
2022

Global Privacy Benchmarks Report



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Introduction

For the third year running, TrustArc has captured worldwide views on privacy trends, the current and anticipated approaches and challenges in data protection and privacy. In 2020, TrustArc inaugurated an annual **Global Privacy Benchmarks Survey**. Each year the report covers our Global Privacy Index, challenges and threats to privacy past and future, relevant strategies and priorities, and current knowledge and practices.

Each year our analysis also analyzes timely issues. Additional deep dives in 2022 include privacy measurement and key performance indicators (KPIs), the resourcing of privacy teams, data discovery & scanning solutions, and knowledge of emerging privacy regulations worldwide.

This year as with previous years, we take a 360-degree view, including both outside the privacy function (senior executives, middle management, and full-time employees) and inside the privacy function (privacy office leaders and privacy team members). In total, we obtained 1416 responses in 2022.

Based on our objective to obtain a balanced 360-degree view, this year as with prior years, we weighted respondent level results across the primary roles—executives, managers, full time employees, and privacy executives, privacy team members—to ensure representative equivalencies in comparing results year over year. Additionally, this year we weighted the results by revenue to align with prior years.

The findings were clear. The list of privacy regulations around the globe continues to grow, putting more demands on enterprises to stay current and comply. Dedicated privacy teams are now the norm among medium and large-sized enterprises, with privacy purpose-built software products needed to support these teams' efforts. Privacy risks remain high and are being addressed by these teams, but the responsibility must be shared by all employees such that it permeates all decisions made throughout enterprises. Privacy remains a key part of safeguarding and building public reputation and it is a cornerstone of corporate responsibility.

Executive Overview

Emerging from the worst of the pandemic, but with undiminished threats including supply chains and cybersecurity attacks, medium and large enterprises need to reinforce their privacy approaches. Our global findings witnessed a dip in privacy competence and confidence, as evidenced by our TrustArc Global Privacy Index. Perhaps exhausted by efforts not only in dealing with the pandemic but also now adjusting to other harsh market realities, confidence in privacy has been shaken in 2022.

Overall, the majority of enterprises agree on privacy as a priority. For companies that do so, this year as with prior years the benefits are clear: leaders in our Global Privacy Index offer dramatically higher confidence by all stakeholders in trust, at all levels of their organizations from frontline employees to senior executives.



Privacy Trends Worth Noting

1

With a growing number of regulations worldwide and unabated privacy threats, the need to get organized has never been clearer.

While 90% of medium and large size enterprises have privacy offices, the privacy function varies widely in where it sits within organizations. These findings suggests that while privacy as a discipline has solidified, it has not fully matured.

2

On the privacy front, the majority of companies measure what they are trying to manage but struggle to translate this into success.

Over 80% of enterprises measure privacy but their methods vary widely. There is no clear consensus or “front runner” in terms of measurement best practices. Globally, we saw a decline in our overall Privacy Index scores.

3

Managing the evolving global regulatory landscape is a huge challenge.

Privacy teams and senior leaders list their biggest privacy challenges as coping with new regulations, implementing new cross-border data mechanisms, and maintaining a patchwork of separate local compliance requirements.

360° View from Around the Globe

We surveyed respondents from around the world—including senior leadership outside the privacy office, middle management, and non-managerial full-time employees—and senior leadership inside the privacy office and privacy team members—on how well their enterprises manage data protection and privacy.

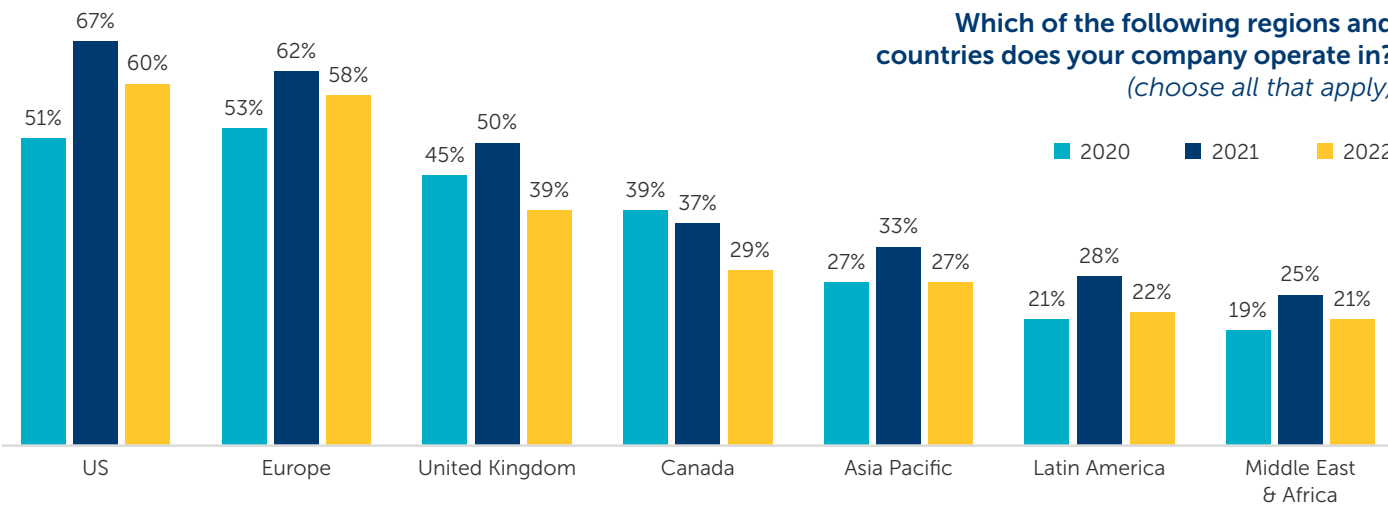
Our study is comprehensive. We obtained results from a range of company sizes including large, medium and small businesses.

Respondents were from a combination of fieldwork resources including a global survey panel provider (n=1139), TrustArc web, social and marketing channels (n=111) and Mturk Premium Masters Qualified US respondents (n=66). Over half of the respondents (55%) had been with their company for five or more

years; 30% anywhere from one to five years, and 13% for a year or less (2% preferred not to answer).

The survey targeted individuals from companies with head offices in the US, Europe, and the UK, with additional responses coming in around the world. The reach of these companies in turn was global, additionally covering Canada, Asia Pacific, Latin America, and the Middle East and Africa. Within the US, participation balanced across regions.

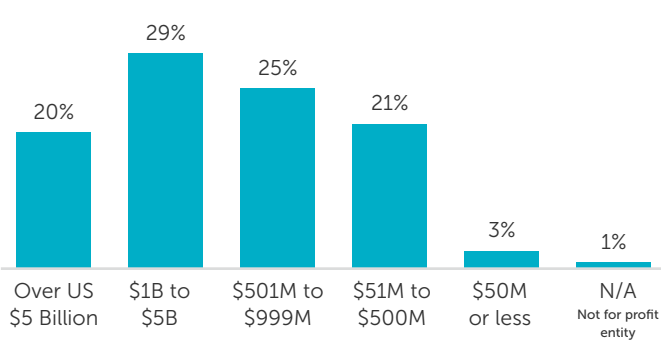
The survey represented a wide range of industries. The most prevalent were technology, financial services, and manufacturing (15% each), followed by retail (12%), and health care (8%). This distribution was remarkably similar to prior years given that no quotas were set.



Almost half (49%) of our respondents were from firms with annual revenue over US\$1B. We also obtained results that allowed us to compare results for medium and small sized companies.

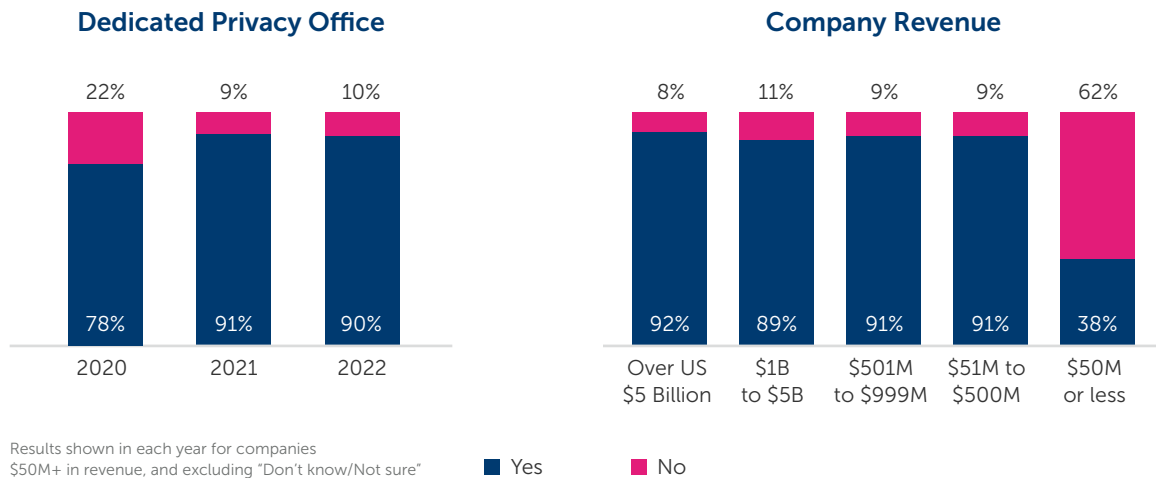
To compare results year over year, and to maintain a balanced 360° view, we weighted respondent level results across the roles surveyed including executives, managers, full time (non-managerial) employees, privacy team leaders, and privacy team members.¹ Additionally, this year we weighted the results by revenue to align with prior years.

This work was done independently, with TrustArc commissioning Golfdale Consulting to conduct the TrustArc Global Benchmarks Survey in each of 2020, 2021 and 2022.



Analysis and Insights

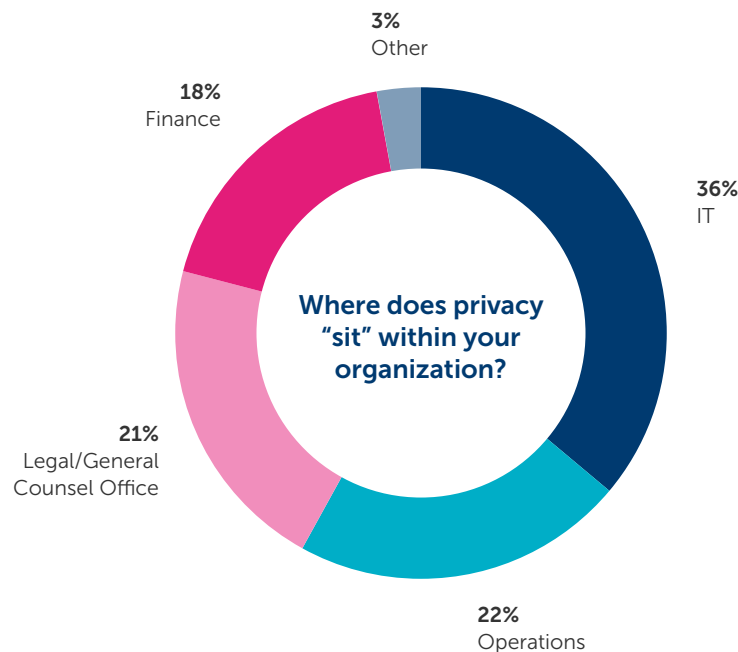
Large and medium sized companies continue to take privacy matters seriously, with 9 out of 10 respondents reporting that their company had a dedicated privacy office.



These results held across all medium and large enterprises, but dramatically shifted for small enterprises, where only just over a third have a dedicated privacy office.

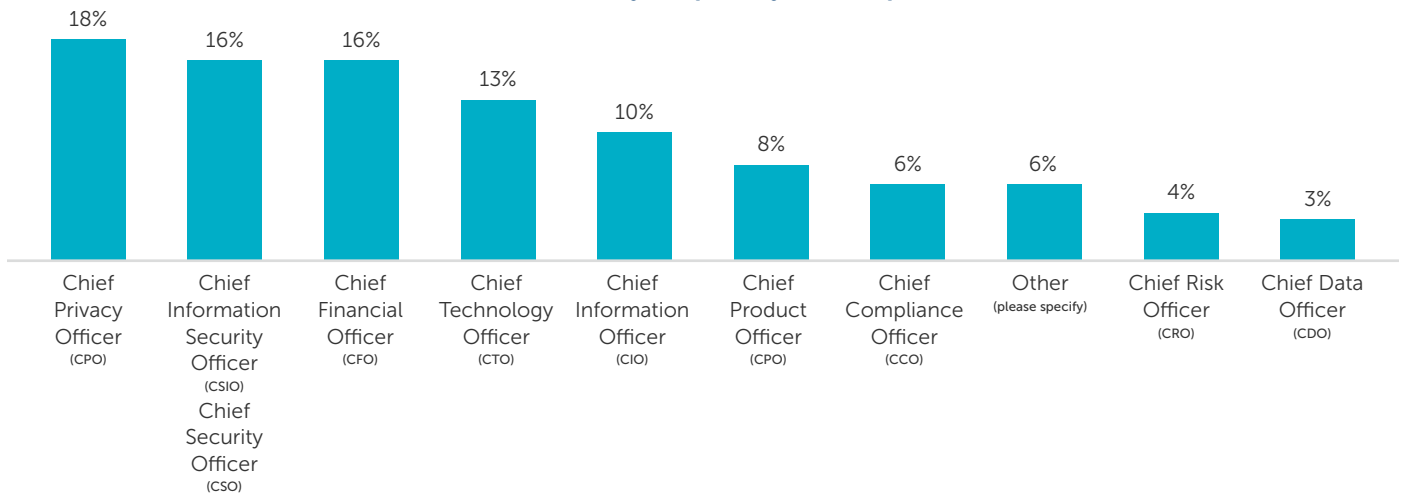
For our survey, 42% of the respondents spend anywhere from "most" to "all of their time" on privacy initiatives.

This year, TrustArc dove deeper into understanding privacy teams. The findings demonstrate that there is no unanimity in terms of where privacy "sits" within organizations. While just over a third have it in IT, privacy also often sits within Operations, Legal, and Finance.

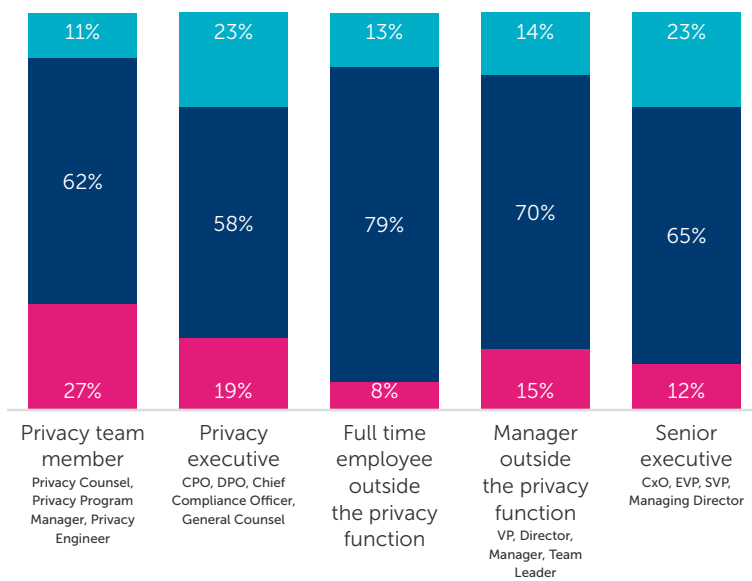


Likewise, the privacy role reports up to a wide range of C-suite titles across organizations.

Which role does your privacy team report to?

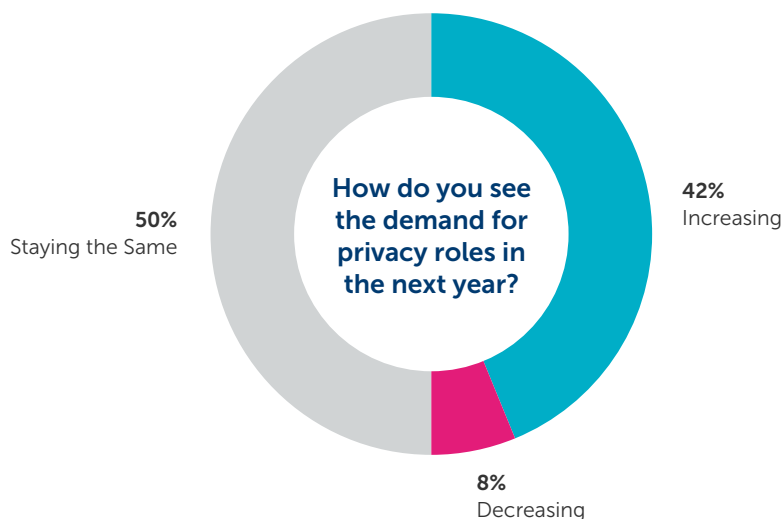


Number of Legal/Compliance Experts Dedicated to Privacy



Privacy team members themselves are more likely than others across all other roles and levels within organizations, to believe that not enough personnel resources are dedicated to maintaining privacy.

Demands for more resources undoubtedly are fed by the many privacy challenges and vulnerabilities that continued unabated from 2021 into 2022.



42%

of respondents see the demands for privacy roles increasing in their company

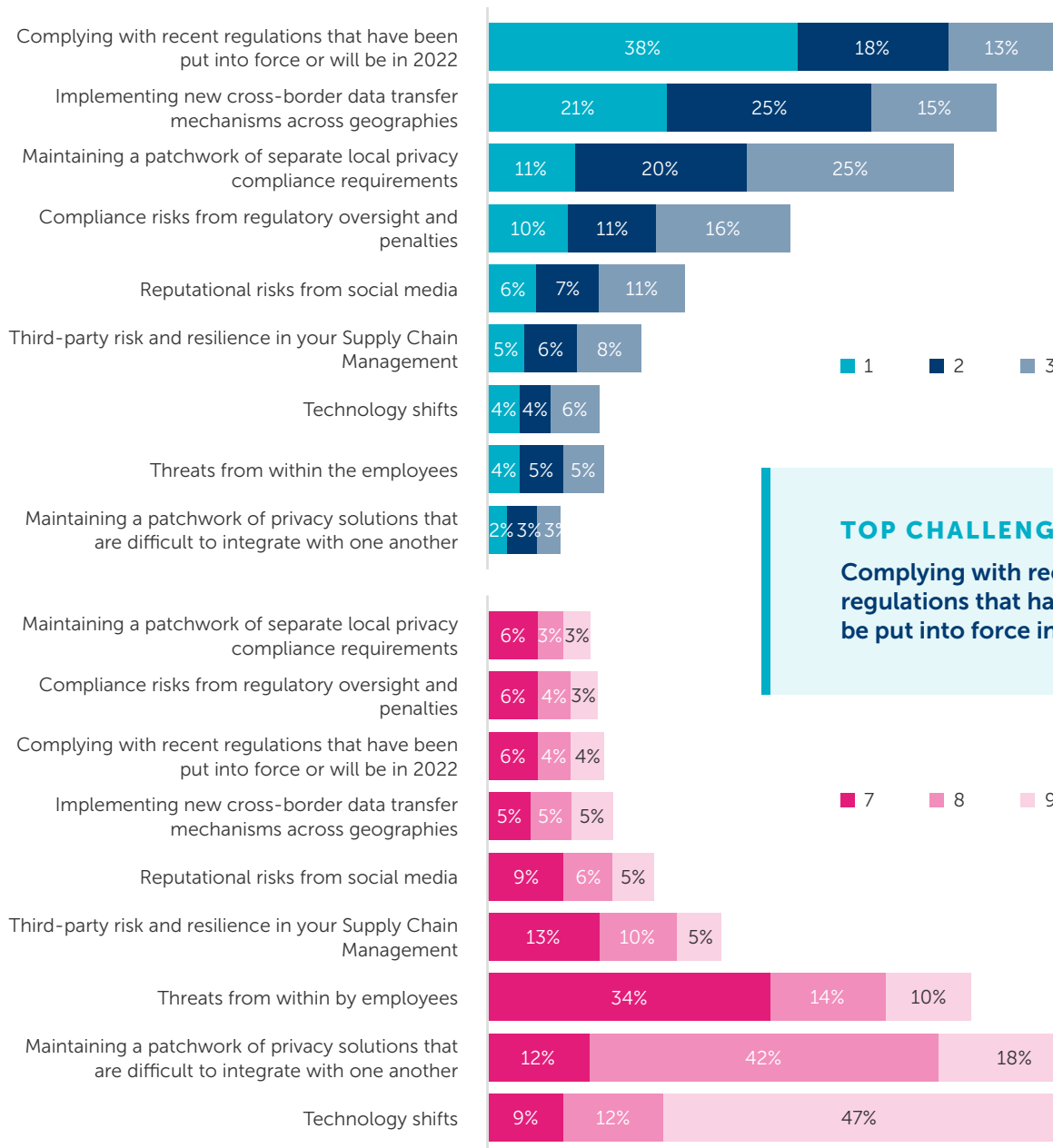
Privacy Challenges and Vulnerabilities

In 2022, TrustArc formulated nine key challenges that companies often face with respect to privacy. Survey participants were asked to rank them. Here are the findings, some of which were unexpected. Not surprisingly, the top three all had to do with simply keeping up to an ever-growing patchwork of rules and regulations.

More surprising was what showed up in the bottom three, especially the “dead last” position of concerns over technology shifts.

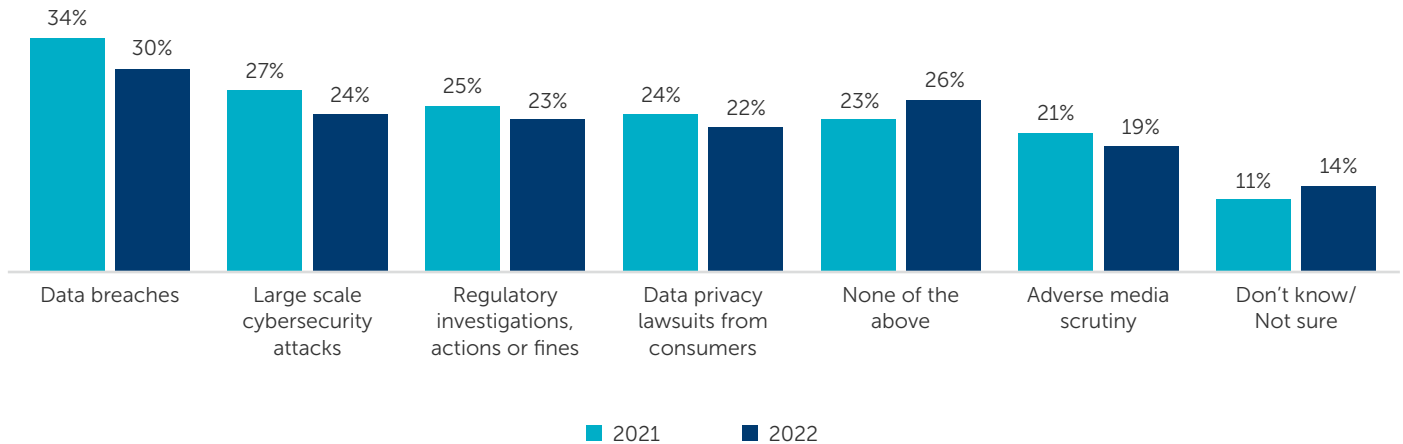
It may be that anticipated changes such as Google not collecting cookies in the future is not viewed as increasing the need for privacy resources and controls. While a future with no cookies may hamper marketers’ efforts, for privacy personnel it may be viewed as taking one substantial item off their list of “to dos”.

Of the following challenges that many enterprises face, please rank them as privacy risks that your company is likely to encounter in 2022?



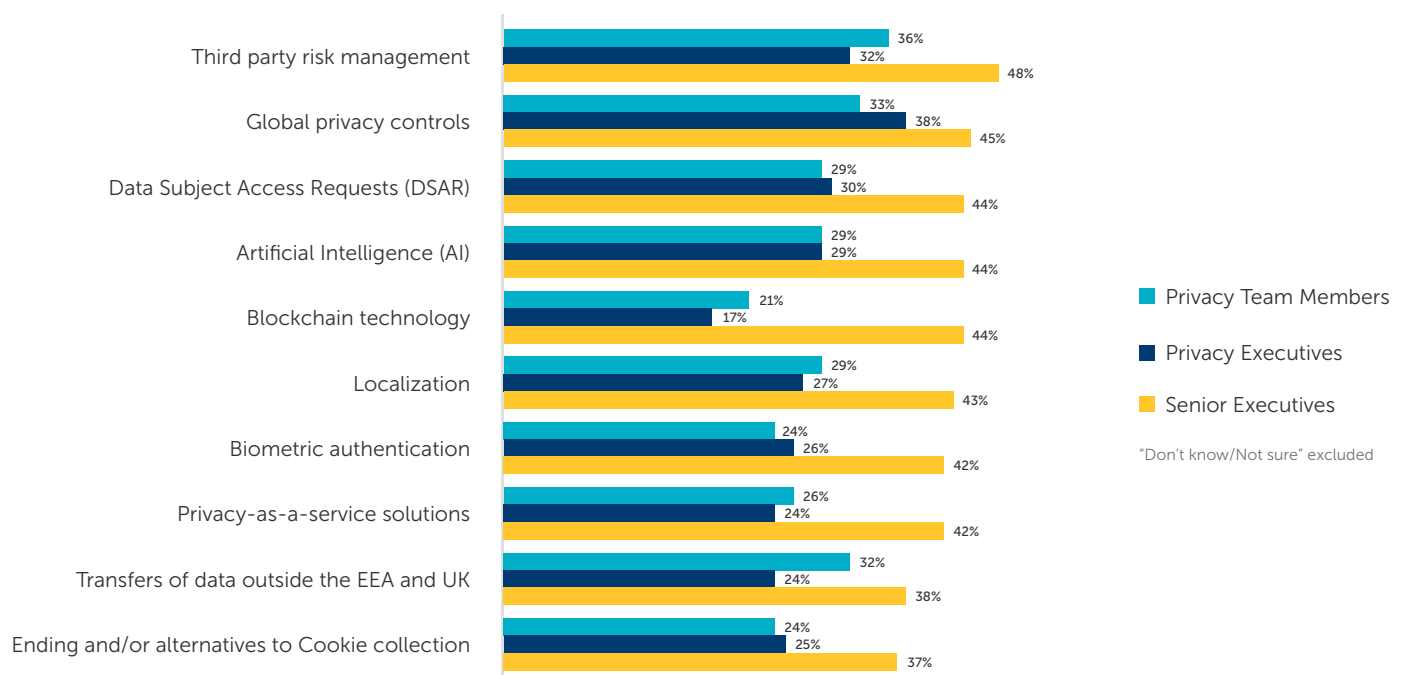
In terms of vulnerabilities, what companies have suffered in the past three years, data breaches remain number one. Cybersecurity attacks again took the second spot, although on both measures the prevalence was down a few points.

Has your company suffered from any of the following in the past 3 years? (choose all that apply)



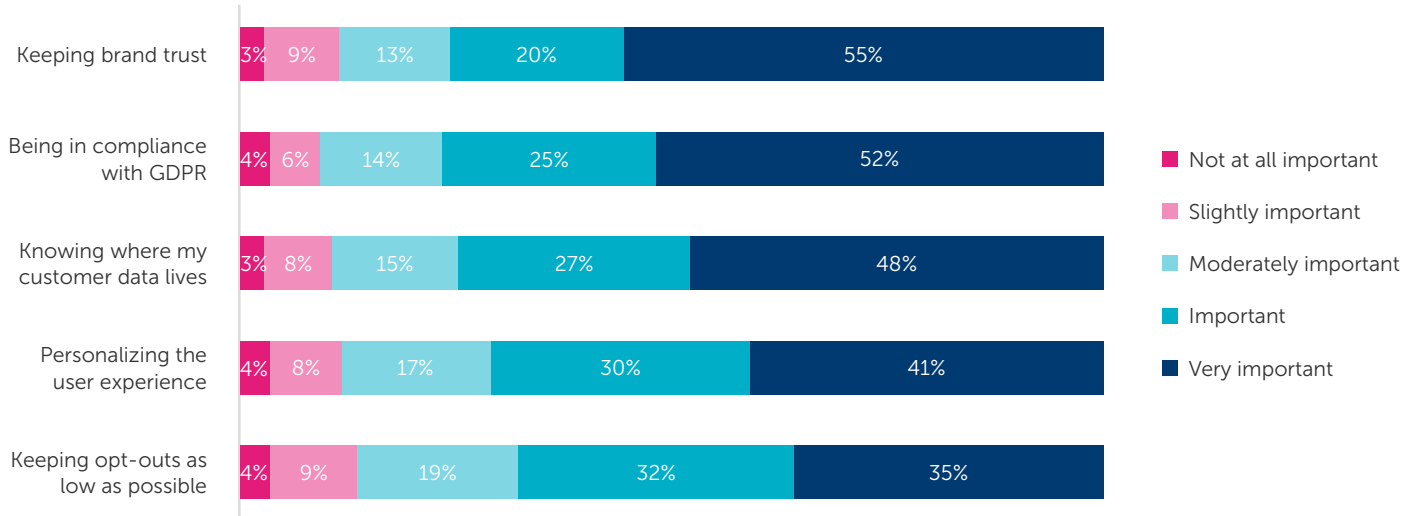
With these challenges and vulnerabilities in mind, it is informative to look at what topics in the area of privacy concerns and regulations are most salient. Across all topics, we found senior executives *outside* the privacy function showing far more concern than those leading privacy and/or on the privacy teams. It may be that these topics rank as high concerns for executives because the topics do not just pose narrow technical compliance challenges but rather greater challenges to overall competitiveness. Third party risk managements ranked as the most important.

How important are the following topics to your company as they relate to privacy concerns and regulations?



While compliance was very important, keeping brand trust ranked highest in regard to gathering customer data

How important are the following with respect to your company's privacy efforts?



The 7 Keys: Privacy Competencies

To maintain brand trust through privacy leadership, TrustArc tracks seven key items that demonstrate privacy competence and privacy confidence within enterprises. The 7 Keys to Privacy are as follows:



Making sure privacy permeates **day to day business decisions** with great importance



Having the **Board of Directors** regularly review and discuss privacy matters



Pursuing privacy as a **core part of business strategy**



Embracing privacy practices as a **key differentiator**



Being mindful of privacy as a business

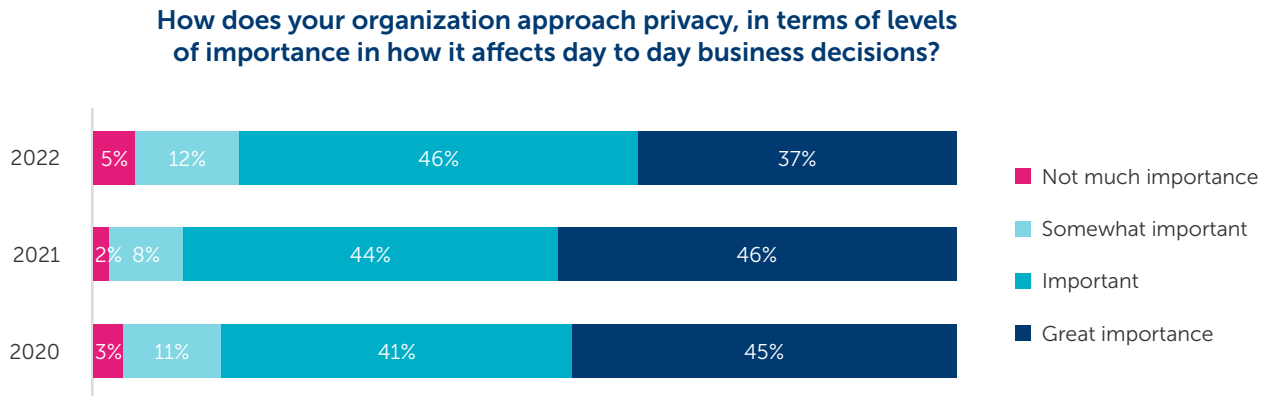


Ensuring every employee can formally **raise a privacy issue with confidence** that there will be no reprisal

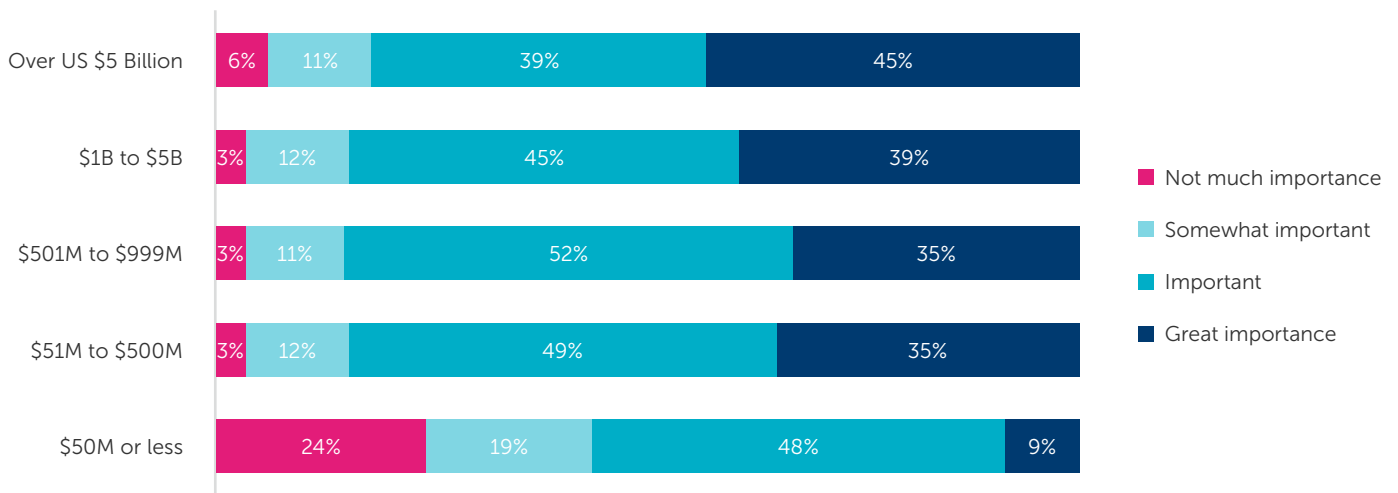


Sufficiently training employees in privacy matters

With measurement of these seven key elements, we evidenced a notable decline in privacy competence year over year. To our first question, how seriously privacy is taken in day-to-day decision making, we found the following:

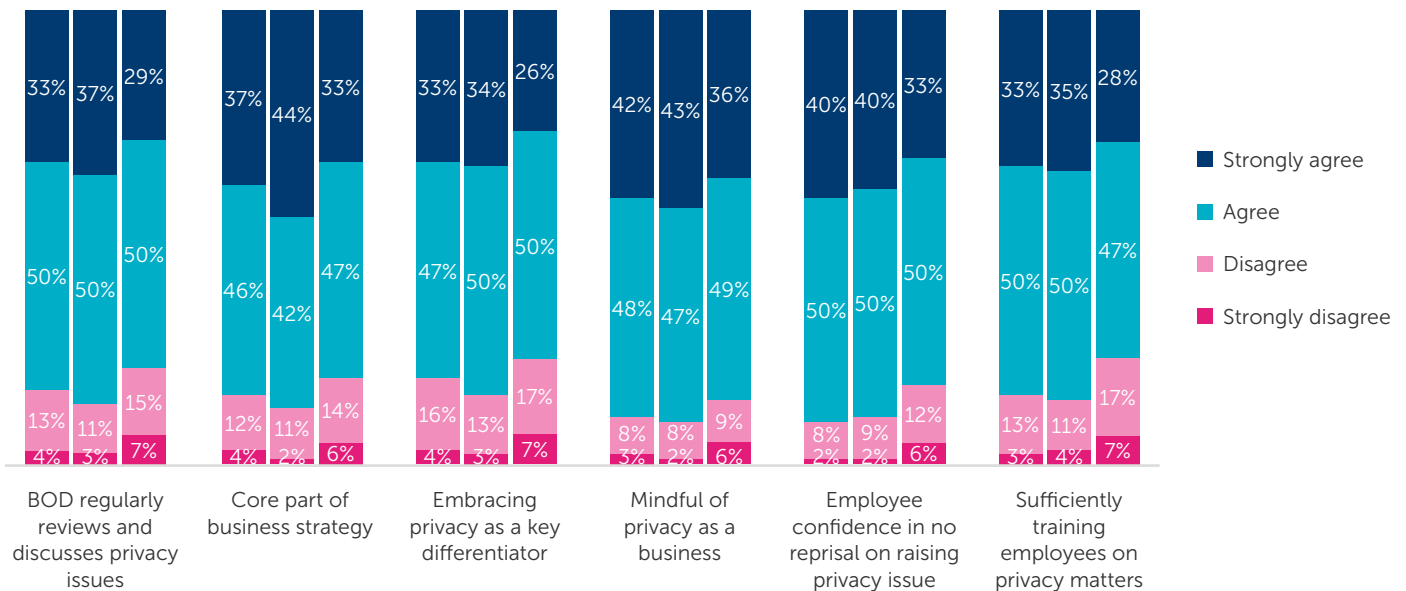


Taking a closer look by revenue size, we see that the difference is most precipitous for smaller companies but nonetheless, cannot be explained away by this finding. Only large enterprises over US\$5B in revenues managed to hold on to privacy competence scores in the previous years' range.



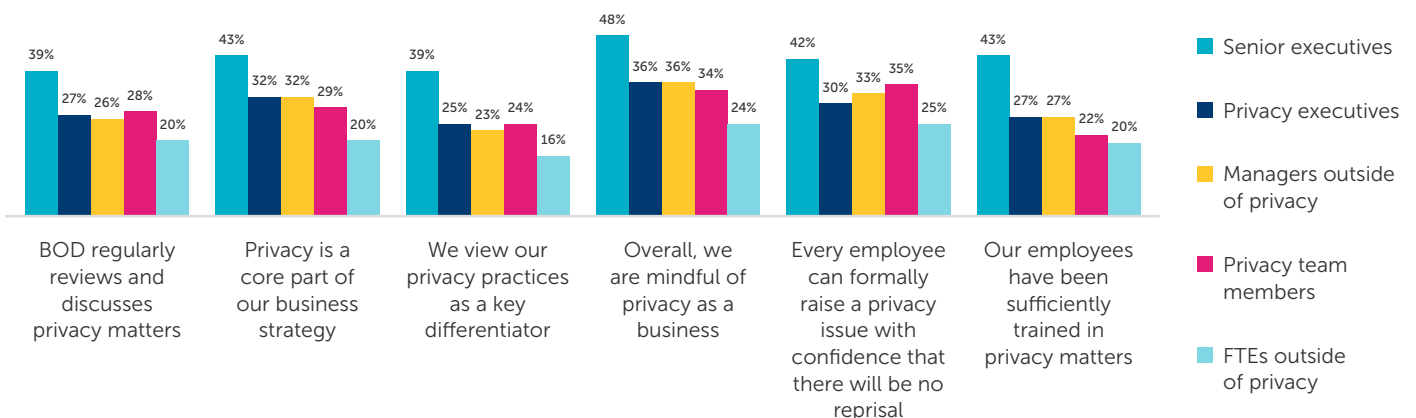
On the other six privacy attributes measured, this decrease consistently played out. The largest drops were in the *strongly agree* categories, with a nine percentage point decrease on privacy being a “core part of the business strategy” and an eight point decrease on “the Board of Directors regularly reviewing and discussing privacy issues.” While the decrease is troubling, it should be kept in perspective. Across all attributes, over three quarters of respondents do have confidence in their organization’s approach to privacy.

Privacy Competencies



Looking closer at where these decreases were coming from, notably, the privacy function itself appears to be the “culprit”. Privacy team members have by far the least confidence in their organization’s efforts, of all the cohorts. This finding may well be the result of our earlier finding that privacy team members believe themselves to be under-resourced.

By contrast, senior executives outside the privacy office have the most confident views, standing out from all the rank and file that report up to them throughout the organization.



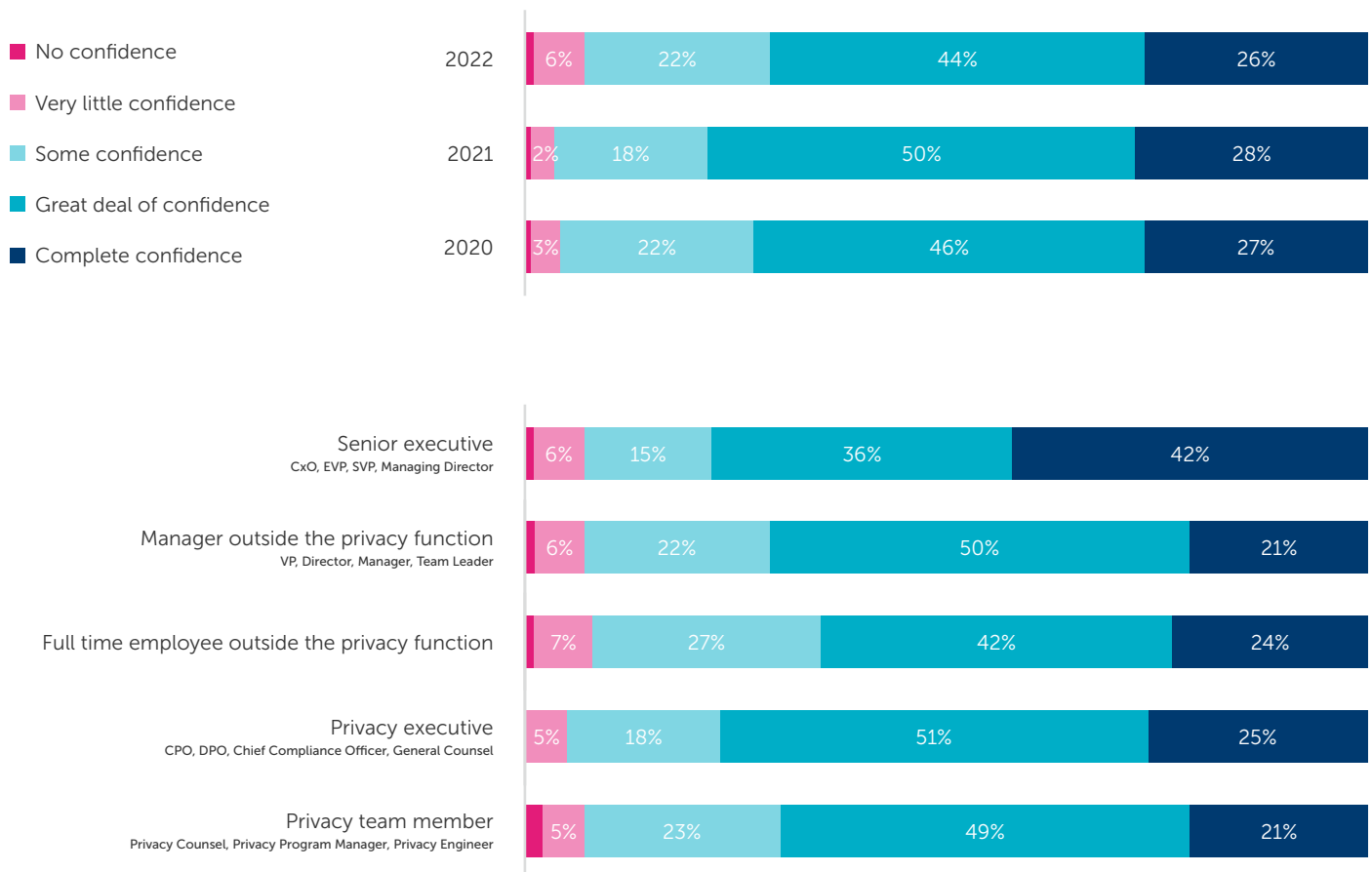
The 5 Privacy Outcomes that Matter

TrustArc also identified five Confidence Outcomes that Matter:

1. Confidence your company is able to keep all employees and customers relevant data secure and protected
2. Confidence your customers/clients have in your management of data privacy
3. Confidence your employees have in your management of data privacy
4. Confidence your partners/third parties have in your management of data privacy
5. Confidence the general public has in your management of data privacy

On the first of these outcome measures, there was a modest decline year over year.

Overall, how confident are you that your company is able to keep all of your employees and customers' relevant data secure and protected?



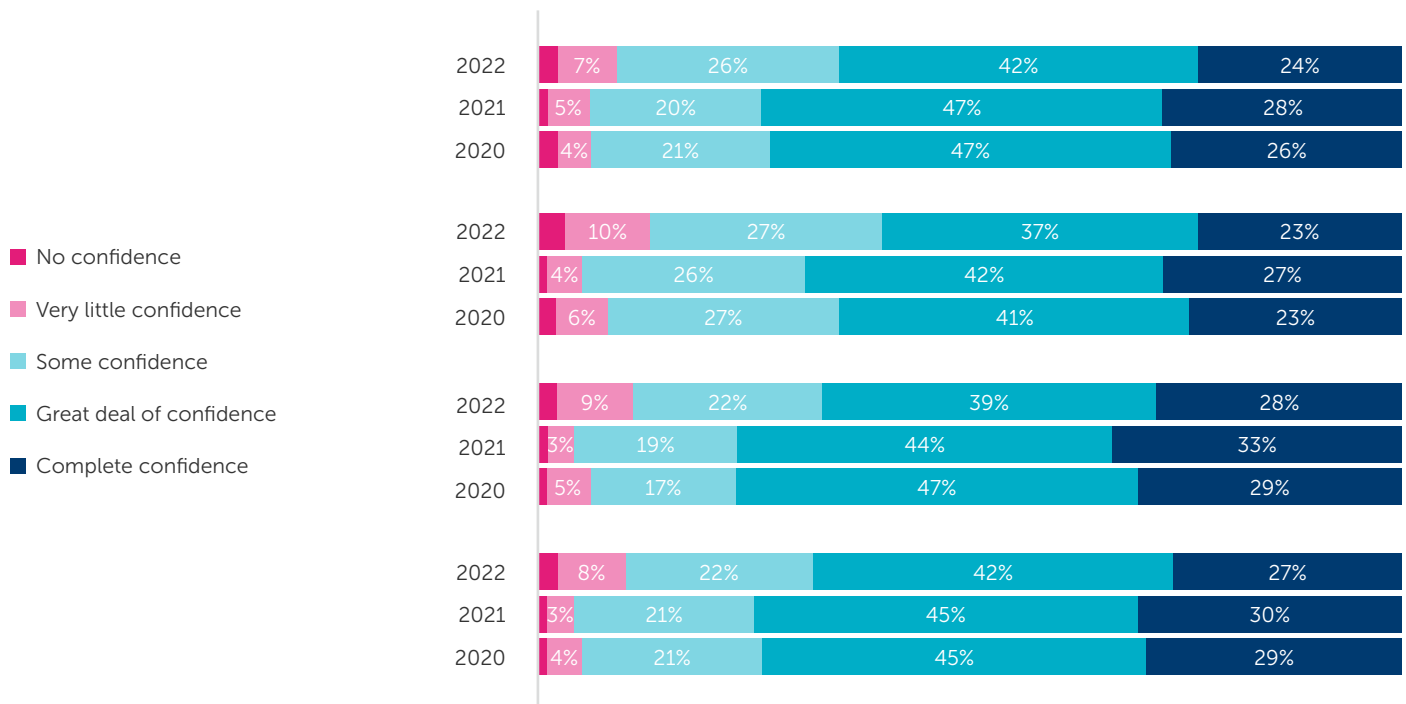
We again see that senior executives differ markedly in their views versus who report up to them and versus the privacy function members.

Senior executives have markedly higher confidence in privacy efforts than those that report to them.

Consistent with these findings, we further evidenced a pattern of decline year over year on confidence regarding each of the stakeholder groups.

It may well be that the decline witnessed year over year is a result of these negative forces settling in.

Overall, how much confidence do you think these key stakeholders have in your company's management of data privacy?



“

AS WE NOTED IN THE 2021 REPORT

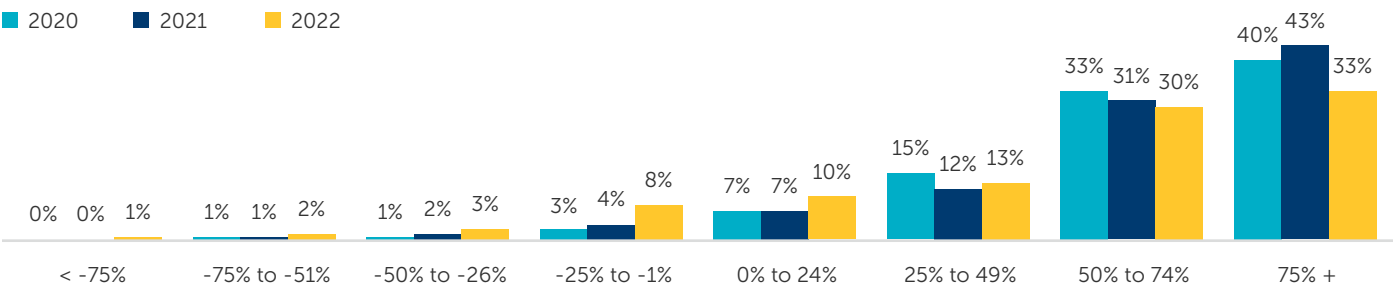
Establishing high levels of confidence in data privacy on behalf of company stakeholders is a critical element of building brand trust. The external market forces undermining trust in enterprises has been amplified over this past year, including misinformation, the pandemic, cybersecurity threats, rapid technology advances, and a general destabilizing trust in institutions.²

The TrustArc Global Privacy Index

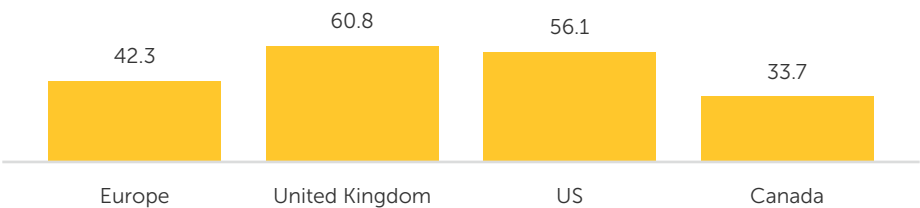
All of these measures are summarized into a single metric, the TrustArc Global Privacy Index. It assesses how well companies are performing on data privacy, on behalf of the various stakeholders they are entrusted to represent. This measure has proven useful for self-evaluating companies' current level of privacy protection using a scoring system that provides an overall robust privacy metric. Readers interested in doing a short self-assessment of their company's privacy competence can do so [here](#).

The TrustArc Global Privacy Index is the result of extensive statistical modeling³ that was conducted in 2020 and revalidated in 2021. The result was the current set of 12 survey items (7 keys and 5 outcomes) from which a Grand Mean is derived. In allocating points for each item, deductions for middling and poor ratings occur. For example, while a 5 out of 5 on a particular question receives a full mark, a 1 or a 2 out of 5 results in a full mark deducted. The result is a score that can range theoretically from -100 to +100, similar in some respects to how companies measure a Net Promoter Score (see [NPS](#)).

Scores on the TrustArc Global Privacy Index are informative and intuitive. The Privacy Index provides a company self-assessment tool that weights four primary groups (senior execs, managers, FTEs, and privacy team members—with half of the latter allocated to privacy execs and half to privacy team members) equally for a comprehensive 360 view. The distribution of results across this year's survey and prior years is shown below. The mean scores in 2020 and 2021 were 62% and 70% respectively; in 2022 the mean dropped down to 50%. Median scores had grown from 62% to 70% from 2020 to 2021 but fell back again to 62% in 2022. As with prior years, self-perceived competence in protecting privacy differs markedly across companies. In 2022, 33% rate 75 or better while in stark contrast, some 14% score less than 0.



We also see in 2022 that confidence runs highest in the UK and lowest in Canada.

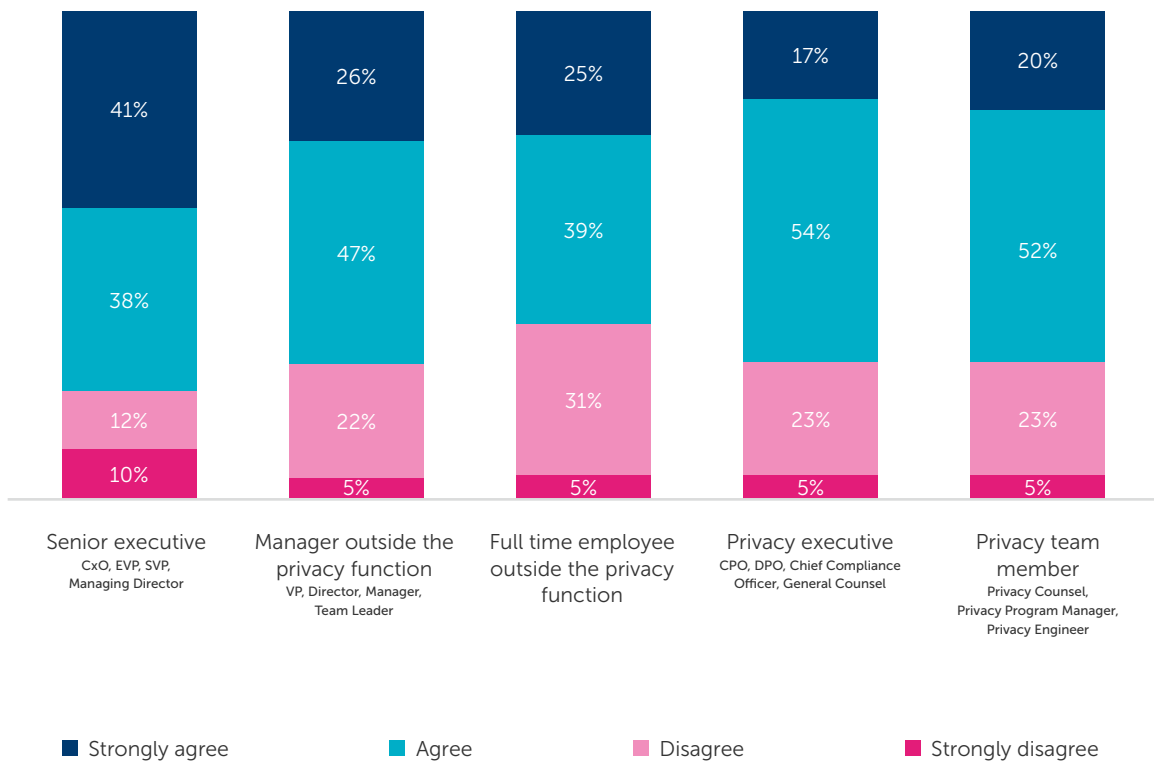


³ It was derived in 2020 from a broader set of attributes tested for their construct validity and reliability.

Doing More to Promote Privacy

With confidence in privacy having been shaken for many this past year, 71% believe their companies can do more when it comes to strengthening privacy. Senior executives in particular hold this view. While most privacy executives and privacy team members would agree, there is clearly a difference in the enthusiasm in which this belief is held, perhaps because as we earlier saw, much of the work in safeguarding privacy rests with these teams.

When it comes to privacy, we should be doing much more?



Excludes "Don't know/Prefer not to answer"

71%

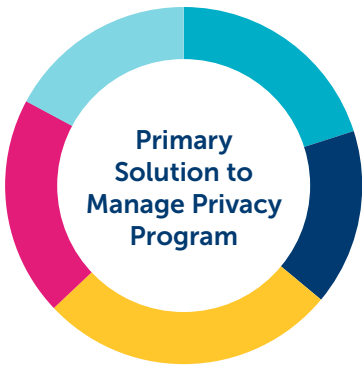
believe their companies can
do more when it comes to
strengthening privacy

Privacy Solutions

With ever increasing and varied demands on privacy, enterprises face the prospect of piecemeal reactions if they do not utilize built to purpose software. In kind, they must rely on ever more human manual processes or on automation to manage the privacy landscape. Our results illustrate almost even splits among all the options available.

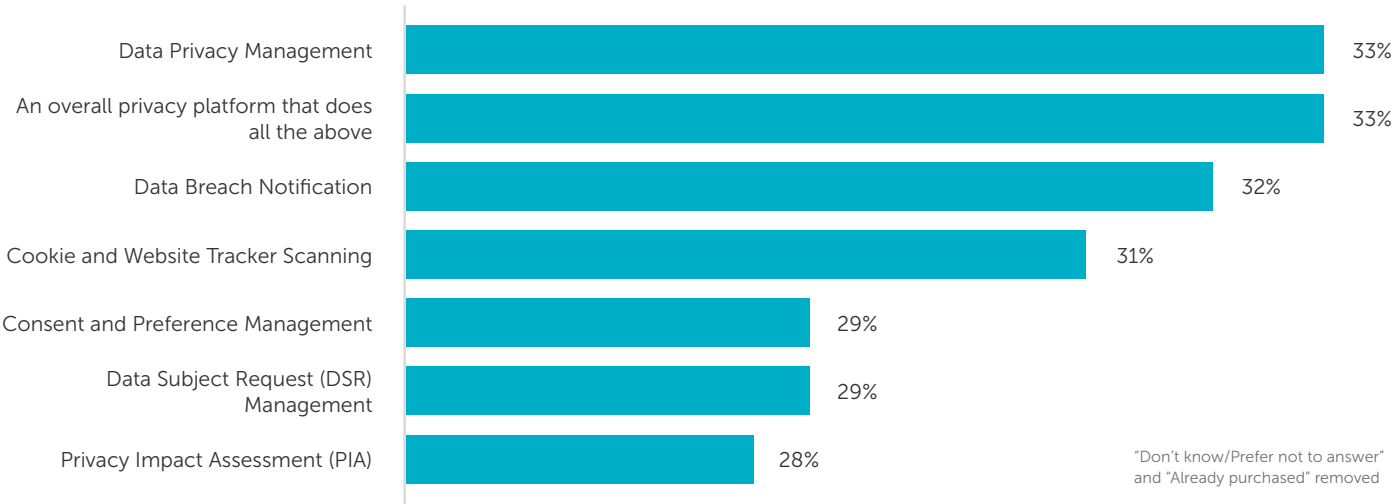
Just over two thirds (67%) also indicated that they were using a data scanning or discovery solution set.

When respondents were asked about their likelihood to buy “made to purpose” privacy software, evidence mounted that automated software solutions are needed in the market. The most popularly needed solution was a platform solution that manages all aspects of privacy.



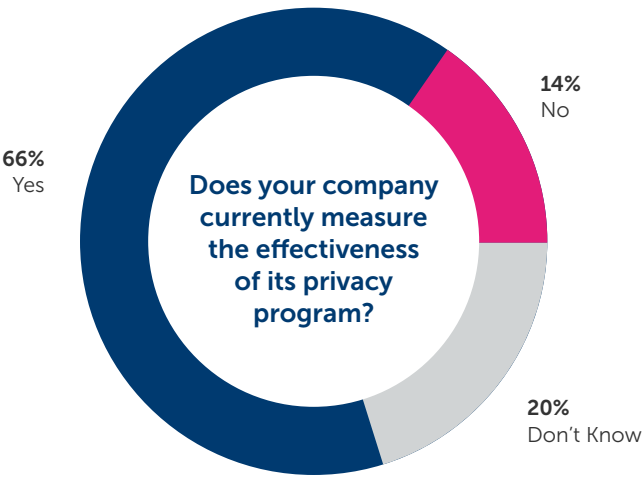
- 20% Privacy management software
- 16% Governance, Risk and Compliance (GRC) software
- 27% Internally developed system
- 20% Free or open-source privacy software solutions
- 17% Spreadsheets, email and/or word processing software

How likely are you to purchase “made to purpose” software to provide the following capabilities?



With the business mantra of “you can’t manage what you don’t measure,” this year’s study delved into the issues of privacy metrics. We set out to learn how companies are tackling privacy measurement, followed by their methods and KPIs for doing so.

Our first finding was that while two thirds of companies do measure the effectiveness of their privacy programs, one in five respondents simply did not know if it was being done. The latter is something to consider, as it is clear that the “measure and manage” approach does not permeate many enterprises. Setting aside those who “Don’t know”, we have 83% measuring their privacy program effectiveness.

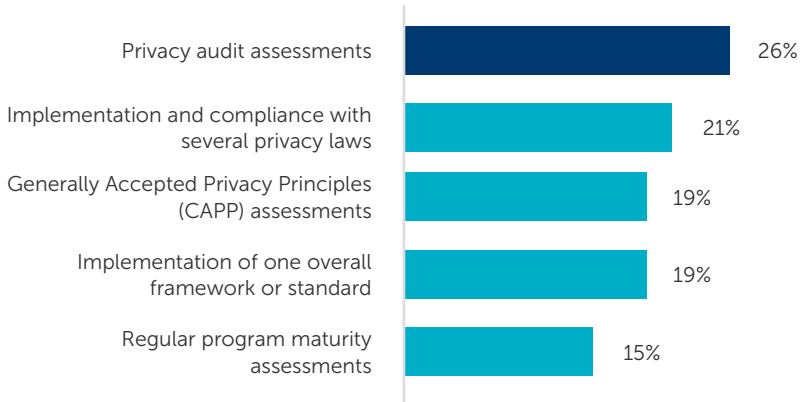


In terms of methods for measuring privacy, *Privacy Audit Assessments* were more popular than other methods. However, the results showed considerable variation. No one method stood out.

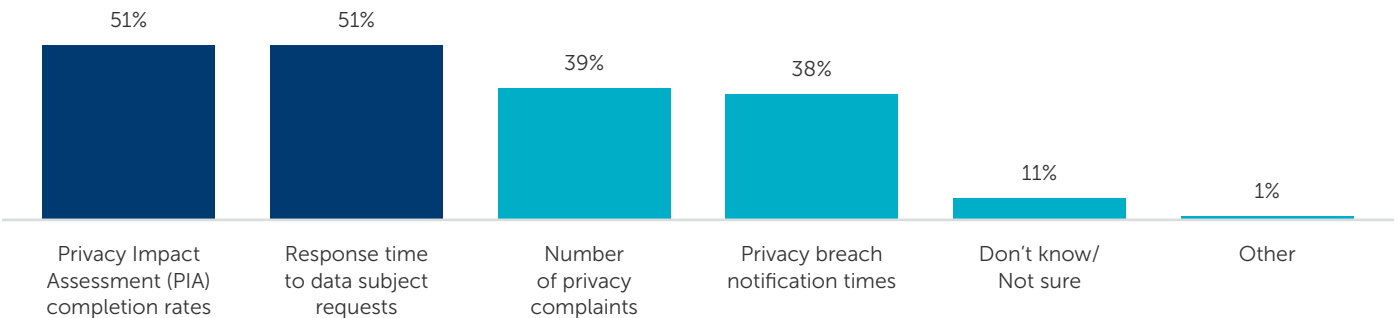
There was also a range of privacy KPIs adopted, the two most popular being *Privacy Impact Assessment (PIA) Completion Rates* and *Response Time to Data Subject Requests*.

Finally, and related to this topic, ISO 27001 standards were #1 among the many options available to companies in obtaining certifications and demonstrating compliance standards.

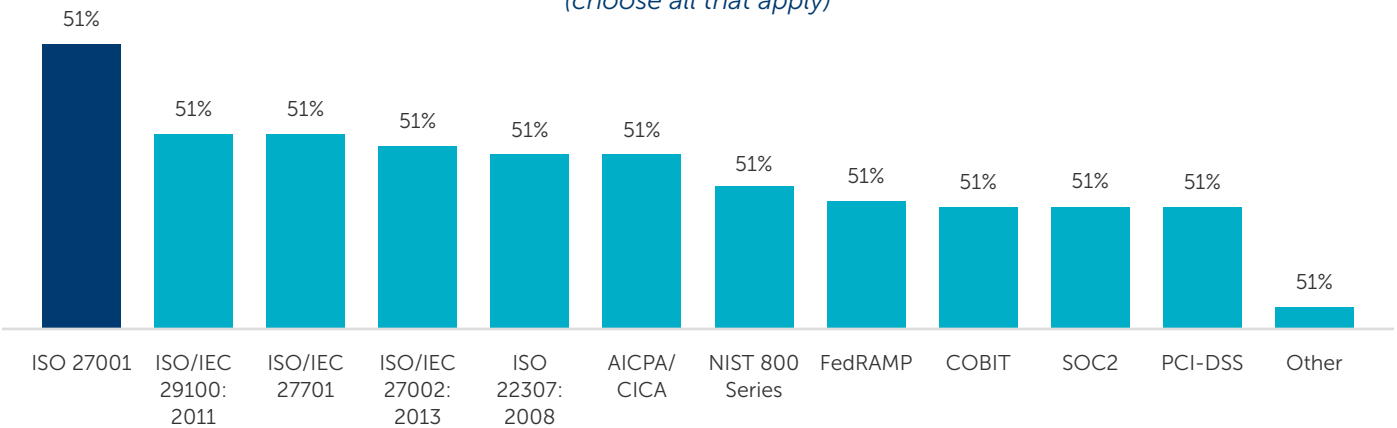
What is your primary method for measuring your privacy program?



What are your privacy program KPIs?
(choose all that apply)



Which certification or compliance standards are most valuable to your company?
(choose all that apply)



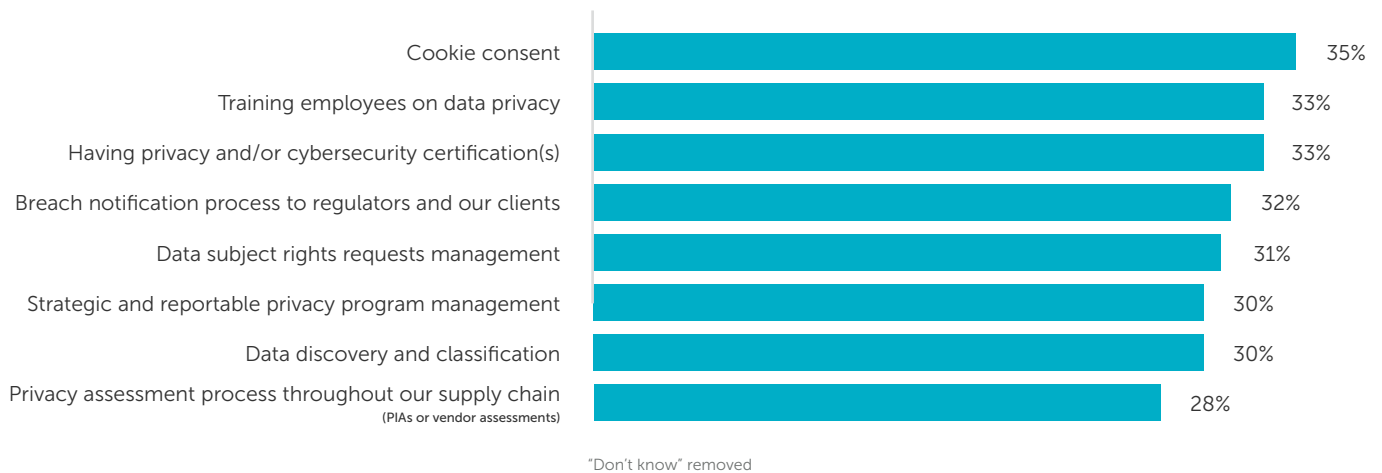
"Don't know" and "None of the above" removed

Given the multitude of certifications available to demonstrate compliance, and our findings around the many ways to metric performance, we then examined both regulatory knowledge levels and various states of implementation.

Implementation and Knowledge of Privacy Regulations

Given that Privacy Impact Assessments (PIAs) play a key role in many enterprises' measurement practices, it is interesting to note that this area is least likely to be completely implemented throughout the supply chain. The following graph can be viewed as arraying solutions from "most straightforward" (most likely to be *fully implemented*) to "most complex" (least likely to be *fully implemented*). Overall, across each of these initiatives, enterprises have much to do to become fully compliant and more importantly, to fully safeguard data privacy among all stakeholders.

For each of the following privacy initiatives, please indicate the state of implementation at your company in 2022.

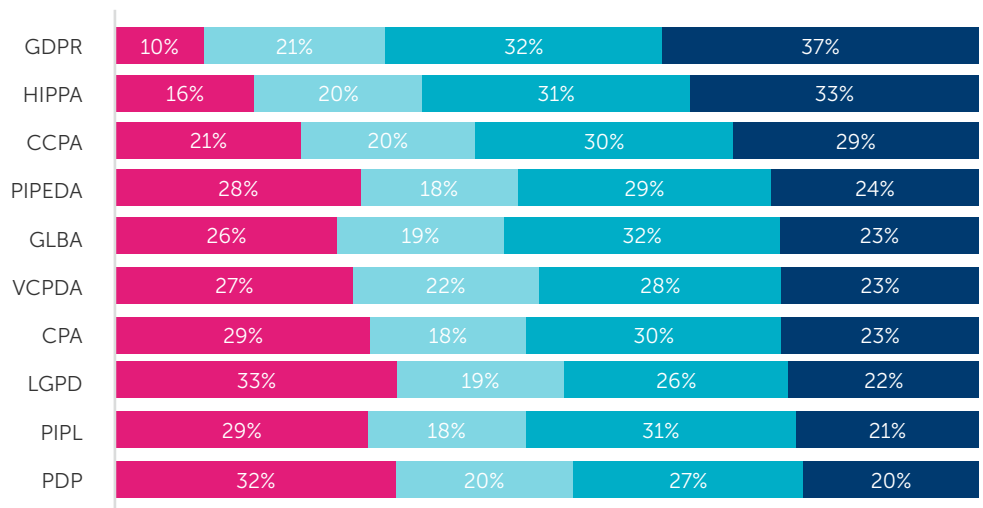


We then briefly elaborated on various privacy legislations that currently exist or in the process of being instituted worldwide. We took ten in total and had every respondent indicate their level of knowledge *if* it pertained to their business. Here is what we found, including not surprisingly, that the original pioneering legislation—GDPR—is at the top of the list.

How would you rate your knowledge of the following privacy laws as it pertains to your business?

- Not at all knowledgeable
- Slightly knowledgeable
- Knowledgeable
- Very knowledgeable

"Does not apply to our business" removed

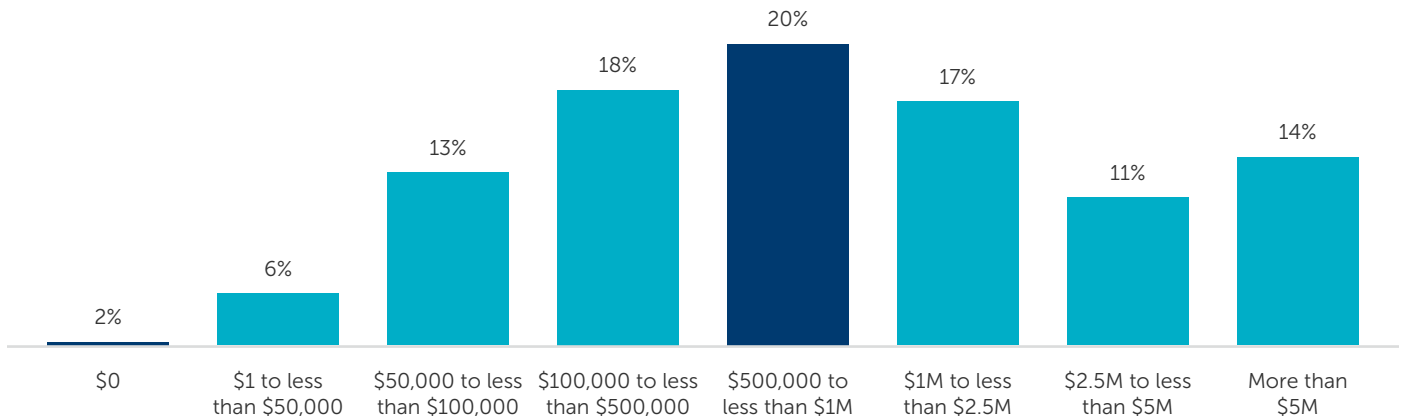


Respondents expressed the greatest knowledge of the longest-established privacy regulation: GDPR

Budgeting for Privacy

Given the growth of regulations on privacy worldwide, enterprises have had to invest substantial budgets in the privacy arena. Clearly, not investing comes at a much greater cost⁴ with some calculating the costs of data regulation non-compliance at 2.71 times the cost of compliance.⁵ With that in mind, this year we found that 42% of companies intend to spend over US\$1M on privacy initiatives; indeed, among very large enterprises with annual revenue over \$5B, 39% claim to be spending over \$5M.

Approximately how much does your company plan to spend on your overall privacy efforts in 2022, in US dollars, including software, consultants, employees, certifications, etc.?



Conclusion

As the world emerges from the global pandemic and warily eyes Russia's invasion of Ukraine, the threats to individual liberty, of which individual privacy is a hallmark, looms large. Governments can represent both a threat and a defense of privacy. Existing legislations are being revisited; new regulations are being drawn up. With this context in mind, the term "privacy compliance" itself falls short as a descriptor for how some companies embrace privacy as a differentiator and trust-builder for their brand.

It is not just new legislation that challenges enterprises on the privacy front, it is advances in digital technology that encircle all day-to-day activities. In light of increasing technological complexity, enterprises must match its pace with the automation of privacy solutions. Getting the right technologies in place in combination with building the right privacy teams to fully implement requirements is critically important.

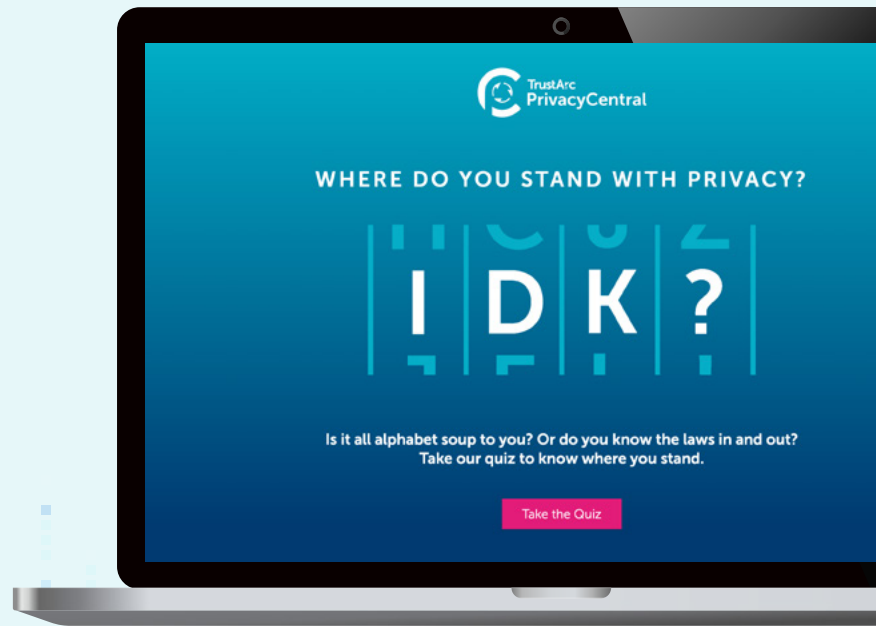
As the TrustArc Global Privacy Index makes clear, safeguarding privacy must happen through every decision taken from the top, the Board of Directors, and from the bottom, frontline employees making day-to-day decisions.

Every employee must be trained and contribute to the practices of privacy, without fear of reprisal. When privacy becomes a core part of business strategy this translates into a culture of mindfulness of protecting all constituents' privacy. Companies that build these competencies engender the confidence and trust of stakeholders. Privacy emerges as a key differentiator for these brands. TrustArc's seven keys to privacy underscore the benefits of implementing purpose build software designed to make privacy manageable in a fast paced and complex world.

When it Comes to privacy are you going FTW or is it all TMI?

Find out how your privacy program stacks up to other companies.

Take the Quiz



About TrustArc

As the leader in data privacy, TrustArc automates and simplifies creating end-to-end privacy management programs for global organizations. TrustArc is the only company to deliver the depth of privacy intelligence, coupled with the complete platform automation essential for the growing number of privacy regulations in an ever-changing digital world. Headquartered in San Francisco and backed by a global team across the Americas, Europe, and Asia, TrustArc helps customers worldwide demonstrate compliance, minimize risk, and build trust. For additional information, visit TrustArc.com.

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