

# The Cost of Data Breaches for Small Businesses



**In the digital age, data breaches are no longer a question of *if*, but *when*.**

Without proper [cyber security](#) in San Marcos, a data breach can be devastating for a small business. Whether caused by human error, glitches, or malicious attacks, the true cost of a breach can be widespread.

Just how much does a threat to cyber security cost a San Marcos small business? According to the [2020 Cost of Data Breach Report](#) from Ponemon Institute and IBM Security, the global average cost of a data breach has grown by 10 percent in the last six years to \$3.86 million.

This study doesn't even take large breaches, such as Facebook or Equifax, into consideration. It looked at over 524 companies that experienced a [data breach](#) between August 2019 and April 2020. It considered hundreds of cost factors including:

- Legal
- Regulatory
- Loss of brand equity
- Customer turnover
- Declined employee productivity

The study estimated that a typical company has about a 30% chance of experiencing a data breach in the next 24 months. Even with some cyber security in San Marcos for your business, most small businesses are unprepared.

## **The True Cost of a Data Breach**

There are a number of factors that contribute to the true cost of a data breach. The first few that might come to mind involve loss of data or impaired employee productivity. But in fact, the most expensive aspect of a data breach is loss of customer trust, leading to loss of business. When customers realize

their personal data has been compromised by a business they frequented, they are unlikely to return to that business.

As a result, the cost of a data breach doesn't just impact the first few months following the breach. It can take years to recover from that loss of trust and regain customers, which is particularly devastating for small businesses. Legal costs are also an unfortunate effect of a data breach, as victims may sue the company putting their data at risk. Settlements and legal fees can quickly add up.

Cyber attackers have discovered that small businesses likely don't have proper data security in San Marcos setup, and will target them disproportionately. Small businesses often suffer greater from loss of trust and productivity and have fewer resources to lean on to get their business back on track.

## **How to Prevent a Breach**

For those evaluated in the study, data loss prevention software and security automation technology does help decrease the average data breach cost.

Unfortunately, a cyber security plan for your San Marcos business is not enough to prevent a data breach. Equipping your team with comprehensive plans, powerful technology, and security resources to keep everyone educated is a great way to reduce your risk. Not all attacks can be prevented, but you can be prepared to reduce the effects. Start by protecting your information with automated data security and be persistent with data encryption.

By preparing your business both to avoid a data breach, and to come out of it without major damage, you can keep your business up and running. Are you looking for a partner for your cyber security in San Marcos? Fill out a [short form](#) on our website and we'll get back to you ASAP with how we can help.

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