

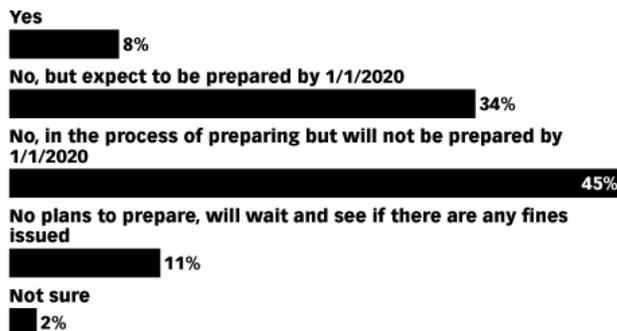
Very Few US Businesses Are CCPA-Ready

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Amy He

There are about four months before the California Consumer Privacy Act (CCPA) compliance deadline kicks in, and according to July 2019 research from consent solutions provider PossibleNow, only 8% of US businesses said they are prepared. The majority reported still being in the preparation process; however, only a third expected to be able to meet the January 1, 2020, deadline.

Are US Businesses Prepared for California Consumer Privacy Act (CCPA) Compliance? *% of respondents, July 2019*



Source: PossibleNow, "CCPA Readiness Survey: August 2019," Aug 20, 2019
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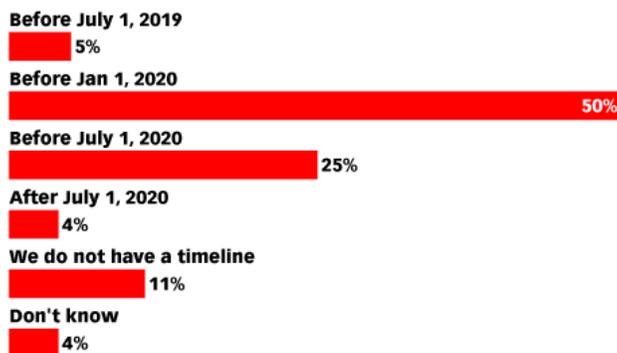
Among the 11% of businesses that said they were not yet compliant and don't plan to be, slightly more than a third said it's too expensive to attain compliance, and another third planned to take the "wait and

see” approach. Some businesses (17%) felt their organizations were not big enough to face fines.

Similar questions were posed to US privacy professionals in a March survey from the International Association of Privacy Professionals (IAPP) and OneTrust. Half of respondents said they expected their organizations to be fully CCPA-compliant before January 1, 2020 (compared with 42% in the PossibleNow survey). A quarter said they would be ready by July 1, 2020 (when the law becomes enforceable), and 15% said they either don’t have a timeline or don’t currently know.

When Do US Privacy Professionals Expect Their Company to Be in Full Compliance with the California Consumer Privacy Act (CCPA)?

% of respondents, March 2019



*Note: numbers may not add up to 100% due to rounding
Source: International Association of Privacy Professionals (IAPP) and OneTrust, "Ready or not, here it comes: How prepared are organizations for the California Consumer Privacy Act?" April 30, 2019*

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In both studies, the portions of respondents who were already compliant were similar: eight percent for PossibleNow and 5% for IAPP/OneTrust. The results overall emphasize how difficult it is to be compliant and how companies are still all over the board in their path to regulation readiness.

“Just as with GDPR [General Data Protection Regulation], a significant number of businesses are caught between the cost and the effort of complying with CCPA and the probability of enforcement actions against them,” said Eric Tejeda, head of marketing at PossibleNow, in a statement.

Companies with annual gross revenues of \$25 million or more, those that buy or sell more than 50,000 individuals' data, and those that make more than half their annual revenues from selling customer data need to **comply with CCPA's requirements**.

For businesses that fail to or refuse to comply, fines can be steep. The CCPA states that companies can be penalized \$2,500 for each record of unintentional violation and \$7,500 for each record of intentional violation. While such amounts might seem minimal, keep in mind that individual companies failing to protect customer data and meet CCPA guidelines could be on the hook for hundreds, thousands or even millions of data records.

"CCPA compliance is a real financial and resource strain for many companies," said Lauren Fisher, eMarketer principal analyst. "But like we're seeing with GDPR, I think we'll also see that companies that fail to make the investment now are going to have to put only more work and effort in down the line."

For a more in-depth look at CCPA and what businesses are doing to prepare for it and other privacy-centric industry changes, read our latest report.

Report by Lauren Fisher Jul 09, 2019

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