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Data Breaches in 2018 by the Numbers

A report released by IBM and the Ponemon Institute analyzed information collected from a sample of companies worldwide that experienced recent data breaches and found that the size of the breach does not always match the size of the cost to resolve it, and that some industries are more vulnerable to losing customer trust than others after data records are lost or stolen. The annual study interviews a different sample of organizations from countries or regions and reflects incidents that occurred mostly in the prior calendar year.

Effects on Countries and Industries

The volume of data records breached did not always align with a country's average per organization and per lost or stolen record cost. Industry analysis revealed that those who experienced a higher number of data breaches were vulnerable to losing more customers than they expected, and pharmaceuticals and health care sectors saw higher than expected rates of customer loss even though they had fewer breaches than other industries.

BY COUNTRY OR REGION

	AVERAGE NUMBER OF BREACHED RECORDS	AVERAGE COST PER RECORD	AVERAGE COST PER ORGANIZATION
U.S.	**31.4K**	**$233**	**$7.9M**
Middle East*	36.4K	$163	$5.3M
Canada	22.2K	$202	$4.7M
Germany	23.6K	$188	$4.6M
France	25.3K	$169	$4.2M
U.K.	22.8K	$148	$3.6M
Italy	22.6K	$152	$3.4M
Japan	22.6K	$135	$3.3M
South Africa	19.2K	$142	$2.9M
South Korea	22.4K	$139	$2.8M
ASEAN**	22K	$125	$2.5M
Turkey	21.3K	$105	$2.1M
Australia	19.4K	$108	$1.9M
India	34.1K	$68	$1.7M
Brazil	25K	$67	$1.2M

*Saudi Arabia and the United Arab Emirates.

**Singapore, Indonesia, the Philippines and Malaysia.

BY INDUSTRY

	NUMBER OF DATA BREACHES	AVERAGE COST PER RECORD	CUSTOMER LOSS RATE GREATER THAN EXPECTED
Financial services	77	$206	6.1%
Services	71	$181	5.2%
Industrial mfg.	66	$152	3.1%
Technology	62	$170	4.6%
Retail	35	$116	2.1%
Public sector	32	$75	0.1%
Consumer	26	$140	2.6%
Transportation	24	$128	2.3%
Communications	21	$128	2.9%
Energy	16	$167	3.0%
Pharmaceuticals	14	$174	5.5%
Hospitality	10	$120	2.4%
Health care	7	$408	6.7%
Media	7	$134	1.8%
Education	3	$166	2.7%
Entertainment	3	$45	2.0%
Research	3	$92	2.1%

Causes of Data Breaches around the World

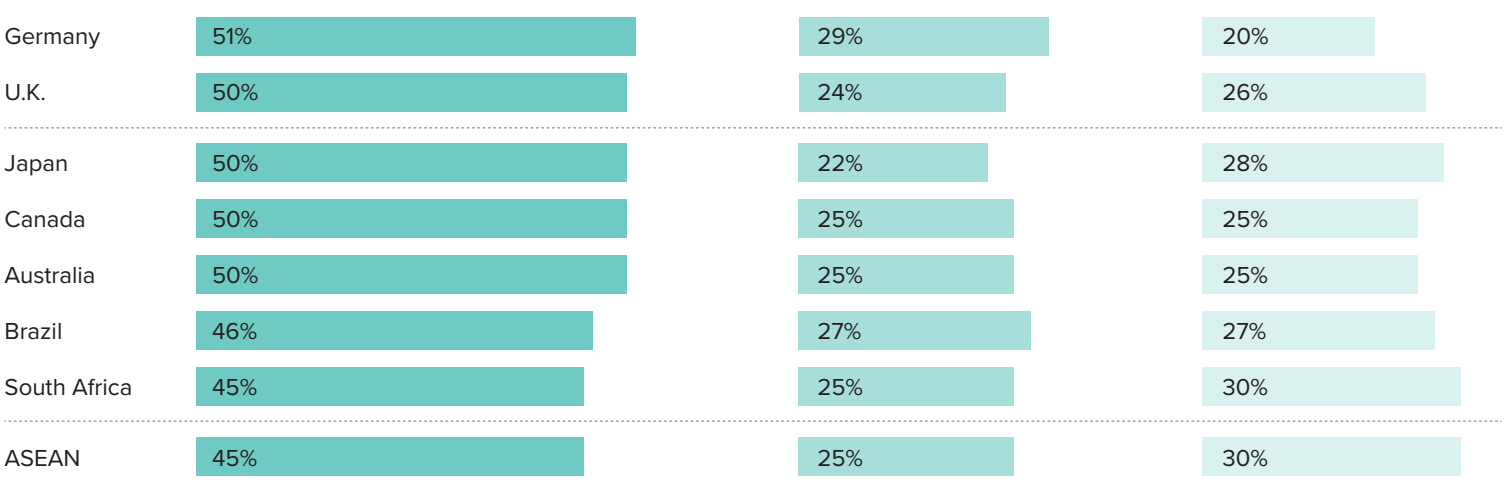
Almost half of all incidents of lost or stolen data records were the result of malicious or criminal acts of hackers and criminal insiders. The report states that the Middle East region was most likely to experience this root cause because of fewer technological regulations there. Turkish companies had the highest percentage of data breaches because of system glitches or business process failures, while Italian companies had the highest percentage as a result of human error or negligence.

	MALICIOUS OR CRIMINAL ACT	SYSTEM GLITCH	HUMAN ERROR
AVERAGE COST PER RECORD	$157	$131	$128
MEAN TIME TO IDENTIFY BREACH	221 days	177 days	174 days
MEAN TIME TO CONTAIN BREACH	81 days	60 days	57 days
SHARE OF ALL DATA BREACHES OF THE STUDY SAMPLE	48%	25%	27%

	SHARE OF ALL DATA BREACHES		
Middle East	61%	21%	18%
France	55%	19%	26%
U.S.	**52%**	**23%**	**25%**
Germany	51%	29%	20%
U.K.	50%	24%	26%
Japan	50%	22%	28%
Canada	50%	25%	25%
Australia	50%	25%	25%
Brazil	46%	27%	27%
South Africa	45%	25%	30%
ASEAN	45%	25%	30%
Italy	42%	23%	35%
India	42%	30%	28%
South Korea	40%	32%	28%
Turkey	38%	33%	29%

Top Factors That Influenced the Per Capita Cost of Data Breaches

Investments in security technologies and response management helped reduce the average cost per compromised data record. Actions conducted by a company, such as moving data from onsite computers to cloud data storage or not following data security procedures, could increase the average per-capita cost from a data breach. For example, if a third-party entity or individual caused the breach, the average cost per lost or stolen record increased by $13.



Note: The 2018 study interviewed 477 organizations and more than 2,200 individuals knowledgeable of data breaches that occurred in those organizations. To calculate data breach costs, companies were asked to estimate costs for all activities necessary to resolve data breaches. The study assigned a data breach cost based on actual use of those activities which include detection, escalation, notification, reparation with data subjects and regulators, and lost business costs.

Source: IBM and Ponemon Institute report, "2018 Cost of a Data Breach Study: Global Overview"

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