

Hallie, Ramatu

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### Journal Entry 13

Based off this letter its somewhat like information asymmetry theory, principal-agent problem, trust and social capital theory, and risk society theory. The letter relates back asymmetry theory because this theory addresses situations in which a someone could know better or even more information than the other. This can cause market failure and problems. The situation with the data leak shows an important information asymmetry between the clients and the platform provider, and therefore, the website. Customers were unaware of the risks related to their financial and personal information, and the service operator was also actually unaware of the data leak caused by the malware planted by hackers. When they learned, they postponed telling the clients because of the law enforcement investigation. With principal-agent problem. This issue is demonstrated by the interaction between the software provider and the website owners. Although the manufacturer of the website is supposed to guard the website and the client's data. The manufacturer haven't acted in the best interests of the owners or their clients if it had taken longer to discover the breach and notify those affected customers, their information would've been misused. Trust and social capital theory, Customers had trust on the website which has been hacked. Transactions require trust, especially for those done online when there is no in-person interaction between the buyer and seller. The data breach incident is an example of the risk society theory, which claims that advances in technology such as digital payment systems and online shopping come with unknown risks such as cybersecurity concerns. The company's response, such as alerting those who may be affected and offering advice on how to prevent identity theft, shows that it is trying to manage and minimize these current threats.