

Thales: data breaches start to fall yet 88% of retailers still consider themselves vulnerable to data threats

Yearly data breach rate drops from 22% to 19% – those breached at any time 52%

Thales, a leader in critical information systems, cybersecurity and data security, today announced the results of its [2017 Thales Data Threat Report, Retail Edition](#), issued in conjunction with analyst firm 451 Research. According to U.S. retail respondents, 52 percent have experienced a data breach in the past. The majority (88 percent) consider themselves 'vulnerable' to data threats, with 19 percent stating they are 'very' or 'extremely' vulnerable.

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Year-over-year breach rate improvement

Encouragingly, U.S. retail data breaches in the past year dropped from 22 percent in the 2016 survey to 19 percent this year. This number is lower than any other U.S. vertical polled for the 2017 report, including healthcare (20 percent), financial services (24 percent) and the U.S. federal government (34 percent). However, U.S. retailers may be failing to learn from past mistakes; more than half (11 percent) of the 19 percent that were breached this year had also experienced a breach previously.

Garrett Bekker, principal analyst for information security at 451 Research says:

"First, the good news: Only 19 percent of U.S. retail respondents reported being breached last year, significantly less than the global average. However, breach results were not so rosy for global retail – a staggering 43 percent of global retail respondents reported a breach in the past year alone, approaching twice the global average. These distressing breach rates serve as stark proof that data on any system can be attacked and compromised. Unfortunately, organizations keep spending on the same security solutions that worked for them in the past, but aren't necessarily the most effective at stopping modern breaches."

Budget misallocation hindering security

77 percent of U.S. retail organizations are increasing IT security spending, but are not concentrating spending where it will make the most difference. 88 percent of respondents selected network security as 'very' or 'extremely' effective at protecting data from breaches – even as network security fails to keep out attackers and is unable to protect data that is increasingly stored in the cloud. Spending patterns also indicate a focus on what has worked in the past with the planned spending increases on network (67 percent) and endpoint (63 percent) protection. Data-at-rest approaches, which have proven to be effective at protecting the data itself, came in second from last (49 percent) in terms of retailer security spending priorities.

Pressures to use advanced technology increase risk

According to the report, 95 percent of U.S. retail organizations will use sensitive data in an advanced technology environment (such as cloud, big data, IoT and containers) this year. However, 53 percent of respondents believe that sensitive data use is happening in these environments without proper security in place.

Peter Galvin, vice president of strategy, Thales e-Security says:

“It’s encouraging that yearly retail data breach rates have finally started to drop, but rates are still quite high. With tremendous sets of detailed customer behavior and personal information in their custody, retailers are a prime target for hackers so should look to invest more in data-centric protection. And as retailers dive head first into new technologies, data security must be a top priority as they continue to pursue their digital transformation.”

Retail organizations interested in improving their overall security postures should strongly consider:

- Deploying security tool sets that offer services-based deployments, platforms and automation;
- Discovering and classifying the location of sensitive data within cloud, SaaS, big data, IoT and container environments; and
- Leveraging encryption and Bring Your Own Key (BYOK) technologies for all advanced technologies.

Please download a copy of the new [2017 Thales Data Threat Report, Retail Edition](#) for more detailed security best practices.