

2018 Thales Data Threat Report: 94% of organizations using cloud, IoT and other transformative technologies, data breaches at all-time high

As businesses embrace new environments, data breaches have become the new reality

San Jose, CALIF.– Jan. 25, 2018 – Thales, a leader in critical information systems, cybersecurity and data security, announces the results of its [2018 Thales Data Threat Report](#), Global Edition, issued in conjunction with analyst firm 451 Research. The report finds digitally transformative technologies are shaping the way organizations do business and moving them to a data-driven world, with 94% of organizations using sensitive data in cloud, big data, IoT, container, blockchain and/or mobile environments.

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Digital transformation is driving efficiency and scale as well as making possible new business models that drive growth and profitability. Enterprises are embracing this opportunity by leveraging all that digital technology offers, with adoption at record levels:

- 42% of organizations use more than 50 SaaS applications, 57% use three or more IaaS vendors, and 53% use three or more PaaS environments
- 99% are using big data
- 94% are implementing IoT technologies
- 91% are working on or using mobile payments

This rush to embrace new environments has created more attack surfaces and new risks for data that need to be offset by data security controls. The extent and impact of increased threats is most clearly shown in levels of data breaches and vulnerability:

- In 2018, 67% of respondents were breached, with 36% breached in the last year – a marked increase from 2017, which saw 26% breached in the last year
- Consequently, 44% of respondents feel “very” or “extremely” vulnerable to data threats

While times have changed with respect to technological advancements, security strategies have not – in large part because spending realities do not match up with what works best to protect data:

- 77% of respondents cite data-at-rest security solutions as being most effective at preventing breaches, with network security (75%) and data-in-motion (75%) following close behind
- Despite this, 57% of respondents are spending the most on endpoint and mobile security technologies, followed by analysis and correlation tools (50%)
- When it comes to protecting data, the gap between perception and reality is apparent, with data-at-rest security solutions coming in at the bottom (40%) of IT security spending priorities

This disconnect is also reflected in organizations’ attitude towards encryption, a key technology with a proven track record of protecting data. While spending decisions don’t reflect its popularity, respondents still express a strong interest in deploying encryption technologies:

- 44% cite encryption as the top tool for increased cloud usage
- 35% believe encryption is necessary to drive big data adoption – only three points behind the top perceived driver, identity technologies (38%), and one point behind the second (improved monitoring and reporting tools, at 36%)
- 48% cite encryption as the top tool for protecting IoT deployments, and 41% as the top tool for protecting container deployments

- In addition, encryption technologies top the list of desired data security purchases in the next year, with 44% citing tokenization capabilities as the number one priority, followed by encryption with “bring your own key” (BYOK) capabilities
- Encryption is also cited as the top tool (42%) for meeting new privacy requirements such as the European Union General Data Protection Regulation (GDPR)

Garrett Bekker, principal security analyst, information security at 451 Research and author of the report says:

“This year we found that organizations are dealing with massive change as a result of digital transformation, but this change is creating new attack surfaces and new risks that need to be offset by data security controls. But while times have changed, security strategies have not – security spending increases that focus on the data itself are at the bottom of IT security spending priorities, leaving customer data, financial information and intellectual property severely at risk. If security strategies aren’t equally as dynamic in this fast-changing threat environment, the rate of breaches will continue to increase.”

Peter Galvin, chief strategy officer, Thales eSecurity says:

“From cloud computing, to mobile devices, digital payments and emerging IoT applications, organizations are re-shaping how they do business – and this digital transformation is reliant on data. As is borne out by our 2018 Data Threat Report, we’re now at the point where we have to admit that data breaches are the new reality, with over a third of organizations suffering a breach in the past year. In this increasingly data-driven world it is therefore hugely important to take steps to protect that data wherever it is created, shared or stored.”

To offset the data breach trend and take advantage of new technologies and innovations, at minimum organizations should adhere to the following practices:

- Leverage encryption and access controls as a primary defense for data and consider an “encrypt everything” strategy
- Select data security platform offerings that address multiple use cases to reduce complexity and costs
- Implement security analytics and multi-factor authentication solutions to help identify threatening patterns of data use

Download your copy of the [2018 Thales Data Threat Report – Global Edition](#).

Industry insight and views on the latest data security trends can be found on the Thales eSecurity blog at blog.thalesecurity.com.

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Source/methodology

The data in this study is based on web and phone interviews of 1,200 senior executives in Germany; Japan; India; the Netherlands; Sweden; South Korea; the UK; and the U.S. Most have a major influence on or are the sole decision maker for IT at their respective companies. Respondents represented a number of industries, including: automotive; energy; government; financial services; healthcare; IT; manufacturing; retail; and telecommunications.

About 451 Research

451 Research is a preeminent information technology research and advisory company. With a core focus on technology innovation and market disruption, we provide essential insight for leaders of the digital economy. More than 100 analysts and consultants deliver that insight via syndicated research, advisory

services and live events to over 1,000 client organizations in North America, Europe and around the world. Founded in 2000 and headquartered in New York, 451 Research is a division of The 451 Group.

About Thales eSecurity

Thales eSecurity is the leader in advanced data security solutions and services that deliver trust wherever information is created, shared or stored. We ensure that the data belonging to companies and government entities is both secure and trusted in any environment – on-premises, in the cloud, in data centres or big data environments – without sacrificing business agility. Security doesn't just reduce risk, it's an enabler of the digital initiatives that now permeate our daily lives – digital money, e-identities, healthcare, connected cars and, with the internet of things (IoT), even household devices. Thales provides everything an organisation needs to protect and manage its data, identities and intellectual property, and meet regulatory compliance – through encryption, advanced key management, tokenisation, and privileged-user control and high-assurance solutions. Security professionals around the globe rely on Thales to confidently accelerate their organisation's digital transformation. Thales eSecurity is part of Thales Group.

About Thales

Thales is a global technology leader for the Aerospace, Transport, Defence and Security markets. With 64,000 employees in 56 countries, Thales reported sales of €14.9 billion in 2016. With over 25,000 engineers and researchers, Thales has a unique capability to design and deploy equipment, systems and services to meet the most complex security requirements. Its exceptional international footprint allows it to work closely with its customers all over the world.

Positioned as a value-added systems integrator, equipment supplier and service provider, Thales is one of Europe's leading players in the security market. The Group's security teams work with government agencies, local authorities and enterprise customers to develop and deploy integrated, resilient solutions to protect citizens, sensitive data and critical infrastructure.

Thales offers world-class cryptographic capabilities and is a global leader in cybersecurity solutions for defence, government, critical infrastructure providers, telecom companies, industry and the financial services sector. With a value proposition addressing the entire data security chain, Thales offers a comprehensive range of services and solutions ranging from security consulting, data protection, digital trust management and design, development, integration, certification and security maintenance of cybersecured systems, to cyberthreat management, intrusion detection and security supervision through cybersecurity Operation Centres in France, the United Kingdom, The Netherlands and Hong Kong.

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