



## **Good Technology Device Activations Report**

**Q1 2011**

***Verizon iPhone 4 Launch Boosts iPhone Enterprise Adoption, Tablet Momentum Continues***



## Executive Summary

In Good Technology's Q1 2011 metrics report, we take a look at the mobile devices activated by Good Technology's enterprise customers over the first quarter of 2011. Much noise has been made about Android's overall smartphone market share growth and we still expect Android smartphone activations by Good's customers to overtake iPhone activations over the course of 2011; however, it's clear that Verizon's launch of the iPhone 4 and AT&T's subsequent iPhone 3GS price reduction significantly boosted overall iPhone activations by Good's customers in Q1. Apple's move to allow Verizon to carry its iPhone 4 resulted in the highest rate of activation (16.9 percent) for any new device since Good Technology has been publicly tracking and publishing reports (since calendar Q3 2010).

Tablet activations remained strong in Q1, ranging between 18 percent and 23 percent of all device activations. This was driven by continued adoption of the original iPad and the release of the new iPad 2 in March. February's dip in iPad activations can be attributed to the anticipated availability of the iPad 2, which became available for purchase on March 11. Motorola Xoom was the most popular Android tablet, breaking through with more than 1 one percent of all activations for the first time ever. Calendar Q2 should shed more light on tablet market trends given that iPad 2 and Xoom were launched late in Q1 and many more tablets based on the latest Android Honeycomb OS are expected to launch throughout Q2.

The Motorola Droid X and the Droid 2 were the most popular Android devices among Good's enterprise end users. These were also the top Android devices in Q4 2010. The iPhone 4 was the leading device overall, which was also the case in the last quarter of 2010.

### Key Data Points:

- iOS devices represented just under 70 percent of net new activations from January 1 through March 31, 2011
- iOS tablet (iPad + iPad 2) share of overall net activations slipped slightly from 22 percent to 20.4 percent over the quarter
- Among the top 10 industry verticals, financial services saw the highest level of iPad activation with 43 percent, more than double the amount of activation in any other industry
- Android devices represented just over 30 percent of all net new activations over the quarter, a downward trend from 35 percent at the end of Q4
- Android smartphones represented nearly 38 percent of all smartphone (non tablet) activations compared to iPhone's 62 percent



## Introduction

Innovative mobile devices continue to enter the market and offer many new opportunities for enterprise use. From client-facing workers to C-level executives, smartphones and tablets are critical productivity tools for a mobile workforce. Employees want the ability to choose their own devices and enterprises, within the bounds of their security and compliance requirements, increasingly want to support whatever devices make end users most productive and happy while maintaining cost controls. As a recognized leader in mobile device management and security, Good has a clear view into enterprise mobility trends and the adoption of these new mobile platforms and devices. Thousands of customers across every major industry, including over 40 of the Fortune 100, use Good Technology for secure and managed enterprise mobility.

Our latest quarterly metrics report examines the most popular device models and OS platforms that Good's enterprise end users activated during calendar Q1 2011. Because our customers represent a wide range of industries—including Financial Services, Healthcare, Legal, Professional Services, Government, and High Tech—and all major geographies, our data reflects the overall enterprise mobility landscape.

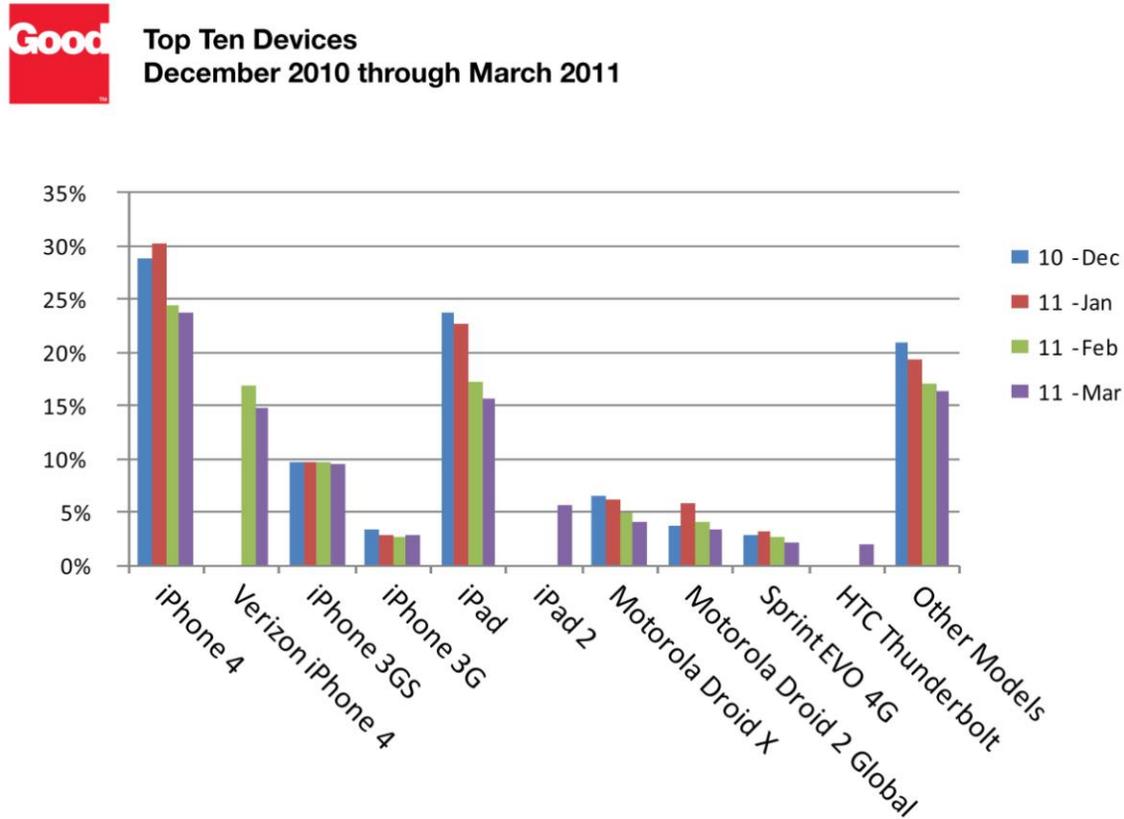
## Methodology

We analyzed activations by month across our thousands of corporate and government customers with at least five activated devices to determine the "Top 10" most frequently activated devices and the overall trend for net new activations across the mobile OS platforms we support. Analyzing both the "Top 10" devices and the long-tail of net new device activations by platform gives us unique insight into not only the individual devices and form factors that are most popular with end users, but also the platforms that enterprises approve and enable for access to business data and applications.

The period covered in this report is the entirety of calendar Q1 (January 1 through March 31, 2011). In some cases, we've provided numbers from December, 2010 for context. The metrics cited in this report are generated directly from Good's internal data, as aggregated from Good's worldwide customer base.

Since RIM devices use only the BlackBerry® Enterprise Server for corporate email access, Good does not have insight into BlackBerry handset activation trends and they are not reflected in this report. Windows Phone 7 devices are also not reflected in our activation numbers as we do not yet support Windows Phone 7.

Figure 1



**Results – “Top 10” Devices**

In Figure 1, we see that devices based on Apple’s iOS platform drove activations for the period from January 1 through March 31, 2011. The iPhone 4 was the most popular device, and the iPad maintained a steady presence during the same period. Verizon’s iPhone 4 release saw the highest rate of activation (16.9 percent) for any new device since Good has been publicly tracking and publishing reports (Q3 2010).



Tablet activations as a percentage of all activations were roughly constant for the months of January and March even as iPhone activations surged. We attribute the drop in February iPad activations to anticipated iPad 2 availability. No Android tablets appeared in the Top 10 activated devices for the quarter; the most adopted Android tablet was the Motorola Xoom.

iPhone 3GS activations maintained their percentage of all activations throughout the quarter with little change from Q4 2010. We largely attribute this to AT&T's price drop to \$49 for the iPhone 3GS. For the first time, the iPhone 3G dropped out of the Top 5 most activated devices.

During Q1, activations of Android smartphones declined slightly, undoubtedly influenced by Verizon's iPhone 4 launch and AT&T's subsequent price drop to \$49 for the iPhone 3GS. Android activations were led by the Motorola Droid X and Droid 2. Other Android devices making the "Top 10" were the Sprint EVO 4G and the HTC Thunderbolt. Because there are so many Android device models, only the most popular devices show up in the "Top 10," while the rest make up a very long tail. As of March 2011, Good Technology supports over 70 device models based on the Android platform.

Windows Mobile and Symbian devices were absent from the list of top devices, which is not surprising given the declining market share for these OS platforms.

Figure 2

**Good** Activations by Platform  
December 2010 through March 2011

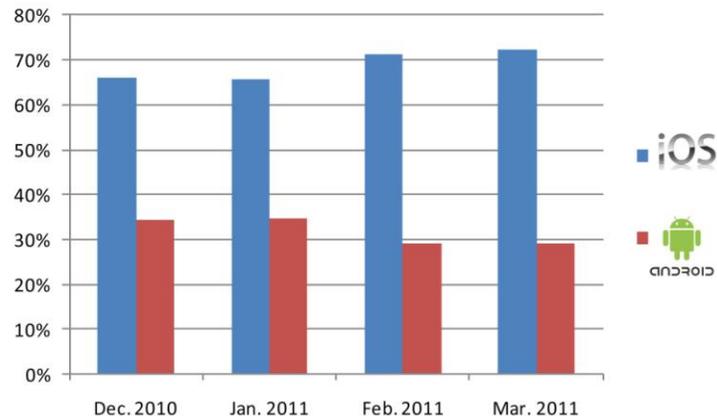
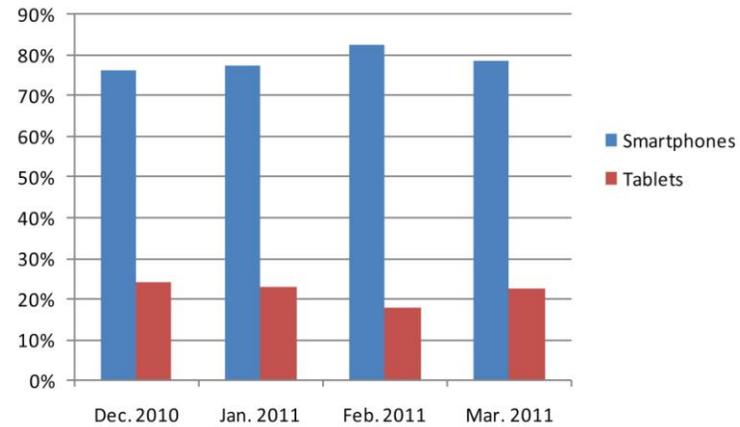


Figure 3

**Good** Activations by Type of Device  
December 2010 through March 2011



## Results – Activations by Platform

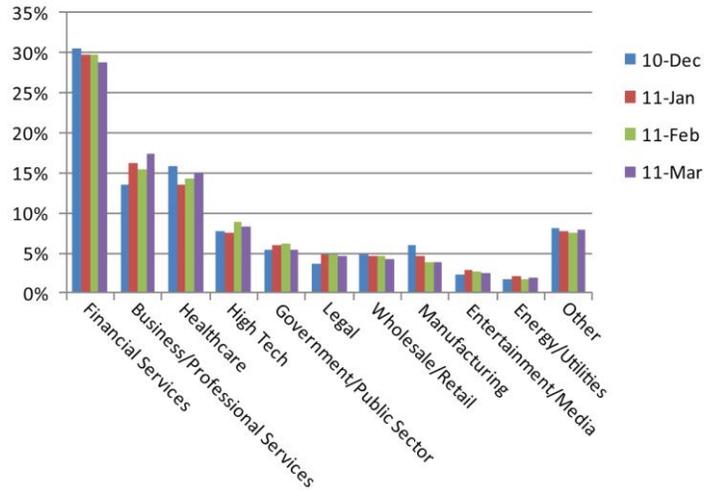
In Good Technology’s Q4 2010 report, Android was showing steady gains on iOS in the smartphone category, but the launch of the Verizon iPhone 4 and AT&T’s subsequent iPhone 3GS price reduction in February have temporarily reversed that trend resulting in a drop from Android’s 44 percent of all smartphone activations in January to 35 percent in February. We still expect Android device activations to overtake iPhone in the smartphone category by year end given the number of devices and form factors available will be increasing through the year. Tablets continue to be a significant percent of all activations, ranging between 18 percent and 23 percent over the period. We attribute the dip in February iPad activations to anticipated availability of the iPad 2, which was formally announced on March 2<sup>nd</sup> and hit the shelves on March 11<sup>th</sup>.



iPad and iPad 2 are still dominating the tablet category, but Android tablets accounted for over 1 percent of all activations for first time in March, led by the Motorola Xoom.

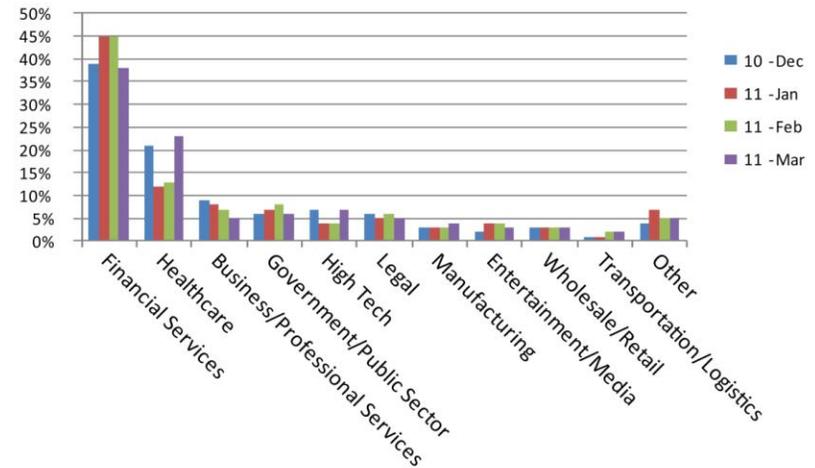
**Figure 4**

**Good** Net Activations by Industry  
December 2010 through March 2011



**Figure 5**

**Good** Top iPad Activations by Industry  
December 2010 through March 2011



## Results – Industry Activations

Figure 4 shows the deployment of all devices by industry. Financial services saw the highest level of mobile device activation with around 29 percent of all activations for the quarter. Most notable this quarter is the flip flop of Healthcare and Business/Professional Services. This was driven by the deployment of large numbers of devices at professional services organizations over the period.

Figure 5 shows the percentage of net monthly iPad activations for Good’s top industries. Financial Services had the highest rate of adoption all quarter with 43 percent, more than double the amount of activation in any other industry. While Healthcare (including pharmaceuticals) came in second and Business/Professional Services took the third spot. We are still seeing adoption across all verticals.



In general, iPads are being deployed as a complementary “+one” device, not as an outright laptop or PC replacement. But key use cases for the iPad in Finance and Healthcare center on deployment as a potential laptop alternative for users who are heavy content consumers and/or presenters, but not heavy content creators. Examples of such users include executives, sales and client services staff, and doctors. We are seeing deployment in hospital settings as a replacement for “computer on wheels” and legacy tablet form factors.

Based on feedback from our customers, we’re seeing a greater tendency for iPads to be purchased and deployed proactively on a company-owned basis. This contrasts with the overall deployment model for iPhones and Android smartphones, where the vast majority of Good customers have either already adopted or are planning to adopt a “Bring Your Own Device” (BYOD) approach.