

DATAPATROL

The Financial toll in data breaches

What is a Data Breach?

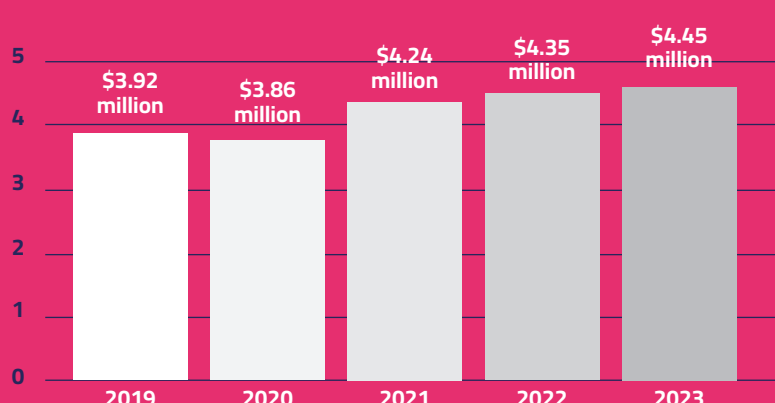
A data breach is “an incident that involves sensitive, protected, or confidential information being copied, transmitted, viewed, stolen, or used by an individual unauthorized to do so.”

Data breaches usually impact the financial, medical, or personally identifiable information of both individuals and organizations.

A leak of such data can lead to financial losses — fines and penalties, remediation costs, loss of potential profits, investments in new security measures, loss of opportunities costs, and many other negative financial consequences.

The average total cost of a data breach keeps growing

Average total cost of a data breach



\$4.45 Million
Average cost of data breach in 2023!

5 industries with the highest average cost of a data breach



Healthcare
\$10.93 M



Financial
\$5.90 M



Pharmaceuticals
\$4.82 M



Energy
\$4.78 M



Industrial
\$4.73 M

Healthcare is the most affected industry!

The average cost has grown **53.3%** over the last three years

What makes data breaches expensive

The cost of a data breach includes several major components

Types of data breach expenses

Direct costs

- Forensic and investigation activities
- Fines and penalties
- Compensating the affected parties

Indirect costs

- Communications and PR activities
- Lost revenue from system downtime
- Resources spent to recover from the breach

Lost opportunity costs

- Loss of potential customers
- Reputational losses
- Loss of competitive advantage

What factors form the cost of a data breach?

- Type and Sensitivity of Data
- Scope of the Breach
- Discovery and Response Time
- Notification and Legal Compliance
- Recovery and Remediation
- Reputation Damage
- Regulatory Consequences
- Insurance Coverage
- Third-Party Expenses
- Downtime and Business Disruption

The cost of a data breach can also be affected by your company's location

Average cost of data breach by region



United States: \$9.48 (up 0.4% from 2022)

Middle East: \$8.07 (up 8.2% from 2022)

Canada: \$5.13 (down 9% from 2022)

Germany: \$4.67 (down 3.7% from 2022)

Japan: \$4.52 (down 1.1% from 2022)

The reason behind data breaches

74% of breaches involve a human element

Other than employee negligence, the reason behind data breaches can involve external attackers accessing an organization's network through stolen credentials, phishing, and other techniques.

Common causes of data breaches



Hacking



Human Error



Malware



Insider Attacks



Social Engineering