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Early CCPA Trends Shaping the Privacy Landscape

Q1 2020 lookback on California's
Privacy Law business impact

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Early CCPA Trends Shaping the Privacy Landscape

DataGrail, a leading data privacy platform, is taking a look back at the first quarter of the year - since the California Consumer Protection Act (CCPA) took effect on January 1, 2020 - to understand what B2C companies can expect for the remainder of 2020.

Although it's still early to understand how CCPA will impact organizations in the long-run, DataGrail has gathered product activity metrics from within our platform to formulate some initial learnings from the first few months of CCPA.

We hope this early data will help the industry at large better understand the trends so far, help businesses benchmark against peers, and provide guidance on how best to plan ahead.

In this report, you'll see references to three types of consumer rights requests that are part of the CCPA, often referred to as data subject requests (DSR) or data subject access requests (DSAR):

The right to deletion. We refer to these as **"deletion requests."**

The right to say no. We refer to these as **"do not sell requests"** (DNS).

The right to know the data collected. We refer to these as **"access requests."**

Highlights

Deletion requests were the most popular requests (40%) in Q1 2020, followed by DNS (33%), and access requests (27%).

Do Not Sell (DNS) requests will likely become the most dominant privacy request when looking at early trending data.

B2C companies should prepare to process approximately **100 to 194 requests** per **million consumer records** each year.

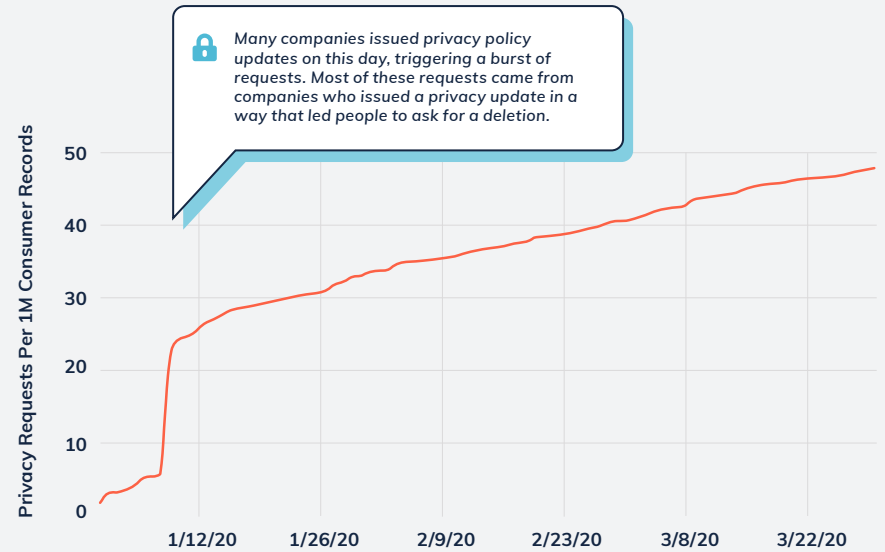B2C companies manually processing privacy requests are likely to spend anywhere from **$140,000 to $275,000 per one million consumer records** to process them.

January 2020 saw a surge of privacy requests, most likely due to the law going into effect and privacy policy updates.

January 2020 saw a surge of privacy requests as companies updated their privacy policies in accordance with CCPA. The jump in requests on January 10, 2020 is due to several companies updating their policies and getting requests in return. Companies who made drastic changes to their policies saw the most requests.

Cumulative CCPA Privacy Requests Per Million Consumer Records in Q1 2020

Many companies issued privacy policy updates on this day, triggering a burst of requests. Most of these requests came from companies who issued a privacy update in a way that led people to ask for a deletion.

Since the initial surge in January, we've seen the number of monthly requests stabilize around eight requests per million consumer records.

However, at the time of this report's publication, early April data shows another increase in requests, potentially due to privacy issues being in the headlines related to the security and privacy concerns with remote work apps amid COVID-19.

Requests Per Million Consumer Records by Month
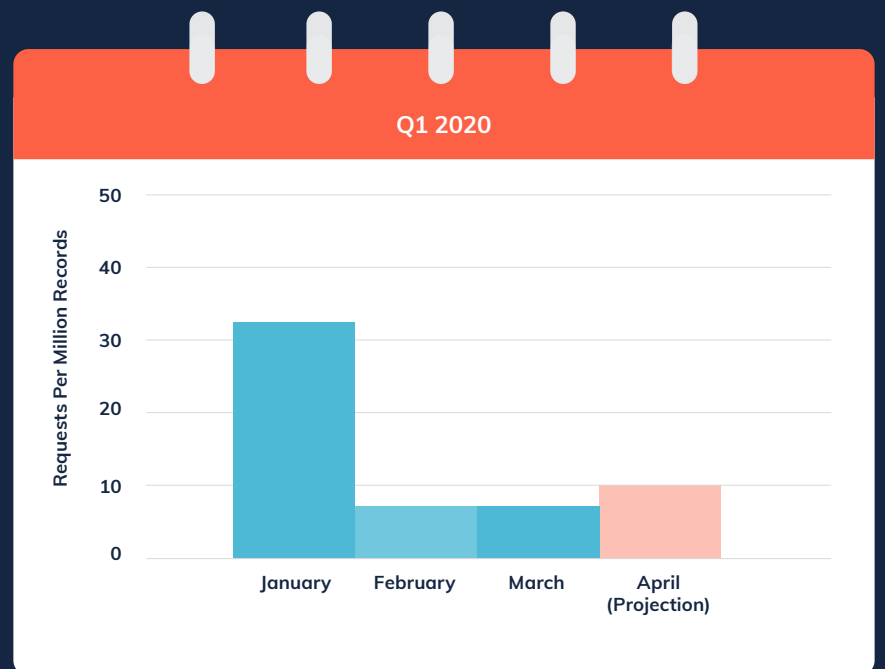
Q1 2020

When analyzing privacy data from Q1 2020, deletion requests were the most popular data subject requests made at 40%. DNS requests came in at 33% and access requests came in at 27%. However, over time, we expect DNS requests to become the more dominant request.

Looking at early trending data, DNS requests have stayed at a fairly consistent level since January, while access and deletion requests have decreased since the original January spike.

This can potentially be attributed to consumers becoming more educated on their privacy rights under CCPA, as well as websites updating privacy policies and DNS links and banners to make the option more apparent.

Over time, we expect DNS requests to become the more dominant request.

Breakdown of Types of CCPA Requests in Q1 2020
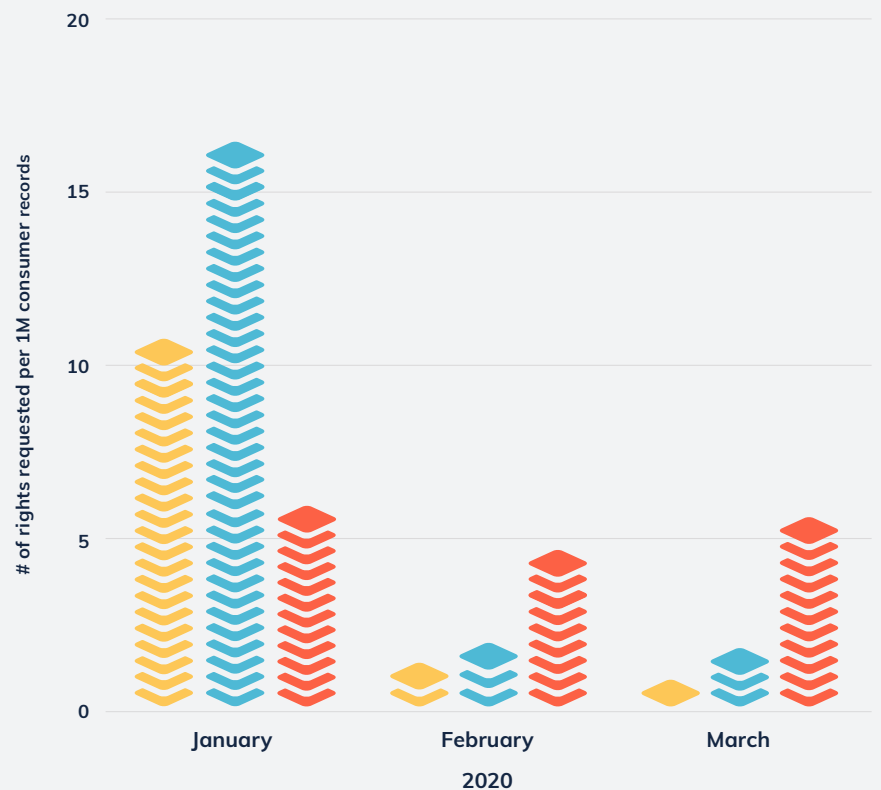
39.6%
Deletion Requests

33.3%
DNS Requests

27.1%
Access Requests

Requests Per Million Consumer Records by Month

of rights requested per 1M consumer records

20

15

10

5

0

January   February   March

2020

Companies should expect to receive requests of all types, but in particular deletion and DNS requests. Deletion requests can be more technically challenging to complete because it requires companies to scrub all their systems in their entirety - and reach out to processors and sub processors - to ensure a "hard delete". In addition, companies need to undertake an analysis of what data must be retained (e.g. for credit cards or tax purposes) and anonymized accordingly.

Expected Number of CCPA Requests Per Million Consumer Records in 2020 for Average B2C Company

77 Deletion Requests

66 DNS Requests

51 Access Requests
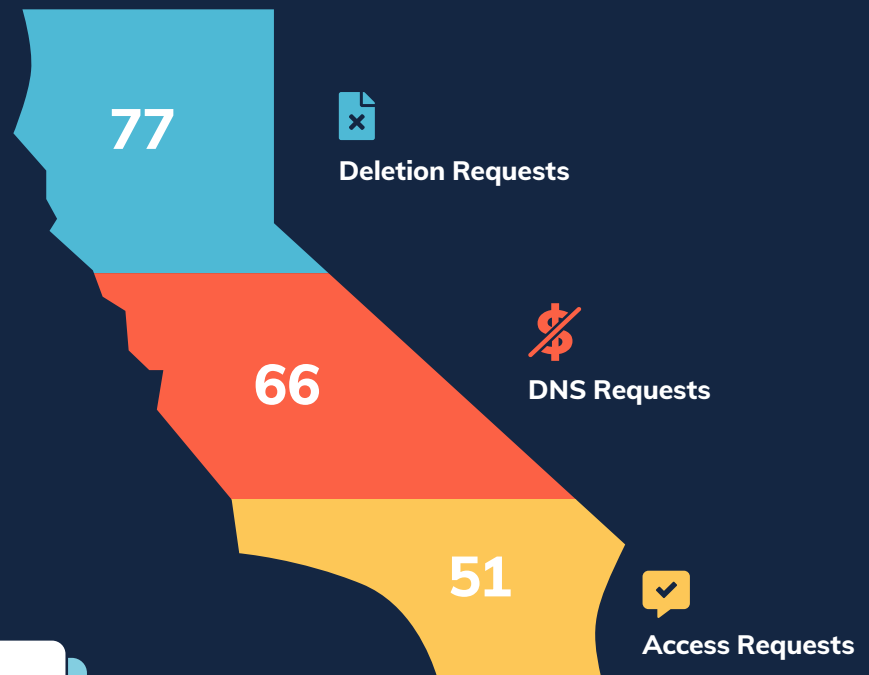
194 Total number of expected requests per million consumer records in one year

Gartner data shows that manually processing a single data subject request costs (on average) **$1,406 per request**. If companies are processing upwards of 100-190 requests per million consumer records, this means companies could spend upwards of **$140k-$275k per million consumer records** if they are not automating the data subject request process.

Expected Cost of Manually Processing Privacy Requests 2020

$140k - $275k

Per million consumer records will be spent on manually processing privacy requests per year

Looking Ahead

As we look forward to the remainder of 2020, we expect the number of CCPA privacy requests to stabilize around the February and March numbers (8 requests per million consumer records). However, as privacy related issues make headlines or a company updates their privacy policy, organizations should expect a surge of requests.

For example, in April, the number of requests is trending higher, most likely due to the number of COVID-related emails sent, and due to the headlines about the privacy and security of remote work and conferencing apps. In July and August we may see a surge once CCPA enforcement begins on July 1, 2020.

DNS requests will likely dominate, with deletion requests not far behind, which means companies should prepare for the complex task of reaching out to its network of processors and sub processors to successfully perform a hard delete.

New regulations cause a lot of uncertainty and anxiety - especially when they involve a lot of complexity and associated fines. Amidst this uncertainty and the daily changes in our macro environment due to COVID-19, our aim with this research is to establish a simple baseline for what to expect in the realm of data privacy. With the California Attorney General confirming that CCPA enforcement will begin on July 1, this research gives guidance to B2C businesses of what to expect in the coming months so that they can take the necessary steps to ensure they are best prepared.

Methodology

DataGrail took a look at the data subject requests it helped process on behalf of select business-to-consumer customers with a substantial volume of privacy requests in the period January 1 to March 31, 2020.

This customer set had more than eleven million consumer records, where a "consumer record" is defined as a single, individual record associated with a unique email address within a customer's database. To determine the cost of manually processing requests, we used Gartner's estimate that manually processing a single request costs $1,406. Gartner published this statistic after releasing details from its 2019 Gartner Security and Risk Survey in February 2020.

About DataGrail

DataGrail helps companies comply effortlessly with existing and emerging privacy laws, such as GDPR and CCPA.

It was designed from the ground up to automate data discovery and streamline privacy programs to create less work for customers, while also ensuring a higher level of accuracy and reduced risk.

DataGrail built its solution to directly integrate with an organization's internal databases and developed 200+ pre-built connectors with companies - such as Salesforce, Shopify, Adobe, AWS, Oracle, Okta, and many others.

These connections provide organizations with an accurate, real-time view of the internal systems and third-party applications used and all the personal data that maps onto each of those systems. DataGrail also allows customers to manage their privacy request workflows and email preferences across applications.

To learn more about DataGrail, please visit www.datagrail.io or follow DataGrail on Twitter and LinkedIn

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