDPR compliance management solution. States where data privacy regulations go into effect in 2023 include Virginia, Colorado, Utah, and Connecticut. We expect several other states to approve a data privacy regulation in 2023.

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

Other Observations

- Q3 2022 saw first enforcement action under CCPA – Sephora was fined \$1.2M for violating Do Not Sell My Information provision.
- In January 2023, California Attorney General Rob Bonta [announced](#) a new enforcement sweep aimed at businesses with mobile apps and other businesses that fail to comply with the California Consumer Privacy Act (CCPA)
- As CPPA turns its attention to CPRA enforcement, we will see a significant increase in enforcement actions.
- As was the case with GDPR, media coverage of increasingly higher numbers of enforcement actions will help educate consumers of their data privacy rights resulting in consumers actively exercising their privacy rights under CPRA.
- GDPR continues to be actively enforced with fines totaling in excess of \$2.5B and total number of fines under GDPR reaching 1,462 fines as of the end of Q4 2022.

CYTRIO's Privacy Compliance Platform is simple to deploy and is 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