



2021

# Global Privacy Benchmarks

## REPORT

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# Introduction

To capture the challenges and *opportunities* that arise in data protection and privacy, TrustArc inaugurated an annual [Global Privacy Benchmarks Survey](#) in 2020. The challenges to data privacy management, including the global pandemic, widespread adoption of AI driven technologies, and new regulatory standards continued unabated into 2021. We set out to learn from the lessons large enterprises underwent. We gathered opinions on how companies have adapted, new vulnerabilities that have been exposed, and new privacy approaches undertaken. We again took a 360 degree view, including senior executives, privacy office leaders, privacy team members, middle management, and full-time employees outside the privacy function. Building on our large sample in 2020, we increased our responses from 1503 to 1630 responses in 2021.

## The findings in this report capture:

- Approaches to the most challenging elements of privacy management
- Decision-making and strategic approaches to data privacy and security
- Regulatory compliance readiness, especially LGPD and CCPA
- How companies are preparing for and implementing privacy changes, including approaches to cookie consent
- Preparedness to address privacy and security risks, including budgets

The findings were clear in this year's results. With a growing list of evolving privacy regulations around the globe, enterprises need to stay current and move to compliance quicker - by having dedicated privacy teams, using purpose-built solutions, and building a stronger knowledge base. The scope of risk has grown broader. Technical requirements have grown deeper. Managing privacy continues to mean much more than reducing data exposure; it is now an integral part of safeguarding and building public reputation. It is a critically important element of corporate responsibility.

## Executive Overview

2020 was like no year any of us had experienced and in many parts of the world, 2021 is so far giving it a run for notoriety. No matter how gloomy, this did not slow companies from embracing and executing on their privacy initiatives. In fact, amidst a growing list of threats, large enterprises have rallied to reinforce their privacy competence. By the numbers, the three Ps of performance are in full display and are improving: an increase in the number of enterprises dedicating privacy teams to tackle the challenges (*people*); more advanced technical solutions being adopted (*product*), and more robust approaches undertaken (*process*). Privacy and data protection teams have expanded their scope and impact on their businesses at large. The result has been an improvement in privacy competence and confidence, as evidenced by our TrustArc Global Privacy Index.

Privacy continues to be the cornerstone of good governance, risk and compliance and by extension of Environmental, Social, and Governance (ESG) practices. ESG has become an essential standard of trustworthy corporations with further emphasis over the last 12 months. In light of this urgency, leaders have turned to technology to navigate the complexities of data privacy in an increasingly demanding and fractured regulatory landscape.

For the vast majority of enterprises, getting agreement on privacy as a priority is no longer the issue, nor is getting started on compliance; getting the job done expeditiously and comprehensively is the new goal post. For those who have done so versus laggards pulling up from behind, the differences we found in our Privacy Index were dramatic and clear. Privacy leaders win the confidence of all their stakeholders by building trust, from the Board of Directors to front-line employees. They reinforce privacy as a differentiator for their business.

## Three Privacy Trends Worth Noting

01

**Pandemic challenges did not stop privacy progress**

### **As threats grew, privacy improved.**

The destructive impact of cybersecurity breaches has increased over the past 12 months, a vulnerability our data clearly demonstrates. In response, large enterprises have rallied to protect the data privacy of their most important assets including employees, customers, and partners. These efforts are essential to maintaining public faith in enterprise privacy standards and capabilities.

02

**Steady, hard work led to significant improvements**

### **Privacy competence increasingly became a core element of business strategy.**

Under threat of siege, companies transformed privacy practices, bolstering their use of purpose built software and dedicated privacy teams. Our findings provide solid evidence that steady, hard work also pays off. Most measures improved, the largest increase being “privacy as a core part of business strategy”, moving seven percentage points year-over-year. Training retained its high score from last year. Overall, our privacy measures peaked at 90% performance. In a turbulent world, hard work on privacy improvement paid off.

03

**Despite improvements, much remains to be accomplished**

### **Privacy work is never done.**

Despite improvement, privacy leading companies did not rest on their laurels. We saw an increase in our Global Privacy Index year over year, including an 8 point increase in the median score (62% to 70%). Interestingly, those who want to go further, *strongly* agreeing they should do more on privacy, score even higher at 83% on our Index. This finding holds across all roles, from senior executives to non-management, full time employees. From every vantage point, the work of protecting privacy is never fully done.

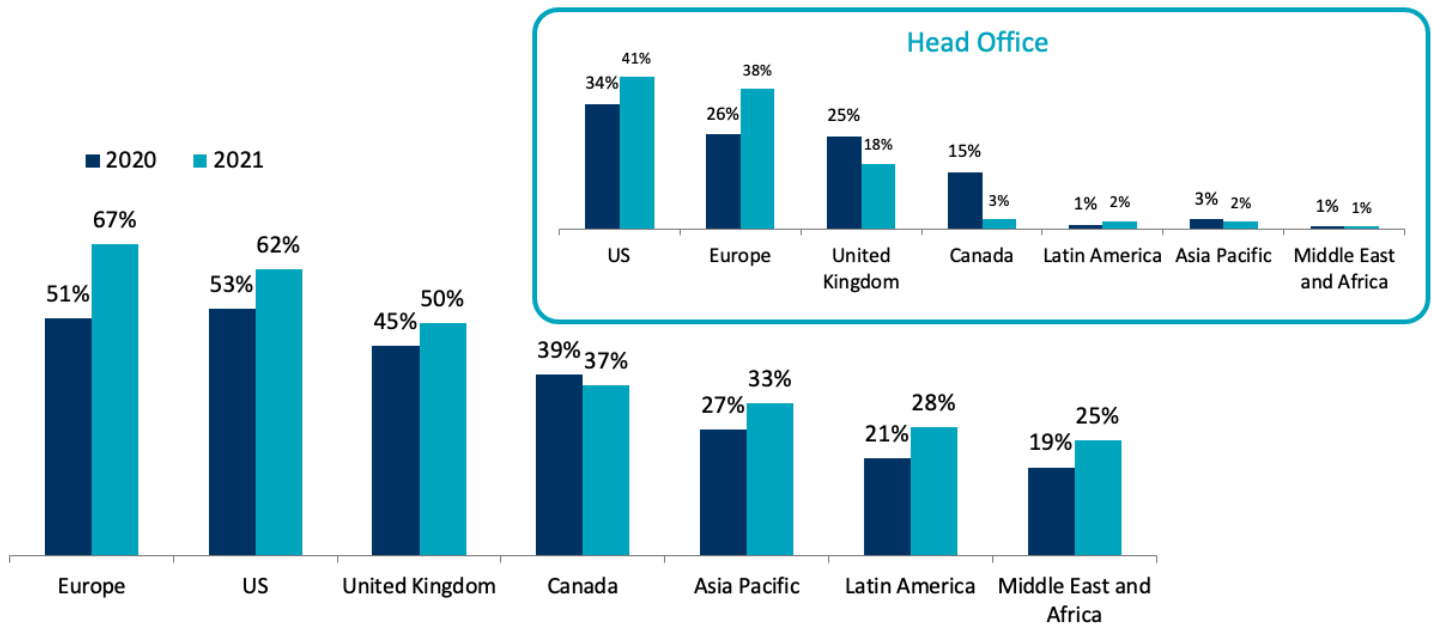
## 360° View from Around the Globe

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

A few important notes on who participated.

We targeted large enterprises, US \$500M plus and these accounted for 96% of our responses, almost all from an online survey panel. The remainder came in through web, social and marketing channels. From a baseline of 1503 responses in 2020, this year's fieldwork was successful in boosting responses to 1630. Over two-thirds of respondents (69%) had been with their company for five or more years; just 6% for less than a year.

While most participants came from companies with head offices located in North America, UK, and Europe, their companies operated globally – not only in their country of origin but also in Asia Pacific (33%), Latin America (28%), and the Middle East and Africa (25%). We increased European participation in 2021. Within the US, participation was balanced across Regions.



The survey represented a wide range of industries. The most prevalent were technology (16%), financial services (14%), manufacturing (12%), retail (9%), and health care (7%). Most of our respondents were from firms with annual revenue over USD 500M, over two-thirds exceeded \$1B, and 27% exceeded \$5B.

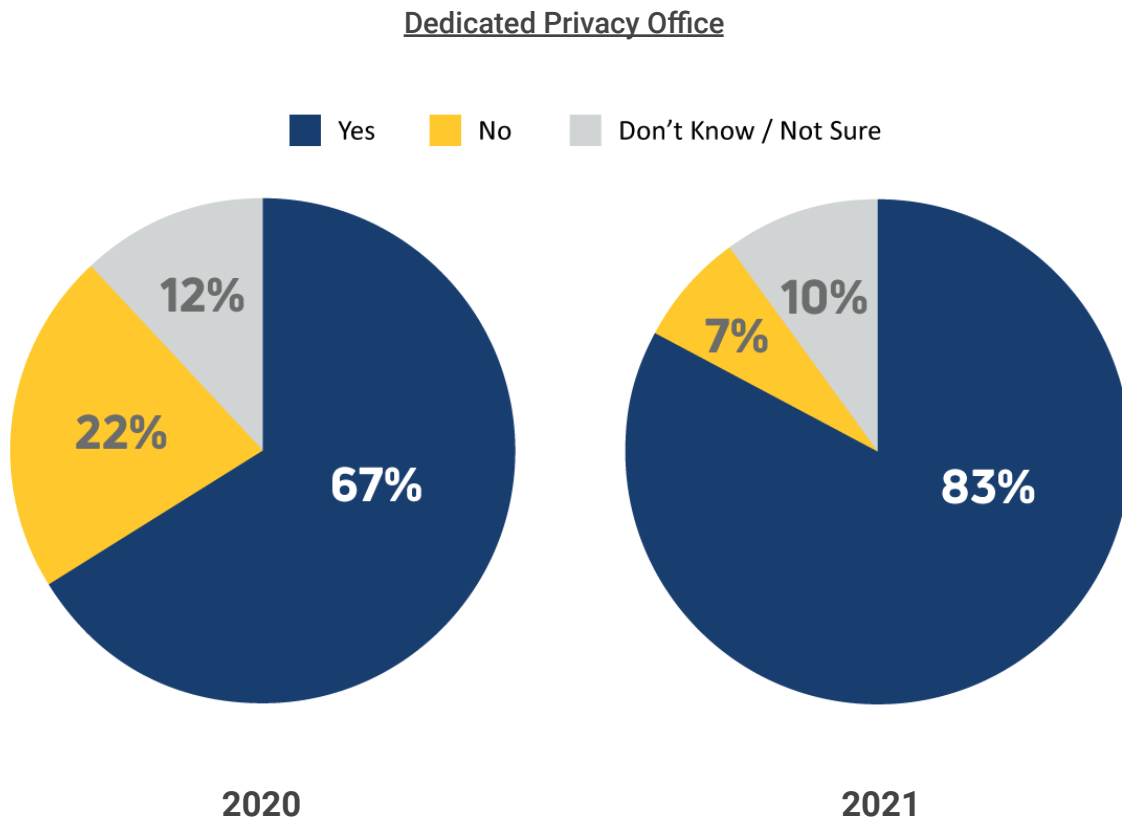
Finally, in order to compare results year over year, and to obtain a balanced 360° view, we weighted respondent level results across our four primary roles surveyed: 1) executives, 2) managers, 3) full time (non-managerial) employees, and 4) an even split of privacy team leaders and privacy team members.<sup>1</sup>

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

<sup>1</sup> The challenge of weighting in this instance is that the known (or reasonably well estimated) proportions of each of these groups as they exist in companies does not reflect their relative influence on privacy standards, our outcome of interest. Unlike in a national poll weighting demographics, the population parameters of "influence over privacy" is up for considerable debate. Hence, a balanced approach, weighting each group equally was undertaken.

## Analysis and Insights

Outside of attention grabbing headlines, we have behind the scenes evidence that more and more companies are taking privacy matters seriously.



An increased number of enterprises have created formal Privacy Offices this last year, **up a full 17 percentage points over 2020, from 67% to 83%**. Notably for our survey, 44% of the respondents spend anywhere from “most” to “all of their time” on privacy initiatives.

While this year’s results point to strong organizational commitment to privacy culture, companies continue to face challenges and encounter vulnerabilities.

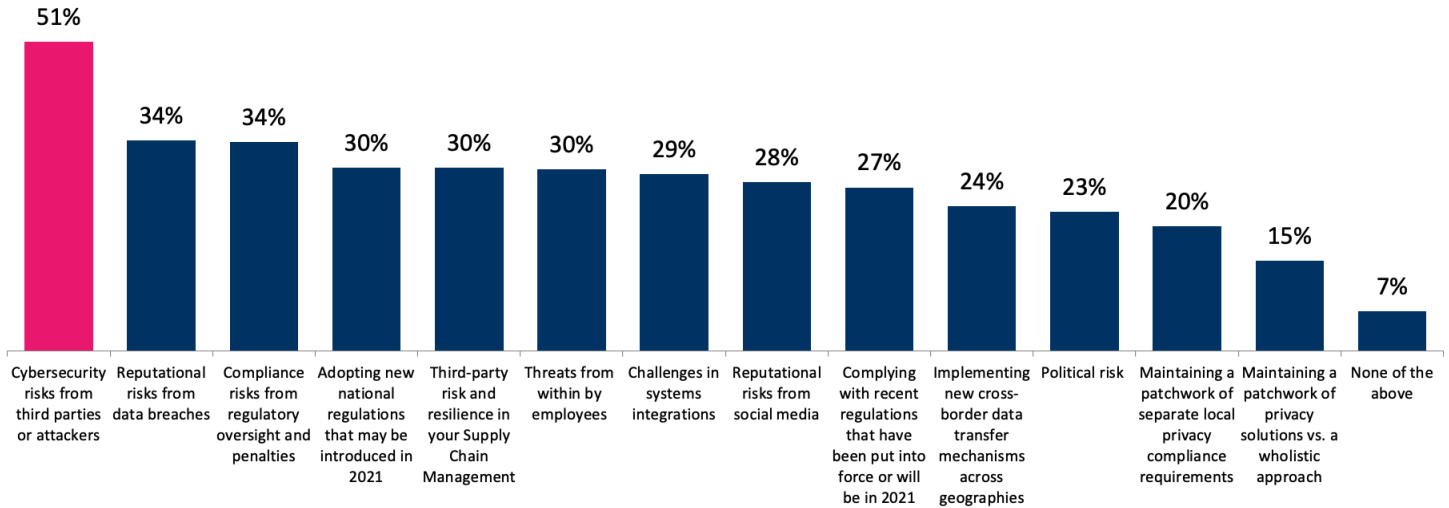
## Privacy Challenges and Vulnerabilities

When presented with thirteen separate challenges related to privacy that proverbially can keep someone up at night worried about their business, cybersecurity stood out above the rest (51%). It was most frequently chosen in combination with “threats from within the organization” (30%) and “reputational risks from data breaches” (34%) so it’s clear that while technically cybersecurity is not necessarily a privacy risk per se, it is seen as one because of the vulnerability it exposes. As an informative Gartner report states: “Many organizations struggle

to view privacy and security as different goals. Although they share common traits, both disciplines are quite distinct.”<sup>2</sup> The implication as outlined was that “privacy challenges rarely have security-only solutions”.

### Privacy Challenges

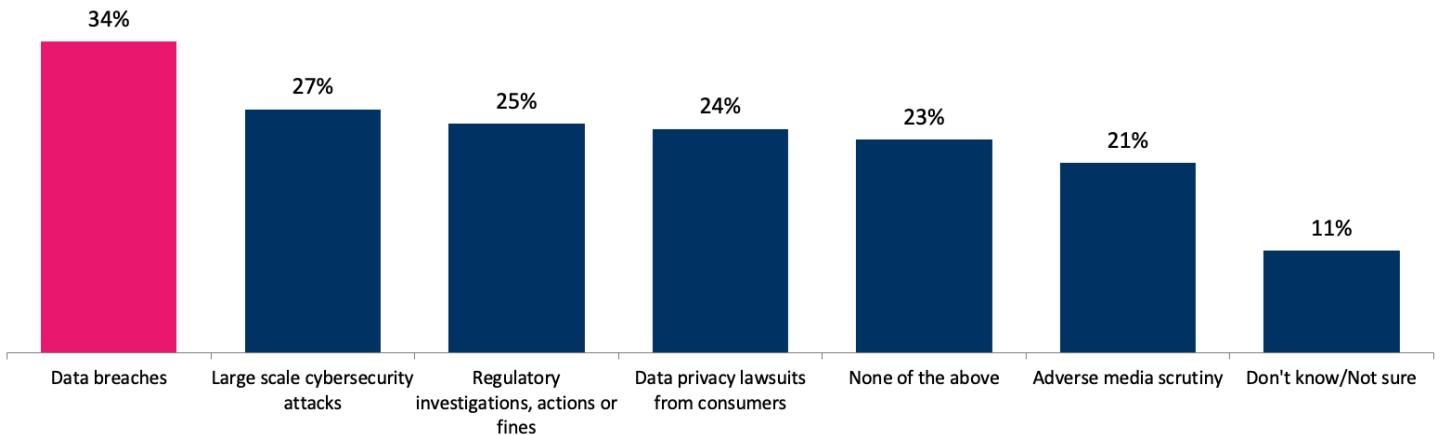
*Of the following challenges that many enterprises face, which would you describe as top privacy risks that your company is likely to encounter in 2021? (Choose all that apply.)*



When it comes to actual vulnerability, what companies have suffered in the past three years, data breaches are number one. Here we see that cybersecurity attacks are not just a fear response from what is grabbing headlines currently. Over 25% of respondents claimed their company had been the recent victim of an attack of this nature.

### Privacy Vulnerability

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



<sup>2</sup> Henein, N. (November 6, 2019). Build for Privacy. Gartner.

## The 7 Keys: Privacy Competencies

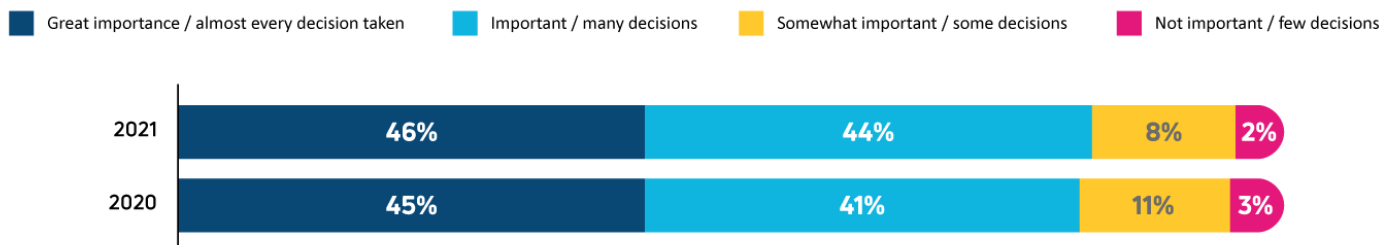
After surveying a much longer list of attributes in 2020, TrustArc statistically determined seven key items that demonstrate privacy competence and that drive privacy confidence within large enterprises. In 2021, TrustArc re-surveyed these critically important attributes, the 7 Keys to Privacy:

- ✓ 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

There were notable improvements 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:

### Privacy Importance

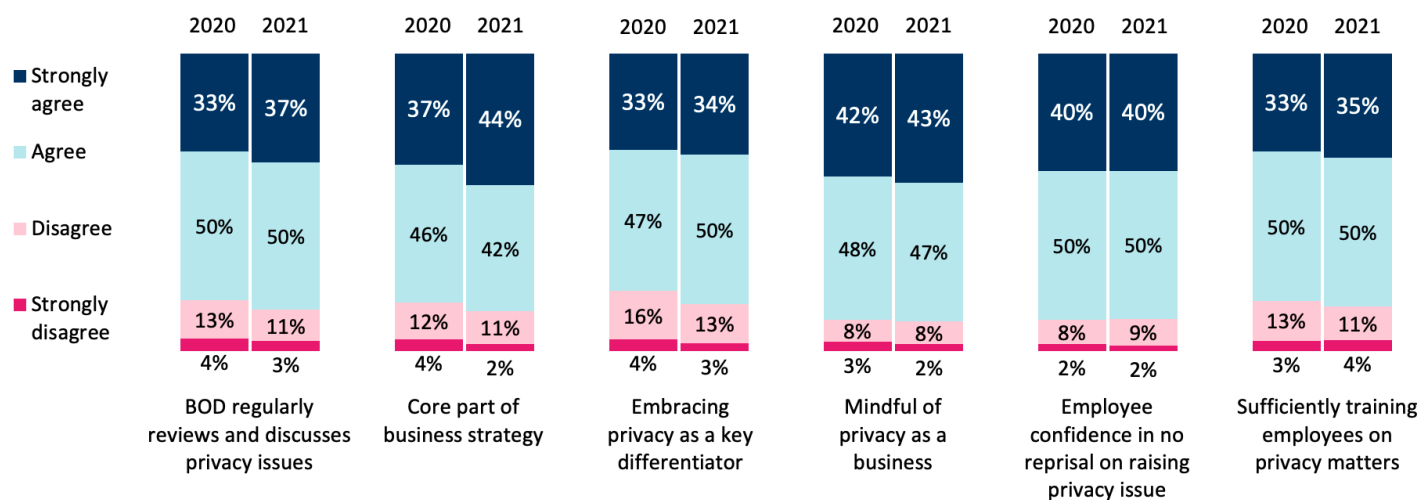
*Which of the following statements best represents how your organization approaches privacy, in terms of levels of importance in how it affects day to day business decisions?*





On the other six privacy attributes, we found two interesting patterns. One, most measures improved, the largest increase being privacy as a core part of business strategy moving seven percentage points year over year. The one item not improved (training) was already high scoring. Our privacy measures peaked at 90% performance. Combining those who “agree” or “strongly agree” across our key privacy measures, achieving a standard of “9 out of 10 employees agree...” on each item proves to be a realistic goal to strive for when measuring internal ratings on privacy performance and confidence.

### Privacy Competencies



With “Don’t know...” removed

Culture clearly plays a key role in building privacy competence. From the top most levels, the Board of Directors needs to regularly review and discuss privacy and it needs to become part of the core business strategy. Notably, on “top box” *strongly agree*, this latter measure made the largest gains and is currently the highest ranked among the key attributes.

Of those surveyed, 84% *agree* or *strongly agree* that privacy practices are a key differentiator for their company and quite encouragingly, **90% express confidence** that every employee can formally raise a privacy issue without reprisal.

## The 5 Privacy Outcomes that Matter

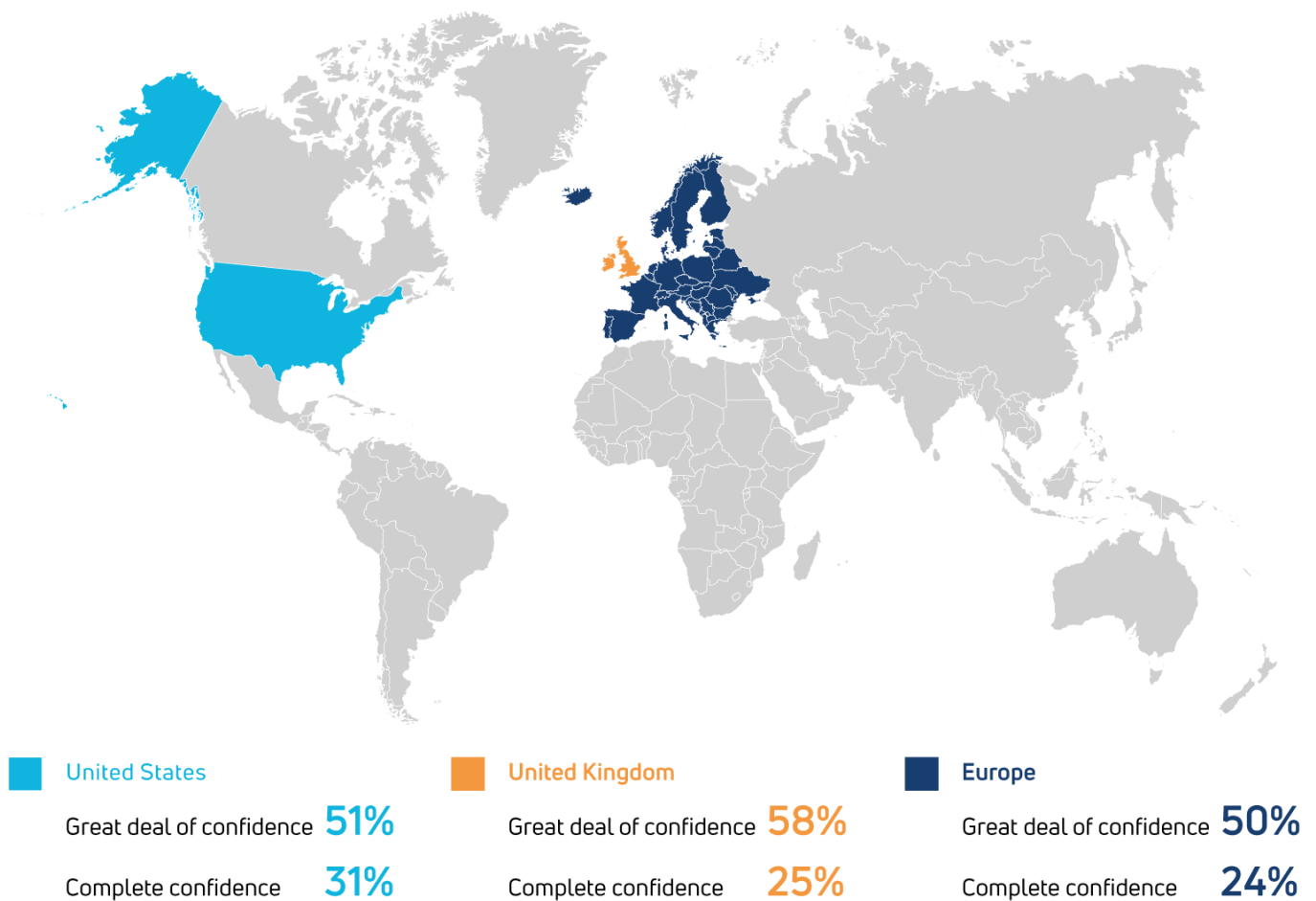
TrustArc also identified five Confidence Outcomes that Matter:

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

The US led other geographies in privacy confidence. Overall, from 2020 to 2021 respondents increased their level of confidence from 73% to 78% feeling a *great deal* or *complete confidence*.

### Overall Confidence

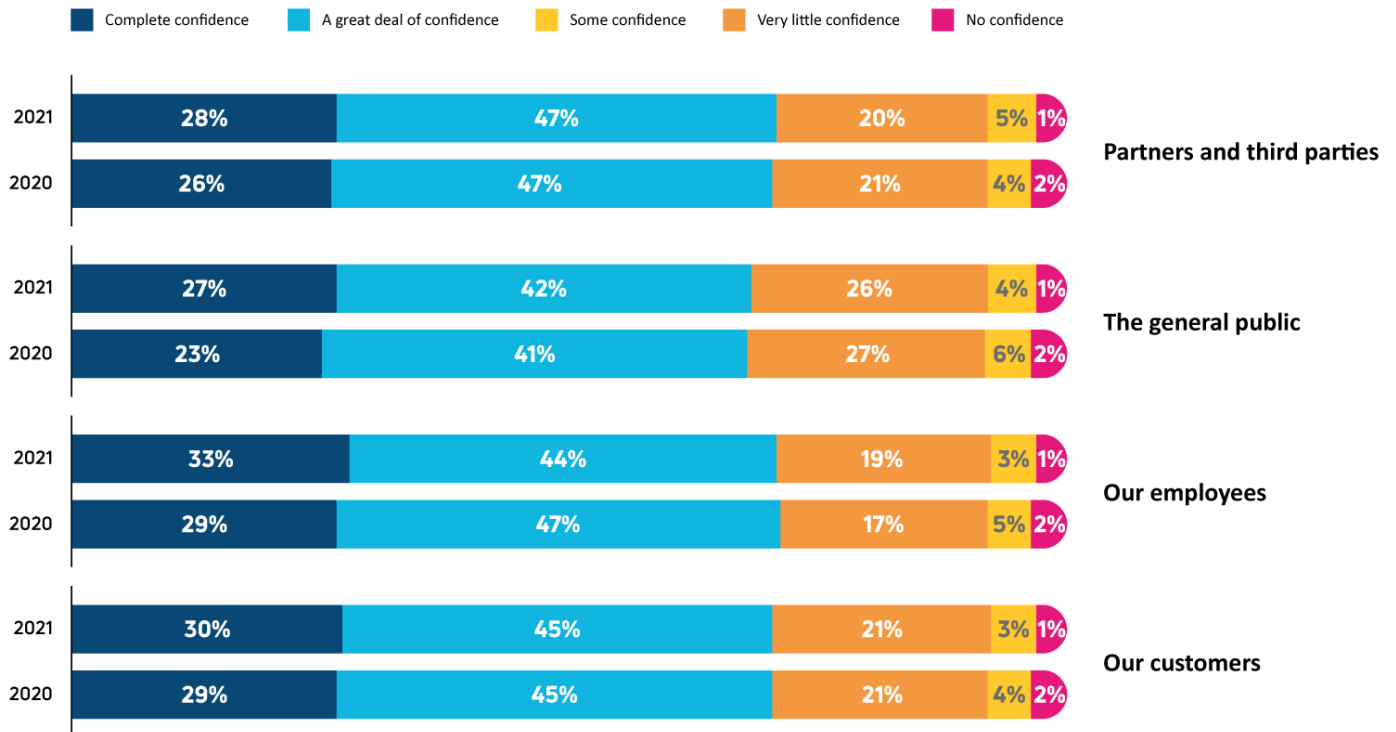
*How confident are you that your company is able to keep all of your employees and your customers' relevant data secure and protected?*



We also evidenced an increase year over year on confidence for each of the stakeholder groups.

### Overall Confidence

*How much confidence do you think these key stakeholders have in your company's management of data privacy?*



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.<sup>3</sup> Internal views on a company's ability to confidently safeguard against these threats is essential to building trust.

## The TrustArc Global Privacy Index

Based on the answers to our seven *privacy competencies* and the five *privacy confidence outcomes*, we created 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. Companies can self evaluate their current level of privacy protection using a scoring system that provides an overall robust privacy metric.

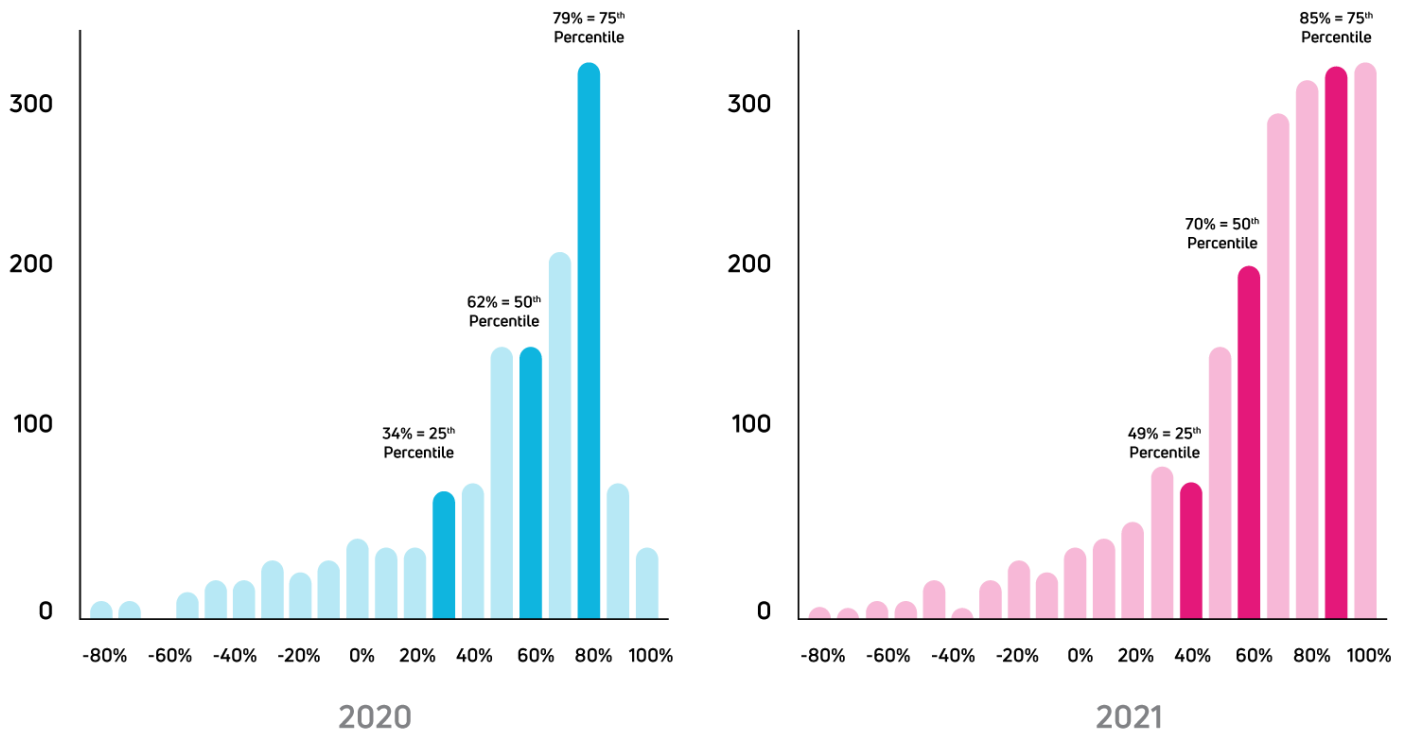
<sup>3</sup> Lai, A., Iannopollo, E., Clarke, A. & Proulx, M. (May 12, 2021). The Trust Imperative. The Opportunities of Creating a Deliberate Trust Strategy and The Risks of Leaving It To Chance. Forrester.

Methodologically, our index is the result of extensive statistical modeling<sup>4</sup> that was conducted in 2020. The result was the current set of 12 survey items from which a Grand Mean is derived. In allocating points for each item, deductions for middling and poor ratings were made. For example, a 5 out of 5 on a particular question received a full mark while a 1 or a 2 out of 5 resulted in a mark deduction.

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 (execs, managers, privacy team members and FTEs) equally for a comprehensive 360 view. We applied this survey to a global web panel of respondents to better understand the current state of privacy. As illustrated in the histograms below, the median score last year was 62%. This year it climbed to 70%. The top quartile, “A” grades, in 2021 were 85% or better. At the other end of the distribution, a notable 7% of companies did very poorly with Privacy Index scores of less than 0.

### TrustArc Global Privacy Index

Grand Mean measured from -100 to +100



The focus on privacy initiatives over this past year has resulted in global improvement in the TrustArc Global Privacy Index. Remarkably and despite year over year improvements, **over 75% of respondents believe their companies can do more** when it comes to strengthening privacy.

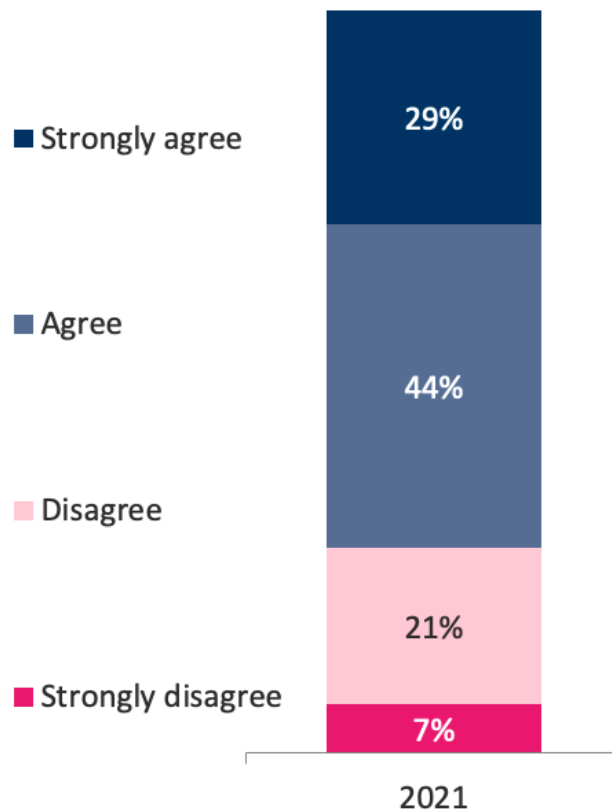
<sup>4</sup> It was derived in 2020 from a broader set of attributes tested for their construct validity and reliability.

## Doing More to Promote Privacy

Despite improvement, privacy leaders don't rest on their laurels. Despite the improvements we evidenced YoY, 73% of respondents believe their companies can do more. Those who want to go further, *strongly agreeing* they should do more on privacy, score highly on our Index, at 83%. This finding holds across all roles, from senior executives to individual contributors (FTEs). From every vantage point, the work of protecting privacy is never fully done.

### Do More

*When it comes to privacy, we should be doing much more?*  
[excludes "Don't know/Prefer not to answer"]



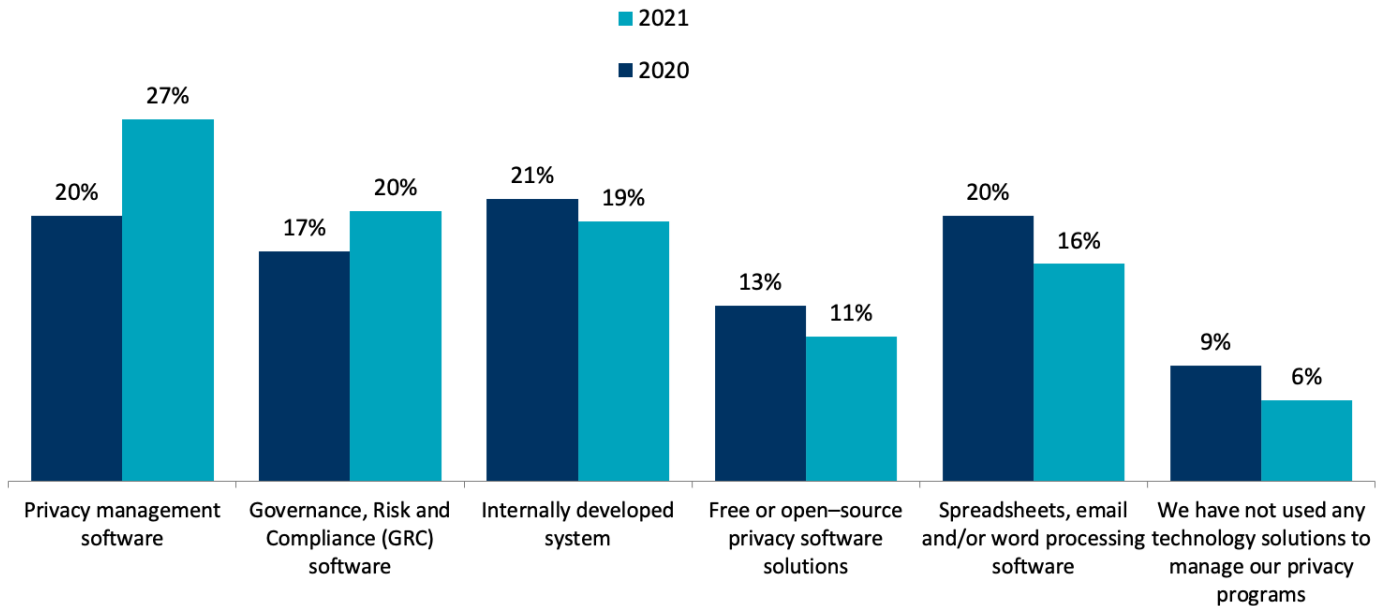
## Privacy Solutions

Getting the job done is not easy. Large enterprises often have a confusing array of digital technologies they use, build and connect to throughout their supply chain. Add to that array a global landscape of increasing and evolving regulatory frameworks and it becomes very clear to many that purpose-built software and automation are necessary to manage it.

Our results illustrated that more and more companies are turning to software for their solutions, in particular to purpose-built privacy management software, which saw a seven point increase year over year.

### Primary Solution to Manage Privacy Program

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



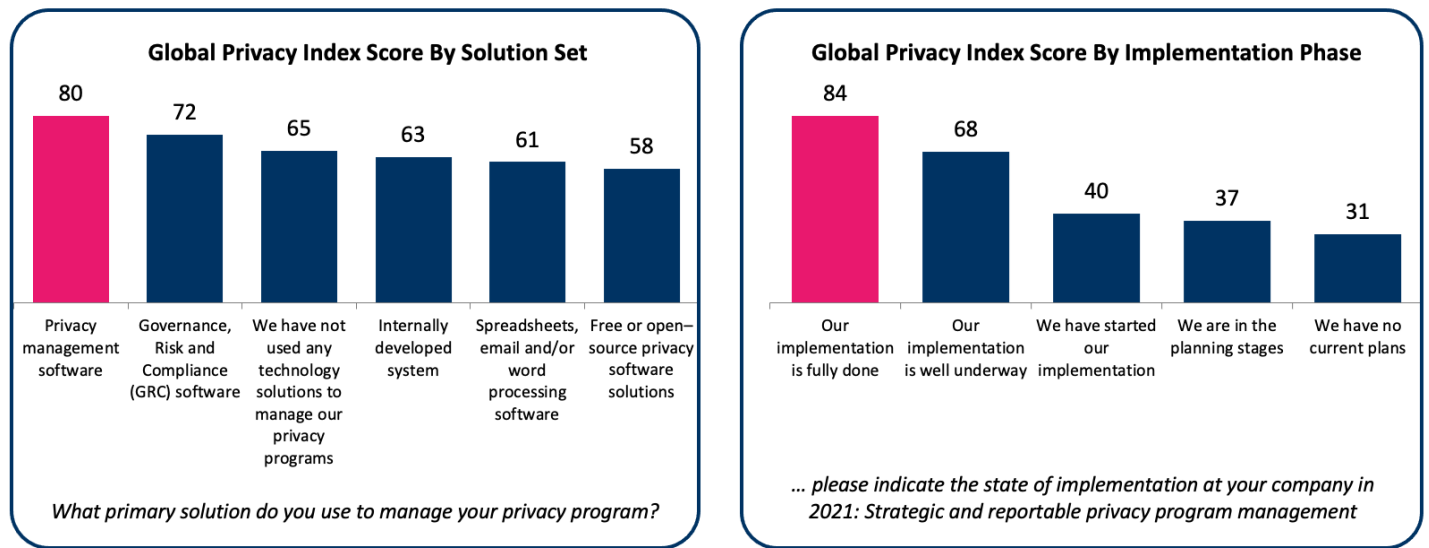
The opposite was also clear, that the use of free/open-source solutions or DIY approaches has declined. The difference it makes to large enterprises that adopt privacy management software became very evident when we compared these results to our Global Privacy Index. Executive views on the solutions adopted were of particular interest here.

Executives that have purpose-built privacy software rate their privacy competence and confidence 8 points higher than if they have GRC software. Their ratings are a full 17 points higher for privacy management software versus internally developed systems. As a Forrester report states: "Smart firms that use privacy not only as a compliance checkbox but as a differentiator have even greater demands of privacy management tools."<sup>5</sup>

Having the software is, of course, not enough. The job has to get done. Progress in implementation is another element we measured. What we determined is that those who were further in their implementation journey recorded dramatically higher privacy marks than those who have made little progress to date. As illustrated in the two charts that follow, "A" grade Global Privacy Index ratings come from having a robust software solution and then using it to get privacy implementations done.

<sup>5</sup> Forrester. (March, 2020) The Forrester Wave: Privacy Management Software, Q1 2020.

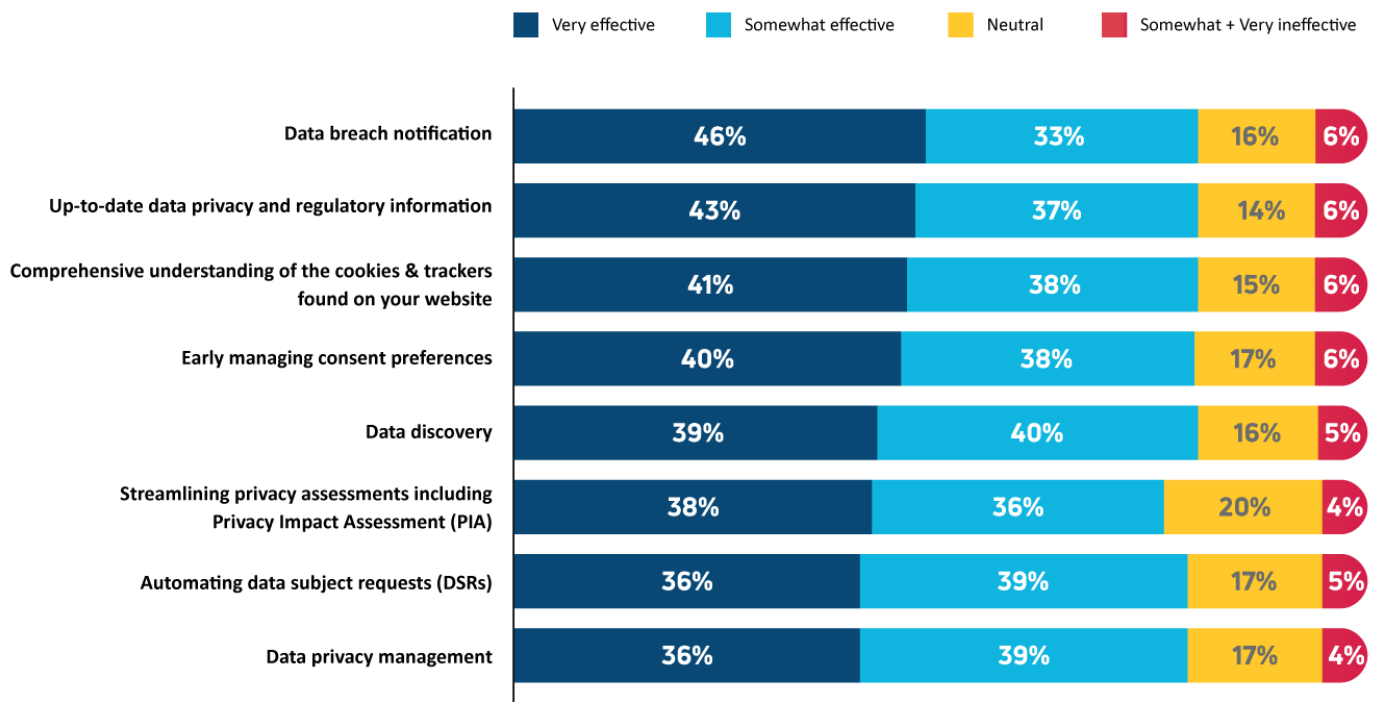
## Executive Scorecard on the TrustArc Global Privacy Index



Looking further into detailed elements of privacy management, we found evidence that effective approaches are being put in place for individual components of privacy. What was found most lacking was an overall data privacy management platform from which it all can be managed.

## Privacy Management Product Solution Ratings

Please rate the degree to which your privacy solution is effective in providing the following:



Out of this list, we were particularly interested in how companies are approaching cookie consent. This area of privacy has garnered a great deal of attention this year and is one in which companies have been revamping their approaches in light of regulatory changes and reputational risks.

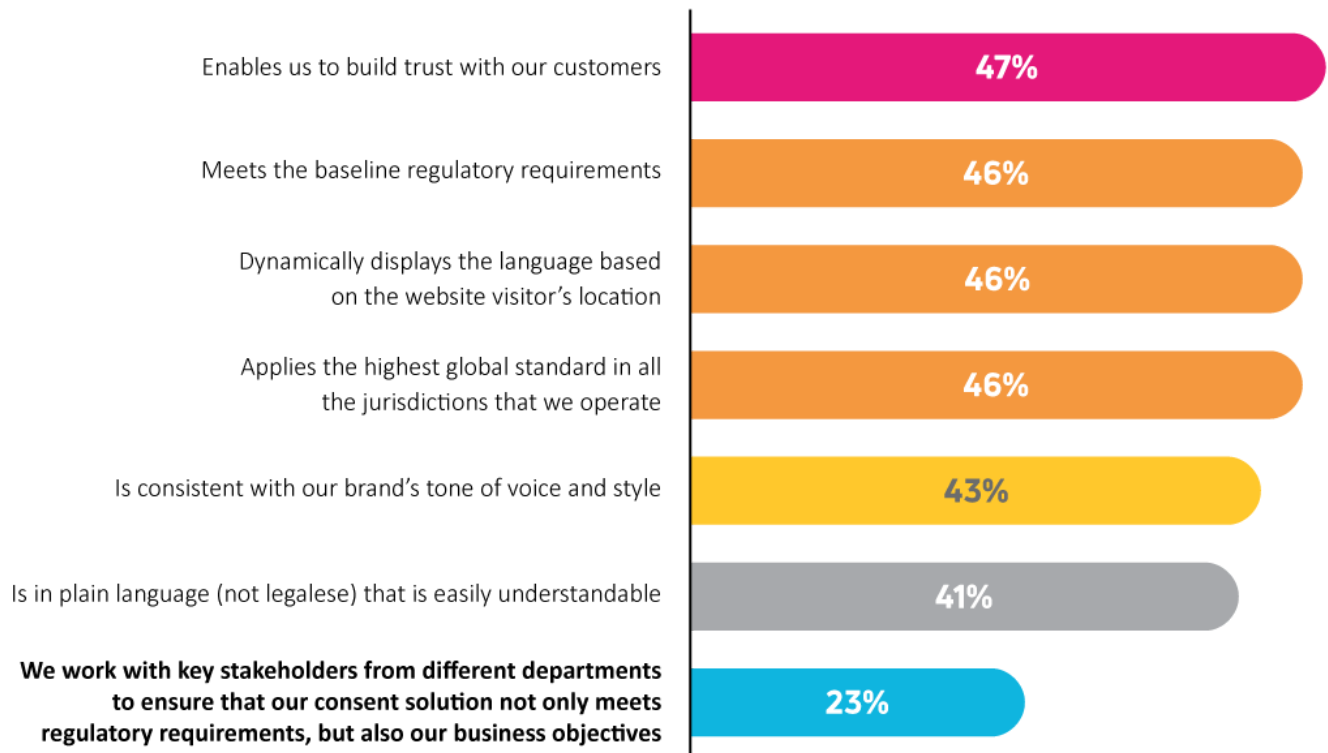
## Cookie Consent

Many privacy goals can be achieved with cookie consent. In addition to its objective importance in establishing privacy consent, subjectively it also creates an important [first impression](#) for brands. For this reason, privacy leaders view it as part of their strategic business toolkit, not simply as a regulatory check box. Indeed, almost half (47%) of respondents view cookie consent as a means of establishing trust with customers. Looking across all the various approaches companies take, most respondents told us that their company accomplishes one or more of the cookie consent goals in the chart below. Where companies fall down most is in creating internal collaboration. Less than a quarter get key stakeholders from across key departments together to tackle cookie consent. Notably, this 23% drops substantially again among those who state that their cookie tracking program is *not effective*.

### Cookie Consent Approaches

*Thinking specifically about your company's cookie consent approach, which of the following best describes your company's approach (choose all that apply).*

#### Our Cookie Consent solution...



We then took a closer look at how respondents rated their cookie consent effectiveness and how far along the journey they were in getting a robust solution in place. We see that website cookies/trackers are considered

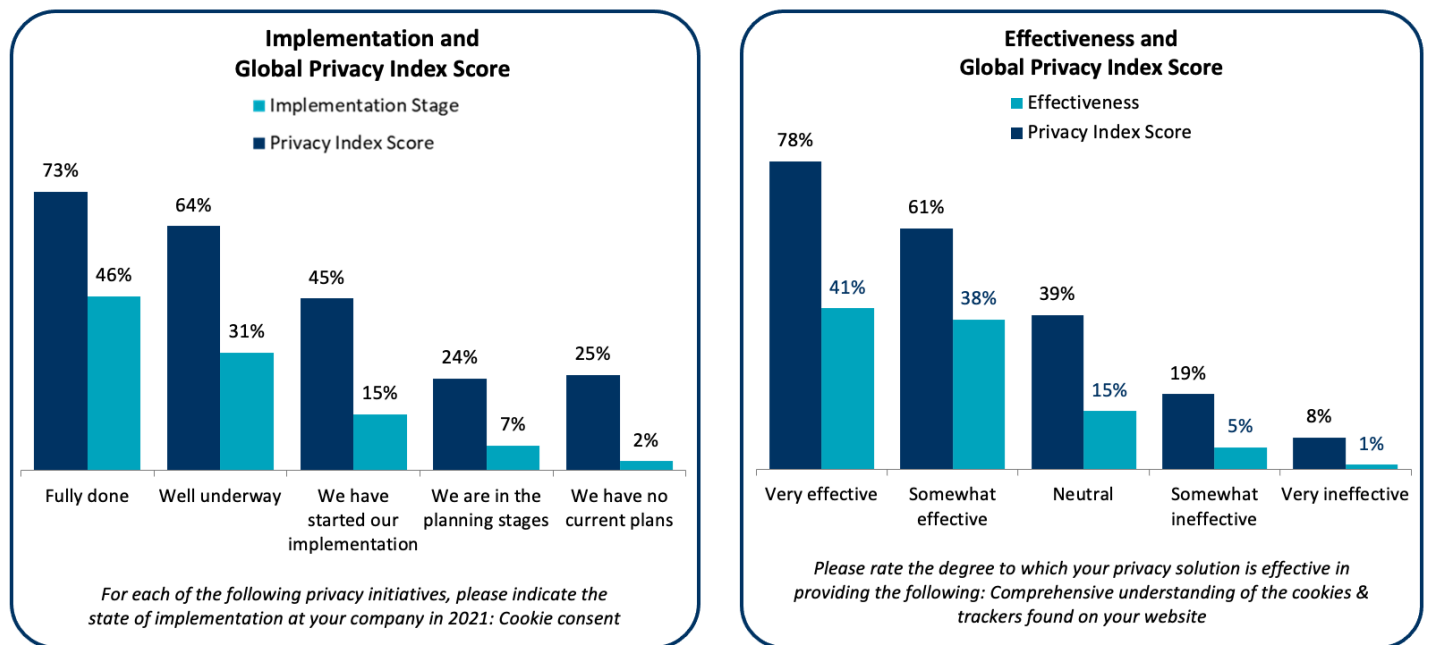


“very effective” by about 4 out of 10 (41%) of respondents to our survey with another 4 out of 10 (38%) considering it “somewhat effective”. A similar distribution occurred between those claiming their implementations were “fully done” (46%) or “well underway” (31%).

Cookie consent implementation and effectiveness were strongly correlated with privacy competence. The correlation with our TrustArc Global Privacy Index was strong. The old adage that being good is not good enough seems to apply. As shown below, there is a 17-point jump in our Global Privacy Index from those who view their cookie consent approach as “somewhat effective” to those who claim it is “very effective”.

Additionally, similar to what we saw earlier in having an overall privacy management program fully in place, getting cookie consent implementation fully done matters. Companies who are stuck in the early planning stages or have just started are at considerable risk, according to their own employees who give them failing grades on our Global Privacy Index. By contrast, having cookie implementation “fully done” and being “very effective” leads to high privacy ratings, as illustrated below. This finding is rather remarkable given that cookie consent /tracking is only one element of an overall privacy program.

### Cookie Consent Implications



As much as cookie consent in particular and the many other aspects of privacy management in general, are important, the ability to manage all of this is dependent on a fairly deep understanding of the various regulatory environments that exist worldwide. For the enterprises represented by our survey cohort this is particularly important given the many areas of the globe in which they operate.

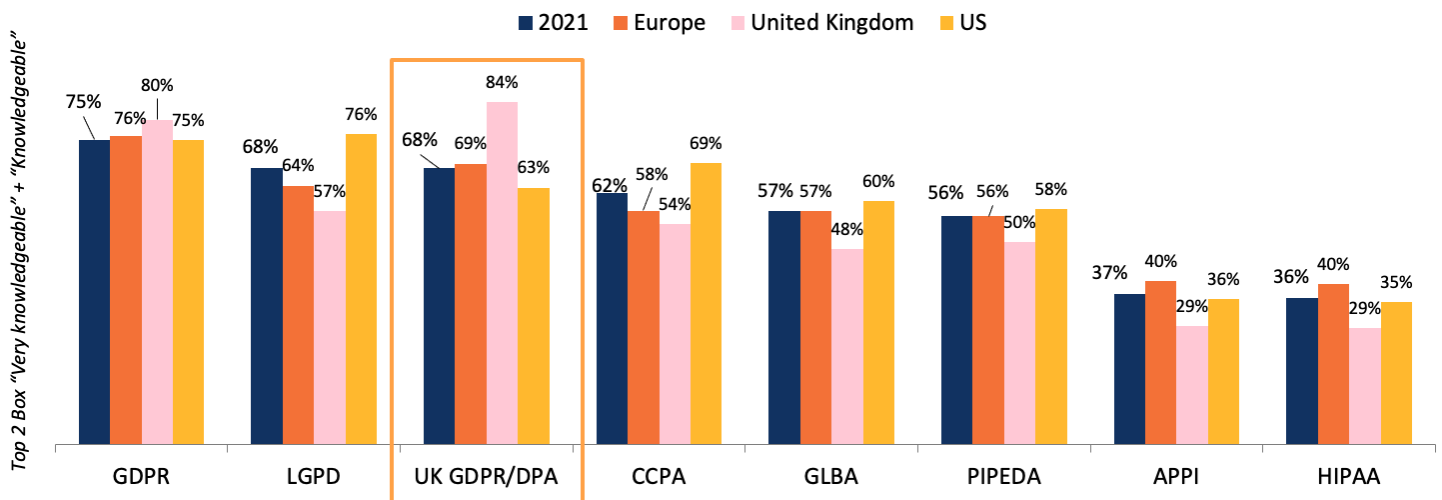
## Knowledge of Regulations and Compliance

There have been modest improvements year over year on all knowledge measures, including CCPA and GDPR. The UK stands out with the highest awareness of local regulations, at 84%, as well as GDPR, at 80%. Time to

compliance overall was under 12 months, with 46% of global respondents stating that they achieve compliance within 6 months with new privacy regulations. For the UK, time to compliance under 6 months jumped to 57% of respondents. Interestingly the CCPA, which is arguably the most comprehensive of its privacy regulatory counterparts, enjoys relatively lower knowledge levels compared to other high profile privacy initiatives. The stated views that the LGPD enjoys relatively high knowledge amongst its peers may be related to the fact that unlike most privacy initiatives, the LGPD consolidated over 40 disparate and oftentimes contradictory regulations into one comprehensive privacy bill. The LGPD also shares substantial similarities with the GDPR so if organizations are already GDPR compliant, the bulk of learning and compliance work is already done.

### Knowledge of Regulations

*How would you rate your knowledge of the following privacy laws as it pertains to your business? If the particular regulations do not apply to your business, please choose this option, irrespective of your knowledge of it.*



## Budgeting for Privacy

Robust solutions come at a cost. Consistent with more serious efforts on privacy we saw throughout, including more people, robust processes and technical product solutions being implemented, there has been a marked increase in big ticket spending on overall privacy efforts in 2021. **In 2020, 28% of companies were intending on spending \$1 Million (USD) or more annually. This number climbed to 48% in 2021.** The majority (61%) of buyers stated intentions to spend over \$500k annually on privacy. Although these numbers may appear daunting to some, the alternative is far more costly: a global benchmarking study of multinational corporations calculated the costs of data regulation non-compliance as 2.71 times the cost of compliance.<sup>6</sup>

<sup>6</sup> Ponemon Institute. (December, 2017) The True Cost of Compliance with Data Protection Regulations: Benchmark Study of Multinational Corporations.

## Conclusion

The past 15 months have been unprecedented in our lifetimes. While complex new regulatory initiatives, public scrutiny and unintended consequences of technological and digital advances increased pressure on data and privacy protection needs for companies, the pandemic added new hurdles that were unforeseen. Transitioning hundreds of millions of global employees to working from home, substantial increase in digital commerce, and a dramatic increase in use of digital payments all added to the challenge of safeguarding personal data and privacy. While all of this was happening, cybersecurity threats grew exponentially as well.

In this environment, the risk of non-compliance weighs heavy on executives. It is not just the risk of being slapped with a fine but the reputational risk that can cancel a brand. Fortunately, consumers form their own viewpoints based on their experiences with an organization. The adage “first impressions matter” comes to mind. As a starting point, cookie consent, more than just a privacy and regulatory checkbox, is very much a part of that first impression. It is a first interaction where consumers begin to form their trust (or mistrust) in a brand. In light of this, some good news coming out of this research is that almost 80% rate their cookies & trackers as effective. Of course, getting one solution in place is not enough.

Where large companies struggle the most with now is in having an overall privacy platform to manage their entire suite of privacy initiatives. Nonetheless, even with many piecemeal solutions in place, we have solid evidence of progress. We saw real marked progress on the TrustArc Global Privacy Index. From the Board of Directors to front-line employees, more and more confidence is being inspired across all stakeholders. Respecting privacy is a cornerstone of trust, a central pillar on which brand reputation stands.

More companies were able to step up to the privacy challenges over the past 12 months by adopting professional, purpose-built privacy software solutions. Getting the right technology in place in combination with the right people to manage and fully implement it results in “A” grade ratings on our Global Privacy Index. Confidence comes from trust, and trust is earned. Respecting privacy is a cornerstone of trust, a central pillar on which brand reputation stands.

It bears repeating how companies that succeed in privacy management do so. Here is what makes them competent at privacy. From the top, their Board of Directors regularly reviews and discusses privacy as a business imperative. From the bottom, every employee is able to contribute to both the discussion and the practices of privacy, without fear of reprisal. They are trained on it. Privacy permeates day to day business decisions as it is viewed by everyone as having great importance. It becomes a core part of business strategy. Privacy mindfulness becomes a key part of the culture. The business itself stands out with privacy being a key differentiator. All of these competencies are the winning combination that build confidence and trust. Who we buy from is who we trust. Embracing these seven keys to privacy is the winning playbook for companies to succeed in turbulent times.

### 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 [www.trustarc.com](https://www.trustarc.com).

### About Golfdale Consulting

Golfdale Consulting Inc., 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.