



Five Countries: Cost of Data Breach

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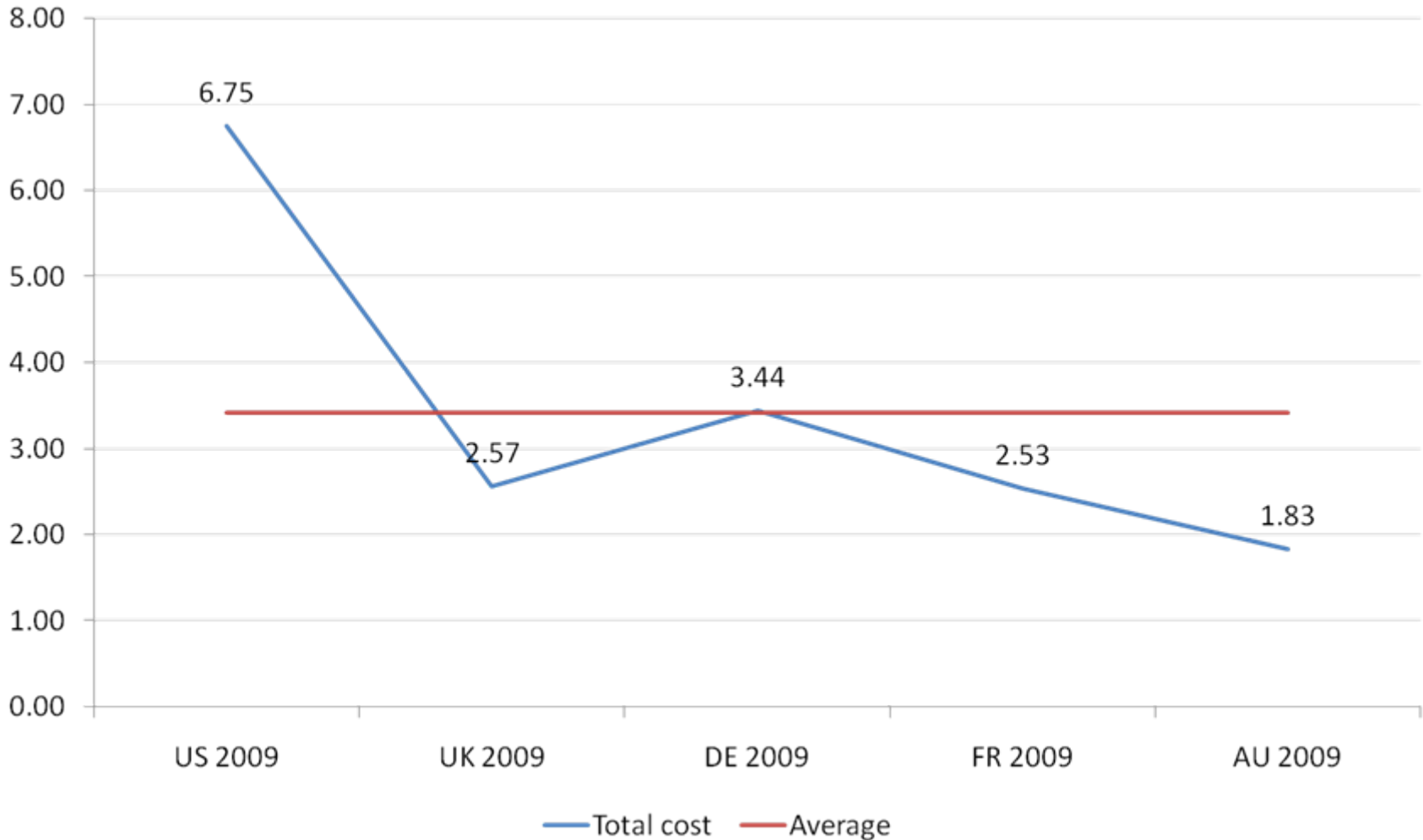
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Ponemon Institute LLC
Revised: April 19, 2010

Project summary

- The 2010 results of this research represent the consolidated analysis of five national cost of data breach studies: United States, United Kingdom, Germany, France and Australia (all converted into US dollars).
- Fieldwork for this research commenced in September 2009 and continued until the end of March 2010.
- All organizations voluntarily agreed to participate with the promise of complete confidentiality and anonymity.
- All participating organizations experienced one or more data breach incidents sometime over the past year, requiring notification according to law and policy.
- To maintain consistency, the data breach incidents analyzed in this research are limited in size of compromised records. By design, we excluded catastrophic data breach incidents to avoid skewing overall findings.
- All organizations permitted the researcher to collect cost information, extrapolate values and obtain other details about direct and indirect expenditures associated with one data breach incident.

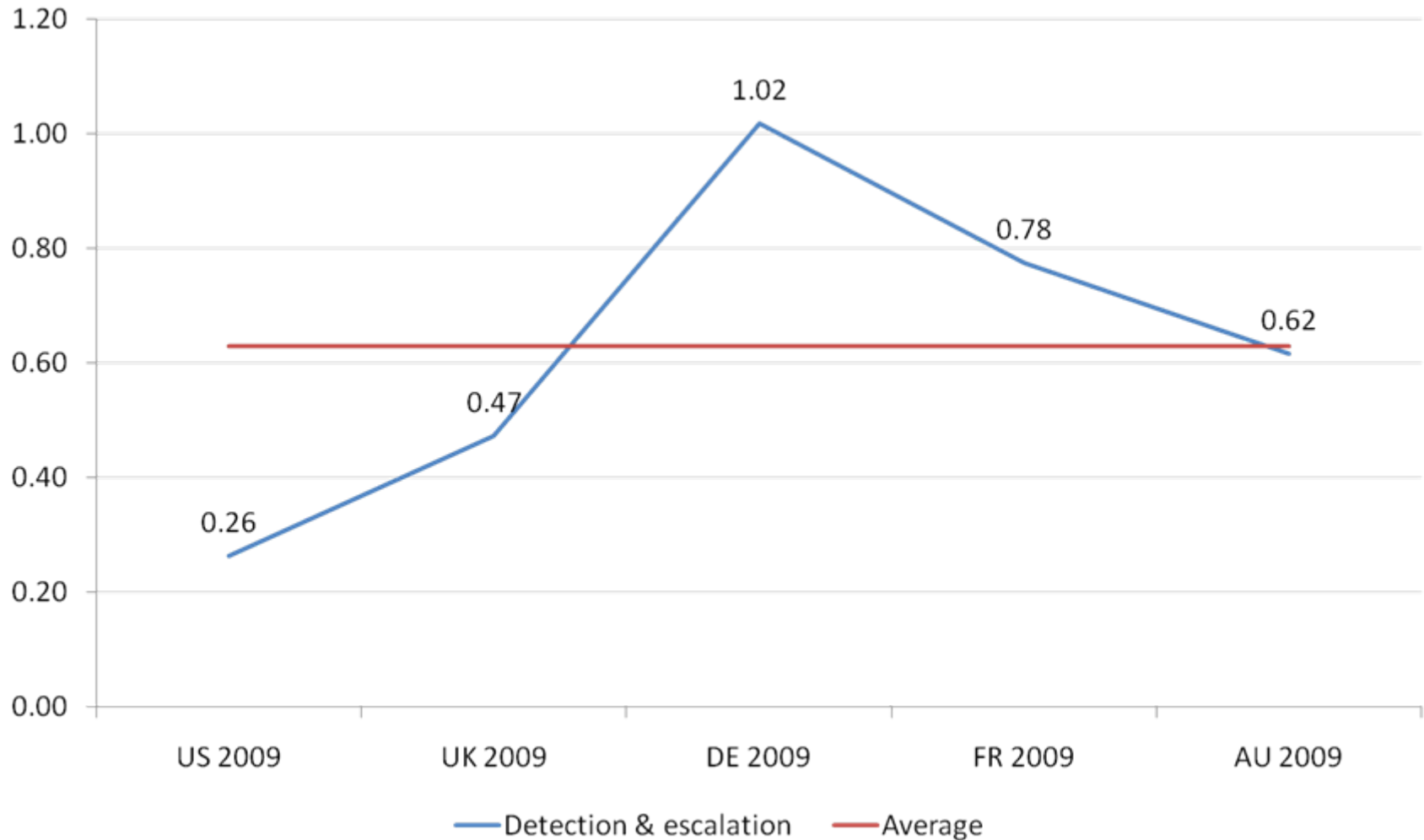
Total data breach cost

\$1,000,000 omitted



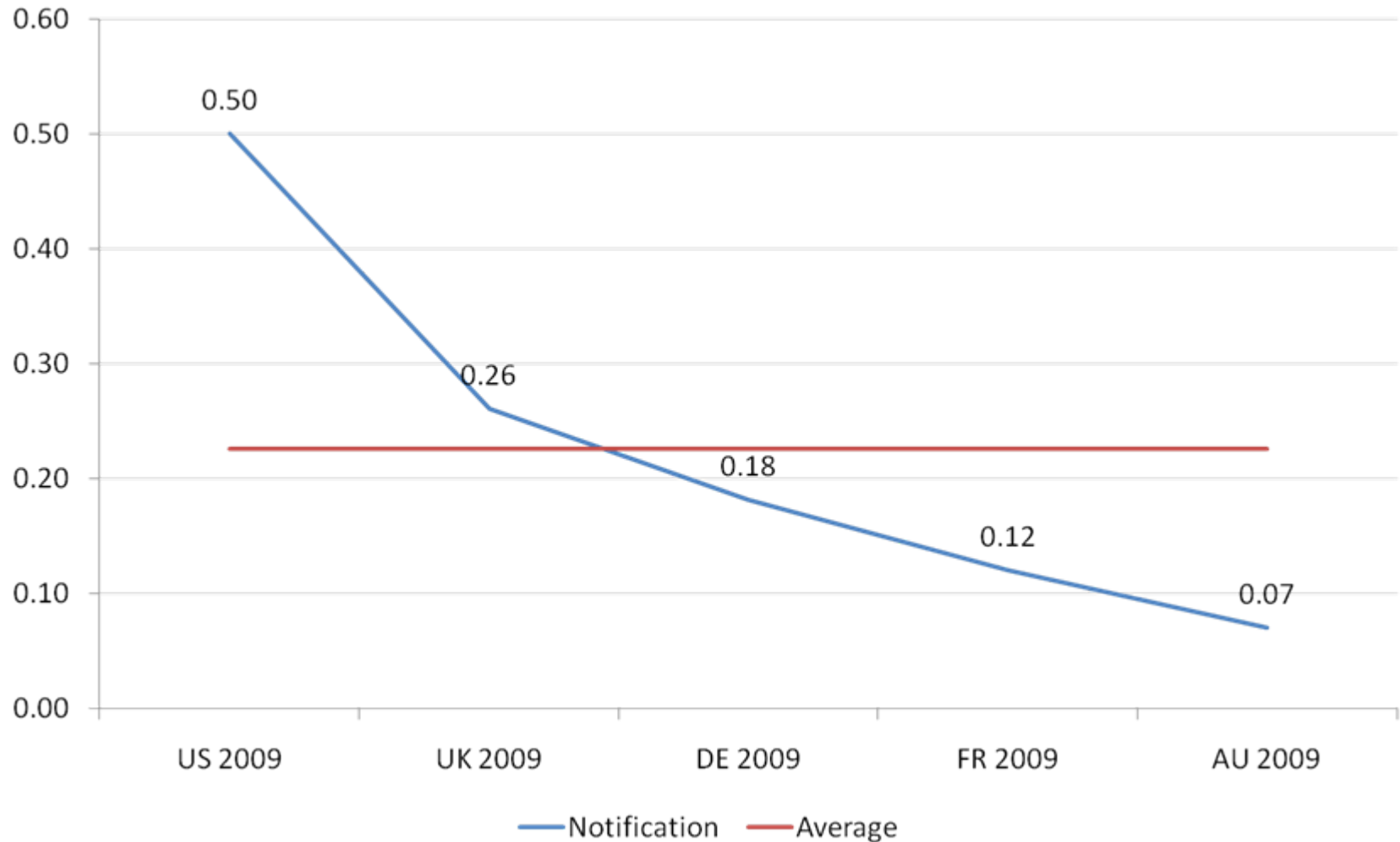
Detection & escalation cost

\$1,000,000 omitted



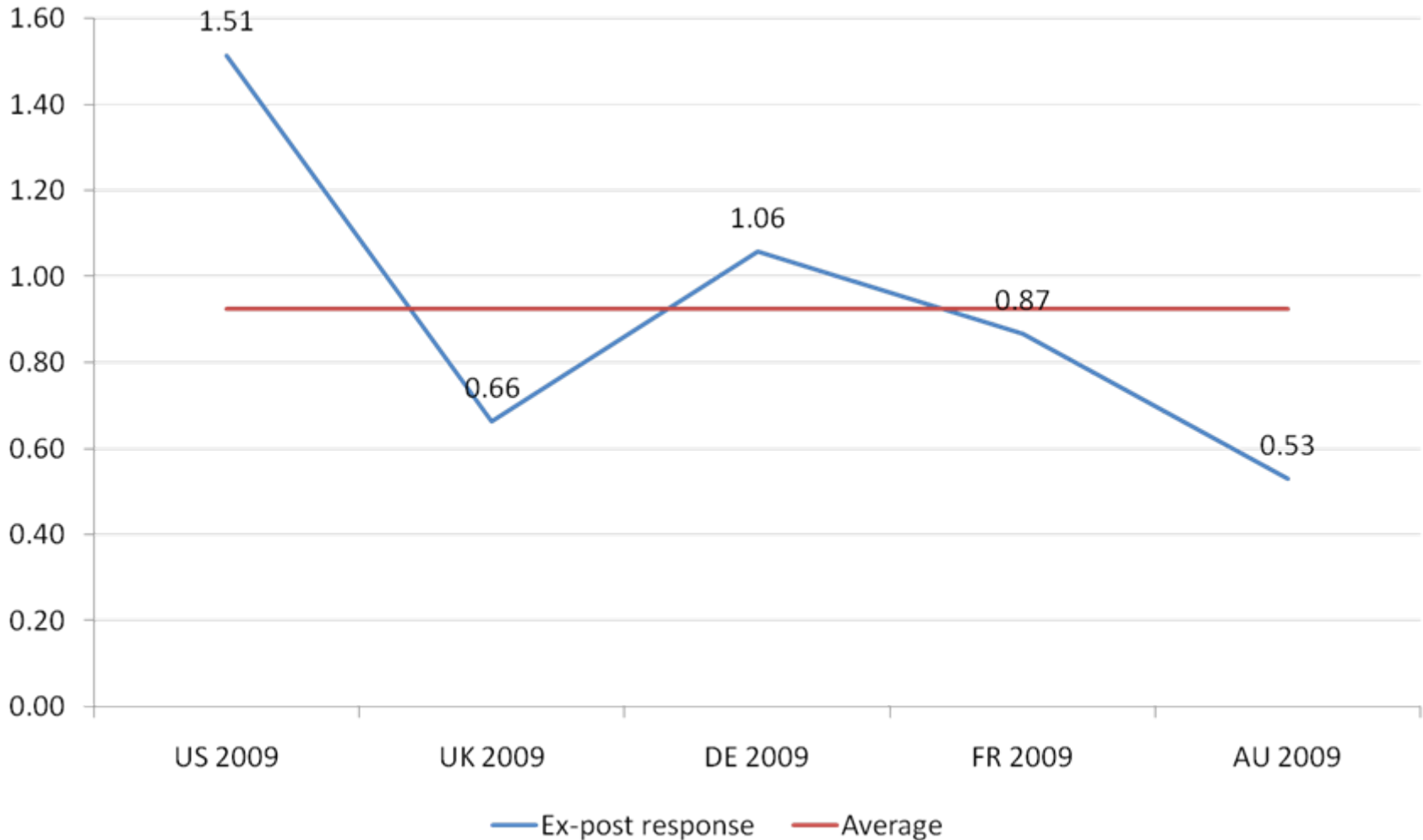
Notification cost

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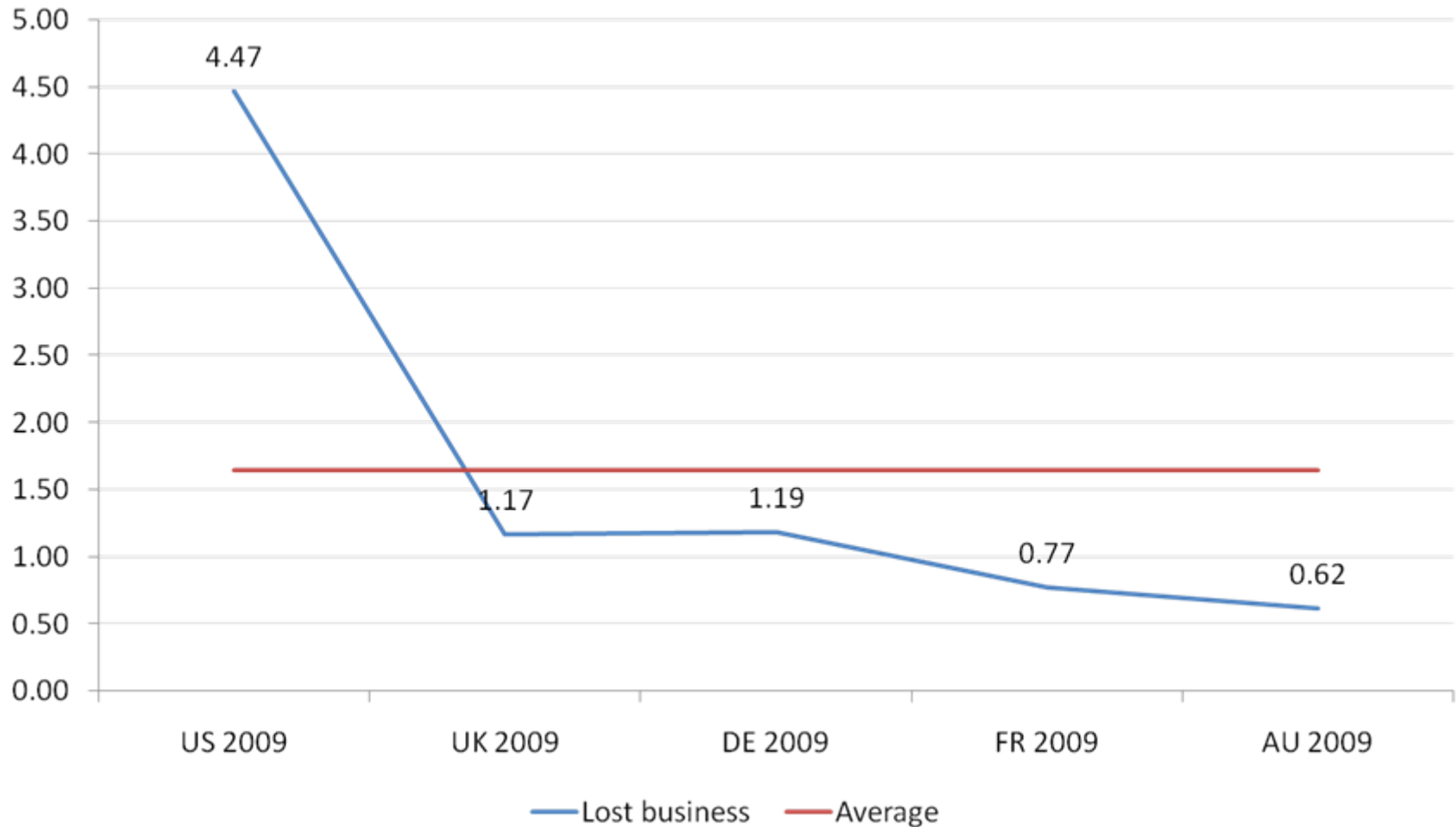
Ex-post response cost

\$1,000,000 omitted



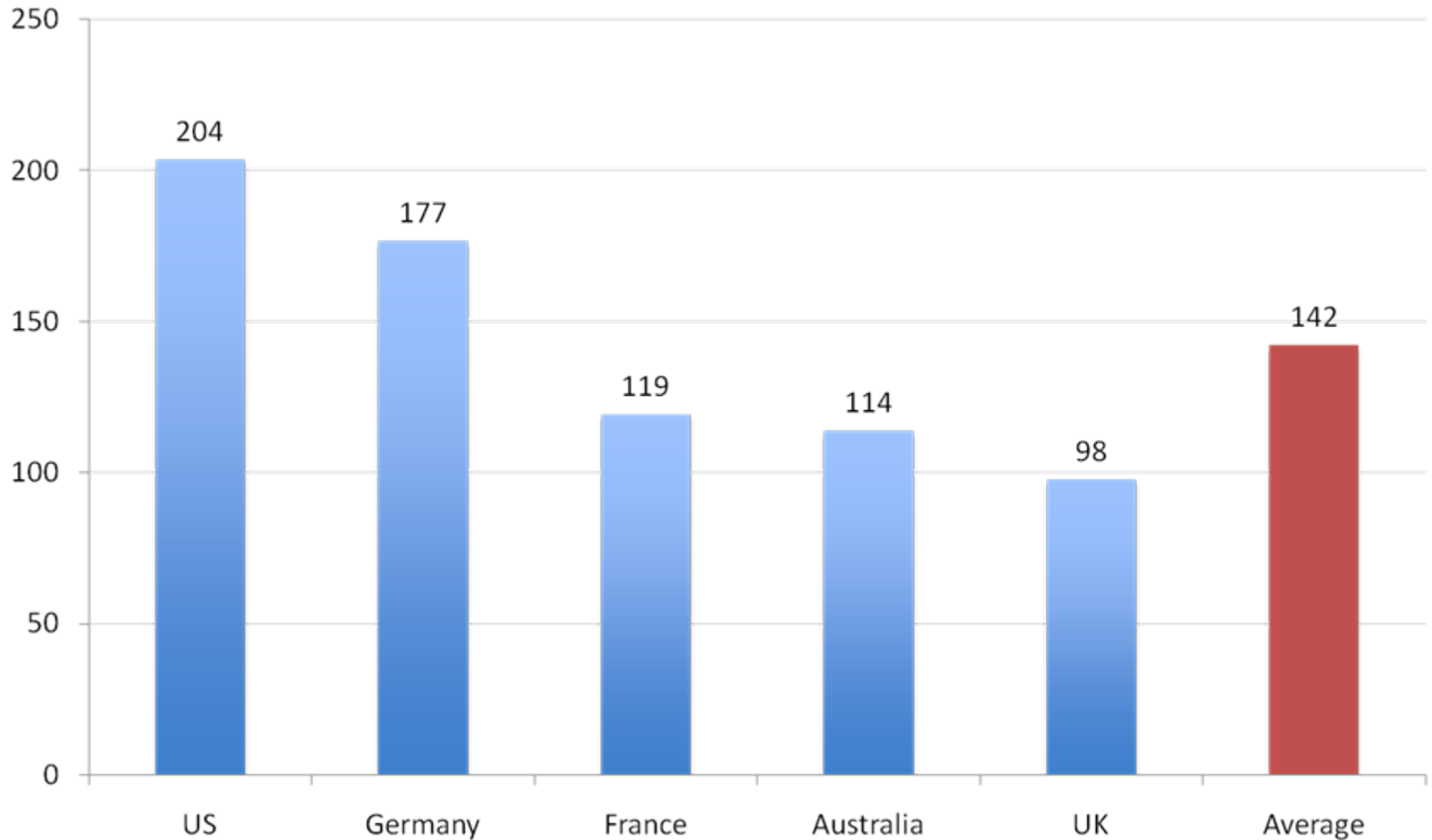
Lost business cost

\$1,000,000 omitted



Per capita cost

Converted to \$US dollars



Average & per capita cost summary

Converted to \$US dollars



US Dollars	Detection & escalation	Notification	Ex-post response	Lost business	Total
US 2009	264,280	500,321	1,514,819	4,472,030	6,751,451
UK 2009	472,883	260,559	662,166	1,170,093	2,565,702
DE 2009	1,018,522	181,363	1,058,612	1,186,402	3,444,898
FR 2009	775,047	120,615	866,290	770,170	2,532,122
AU 2009	617,015	70,597	529,422	615,697	1,832,732
Average	629,550	226,691	926,262	1,642,878	3,425,381

US Dollars	Detection & escalation	Notification	Ex-post response	Lost business	Total
US 2009	8	15	46	135	204
UK 2009	18	10	25	45	98
DE 2009	52	9	54	61	177
FR 2009	36	6	41	36	119
AU 2009	38	4	33	38	114
Average	31	9	40	63	142

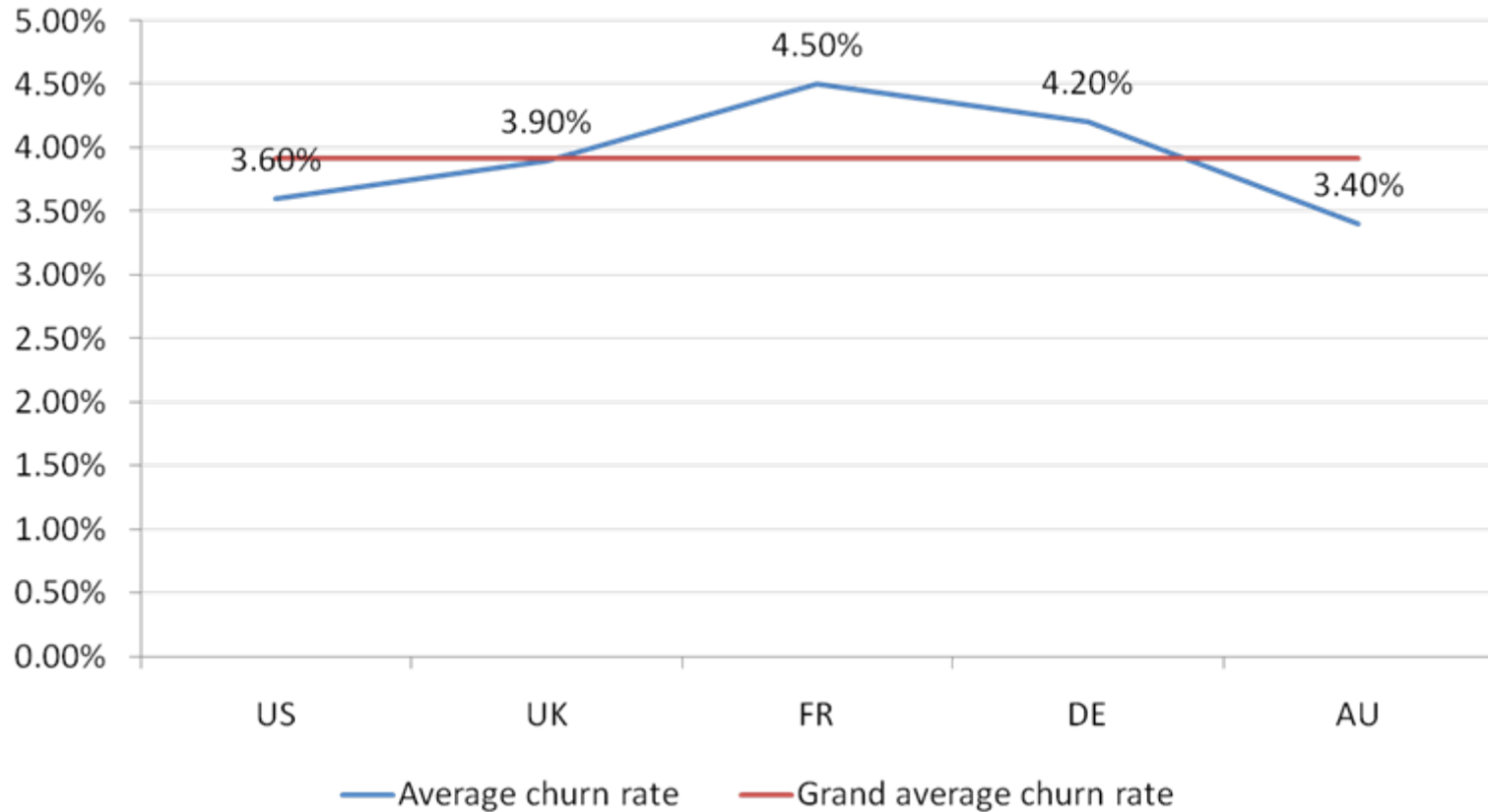
Aggregate statistics

Converted into \$US dollars



Countries	Average churn	Minimum total cost (US\$)	Maximum total cost (US\$)	Minimum breach size	Maximum Breach size
US	3.60%	749,645	30,851,628	5,010	101,000
UK	3.90%	556,933	5,982,083	5,210	60,000
FR	4.50%	341,736	8,564,933	2,520	57,700
DE	4.20%	542,093	8,476,477	3,300	63,100
AU	3.40%	380,296	3,755,417	3,368	65,000

Comparison of average churn rates for five countries



Summary of per capita cost by industry

Converted into \$US dollars



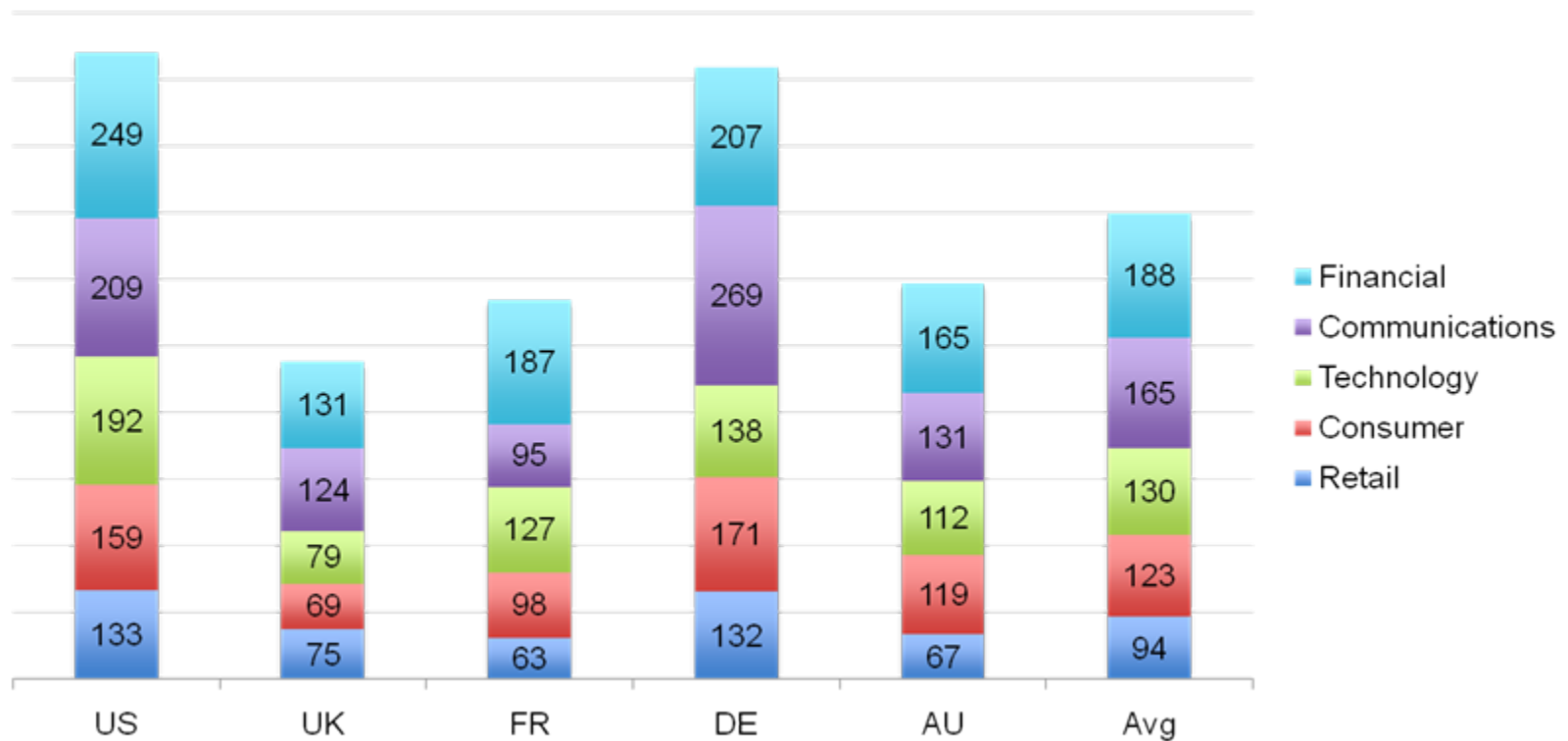
Please note that a blank cell means that this industry segment is not represented in the 2010 study.

Industry Classification	US	UK	FR	DE	AU
Automotive			150	201	
Communications	209	124	95	269	131
Consumer	159	69	98	171	119
Defense			290		
Education	203			204	
Energy	237				
Financial	249	131	187	207	165
Healthcare	294				
Hotel & leisure	153		134	159	119
Manufacturing	136				
Media	149	83			169
Pharma	310	120	196		
Public sector		90	42	194	99
Research	266			262	
Retail	133	75	63	132	67
Services	256	100	147	141	
Technology	192	79	127	138	112
Transportation	121	140		340	67

Per capita cost for five industries

Converted into \$US dollars

Please note that these five industries are fully represented in all 2010 country studies.

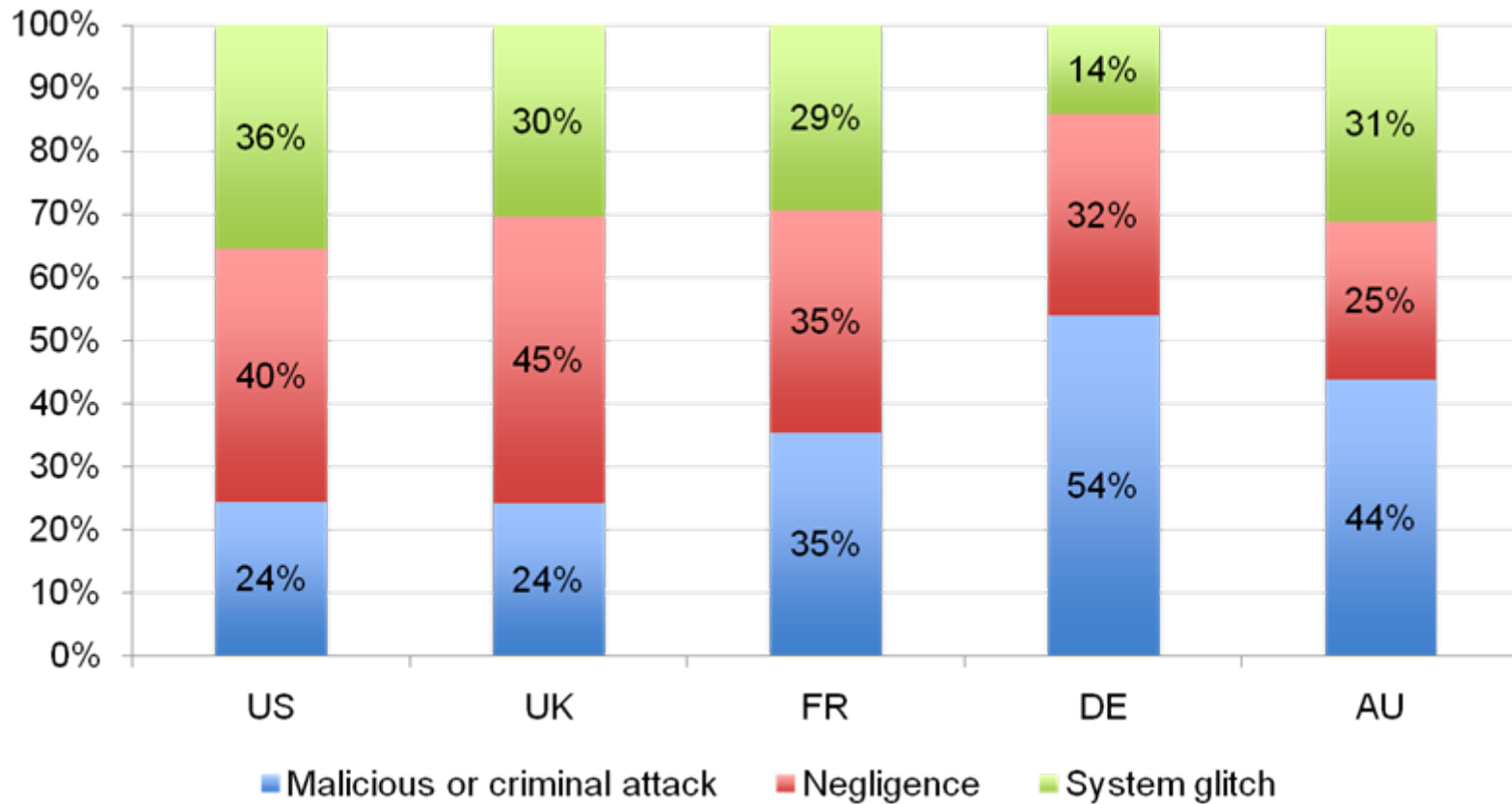


Percentage of each country sample where the area of interest is represented



Areas of interest	US	UK	FR	DE	AU
CISO leadership	40%	39%	41%	36%	44%
External consulting support	44%	36%	47%	45%	44%
First time	18%	42%	59%	55%	75%
Lost or stolen device	36%	30%	35%	27%	31%
Malicious or criminal attack	24%	24%	35%	54%	44%
Negligence	40%	45%	35%	32%	25%
Quick response	36%	36%	35%	45%	31%
SES Median	42%	45%	41%	50%	56%
System glitch	36%	30%	29%	14%	31%
Third party flub	42%	36%	41%	27%	31%

Percentage root cause analysis



Percentage differences under different areas of interest

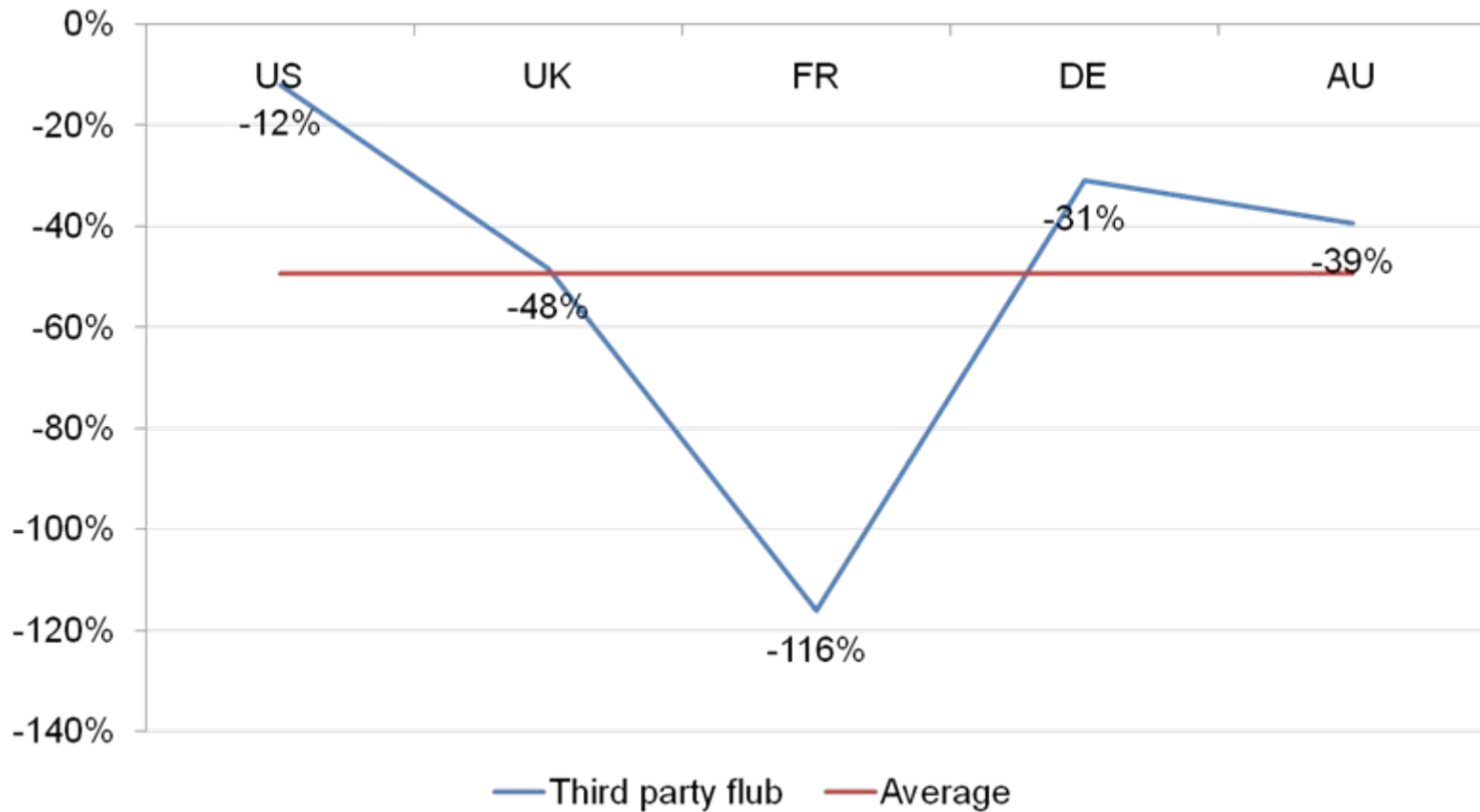


The percentage difference presented in each cell is defined as follows:
 $\{X [\text{area of interest is present}] - X [\text{area of interest is not present}]\} / X [\text{area of interest is not present}]$, where X is defined as the Per Capita Cost of Data Breach under different conditions.

Areas of interest	US Pct% Difference	UK Pct% Difference	FR Pct% Difference	DE Pct% Difference	AU Pct% Difference
CISO leadership	33%	12%	12%	45%	3%
External consulting support	27%	9%	-190%	-24%	-25%
First time	-15%	-12%	-33%	-11%	-11%
Lost or stolen device	-16%	-10%	-72%	10%	-20%
Malicious or criminal attack	-7%	-25%	-121%	-23%	-61%
Negligence	35%	21%	19%	21%	29%
Quick response	-12%	18%	-112%	23%	16%
SES Median	2%	29%	7%	11%	3%
System glitch	27%	-1%	7%	17%	26%
Third party flub	-12%	-48%	-116%	-31%	-39%

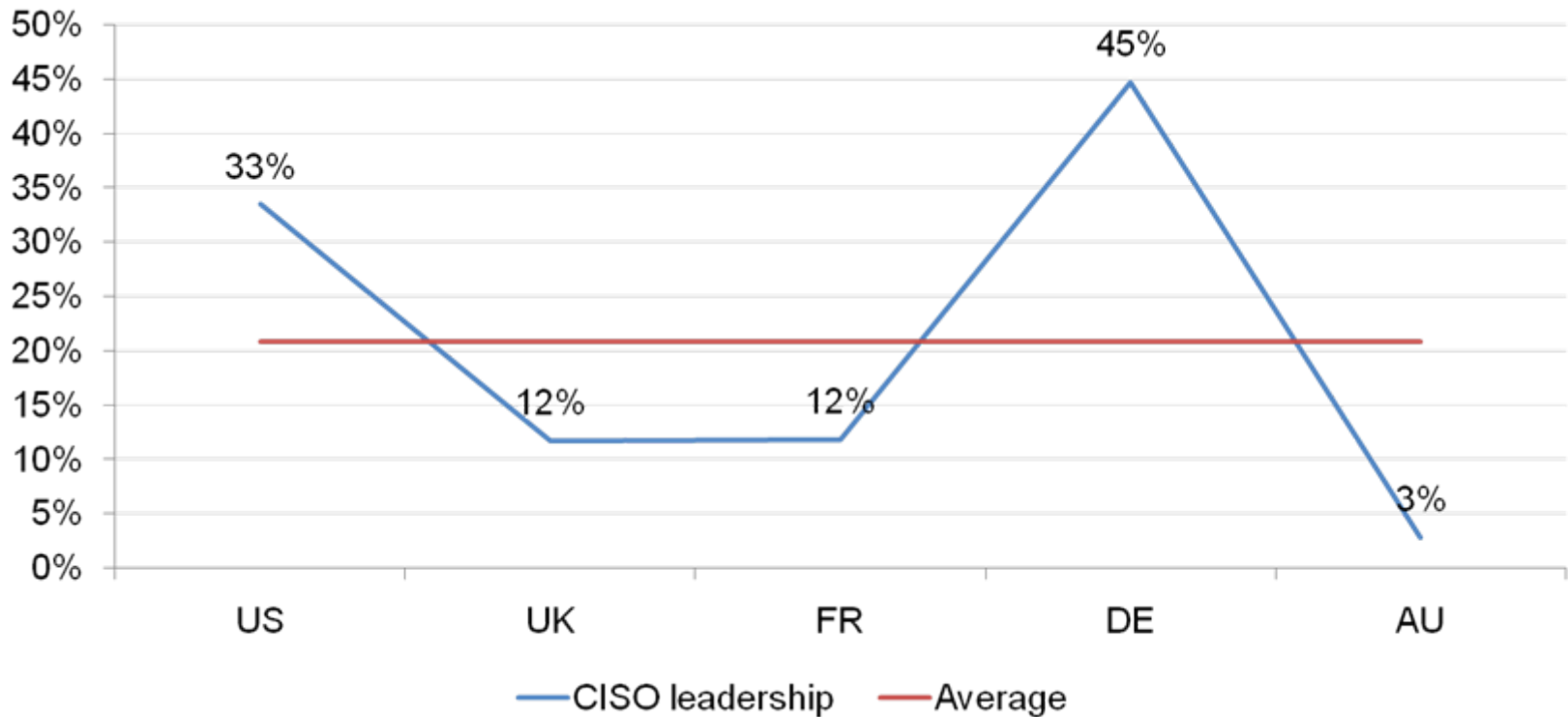
Third party flubs affect per capita cost

A negative percentage indicates that third party mistakes increase the per capita cost of data breach.



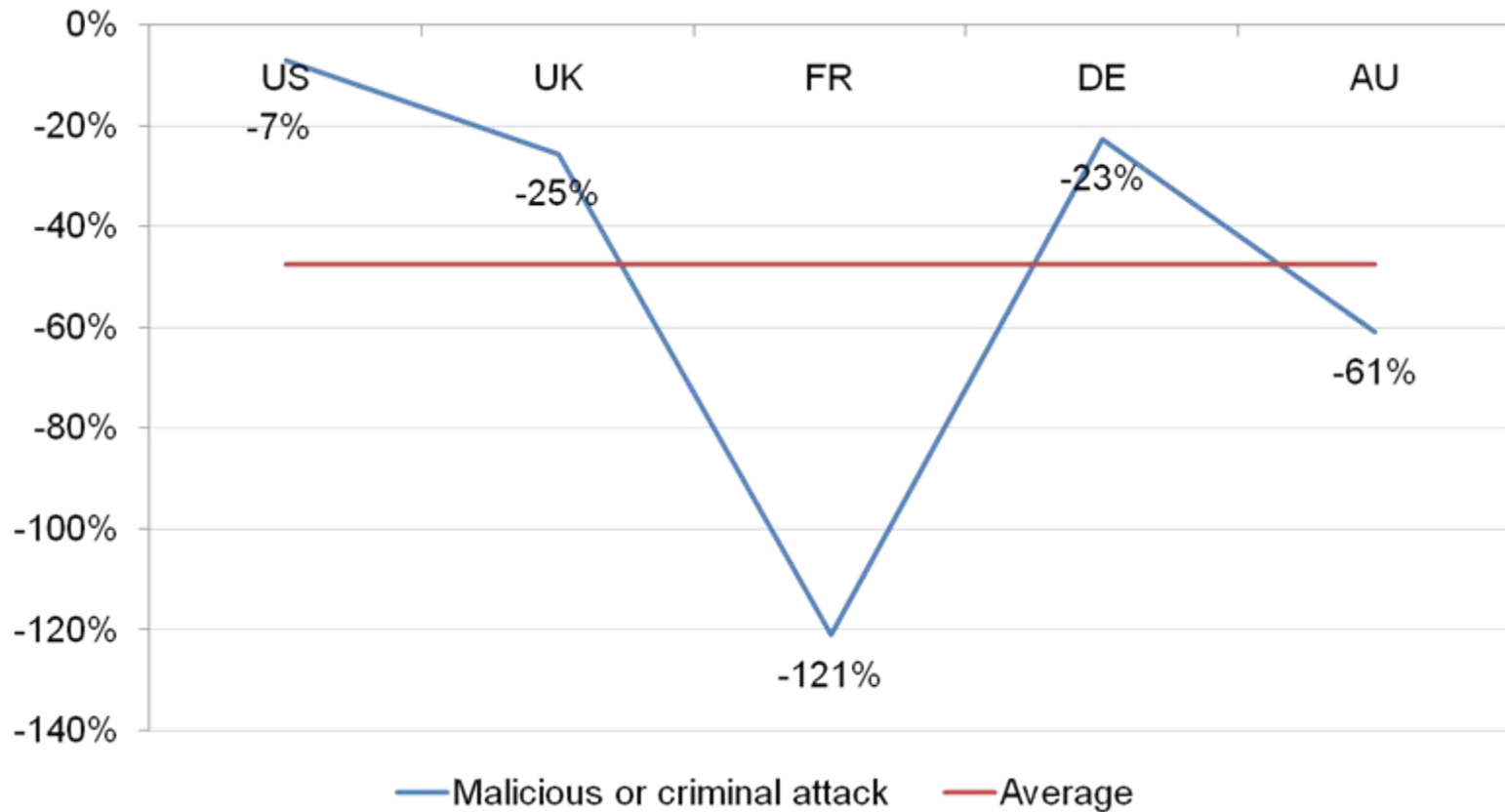
CISO leadership affects per capita cost

A positive percentage indicates that CISO leadership increases the per capita cost of data breach.



Malicious or criminal attack affects per capita cost

A negative percentage indicates that malicious or criminal attacks increase the per capita cost of data breach.





More Details?

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