

2017 THALES DATA THREAT REPORT

Trends in Encryption and Data Security

JAPAN EDITION

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TRENDS IN ENCRYPTION AND DATA PROTECTION



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1,100+ SENIOR IT SECURITY EXECUTIVES SURVEYED GLOBALLY | 100 JAPAN | 500 U.S. | 100 GERMANY, MEXICO, BRAZIL, AUSTRALIA, U.K.



WITH FULL APPI COMPLIANCE REQUIRED BY SEPTEMBER

“COMPLIANCE EMERGED AS THE TOP FACTOR FOR IT SECURITY SPENDING IN JAPAN AT 66%, MORE THAN DOUBLE LAST YEAR’S 30% FIGURE”

“MORE THAN HALF OF JAPANESE RESPONDENTS (56%) ADMIT TO DEPLOYING NEW TECHNOLOGIES (CLOUD, IOT, BIG DATA, CONTAINERS) IN ADVANCE OF PROVISIONS TO ADEQUATELY SECURE THEM”



83%

OF JAPANESE RESPONDENTS FELT THEIR ORGANIZATIONS WERE VULNERABLE TO DATA THREATS

23%

WERE VERY OR EXTREMELY VULNERABLE – MORE THAN TWICE THE 11% RATE IN 2016

66%

COMPLIANCE THE
TOP DRIVER FOR IT
SECURITY SPENDING
UP FROM 3RD PLACE
AT 30% IN 2016
(REQUIREMENTS FROM
BUSINESS PARTNERS
TOPS IN 2016 AT 50%)

54%

EXPECT THEIR
SPENDING ON DATA
SECURITY TO
INCREASE
UP FROM 31% IN
2016

HEAVY INVESTMENTS IN COMPLIANCE

EVEN THOUGH NOT CONVINCED IT WILL PREVENT DATA BREACHES

COMPLIANCE RATINGS OF VERY OR EXTREMELY EFFECTIVE
AT PREVENTING DATA BREACHES



60%



35%



59%

“ JAPANESE RESPONDENTS WERE SKEPTICAL OF COMPLIANCE ...
ONLY 35% BELIEVE THAT IT IS VERY OR EXTREMELY EFFECTIVE AT
PREVENTING DATA BREACHES.”

56%

OF ORGANIZATIONS SURVEYED ARE DEPLOYING NEW TECHNOLOGIES IN ADVANCE OF HAVING APPROPRIATE LEVELS OF DATA SECURITY IN PLACE

79%

WILL USE SENSITIVE DATA IN AT LEAST ONE OF THESE ADVANCED TECHNOLOGY ENVIRONMENTS

RATES OF SENSITIVE DATA USE BY ENVIRONMENT TYPE



".. external attackers frequently masquerade as insiders by using stolen or compromised credentials to access all types of valuable data, including PII, PHI, financial data and intellectual property"

*Garrett Bekker
Principal Analyst Information Security, 451 Research*

THE MOST DANGEROUS INSIDERS

48% JAPAN

58% GLOBAL

PRIVILEGED
USERS

38% JAPAN

44% GLOBAL

EXECUTIVE
MANAGEMENT

49% JAPAN

36% GLOBAL

ORDINARY
EMPLOYEES

31% JAPAN

33% GLOBAL

CONTRACTORS

TOP EXTERNAL THREAT ACTOR SELECTIONS

JAPAN



GLOBAL

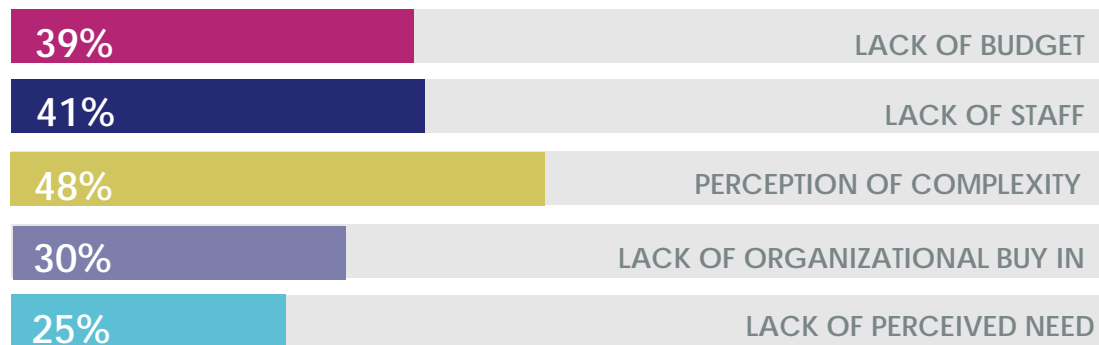


TOP REASONS WHY ENTERPRISES ARE NOT USING MORE DATA SECURITY CONTROLS

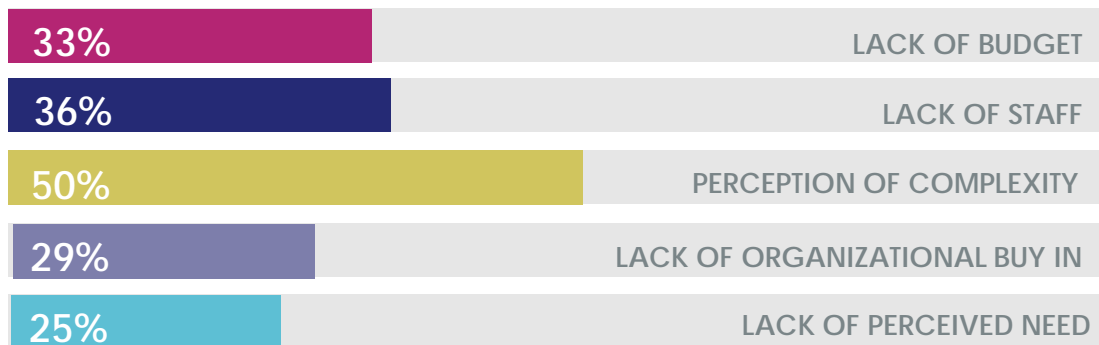
“Complexity again repeated this year as the top adoption barrier for data security, both in Japan (48%) and globally (50%). A closely-related issue and one that has become a chronic issue in cybersecurity globally, namely skills shortages, was reflected in lack of staff to manage being the number two adoption barrier in Japan”

*Garrett Bekker
451 Research*

JAPAN

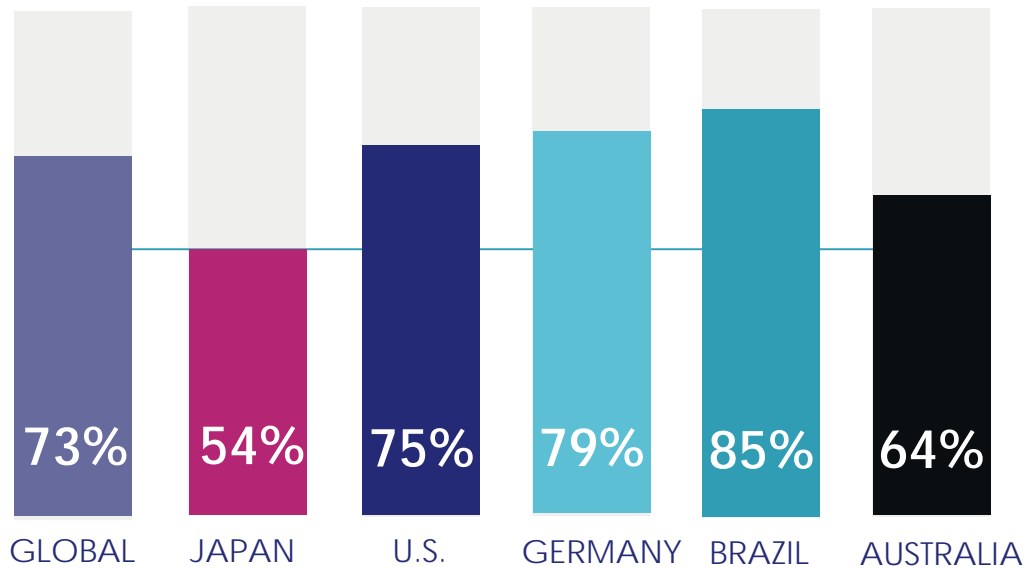


GLOBAL



INCREASING IT SECURITY SPENDING LESS THAN GLOBAL RIVALS

Increases in IT Security Spend



"... planned spending increases in Japan still trail other countries, often by wide margins.

For example, in the US 75% of respondents say their organizations will increase security spending this year; Brazil 85%; Germany 79%; Australia 64%. The average reported globally is 73%."

*Garrett Bekker
Principal Analyst, Information Security, 451 Research*

OLD HABITS DIE HARD -

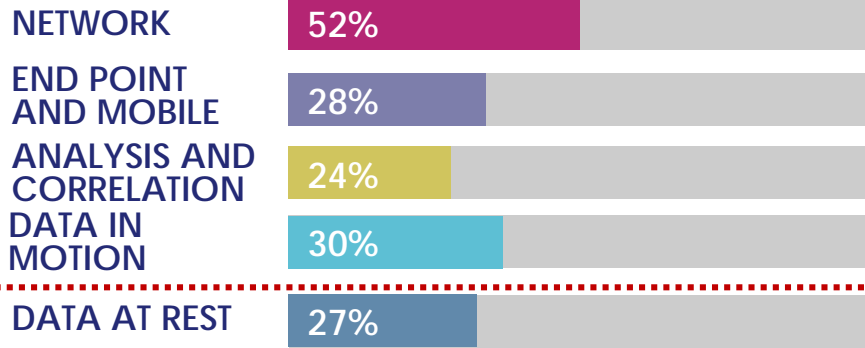
INVESTING LESS IN DATA AT REST SECURITY, THOUGH RATED HIGHLY EFFECTIVE

"...organizations keep spending on the same solutions that worked for them in the past but aren't necessarily the most effective at stopping modern breaches"

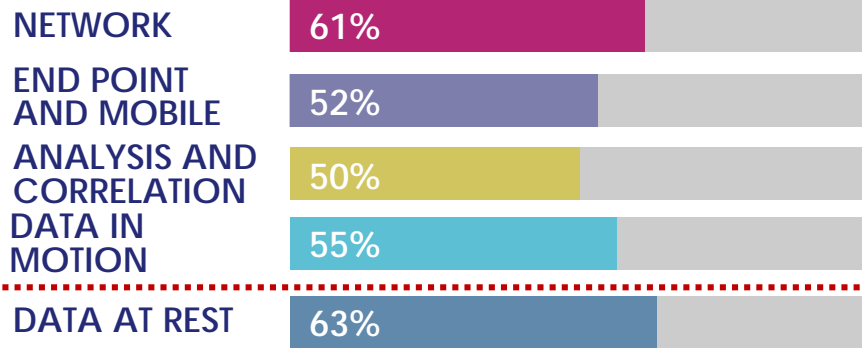
*Garrett Bekker,
451 Research*

"... spending on securing internal networks from external threats is less and less effective – and relevant – as both the data and the people accessing it are increasingly external."

IT SECURITY DEFENSE SPENDING INCREASES



RATES OF EFFECTIVENESS FOR PROTECTING DATA



DATA PRIVACY AND SOVEREIGNTY

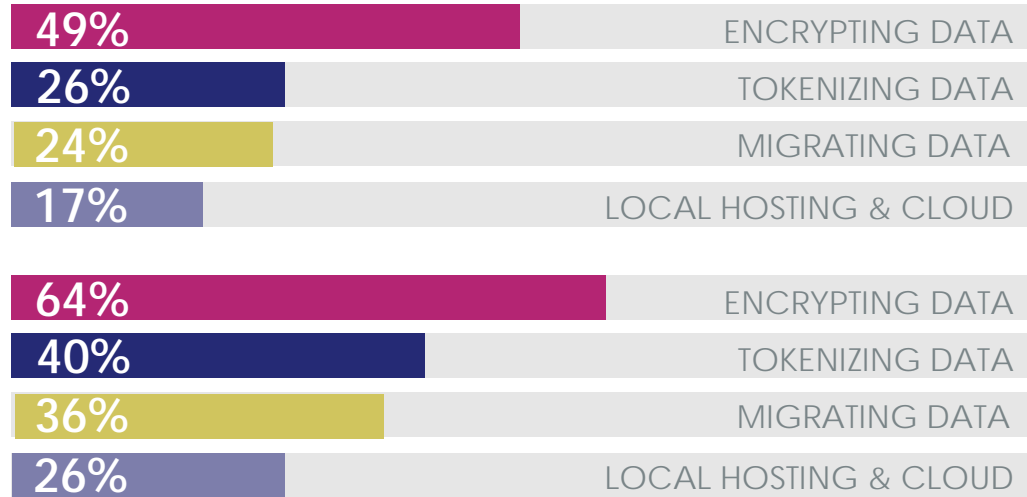
IMPACTING ENTERPRISES WORLDWIDE



56% - JAPAN
72% - GLOBAL

Impacted by Data Privacy and
Data Sovereignty

ADDRESSING REQUIREMENTS BY:



JAPAN

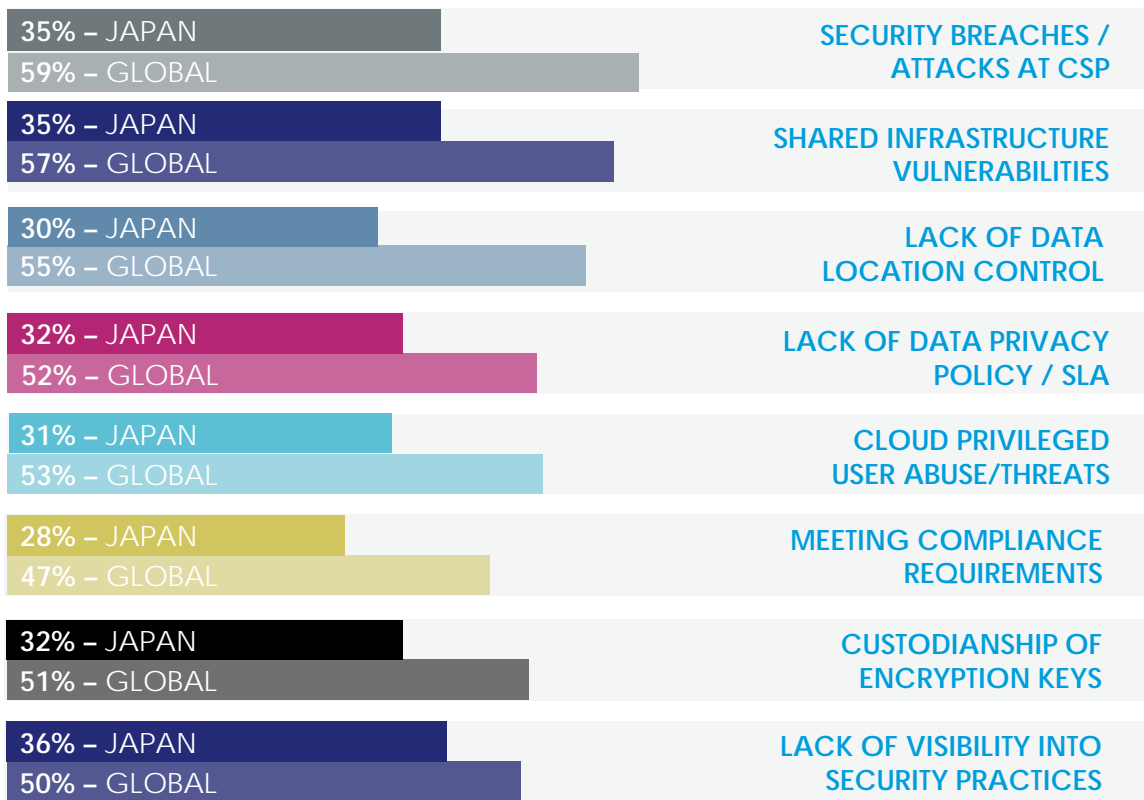
GLOBAL

“Data privacy has become a hot topic in light of concerns about government snooping, and not surprisingly a host of new privacy laws and regulations are in the process of being revised or enacted around the world, such as GDPR in Europe and the amended APPI in Japan.”

*Garrett Bekker
Principal Analyst
451 Research*

ENTERPRISE CONCERNS WITH CLOUD/SAAS ENVIRONMENTS

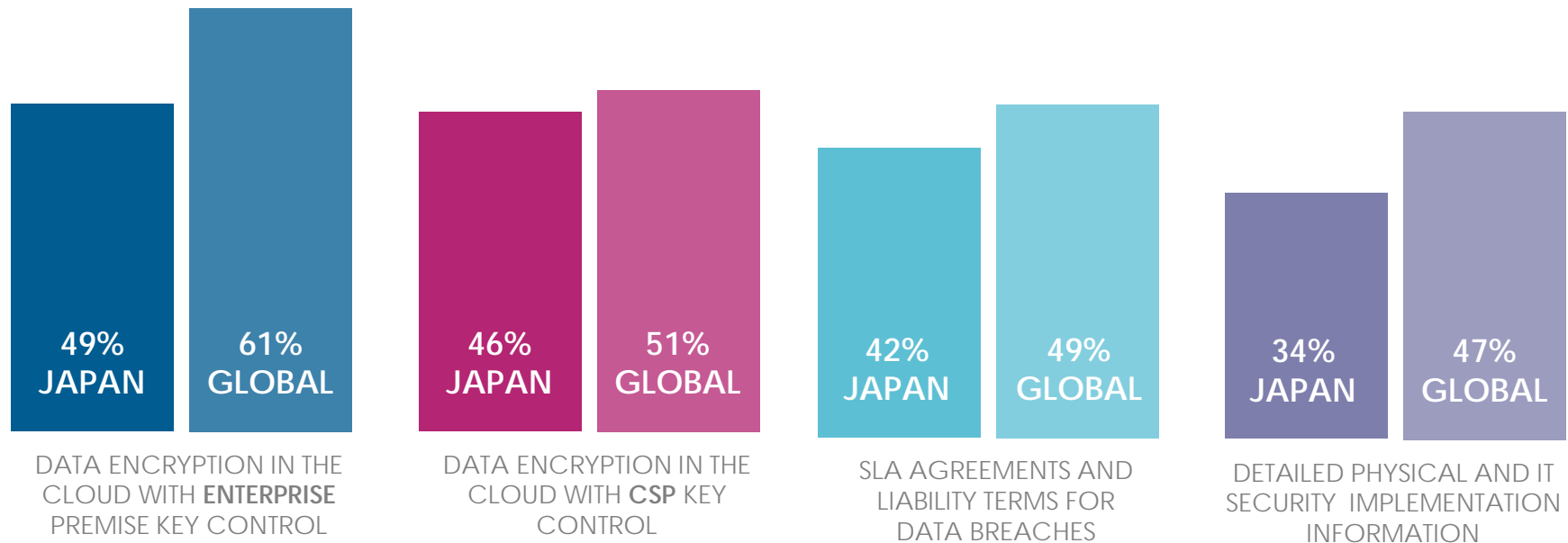
RATES OF VERY OR EXTREMELY CONCERNED



“ Japanese respondents are less concerned about the security of public cloud offerings (SaaS, IaaS, and PaaS) than those in other countries. Specifically, where breaches at the cloud provider are the most frequent concern globally (59%), the top concern in Japan is lack of visibility into the providers’ security practices (36%)”

*Garrett Bekker
Principal Analyst, Information Security, 451 Research*

WHAT CAN CSPS AND SAAS PROVIDERS DO TO INCREASE ENTERPRISE CLOUD ADOPTION IN JAPAN?

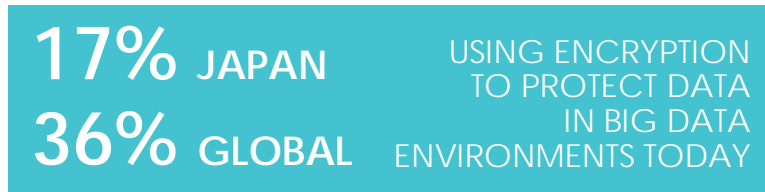
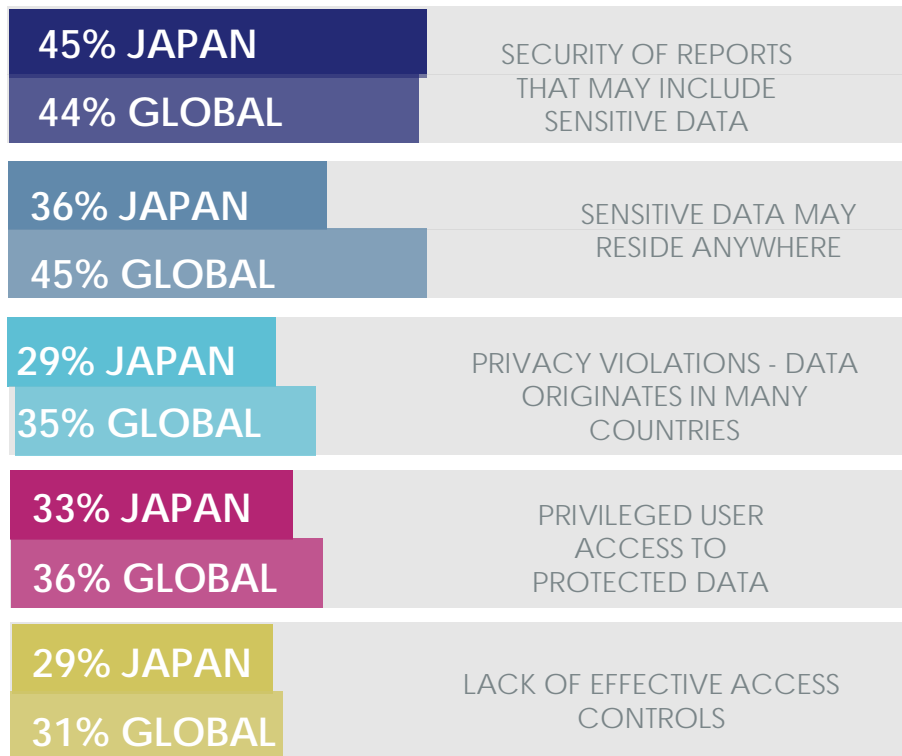


"As with most other regions, the top two choices for increasing respondents' willingness to use public cloud services were encryption with local key control by the customer (49%) and encryption with keys controlled by the service provider (46%)."

*Garrett Bekker
Principal Analyst, Information
Security, 451 Research*

BIG DATA – TOP DATA SECURITY CONCERNS AND STATS

TOP 5 CONCERNS



IOT ADOPTION HIGH IN JAPANESE ENTERPRISES

USE OF SENSITIVE DATA A CONCERN

84%

ADOPTING IOT

18%

USING SENSITIVE
DATA IN IOT

21%

VERY CONCERNED ABOUT
SENSITIVE DATA IN IOT

TOP 5 DATA SECURITY CONCERNS FOR IOT

26% - IDENTIFYING WHICH DATA
IS SENSITIVE

25% - LACK OF SECURITY
FRAMEWORKS & CONTROLS

24% - PROTECTING SENSITIVE
DATA GENERATED BY IOT

24% - IMPACT OF ATTACKS ON
IOT DEVICES

21% - PRIVACY VIOLATIONS
FROM IOT DATA

TOP 5 CONTROLS NEEDED TO INCREASE IOT ADOPTION

43% - ANTI-MALWARE
FOR DEVICES

41% SECURE ID AND
AUTHENTICATION

39% - ENCRYPTION OF DATA

37% - ANOMALY DETECTION/
BEHAVIORAL ANALYSIS

34% - IOT NETWORK
ISOLATION

TOP SECURITY CONTROLS NEEDED TO INCREASE CONTAINER ADOPTION AND USE IN JAPAN

TOP BARRIERS TO
CONTAINER DEPLOYMENT

58%

JAPAN
BUDGET

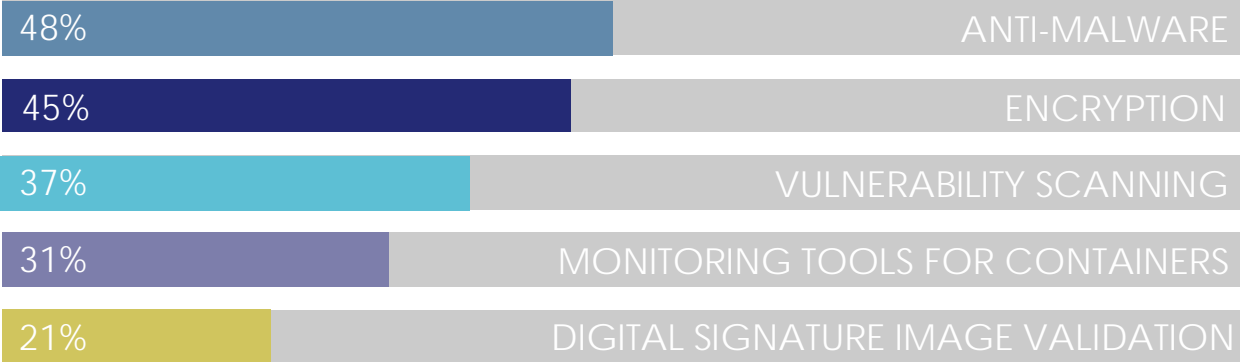
47%

GLOBAL
SECURITY

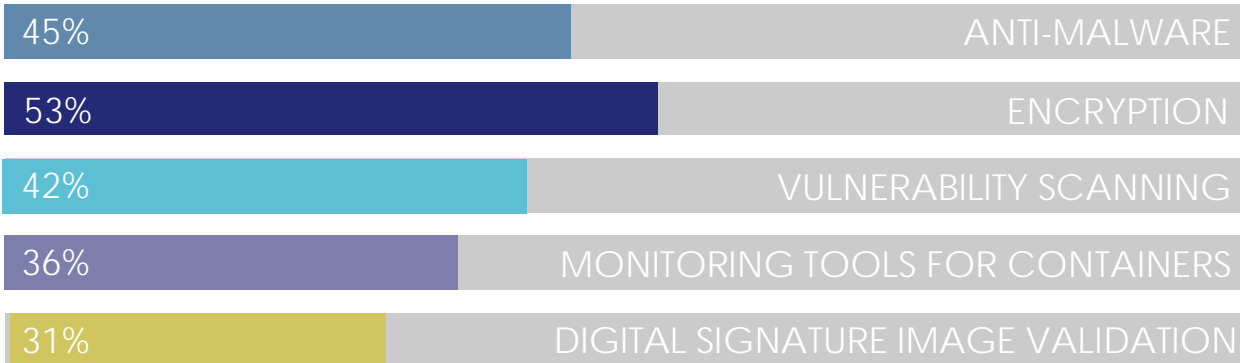
“Japan has the most respondents having no plans at this time (31%) to deploy containers, far more than the global average of 13%.

Garrett Bekker
451 Research

JAPAN

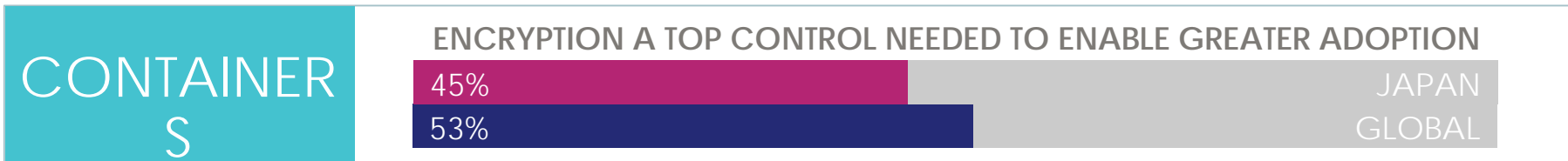


GLOBAL



ENCRYPTION ENABLES DIGITAL TRANSFORMATION

A KEY TOOL REQUIRED FOR ADVANCED TECHNOLOGY ADOPTION



BEST PRACTICE RECOMMENDATIONS

GARRETT BEKKER, 451 RESEARCH

Re-prioritize your IT security tool set

Cloud and SaaS break legacy IT Security models – Data security with encryption and access controls across environments is required. Service-based solutions and platforms that include automation are preferred for reduced costs and simplicity.

Discover and classify

Get a better handle on the location of sensitive data, particularly for Cloud, Big Data, Containers and IoT

Don't just check off the compliance box

Global and industry regulations can be demanding, but agencies should consider moving beyond compliance to greater use of encryption and BYOK, especially for cloud and other advanced technology environments.

Encryption and access control

Encryption needs to move beyond laptops and desktops.

Data center: File and application level encryption and access controls

Cloud: Encrypt and manage keys locally, BYOK enables safe SaaS, PaaS and IaaS

Big Data: Encryption and access control within the environment

Containers: Encrypt and control access to data both within containers and underlying data storage locations

IoT: Use secure device ID and authentication, as well as encryption of data at rest on devices, back end systems and in transit to limit data threats

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ABOUT THALES E-SECURITY

■ Instilling trust across the data landscape

Our powerful technology platform provides advanced data security for more servers, applications, and environments than any other security alternative

■ What we do

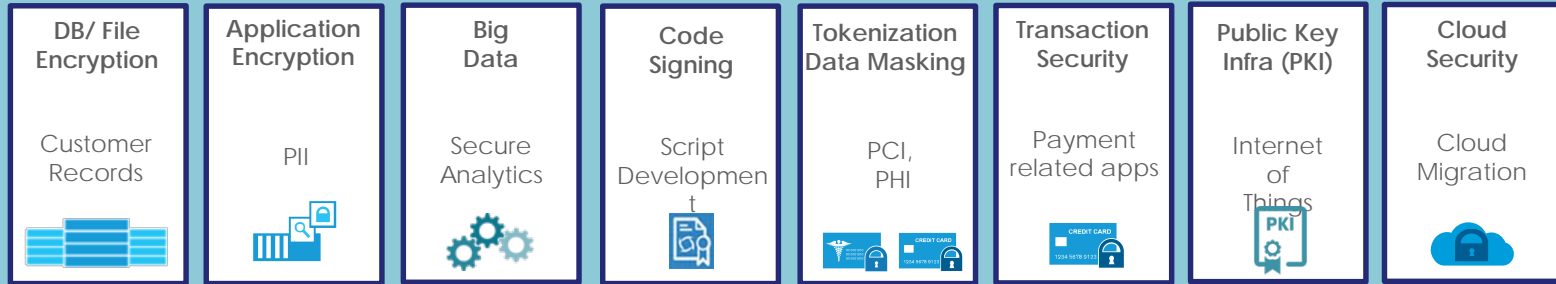
Thales e-Security provides companies everything they need to protect and manage their data and scale easily to new environments and requirements—encryption, advanced key management, tokenization, authorization, privileged user control, and HSMs.

■ Our customers

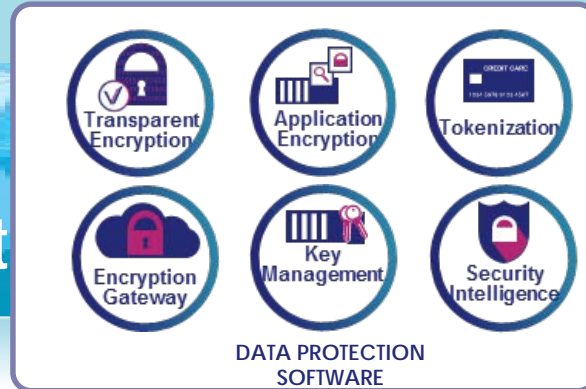
Our customers include 19 of the world's 20 largest banks, four of the world's five largest oil companies, 27 NATO country members and 15 of the Fortune 25.



Our solutions protect data while eliminating complexity, inefficiency and cost



Use Cases



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