Chapter 6

Case Study: Under Armour Hack

Kylie Torres  
Grand Valley State University, USA

Andrew Stevenson  
Davenport University, USA

Justin Hicks  
Grand Rapids Press, USA

ABSTRACT

Under Armour purchased a fitness app, MyFitnessPal, that suffered a data breach shortly after Under Armour acquired the app. This breach made customers usernames, emails, and passwords available and for sale on the dark web. Under Armour informed its users of the breach and handled the crisis in the way they saw fit. During the investigation, it was found that Under Armour used a weaker encryption algorithm than it should have to encrypt customers’ sensitive information. The company is currently in a lawsuit over the breach with one MyFitnessPal user.

INTRODUCTION

From Facebook, to Yahoo, Marriott, and countless other large corporations, data breaches are no longer few and far between (Kiesnoski, 2019). The fact is, any company and any individual that is using computers and the internet can expose themselves to the possibility of having their data stolen (Tarrell, n.d.). Unfortunately for Under Armour, their company’s name was added to the ever-growing list of organizations that have suffered a major data breach through hacking.

DOI: 10.4018/978-1-7998-3487-8.ch006

Copyright © 2021, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
The purpose of this case study is to show that the fifth-most valuable sports brand in the world suffered a data breach and what that means for consumers (Duncan, n.d.). The objective is to present how a company’s ethics, security standards, and policies can affect consumers. This will be done through a crisis analysis, news and media discussion, a review of Under Armour’s response, and an evaluation of the entire case along with solutions. The analysis will follow Fearn-Banks’ (2009) five stages of the crisis model. It includes examining the detection state, prevention/preparation, containment, recovery, and the learning phase (Fearn-Banks, 2009). It will also include Under Armour’s court case, in which they were sued for the breach (McGee, 2019).

The objective of this case is to discuss the organizational background of Under Armour and how the company acquired the smartphone app MyFitnessPal. It will cover the data breach MyFitnessPal experienced and the ongoing court case. This case will offer an evaluation and solution, as well as future suggested research.

ORGANIZATION BACKGROUND

Under Armour

The athletic footwear and apparel company Under Armour was founded and created by University of Maryland football player Kevin Plank (Under Armour Annual Report, 2018). He started the company to develop a shirt that would wick away sweat from the body. Plank’s motivation was rooted in a desire to reduce the number of sweat-soaked T-shirts he would go through during a football season. Plank teamed up with Kip Fulks, a fellow athlete and friend. Through Plank’s numerous contacts in the sports industry, the duo began selling his shirts to Georgia Tech and Arizona State University. Later, Kip Fulks would go on to be named Under Armour’s vice president of production. Since the early days of 1996, Under Armour has grown to become one of the biggest names in athleticwear. The company generated a net revenue of $4,989,244 in 2017, before increasing its revenue a year later to $5,193,185 in 2018 (Under Armour Annual Report, 2018).

Under Armour’s work culture is centered around sustainability, diversity, and charitable contributions (Under Armour Careers, n.d.). The company strives to help United States soldiers, veterans, and first responders. Due to the work culture and charitable goals of the company, Under Armour often uses its love for military and first responders in shaping its strategic planning and marketing goals (Weedon, 2012).

Under Armour has a traditional management structure for a large company. Its code of conduct is what makes its structure and decision-making process unique.
Multimodality in Mobile Applications and Services
www.igi-global.com/chapter/multimodality-mobile-applications-services/17155?camid=4v1a