2023
Global Privacy
Benchmarks
Report

Table of Contents

Introduction

Our fourth annual TrustArc Global Privacy Benchmarks Survey, provides a 360° corporate view into key privacy developments across the globe, including our Global Privacy Index.

Our report captures challenges and threats to privacy past and future, relevant business strategies and priorities, current knowledge, and best practices. Our analysis dives into timely issues facing the market in 2023 such as certification and compliance standards, and organizational preparedness for increasing enforcement of privacy laws in the US and globally.

Primary geographies covered in the survey were the US, Europe, and the UK, although respondents via social media produced results from South America and Asia as well. This year's fieldwork was successful in obtaining 2042 responses globally, an increase of 44% over 2022.

Based on our objective to obtain a balanced 360° view, our methodology continues to weight respondent-level results across four primary roles – executives, managers, full time (non-managerial) employees, and privacy team members – to ensure representative equivalencies in comparing results year over year. The results are also weighted by revenue to align with prior years.

In the era of digital transformation and given the volume of sensitive data, compliance risk and privacy is becoming increasingly important for organizations. Many organizations are prioritizing privacy-related activities and investing more in data security as part of their business's operational and growth strategy. Data breaches remain a significant threat. AI represents the largest new challenge. GDPR and CCPA compliance have increased enforcement and continue to place greater due diligence, accountability, and responsibility on many organizations.

This report shares findings on how organizational priorities and strategic approaches to privacy are evolving. Privacy continues to be a cornerstone of public reputation, and safeguarding personal and sensitive privacy data requires privacy to become a strategic advantage to an organization's resiliency and growth.

Executive Overview

The 2023 Global Privacy Benchmarks Survey found that privacy is increasingly important for organizations, with most companies prioritizing privacy-related activities and investing more in data security. We witnessed a slight increase in the percentage of enterprises with dedicated privacy teams, and along with this finding, a modest increase in our Privacy Index.

However, GDPR and CCPA compliance remain challenging for many organizations, and data breaches remain a major concern. The survey also highlights the growing importance of third-party risk management in privacy management. With these challenges, companies are increasing their budget for privacy-related activities. Overall, the 2023 Global Privacy Benchmarks Survey provides valuable insights into how companies are approaching privacy management and highlight key challenges for companies.

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

10 Key Privacy Insights Impacting Organizations

1 **AI brings new privacy challenges to the table.** Among 18 potential challenges, "artificial intelligence implications in privacy" ranked first.

2 **Companies that measure privacy performance inspire three times more confidence** in their privacy efforts compared to those that don't. Without measurement, privacy management becomes a struggle.

3 **Third-party risk management tops the list** of privacy-related concerns and regulatory issues. Additionally, over 10% of companies lose trade partners due to risks in this area.

4 **Effective governance frameworks drive strong privacy outcomes.** Despite being adopted by only 19% of companies, the **Nymity Framework is associated with the highest Privacy Index scores** among 13 frameworks and certification or compliance standards.

5 As privacy regulations and enforcement expand globally, **even smaller companies are stepping up their privacy game by allocating more resources**, forming dedicated privacy teams, and adopting specialized privacy software.

6 **The global privacy landscape is a mixed bag:** one-third of key stakeholders believe their companies excel at privacy, another third rate their performance as mediocre, and the remaining third think they're failing.

7 **Privacy vulnerabilities are all too real, with two-thirds of companies having experienced privacy-related issues.** Data breaches and large-scale cybersecurity attacks are the most common culprits.

8 **Specialized privacy management software instills the highest level of confidence** in privacy practices according to our Privacy Index, surpassing GRC, and greatly exceeding internally developed and free privacy tools.

9 **Companies "very prepared" for CCPA enforcement enjoy twice the employee confidence** in privacy protection compared to less prepared organizations.

10 **Privacy remains a cornerstone of brand trust.** In 2023, maintaining brand trust through robust privacy efforts has grown in importance by 7 points, reaching 62%.

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

360° View from Around the Globe

We surveyed respondents from around the world – individuals within the privacy office such as privacy leaders and privacy team members, to senior leadership, middle management, and non-managerial full-time employees – on how well their enterprises manage data protection and privacy. The results were weighted to ensure each stakeholder group had a representative voice in the feedback.

With a 2042 sample size, our results include a range of company sizes across large, medium, and small businesses. Notably, over half were from companies with over $1B in annual revenue.

Revenue Size

Over US $5 Billion	$1B to $5B	$501M to $999M	$51M to $500M	$50M or less	Government Agency	Not-for-Profit Entity
25%	35%	25%	10%	4%	0%	0%
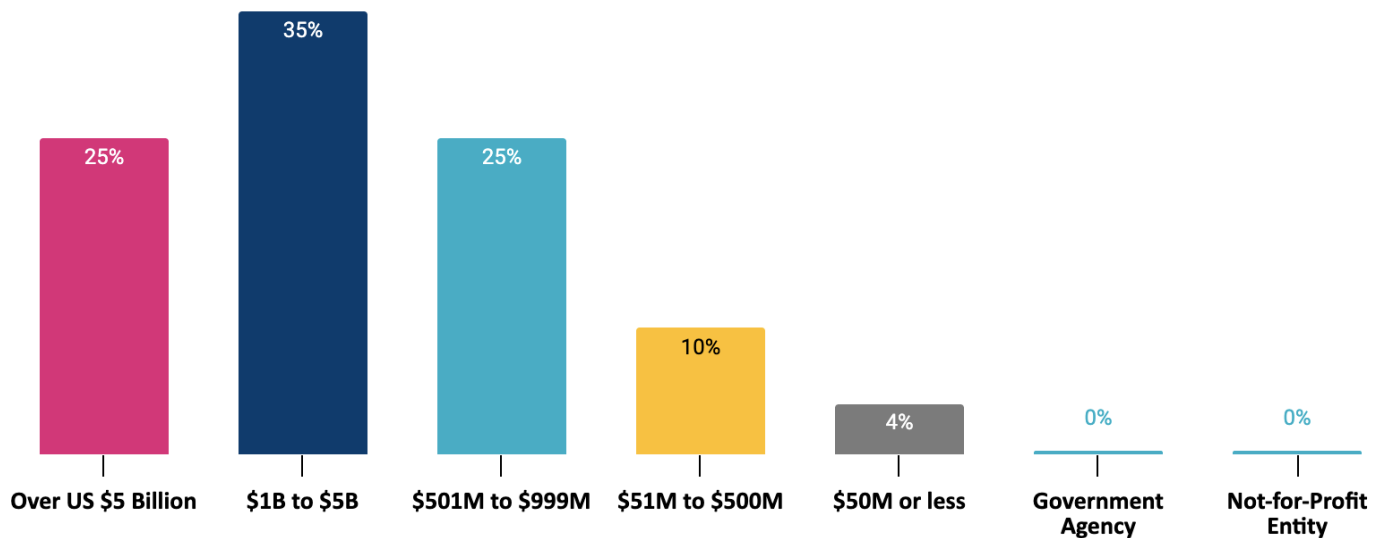
Fieldwork was conducted via two online survey panels, Centiment and MaruHub, along with web surveys from TrustArc email marketing pushes and open web surveys on TrustArc's website and social channels. Forty percent had been with their company for ten years or more; another 26% more than five years, and the remaining third (33%) for less than five years.

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.

Head Office and Operating Regions

Which of the following regions and countries does your company operate in?
(Choose all that apply)

■ 2020 ■ 2021 ■ 2022 ■ 2023

Region	2020	2021	2022	2023
US	51%	67%	60%	60%
Europe	53%	62%	58%	66%
United Kingdom	45%	50%	39%	50%
Canada	39%	37%	29%	39%
Asia Pacific	27%	33%	27%	36%
Latin America	21%	28%	22%	30%
Middle East and Africa	19%	25%	21%	27%
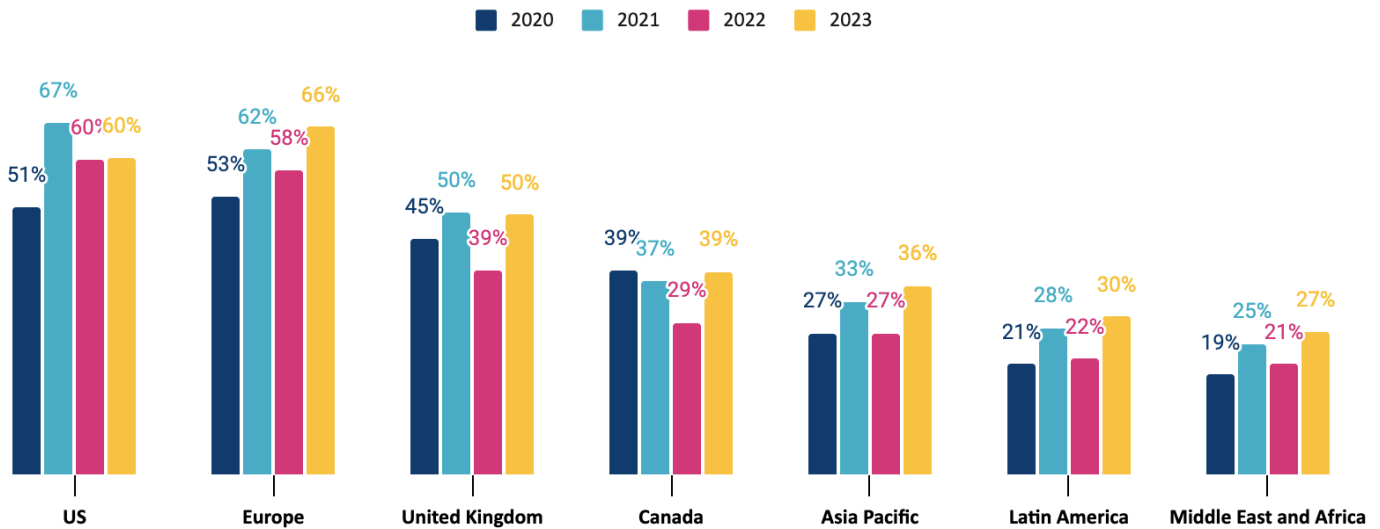
Where is your Head Office located?

Region	2020	2021	2022	2023
US	34%	41%	44%	37%
Europe	26%	38%	39%	39%
United Kingdom	25%	18%	10%	13%
Asia Pacific	15%	2%	3%	3%
Canada	15%	3%	2%	6%
Middle East and Africa	3%	1%	1%	1%
Latin America				1%
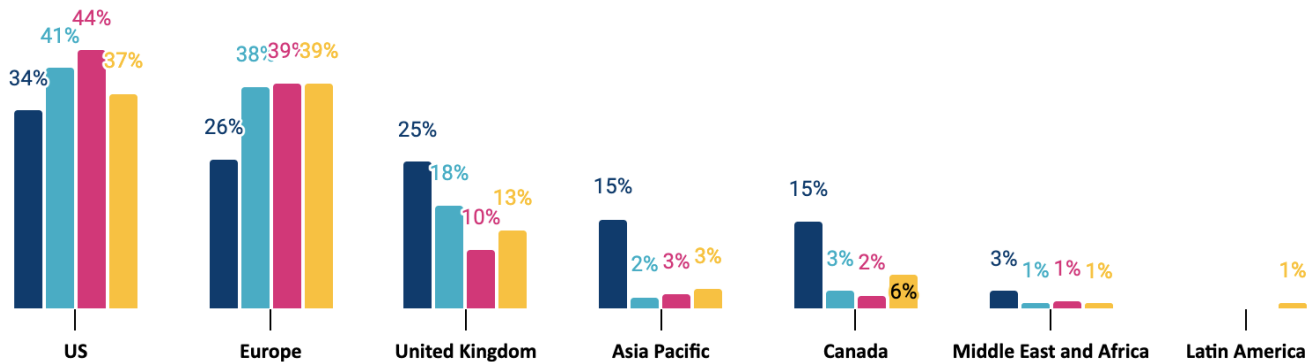
The survey represented a wide range of industries. The most prevalent were **technology (18%)**, **financial services (13%)**, and **manufacturing (12% each)**, followed by **retail (9%)**, and **health care (6%)**.

Based on our objective to obtain a balanced 360° view, this year as with prior years we weighted respondent-level results across four primary roles – executives, managers, full-time (non-managerial) employees, and privacy team members – to ensure representative equivalencies in comparing results year over year. We also 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 each year since its inception in 2020.

Analysis and Insights

Privacy Teams and Demands

In addition to a slight increase in the percentage of large and medium-sized companies that have a dedicated privacy office (up from 90% to 92%), many smaller companies are taking it seriously as well.

The results show substantial growth in smaller enterprises having dedicated privacy teams in place, **up 35 percentage points** from 2022.

Dedicated Privacy Office YoY

Yes **No**

Results shown in each year for companies, $50M+ in revenue, and excluding "Don't know/Not sure"

Dedicated Privacy Office by Revenue Size

2022 2023

	Over US $5 Billion	$1B to $5B	$501M to $999M	$51M to $500M	$50M or less
2022	92%	89%	91%	91%	38%
2023	93%	91%	92%	91%	73%
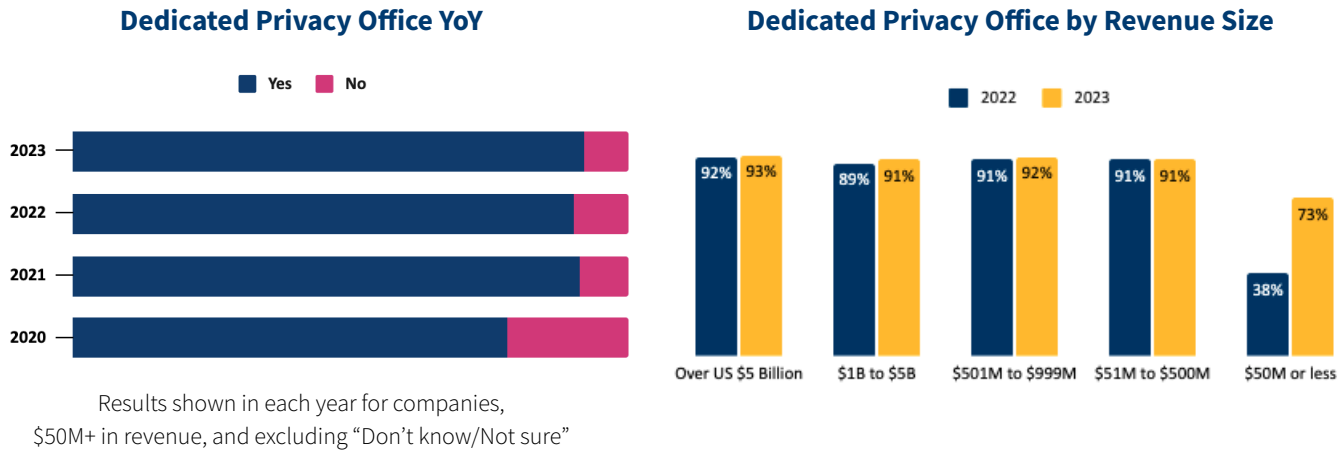
For our survey, **42% of privacy office respondents spend anywhere from "most" to "all of their time"** on privacy initiatives.

In 2023, there was again no unanimity in terms of where privacy "sits" within organizations. Again, **over a third have privacy as a remit in IT**, although a growing percentage have privacy sitting in the Legal/General Counsel Office.

Where does privacy "sit" within your organization?

2022 2023

	IT	Legal/General Counsel Office	Operations	Finance	Other (please specify)
2022	36%	21%	22%	18%	3%
2023	37%	29%	17%	13%	4%
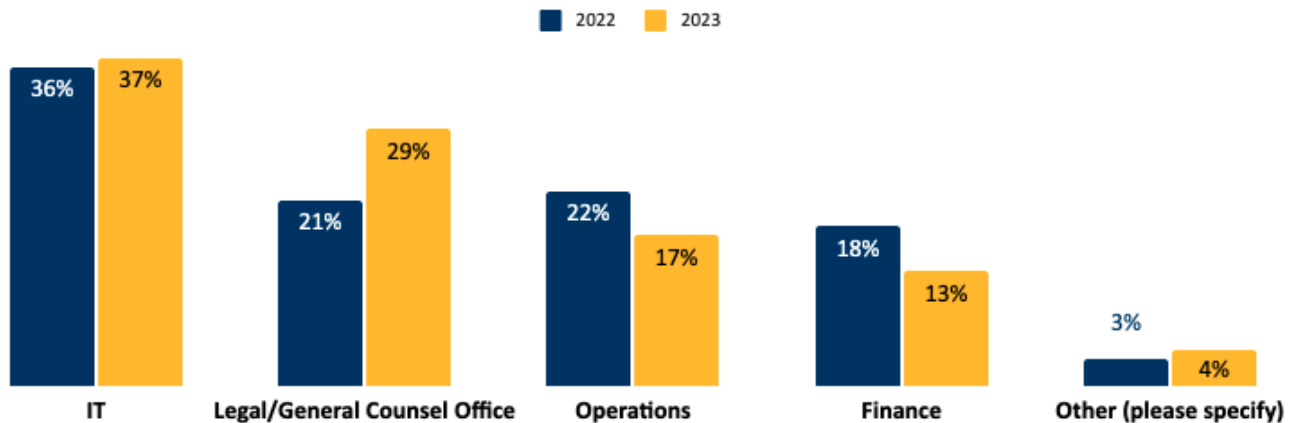
Likewise, the privacy role reports up to a wide range of C-suite titles across organizations, illustrating the proliferation of privacy touching multiple strategic areas of an organization and the ability to sit under more than one business function's remit.

Which role does your privacy team report to?

19%	13%	12%	11%	10%	8%	3%	3%	2%	2%	2%	6%
Chief Privacy Officer (CPO)	Chief Financial Officer (CFO)	Chief Information Security Officer (CISO)	Chief Technology Officer (CTO)	Chief Information Officer (CIO)	Chief Compliance Officer (CCO)	Chief Product Officer (CPO)	Chief Data Officer (CDO)	Chief Risk Officer (CRO)	Chief Marketing Officer (CMO)	Chief Marketing Officer (CMO)	Other (please specify)
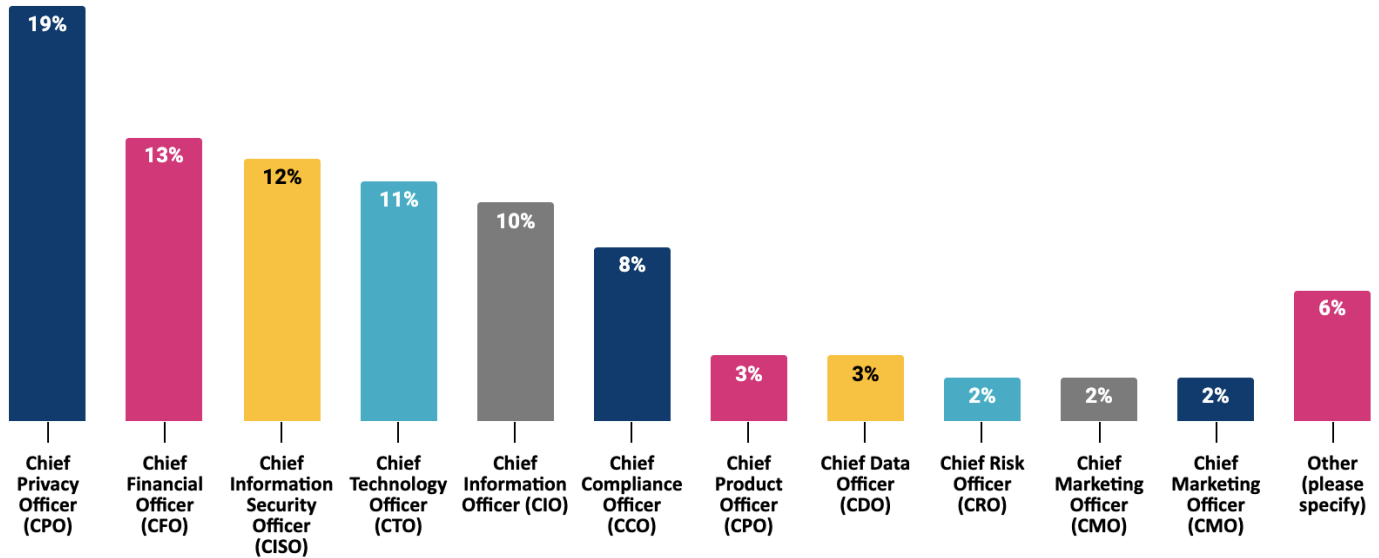
Of all respondents, **almost half (49%) see the demand for privacy roles increasing** this year, an increase over last year.

In the next year, do you see the demand for privacy roles decreasing, staying the same, or increasing at your company?

Legend: ■ Decreasing ■ Staying the same ■ Increasing

	Decreasing	Staying the same	Increasing
2023	4%	47%	49%
2022	8%	50%	42%
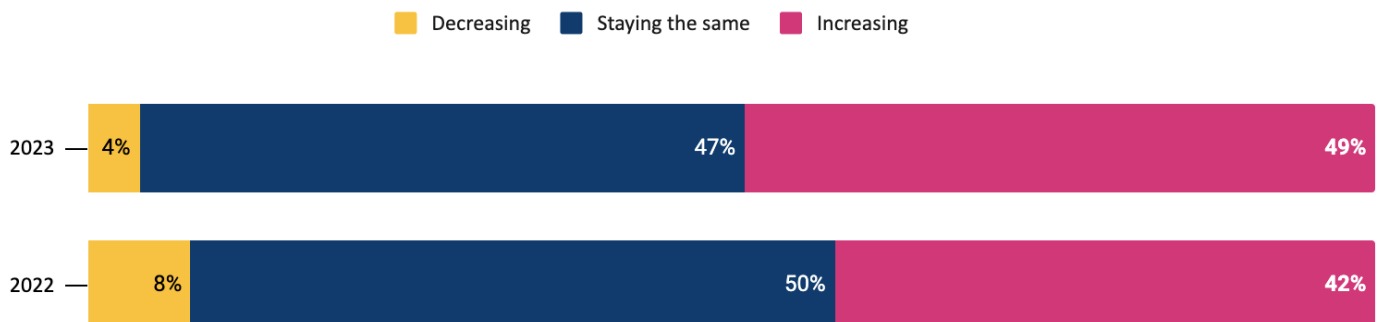
Privacy Challenges and Vulnerabilities

In 2023, TrustArc identified 18 key challenges that companies often face with respect to privacy. Survey participants were asked to rank them. The top-ranked challenge was AI, followed by regulatory compliance risks and reputational risks from social media.

Of the following challenges that many enterprises face, please rank them from 0 "not a challenge for us at all" to 5 "extremely challenging for our business" as they relate to privacy risks that your company is likely to encounter in 2023?

Legend: ■ 0 - Not a challenge ■ 1 - ■ 2 - ■ 3 - ■ 4 - ■ 5 - Extremely challenging

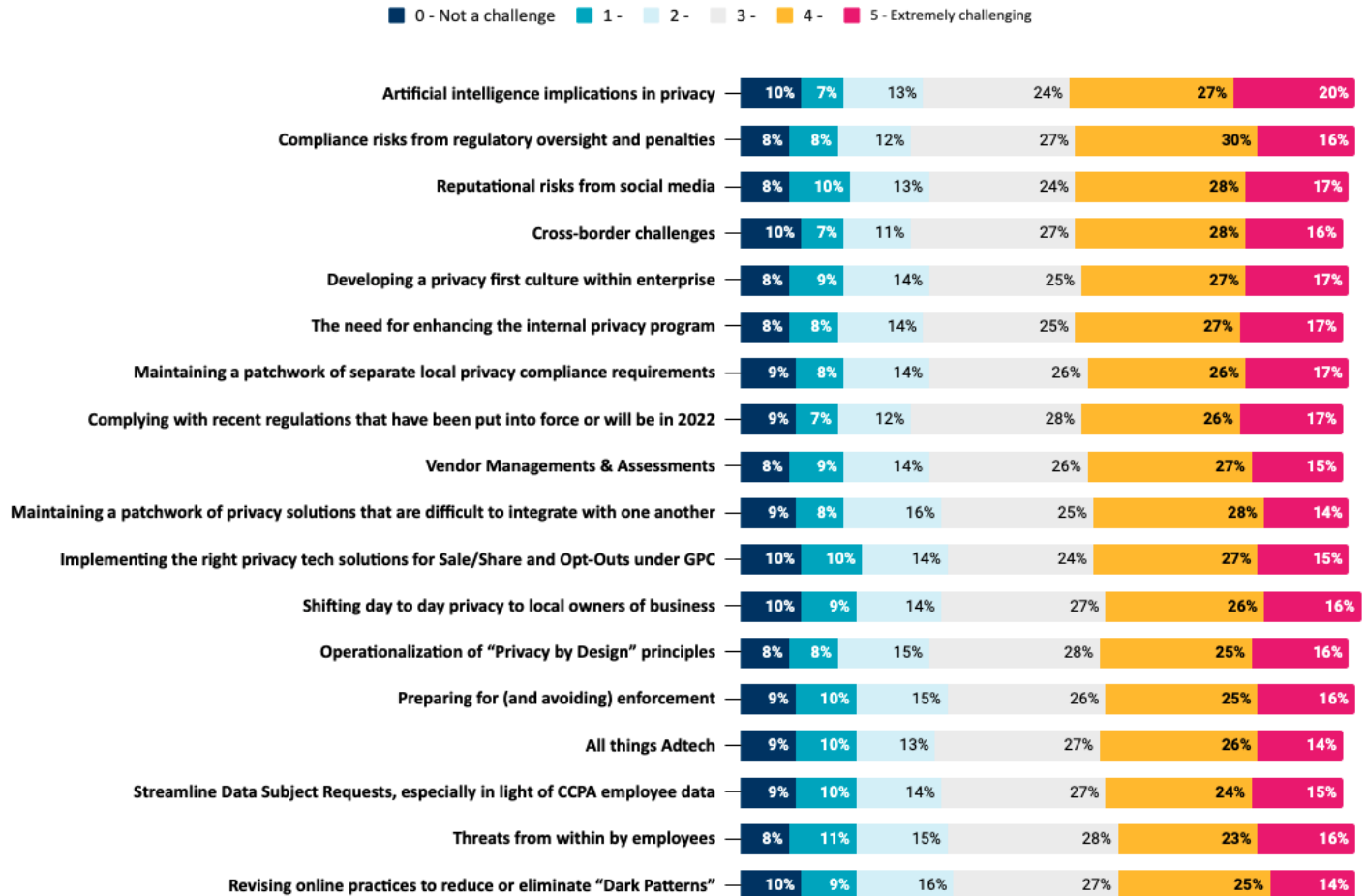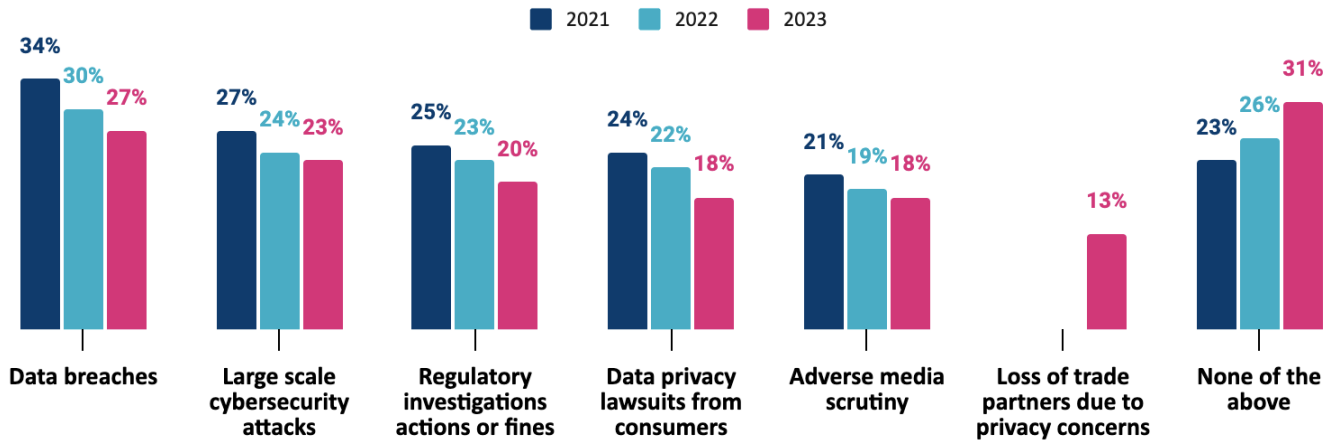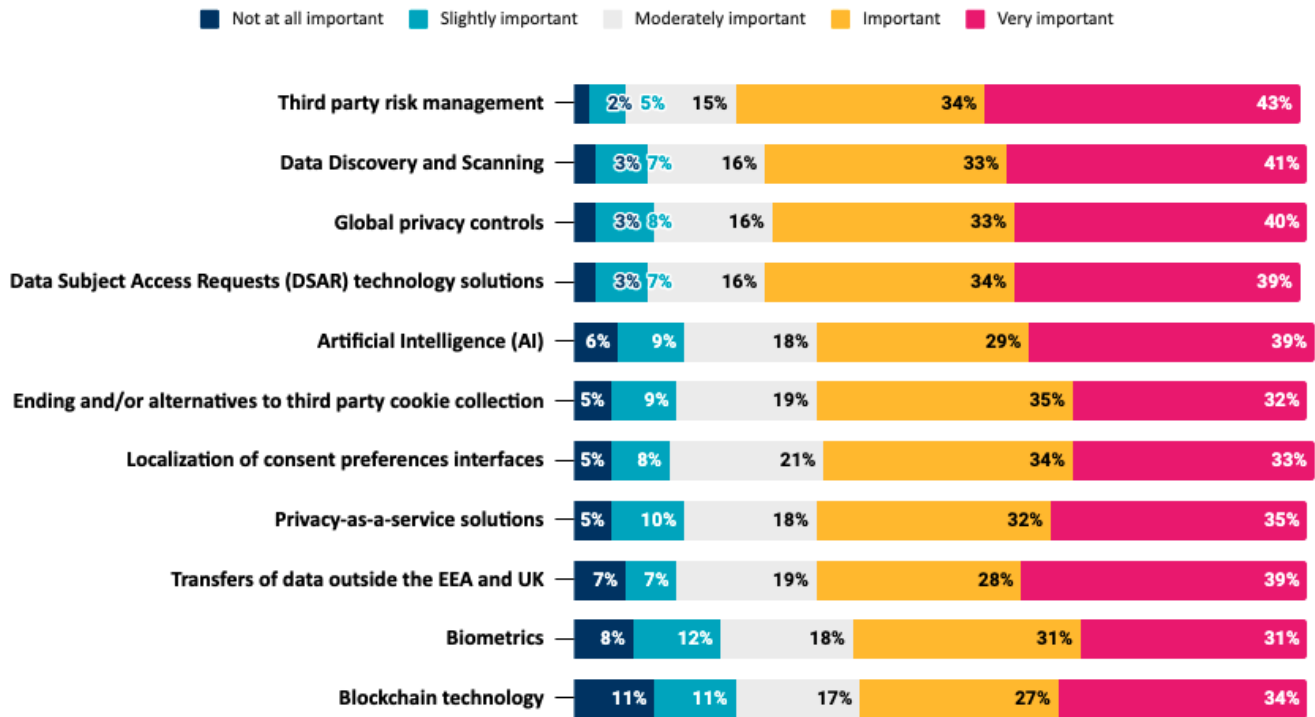| Challenge	0	1	2	3	4	5
Artificial intelligence implications in privacy	10%	7%	13%	24%	27%	20%
Compliance risks from regulatory oversight and penalties	8%	8%	12%	27%	30%	16%
Reputational risks from social media	8%	10%	13%	24%	28%	17%
Cross-border challenges	10%	7%	11%	27%	28%	16%
Developing a privacy first culture within enterprise	8%	9%	14%	25%	27%	17%
The need for enhancing the internal privacy program	8%	8%	14%	25%	27%	17%
Maintaining a patchwork of separate local privacy compliance requirements	9%	8%	14%	26%	26%	17%
Complying with recent regulations that have been put into force or will be in 2022	9%	7%	12%	28%	26%	17%
Vendor Managements & Assessments	8%	9%	14%	26%	27%	15%
Maintaining a patchwork of privacy solutions that are difficult to integrate with one another	9%	8%	16%	25%	28%	14%
Implementing the right privacy tech solutions for Sale/Share and Opt-Outs under GPC	10%	10%	14%	24%	27%	15%
Shifting day to day privacy to local owners of business	10%	9%	14%	27%	26%	16%
Operationalization of "Privacy by Design" principles	8%	8%	15%	28%	25%	16%
Preparing for (and avoiding) enforcement	9%	10%	15%	26%	25%	16%
All things Adtech	9%	10%	13%	27%	26%	14%
Streamline Data Subject Requests, especially in light of CCPA employee data	9%	10%	14%	27%	24%	15%
Threats from within by employees	8%	11%	15%	28%	23%	16%
Revising online practices to reduce or eliminate "Dark Patterns"	10%	9%	16%	27%	25%	14%

In terms of vulnerabilities, the top areas companies have suffered in the past three years, continue to rank data breaches as number one. Cybersecurity attacks remained second, 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)

Legend: ■ 2021 ■ 2022 ■ 2023

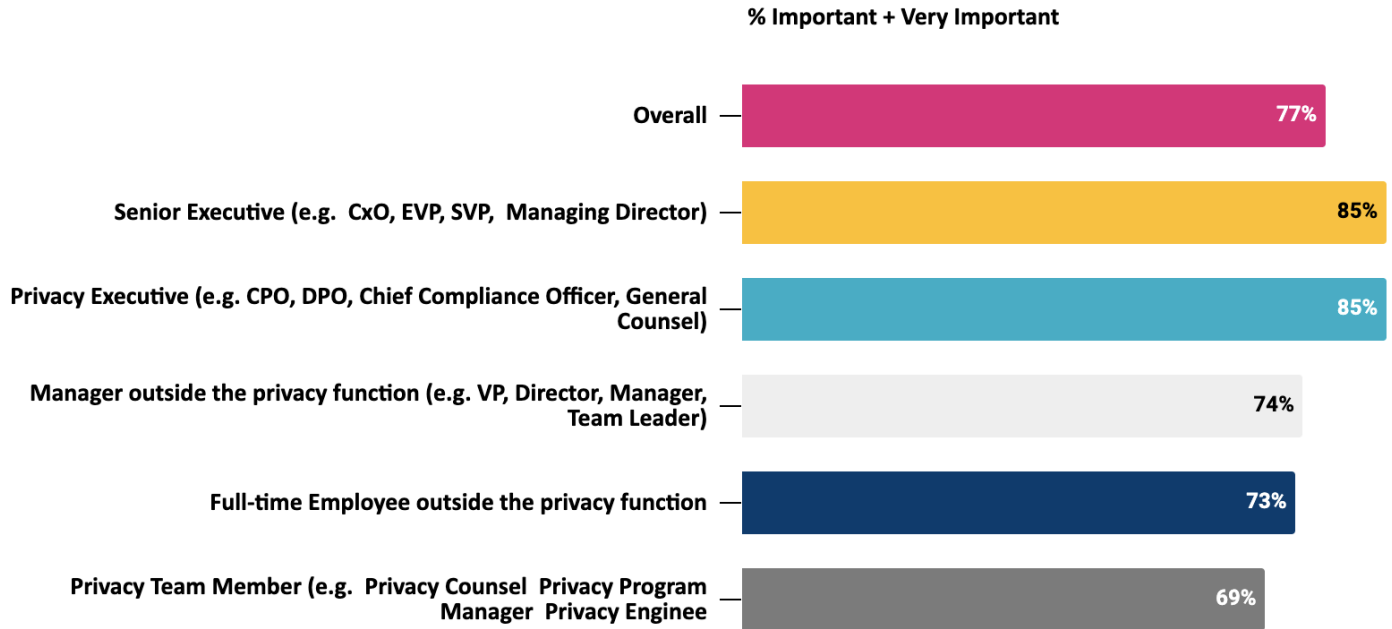| Category	2021	2022	2023
Data breaches	34%	30%	27%
Large scale cybersecurity attacks	27%	24%	23%
Regulatory investigations actions or fines	25%	23%	20%
Data privacy lawsuits from consumers	24%	22%	18%
Adverse media scrutiny	21%	19%	18%
Loss of trade partners due to privacy concerns			13%
None of the above	23%	26%	31%

With these challenges and vulnerabilities in mind, it is informative to look at what privacy concerns and regulations are most salient. Across all topics, organizations ranked third party risk management followed by data discovery and scanning to be the most important.

How important are the following topics to your company as they relate to privacy concerns and regulations?
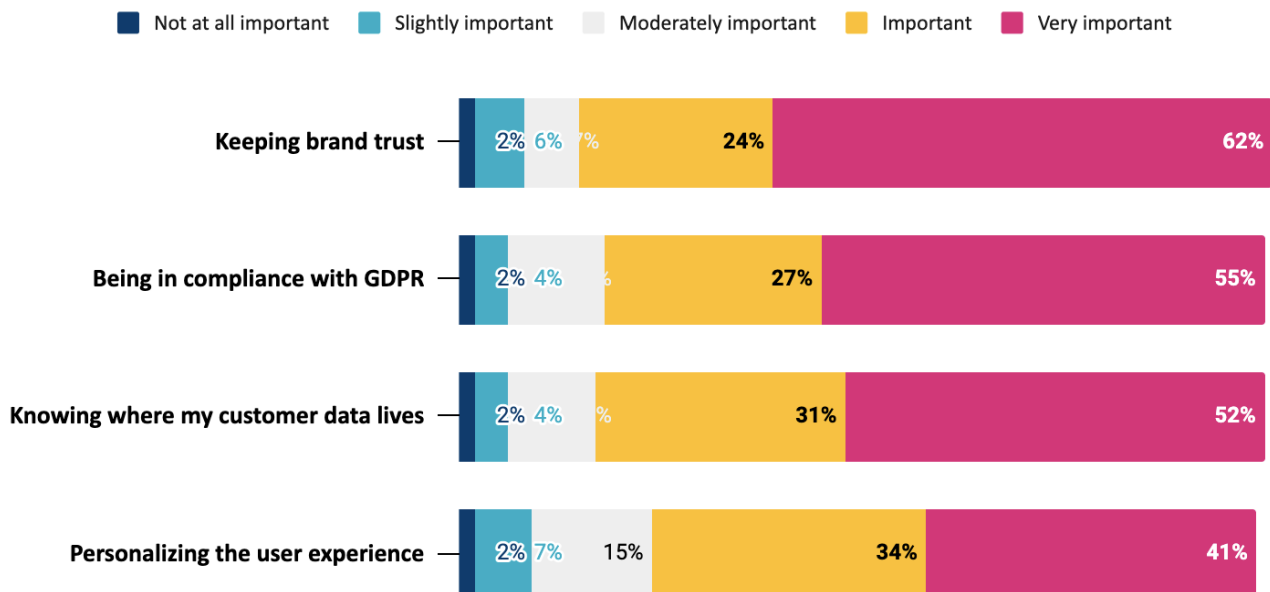*["Don't know/Not sure" excluded]*

Legend: ■ Not at all important ■ Slightly important ▢ Moderately important ■ Important ■ Very important

Topic	Not at all important	Slightly important	Moderately important	Important	Very important
Third party risk management	2%	5%	15%	34%	43%
Data Discovery and Scanning	3%	7%	16%	33%	41%
Global privacy controls	3%	8%	16%	33%	40%
Data Subject Access Requests (DSAR) technology solutions	3%	7%	16%	34%	39%
Artificial Intelligence (AI)	6%	9%	18%	29%	39%
Ending and/or alternatives to third party cookie collection	5%	9%	19%	35%	32%
Localization of consent preferences interfaces	5%	8%	21%	34%	33%
Privacy-as-a-service solutions	5%	10%	18%	32%	35%
Transfers of data outside the EEA and UK	7%	7%	19%	28%	39%
Biometrics	8%	12%	18%	31%	31%
Blockchain technology	11%	11%	17%	27%	34%

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

Among all executives, **third party risk management was ranked as the highest area of concern**.

Third Party Risk Management Concern by Role

% Important + Very Important

Role	%
Overall	77%
Senior Executive (e.g. CxO, EVP, SVP, Managing Director)	85%
Privacy Executive (e.g. CPO, DPO, Chief Compliance Officer, General Counsel)	85%
Manager outside the privacy function (e.g. VP, Director, Manager, Team Leader)	74%
Full-time Employee outside the privacy function	73%
Privacy Team Member (e.g. Privacy Counsel Privacy Program Manager Privacy Enginee	69%

While compliance was very important, keeping brand trust ranked highest with respect to company privacy efforts. In fact, "brand trust" was up seven percentage points from 2022.

On a scale of one to five, how important are the following with respect to your company's privacy efforts?

Legend: Not at all important | Slightly important | Moderately important | Important | Very important

	Not at all important	Slightly important	Moderately important	Important	Very important
Keeping brand trust		2%	6%	24%	62%
Being in compliance with GDPR		2%	4%	27%	55%
Knowing where my customer data lives		2%	4%	31%	52%
Personalizing the user experience		2%	7%	15%	34% / 41%

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.[1]

The 7 Keys to Privacy are as follows:

Ensure the Board of Directors regularly reviews and discusses privacy matters

Pursue privacy as a core part of business strategy

Embrace privacy practices as a business differentiator

Be continuously mindful of privacy

Empower every employee with the ability to raise a privacy issue with confidence with no reprisal

Train employees in privacy matters

Consider privacy in day-to-day business decisions

[1] These 7 keys were identified in the first year of the study based on a psychometric assessment of numerous privacy attributes that were fielded. In the second year of study, we reanalyzed and confirmed their ongoing construct validity and reliability as core measures of privacy competence. Their statistical predictive capabilities are also demonstrated throughout the remainder of this paper.

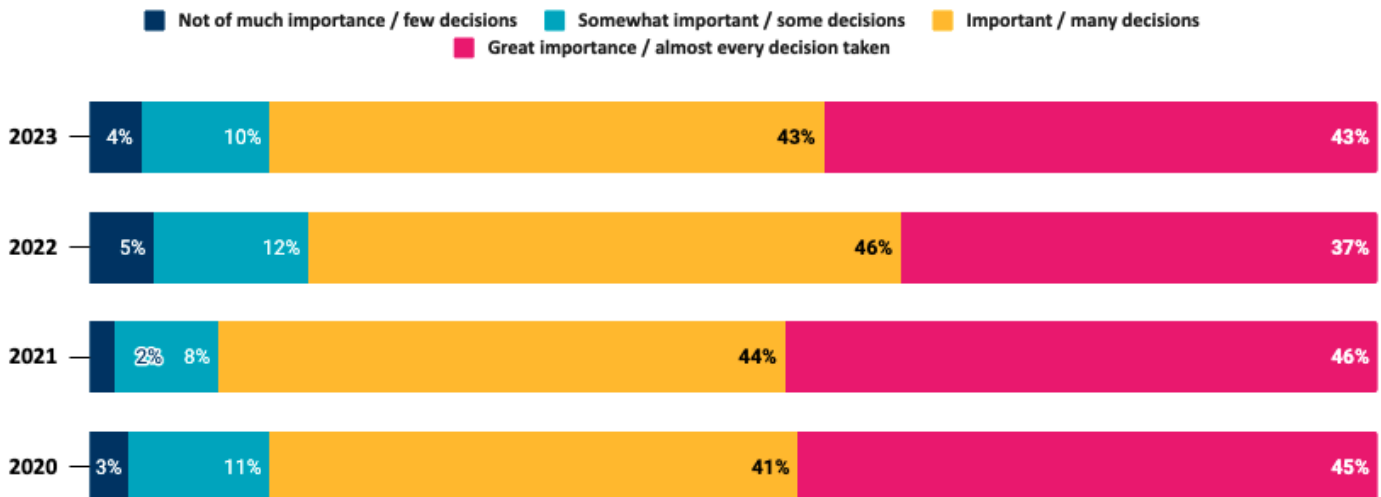Across the first six of these measures, there was a slight increase in privacy competence year over year.

Keys to Privacy YoY
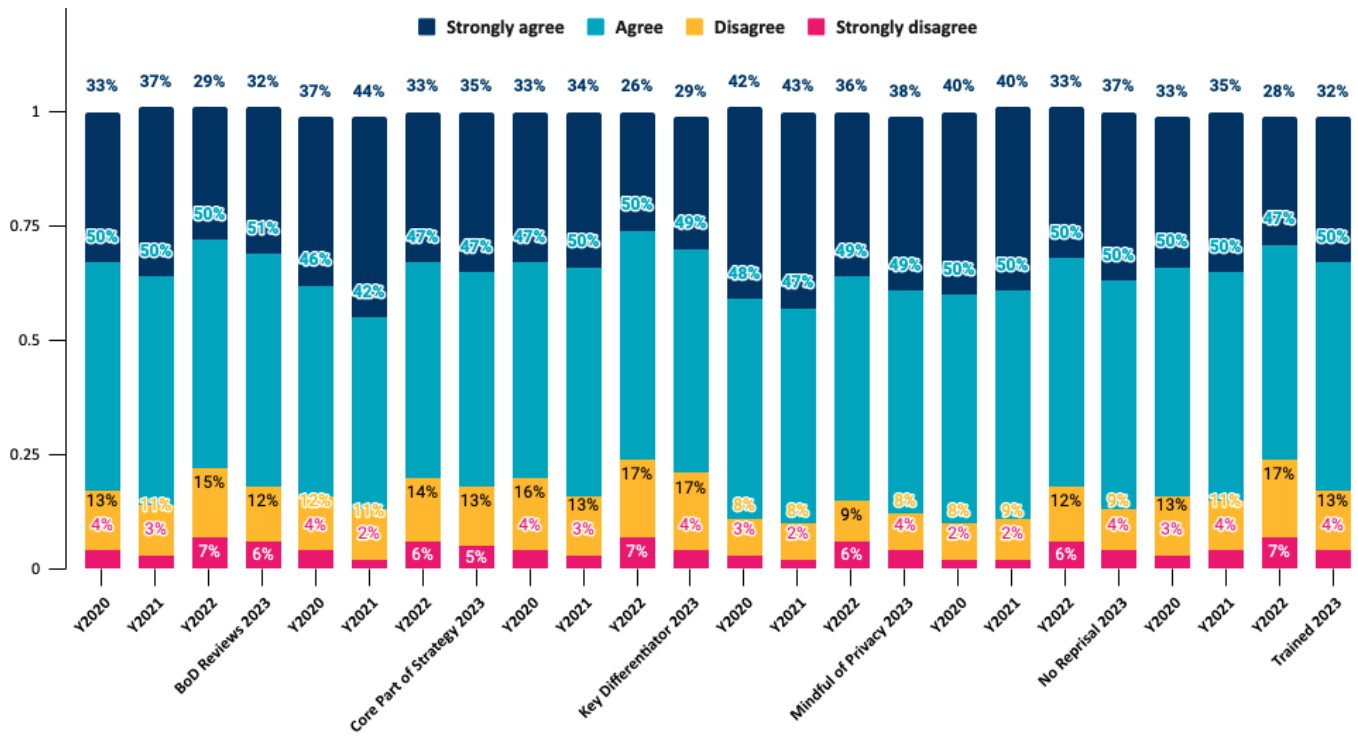
On the seventh measure, modest increases also occurred.

Which of the following statements best represents how your organization approaches privacy, in terms of levels of importance in how it affects day to day business decisions?

- *Privacy is of great importance and permeates almost every decision taken.*
- *Privacy is important and gets considered in many decisions.*
- *Privacy is somewhat important and gets considered in some decisions.*
- *Privacy is not of much importance and gets considered only in a few major decisions.*

Legend: Not of much importance / few decisions | Somewhat important / some decisions | Important / many decisions | Great importance / almost every decision taken

Year	Not of much importance / few decisions	Somewhat important / some decisions	Important / many decisions	Great importance / almost every decision taken
2023	4%	10%	43%	43%
2022	5%	12%	46%	37%
2021	2%	8%	44%	46%
2020	3%	11%	41%	45%

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 increase year over year.

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

[Excludes "DK/Prefer not to answer"]

■ No confidence   ■ Very little confidence   ■ Some confidence   ■ A great deal of confidence   ■ Complete confidence

	No confidence	Very little confidence	Some confidence	A great deal of confidence	Complete confidence
2023		1% 3%	22%	44%	30%
2022		1% 6%	22%	44%	26%
2021		1% 2%	18%	50%	28%
2020		1% 3%	22%	46%	27%

Looking at expected confidence among various stakeholder groups, they are highest for employees but several points lower for the general public. This reflects room for improvement to effectively communicate the business's confidence in data security and protection with the public.

**How much confidence do you think these key stakeholders have in your company's
management of data privacy?** *[Excludes "Don't know/Prefer not to answer"]*

■ No confidence   ■ Very little confidence   ■ Some confidence   ■ A great deal of confidence   ■ Complete confidence

|	No confidence	Very little confidence	Some confidence	A great deal of confidence	Complete confidence
Our customers/clients		1% 4%	23%	47%	26%
Our employees		0% 5%	22%	43%	29%
The general public		2% 6%	28%	42%	22%
Partners and Third Parties		1% 4%	22%	47%	25%
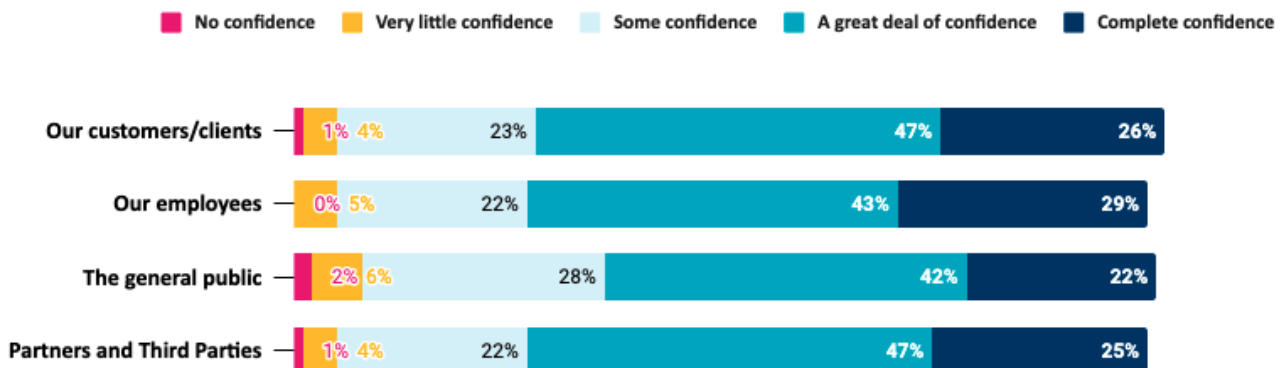
The TrustArc Global Privacy Index

All of these measures are summarized into a single metric, the TrustArc Global Privacy Index. The index 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 competence using a scoring system that provides an overall robust privacy metric.

The TrustArc Global Privacy Index is the result of extensive statistical modeling that was conducted in 2020 and revalidated in 2021. The result was the current set of 12 survey items (seven keys and five 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 five out of five on a particular question receives a full mark, a 4 receives a half mark while either a one or a two out of five results in a full mark deducted. The result is a score that ranges 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 Privacy Index score in 2023 increased modestly, up two percentage points from 2022.
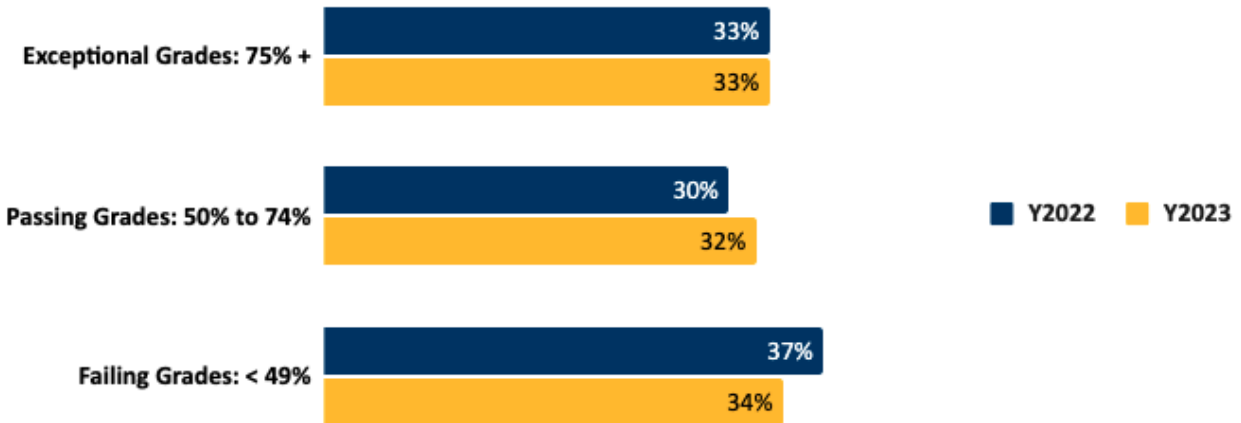
Keys to Privacy Index - Distribution YoY
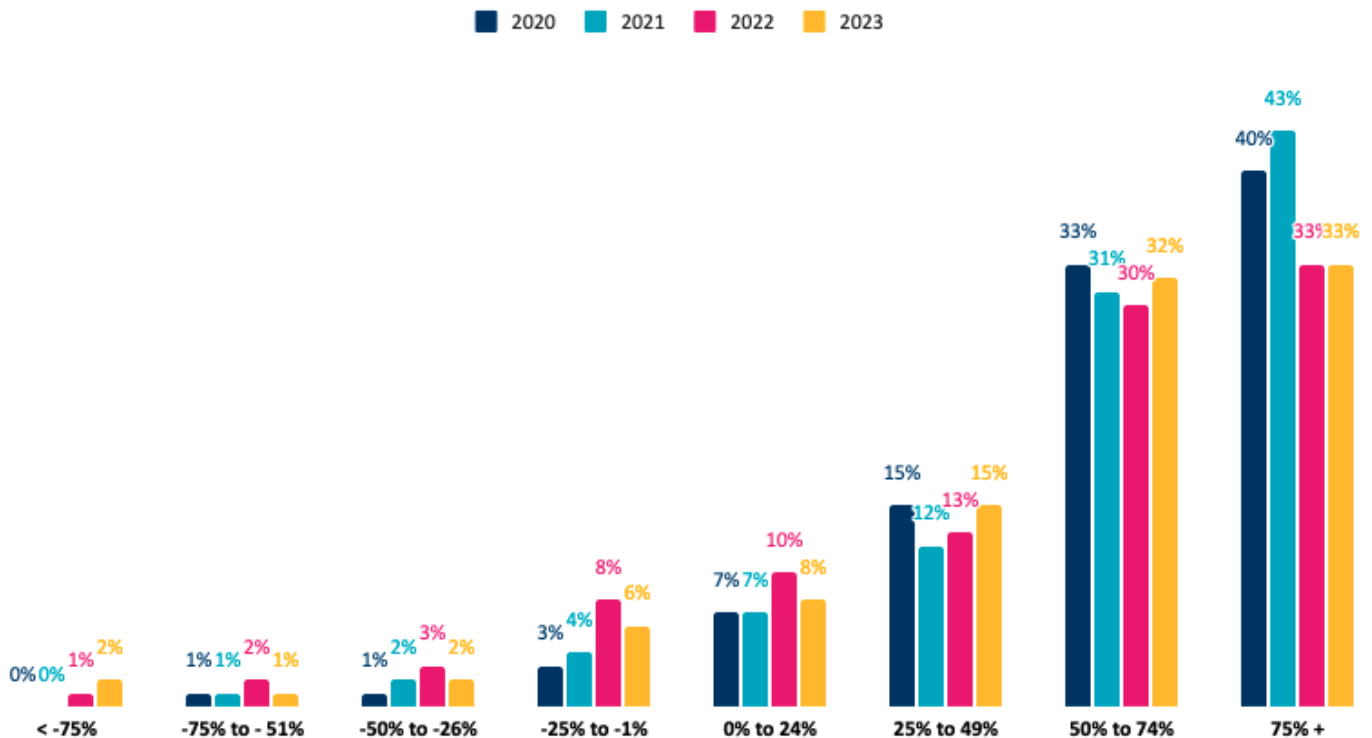
Overall Privacy Index Scores: **2020 (57%), 2021 (61%), 2022 (50%) 2023 (52%)**

What this distribution tells us is that self-perceived competence in protecting privacy differs markedly across companies. Summarizing these differences, in 2023 roughly a third are underperforming (including 11% scoring less than zero), a third are average, and a third are excelling.

Graded Distribution of Privacy Index YoY

	Y2022	Y2023
Exceptional Grades: 75% +	33%	33%
Passing Grades: 50% to 74%	30%	32%
Failing Grades: < 49%	37%	34%

Why Privacy Competence Matters

How well companies perform at privacy, from the viewpoint of all their various internal stakeholders matters. Below we showcase an example, and through the rest of the report where applicable, we look at the relationships between various activities and the Privacy Index.

Recall that "third party risk management" was the most important topic related to privacy concerns and regulations. Here in turn, we see that among those whose companies treat it as very important score much higher on our Privacy Index.

Privacy Index by Importance of 3rd Party Risk Management

Not at all important	34
Slightly important	36
Moderately important	46
Important	52
Very important	62
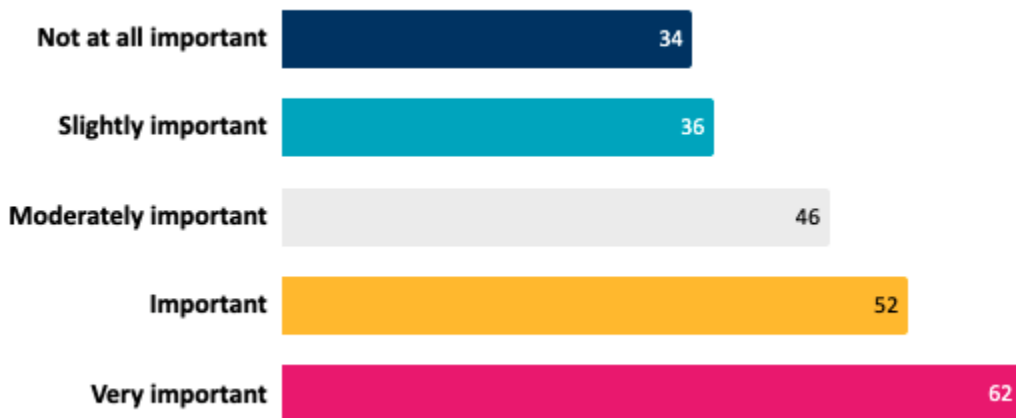
Closely following this result, Artificial Intelligence (AI) as a topic of importance follows a similar pattern.

Privacy Index by Importance of Artificial Intelligence

|	
Not at all important	38
Slightly important	37
Moderately important	45
Important	55
Very important	62
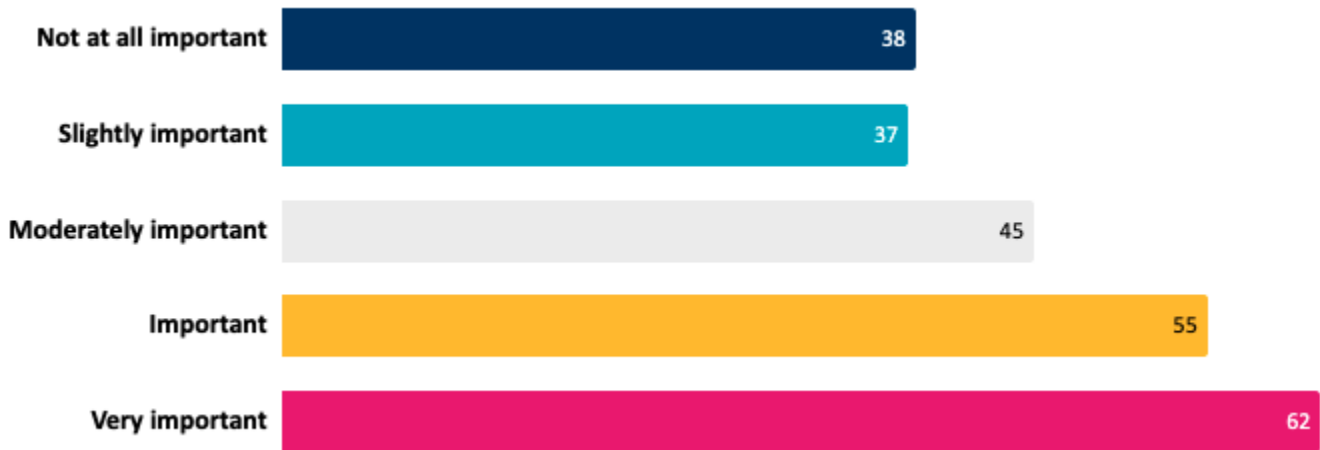
Revisiting some of our earlier results in light of the Privacy Index sheds additional light on the current state of privacy globally. Recall that **92% of large companies now have a dedicated privacy team or office** and that the average Privacy Index score is 52%. Putting this in lay-person terms: having a privacy team helps; not having a privacy team really hurts.

Being organized with a team is associated with an increase in privacy competence, pushing this average upward to 57% (see below). More tellingly though is that not having one is associated with a precipitous decline in competence, taking the average down to 24% for this group.

Privacy Index Scores by Privacy Teams

Privacy Team (n=1366)	57
No Privacy Team (n=234)	24
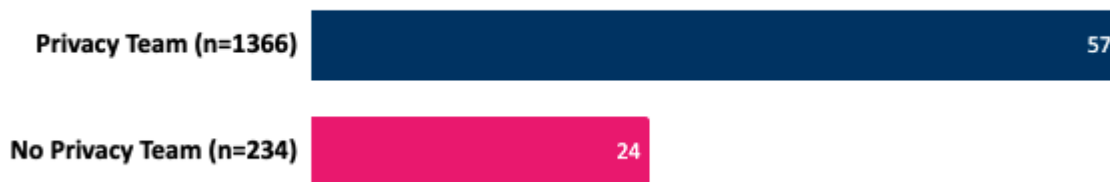
We then can look at this subset of respondents who do not have a dedicated privacy team, viewing their companies as "at risk". Among these individuals, we can see if their companies are increasing, decreasing, or keeping their privacy resources the same. The majority (72%) without a privacy team believe that privacy resource demands are staying the same in 2023. By contrast, there is a very marginal sub-group with no privacy team who believe that resources will decline this year (just 9 respondents in total, 0.4% of our sample). This tiny cohort is instructive nonetheless. It is where we find the worst scores on the Competency Index, with an average of -91%.

Our conclusion: working for a company that does not have a privacy team, and further believing that privacy resources are going to diminish, results in very negative perspectives on the company's ability to build any privacy competence with their stakeholders.

Privacy Index Scores by Demand for Privacy Resources

(Filtered by companies that do NOT have a privacy team)

Do You See Privacy Resources Decreasing, Increasing or Staying the Same?

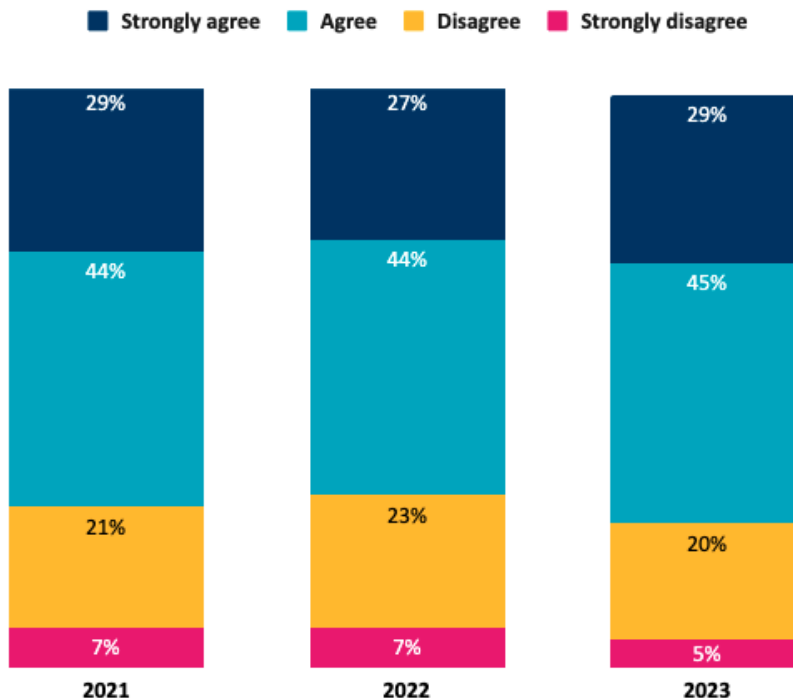|	
Increasing (n=57)	43
Staying the same (n=168)	23
Decreasing (n=9)	-91

Doing More to Promote Privacy

Three quarters (74%) believe their companies can do more when it comes to strengthening privacy. Interestingly, this sentiment has modestly increased, not decreased, over the past year. Perhaps the view that privacy should be taken seriously goes hand in hand with the belief that more needs to be done.

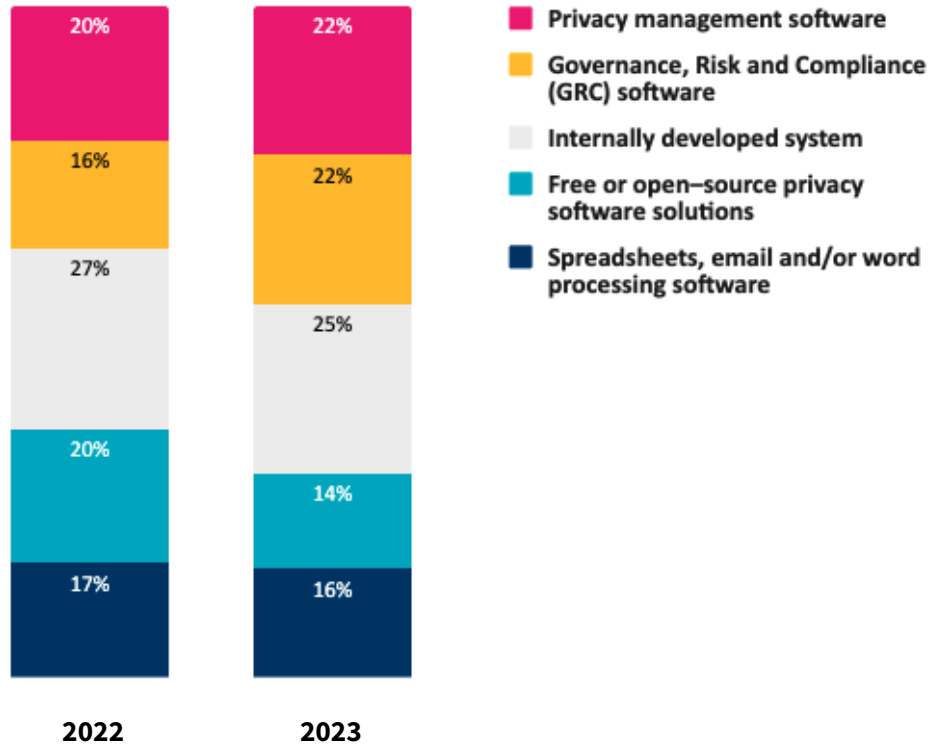### When it comes to privacy, we should be doing much more

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

Legend: Strongly agree · Agree · Disagree · Strongly disagree

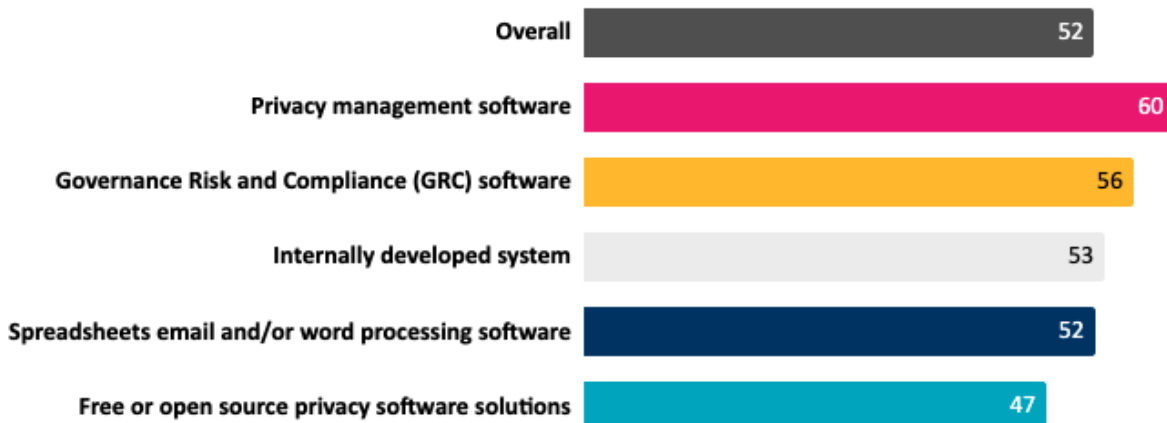|	2021	2022	2023
Strongly agree	29%	27%	29%
Agree	44%	44%	45%
Disagree	21%	23%	20%
Strongly disagree	7%	7%	5%

Privacy Solutions

While many believe their companies are still using piecemeal solutions (30% either use free software or general software such as spreadsheets), 2023 did see a growth in the use of made to purpose Privacy Management solutions and GRC solutions (44% in total).

What primary solution do you use to manage your privacy program?

2022

- 20% Privacy management software
- 16%
- 27%
- 20%
- 17%

2023

- 22% Privacy management software
- 22%
- 25%
- 14%
- 16%

Legend:
- Privacy management software
- Governance, Risk and Compliance (GRC) software
- Internally developed system
- Free or open–source privacy software solutions
- Spreadsheets, email and/or word processing software

The value in doing so is quite apparent when we compare and contrast these approaches with the privacy competencies of enterprises. **Those using Privacy Management solutions scored on average eight percentage points above the average and by contrast,** those using free/open source solutions were ~five points lower, a full 13-point gap.
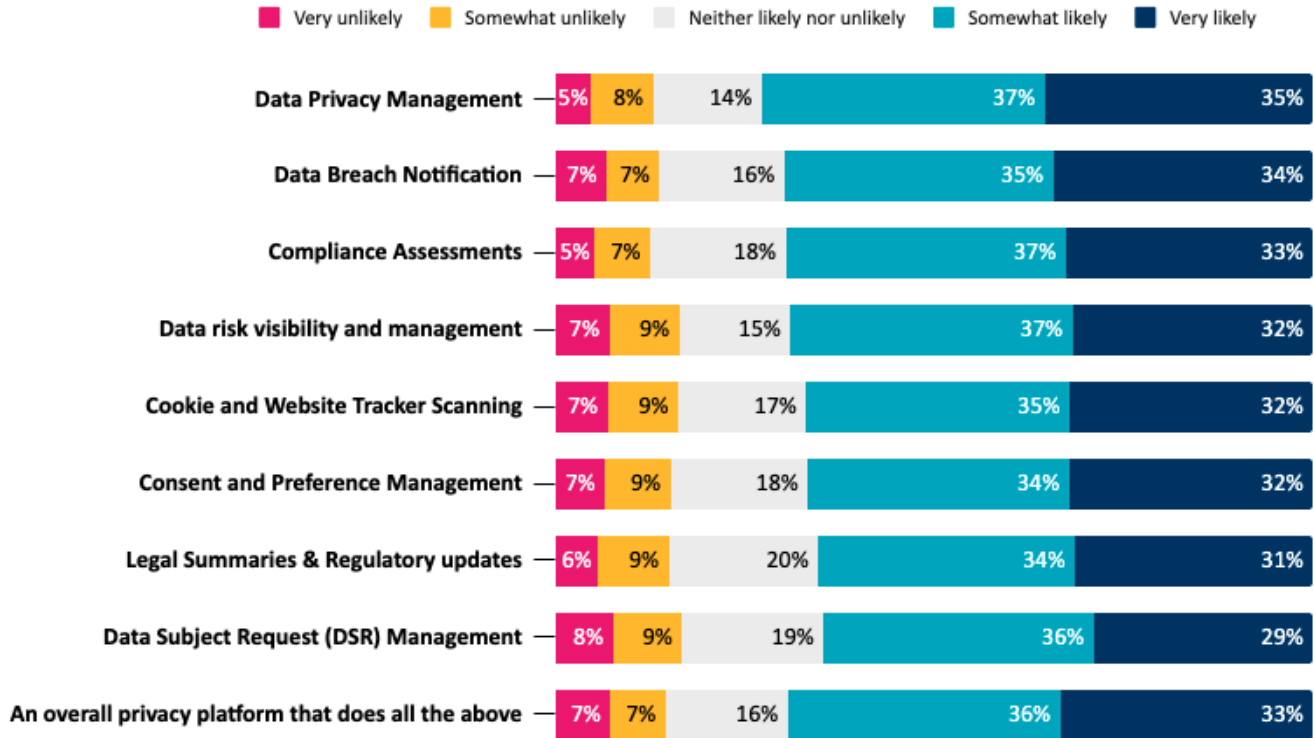
Privacy Index Scores by Solution Sets

Solution	Score
Overall	52
Privacy management software	60
Governance Risk and Compliance (GRC) software	56
Internally developed system	53
Spreadsheets email and/or word processing software	52
Free or open source privacy software solutions	47

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

Asked about their likelihood to buy "made to purpose" privacy software, the most needed solution was a platform solution that manages all aspects of privacy, although each specific area of data privacy management showed high likelihood of being purchased if not already owned.

How likely are you to purchase "made to purpose" software to provide the following capabilities?
["Don't know/Prefer not to answer" and "Already purchased" removed]

Very unlikely | Somewhat unlikely | Neither likely nor unlikely | Somewhat likely | Very likely

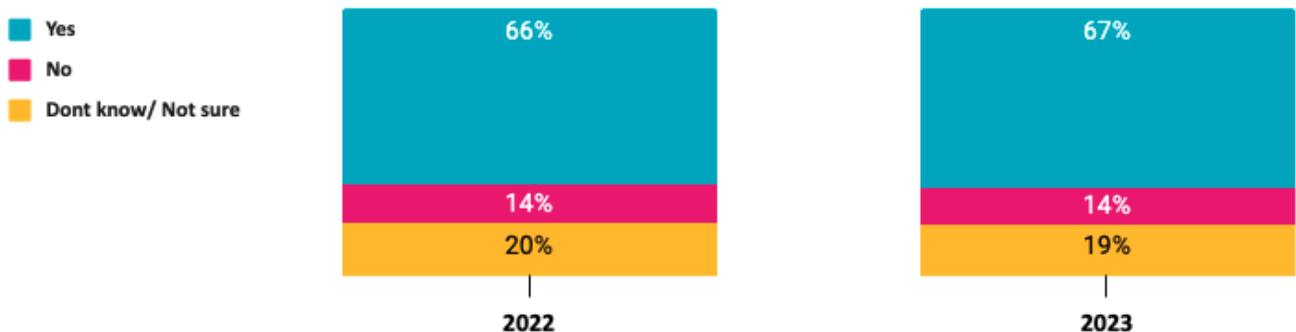|	Very unlikely	Somewhat unlikely	Neither likely nor unlikely	Somewhat likely	Very likely
Data Privacy Management	5%	8%	14%	37%	35%
Data Breach Notification	7%	7%	16%	35%	34%
Compliance Assessments	5%	7%	18%	37%	33%
Data risk visibility and management	7%	9%	15%	37%	32%
Cookie and Website Tracker Scanning	7%	9%	17%	35%	32%
Consent and Preference Management	7%	9%	18%	34%	32%
Legal Summaries & Regulatory updates	6%	9%	20%	34%	31%
Data Subject Request (DSR) Management	8%	9%	19%	36%	29%
An overall privacy platform that does all the above	7%	7%	16%	36%	33%

Privacy Management Measurement

For the second year running, we delved into the issue of privacy metrics. As market needs evolve and grow, and solutions mature, companies typically start to measure what they need to manage a privacy program depending on the maturity journey.

With little change from last year, two-thirds of companies measure the effectiveness of their privacy programs, with almost one in five respondents simply not knowing if it was being done. The latter is an indication that measurement is not permeating the organization.

Does your company currently measure the effectiveness of its privacy program?

Yes | No | Dont know/ Not sure

	2022	2023
Yes	66%	67%
No	14%	14%
Dont know/ Not sure	20%	19%

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

What stands out among our findings is the tremendous difference in privacy competence between companies that measure their privacy versus those that do not.

Privacy Index Scores by Measurement

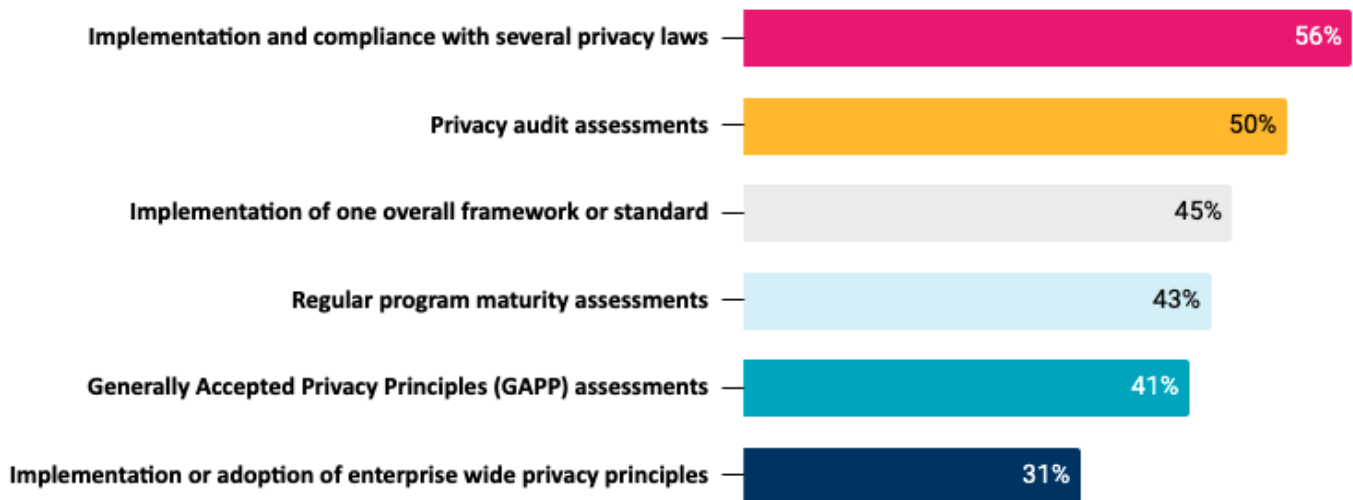|	
Overall	52%
Companies that measure privacy	61%
Companies that do NOT measure privacy	21%
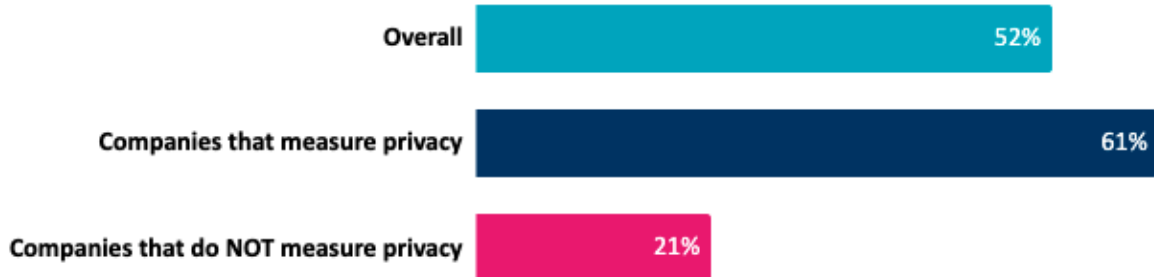
The difference is enormous, with a 40-percentage point difference in Privacy Index scores between companies that measure versus ones that do not. This indicates that companies who measure are perhaps able to better drive their privacy outcomes and overall competence.

In terms of methods for measuring privacy, Privacy Audit Assessments were second to a more general measurement of implementing and complying with several privacy laws. We would venture that this particular measurement is more akin to an "Objective and Key Result" (OKR) as a metric. As with last year, there was considerable variation across companies.

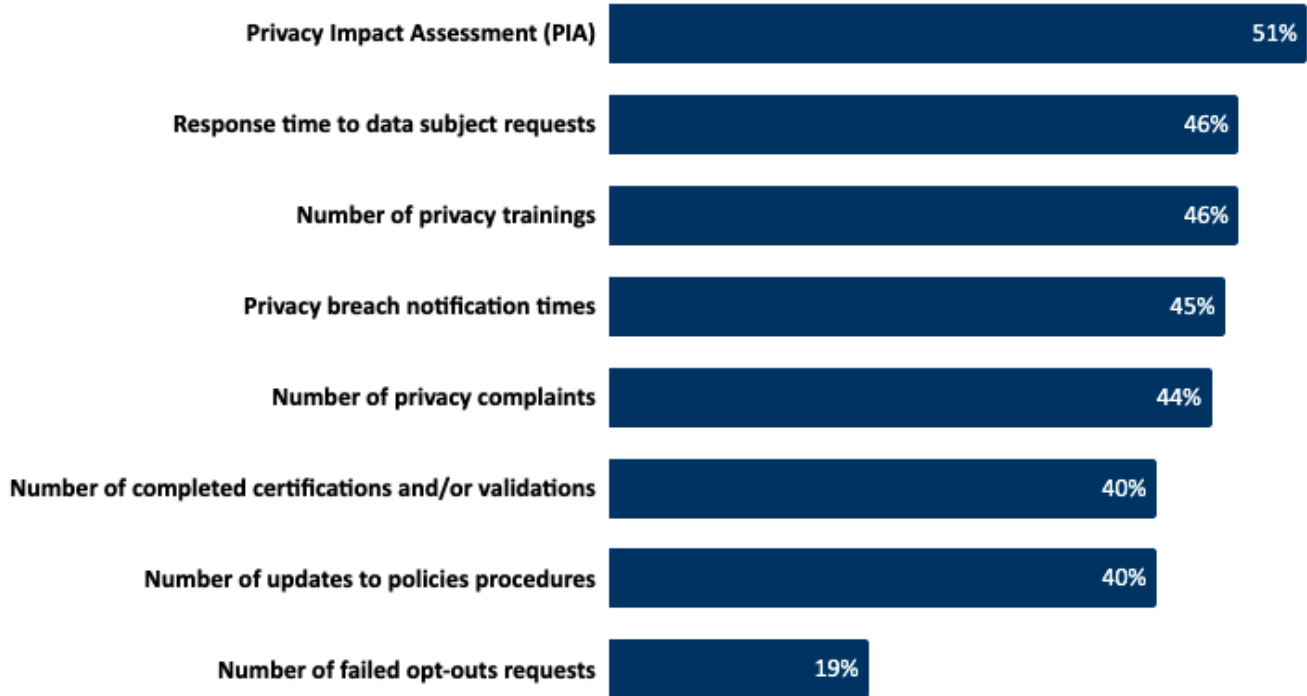**What are your company's primary methods for measuring your privacy program?**

(Choose all that apply) [Don't Know removed]

Implementation and compliance with several privacy laws	56%
Privacy audit assessments	50%
Implementation of one overall framework or standard	45%
Regular program maturity assessments	43%
Generally Accepted Privacy Principles (GAPP) assessments	41%
Implementation or adoption of enterprise wide privacy principles	31%

There was also a range of privacy KPIs adopted, the two most popular remain the same as 2022: Privacy Impact Assessments (PIA) and Response Time to Data Subject Requests.
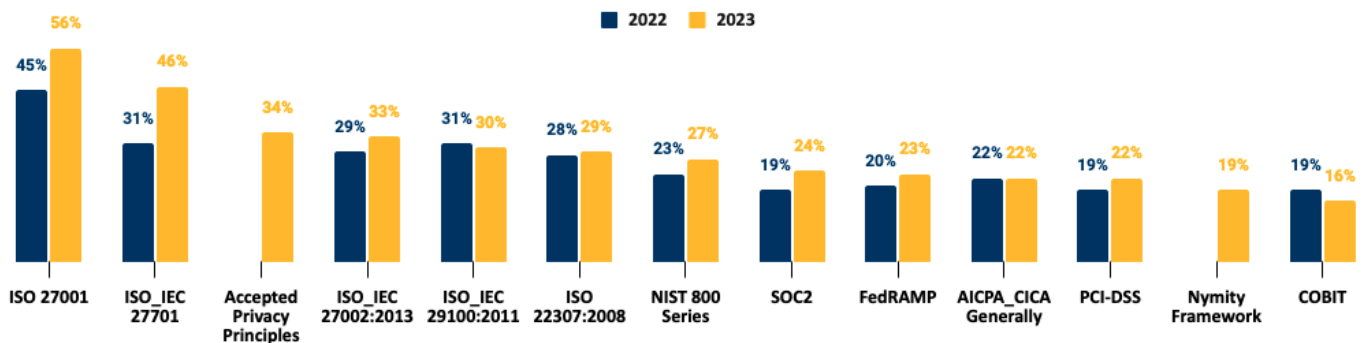
What are your privacy program KPIs?

(Choose all that apply) [Don't Know removed]

Privacy Impact Assessment (PIA)	51%
Response time to data subject requests	46%
Number of privacy trainings	46%
Privacy breach notification times	45%
Number of privacy complaints	44%
Number of completed certifications and/or validations	40%
Number of updates to policies procedures	40%
Number of failed opt-outs requests	19%

Finally, and related to this topic, as with our findings last year, ISO 27001 standards remained #1 (and having grown by 11 percentage points) as the most valuable certification or compliance standard among the many options available to companies in obtaining certifications and demonstrating compliance standards.

Which certification or compliance standards are most valuable to your company?

(Choose all that apply) ["Don't know" and "None of the above" removed]

■ 2022   ■ 2023

| Standard	2022	2023
ISO 27001	45%	56%
ISO_IEC 27701	31%	46%
Accepted Privacy Principles		34%
ISO_IEC 27002:2013	29%	33%
ISO_IEC 29100:2011	31%	30%
ISO 22307:2008	28%	29%
NIST 800 Series	23%	27%
SOC2	19%	24%
FedRAMP	20%	23%
AICPA_CICA Generally	22%	22%
PCI-DSS	19%	22%
Nymity Framework		19%
COBIT	19%	16%

What is most popular is not always what is best. Looking closer at the results, a stand-out finding was that although adoption of the Nymity Framework was second last in adoption it had an outsized impact on privacy competence.

While the adoption of any certification was associated with higher-than-average Privacy Index scores, companies with the Nymity Framework certification had the highest scores.

Privacy Competence by Certification Standard
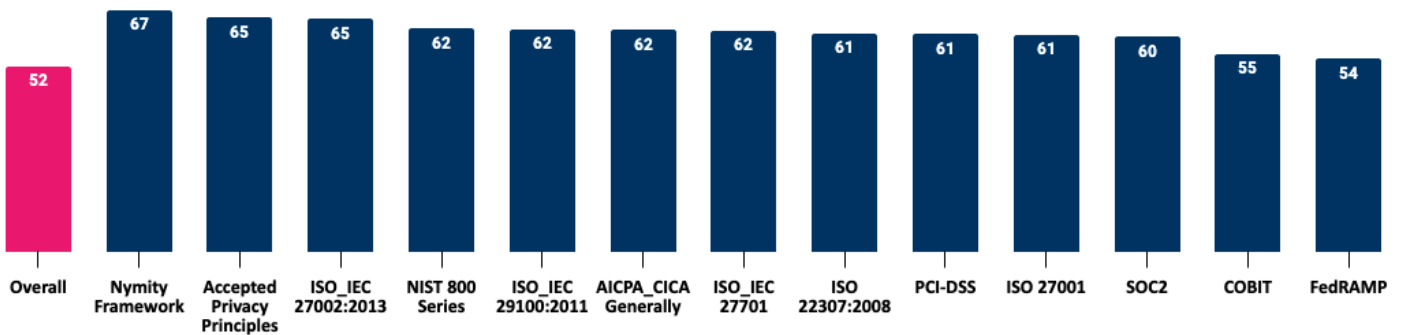
Another interesting relationship also emerged. Those who adopted the Nymity Framework were far more likely than others to view AI as very important.

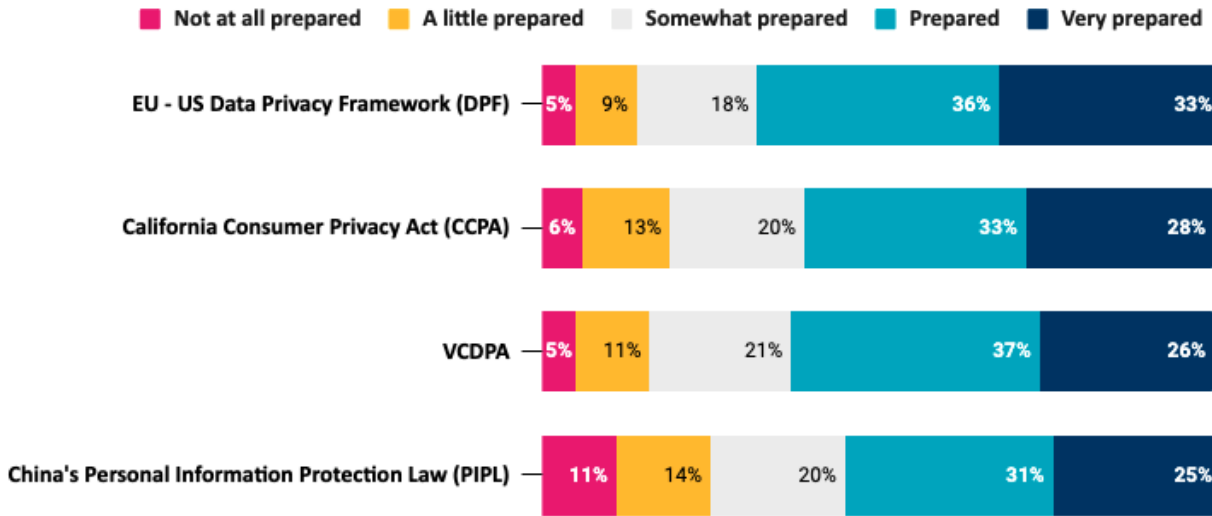### Importance of AI for Adopters of Nymity Framework vs. Others
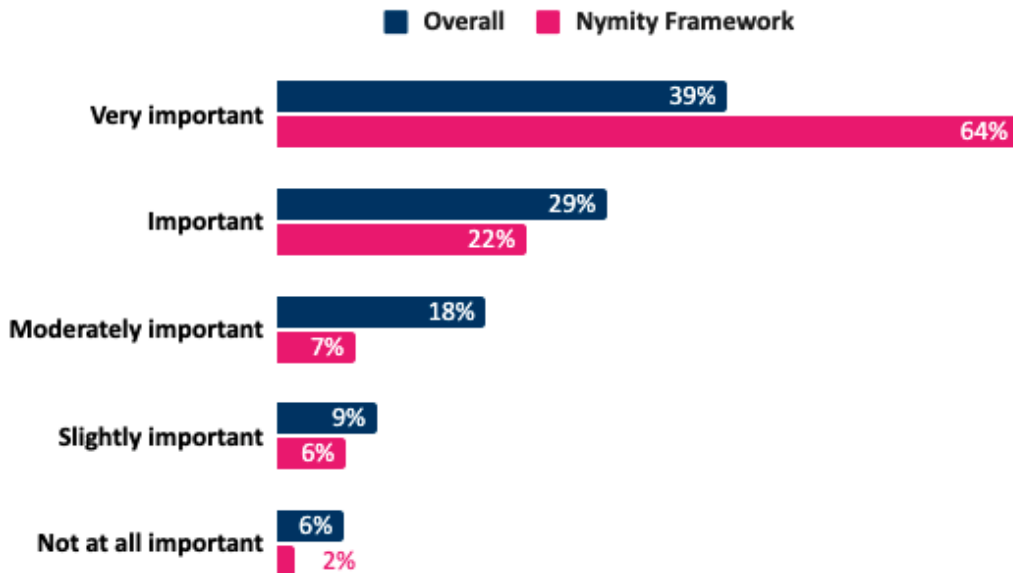
Preparation for Privacy Regulations

In terms of preparations underway, respondents believed they were most prepared for the EU-US Data Privacy Framework (DPF) but modestly less so for China's PIPL requirements.
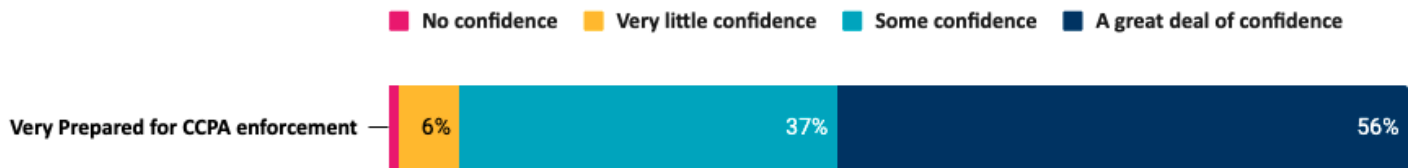
How prepared do you feel your company is for enforcement of the following privacy laws as it pertains to your business? If the particular regulations do not apply to your business, please choose "Does not apply".

["DK and "Does not apply to our business" removed]

Legend: ■ Not at all prepared ■ A little prepared ■ Somewhat prepared ■ Prepared ■ Very prepared

	Not at all prepared	A little prepared	Somewhat prepared	Prepared	Very prepared
EU - US Data Privacy Framework (DPF)	5%	9%	18%	36%	33%
California Consumer Privacy Act (CCPA)	6%	13%	20%	33%	28%
VCDPA	5%	11%	21%	37%	26%
China's Personal Information Protection Law (PIPL)	11%	14%	20%	31%	25%

One interesting relationship we uncovered was looking specifically at confidence in keeping employee data private. Among those who felt very prepared for the CCPA, there was almost 2x the amount of complete confidence they had in protecting employee privacy.
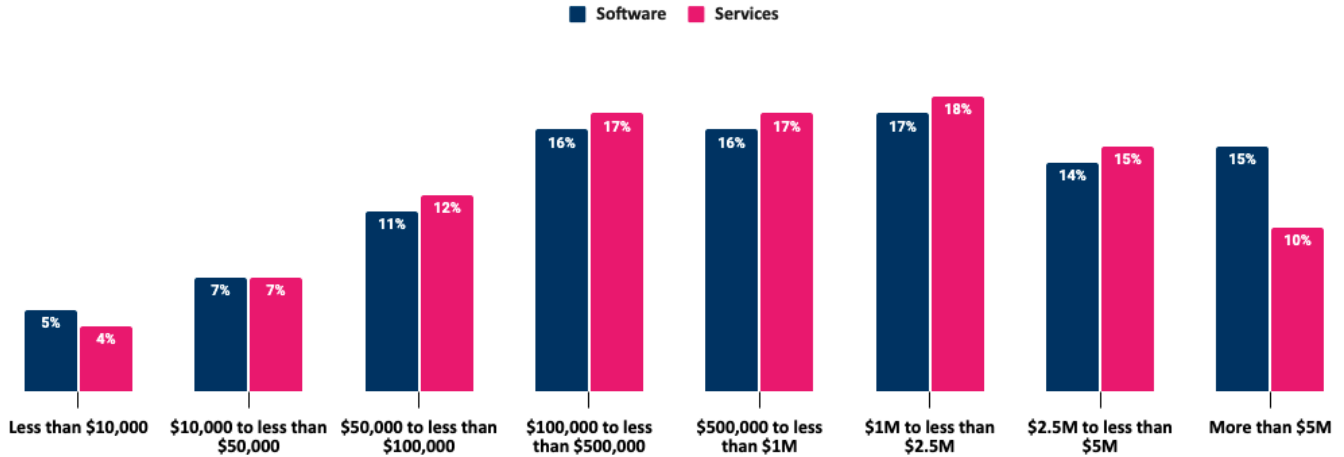
Confidence in Employee Privacy by Being *Very Prepared* for CCPA Enforcement

Legend: ■ No confidence ■ Very little confidence ■ Some confidence ■ A great deal of confidence

	No confidence	Very little confidence	Some confidence	A great deal of confidence
Very Prepared for CCPA enforcement		6%	37%	56%

TrustArc
GLOBAL PRIVACY
BENCHMARKS SURVEY

Budgeting for Privacy

This year, we look at privacy spend with a different view. We separated out software from services. With that in mind, this year we found that 46% of companies intend to spend over US$1M on privacy software, 43% over $1M on services.

Privacy Budgets in 2023

■ Software ■ Services

	Software	Services
Less than $10,000	5%	4%
$10,000 to less than $50,000	7%	7%
$50,000 to less than $100,000	11%	12%
$100,000 to less than $500,000	16%	17%
$500,000 to less than $1M	16%	17%
$1M to less than $2.5M	17%	18%
$2.5M to less than $5M	14%	15%
More than $5M	15%	10%

Clearly, many companies are taking privacy seriously based on the investments in the people and technology they are making.

Conclusion

The 2023 Global Privacy Benchmarks Survey demonstrates the growing significance of privacy for organizations of all sizes. Smaller enterprises are increasingly prioritizing privacy, alongside their larger counterparts, as indicated by the expansion of dedicated privacy teams in these organizations.

While it is heartening to witness more companies investing in privacy-related initiatives, there continues to be a number of considerable challenges in managing privacy. Reputational risks remain a high major concern and reality to maintaining brand trust. The persistent issue of complying with existing and emerging regulations from 2022 and beyond is now being overshadowed by a new top-ranked challenge – Artificial Intelligence. In response to recent advancements in artificial intelligence and the escalating complexity of third-party management, particularly in software, companies must keep up with the automation of privacy solutions. To tackle these challenges, companies are investing in both privacy software and services, which yield significant returns in building privacy competence, as demonstrated by our Privacy Index. The Privacy Index also shows that strong privacy competence will ensure strong business outcomes.

When privacy becomes an integral aspect of business strategy, it fosters a culture of mindfulness centered around safeguarding the privacy of all stakeholders. This commitment to privacy should extend from the Board of Directors, who regularly meet and discuss the subject, to the frontline where privacy training reaches all employees. A privacy-centric mindset should permeate every level of an organization and inform all decision-making processes. Cultivating TrustArc's seven key privacy competencies yields tangible benefits in terms of stakeholder confidence and trust.

About TrustArc

As the leader in data privacy, TrustArc automates and simplifies 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.

About Golfdale Consulting

Golfdale Consulting Inc., provides trusted advisors to growth-focused business leaders. Golfdale expertise spans three critical areas: global market research and insights, analytics strategies and application of decision sciences, and advocacy for evidence-based regulatory reform and market impact.