

Module 11 Journal Entry

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8/4/2025

The breach paints a classic negative externality. Customers are at risk by the intrusion even though they were not privy to the platform provider's transaction decisions. The companies failure to safeguard payment information for their customers has not put them at risk of things like identity theft which has lasting impacts on their lives. This shows how the company that takes the most loss may not be the company that caused or even had the problem.

Economic theory also highlights information asymmetry like: breach victims don't know how much damage occurred or whether they were uniquely affected or if their data was misused beforehand. The notifications serve to reduce the unknowingness letting the customers know they may need to take protective action to secure their data. This plays into models of efficient confidentiality, balancing the costs of privacy protection with the benefits of disclosure. This may also save some of the customers' trust for their next interaction.

This letter embodies the trust between companies and customers. Customers expect their information to be secured and kept out of bad actors hands. By acknowledging the breach and outlining ways to secure personal information the company is attempting to save their trust built with that customer. This also goes back to what I said previously that it may not be the company's fault but they will feel the biggest wake.

The Situation Crisis Communication Theory is also used in their "what happened" and "what you can do" section of the letter. They used the SCCT principals to build credibility, reduce uncertainty, and repair the image after the breach.

References

Glasswasherparts.com. (n.d.). *Sample data breach notification* [PDF]. Montana Department of Justice.

https://dojmt.gov/wp-content/uploads/Glasswasherparts.com_.pdf