

After reading the letter above, agency theory, which is a social science theory from our textbook, "Social Science Research: Principles, Methods, and Practices", by Anol Bhattacharjee and is defined on page 30 as, "The core assumptions of this theory are that human beings are self-interested individuals, boundedly rational, and risk-averse, and the theory can be applied at the individual or organizational level." The agency theory is related to the letter due to how the business did not put their customers first with safeguarding their information and relying on the third party to have some type of cybersecurity measures in place, in which they failed to do so. In that sense, the organization is self-interested and did not implement the risk factors. Another social science theory that is related to the letter is innovation diffusion theory, it is defined on page 31 in our textbook as, "Innovation diffusion theory (IDT) is a seminal theory in the communications literature that explains how innovations are adopted within a population of potential adopters." There are four key elements to this theory: Innovation, communication channels, time, and social system. Specifically, innovation that is defined as new technology, new practices, or new ideas where individuals or organizations adopt that innovation is mostly related. Innovation is related to the article where in the letter they state that they are working with a leading cybersecurity firm to remove the malware from their system, so they adopted a new practice with a cybersecurity firm.

Next, we move to how two different economic theories relate to the letter above. Rational choice is an economic theory and is defined in our module eleven PowerPoint slides as individuals/businesses make choices in their best interest (pleasure versus pain). Rational choice is related to the letter specifically when they found out they had a data breach because of an attacker getting into the third-party system that directed them to their business system, they made a rational choice in their favor to fix the issue but only after their customers data was stolen. The second economic theory is Marxian economic theory, it is defined in our module eleven PowerPoint slides as those with power (e.g., those with a lot of money) exploit those without power (e.g., those who are poor) for economic gain. But in this scenario, where in the letter the attacker is the one with power since they hacked into their system and got ahold of data and exploited the glass washer parts business (those without power) for economic gain.