



**Good Technology Device Activations Report**

**Q2 2011**

*iPads Drive iOS Dominance in the Enterprise*



## Executive Summary

In this Q2 2011 metrics report, we take a look at the mobile devices activated by Good Technology's enterprise customers over the second quarter of 2011.

Tablet adoption continued to grow over Q2 with tablets averaging 27 percent of all device activations, driven by substantial adoption of the iPad 2. In fact, there were more activations of the iPad over the quarter than all Android smartphones and tablets combined. Motorola Xoom was the most popular Android tablet and the Motorola Droid 2 Global was the most highly activated Android smartphone.

### Key Data Points:

- While Android continues to gain market share overall, Good's enterprise end users are showing clear preference for Apple products
- iOS tablet (iPad + iPad2) share of overall net activations outnumbered Android Smartphone activations for the first time—27.2 percent to 24 percent, respectively
- Among the top 10 industry verticals, financial services continued to see the highest level of iPad activation, accounting for nearly half of net iPad activations by industry (46%)—more than tripling the amount of activation in any other industry
- iOS tablets represent over 95% of total tablet activations
- Android tablets declined slightly to 3.1 percent of overall tablet activations for the quarter
- Android smartphones represented nearly 33 percent of all smartphone (non tablet) activations compared to iPhone's 66 percent, despite Android's overall market share growth
- This quarter shows the impact of the iPad 2, which was released at the end of last quarter and did not have sufficient time in market to impact overall Q1 trends



## Introduction

Innovative mobile devices continue to enter the market and offer many new opportunities for enterprise use. From customer-facing workers to C-level executives, today's highly mobile workforce prefers smartphones and tablets as critical productivity tools. 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 49 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 Q2 2011. Because our customers represent a wide range of industries—including Financial Services, Healthcare, Legal, Life Sciences, Professional Services, Government, and High Tech—and all major geographies, our data reflect 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 enterprise end users, but also the platforms that enterprises approve and enable for access to business data and applications.

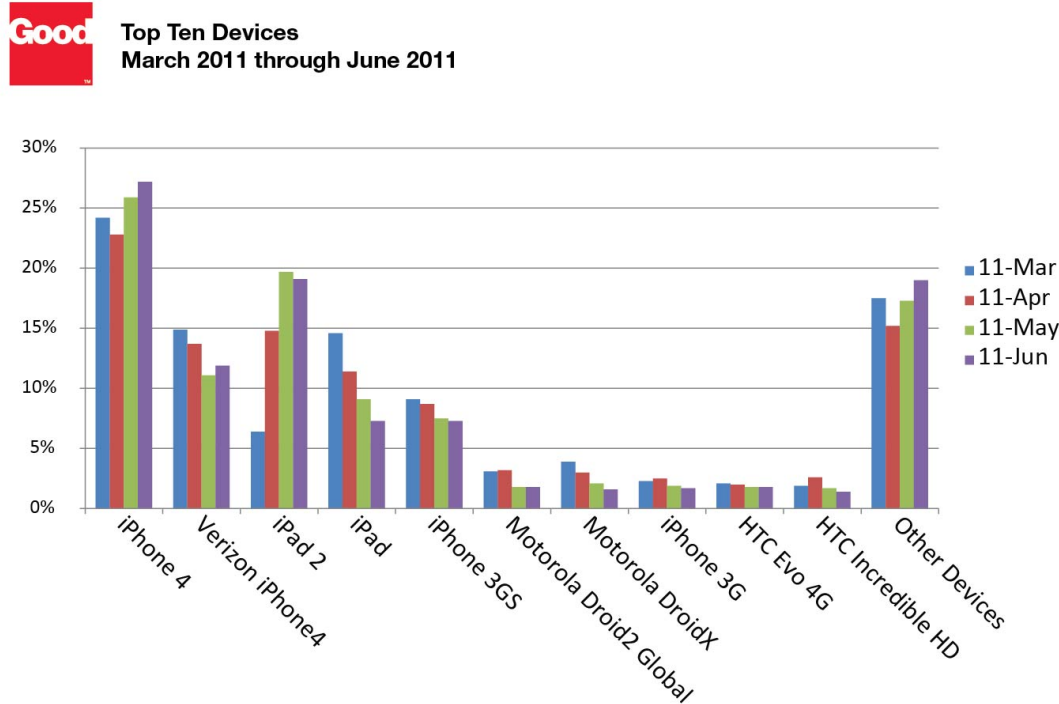
The period covered in this report is the entirety of calendar Q2 (April 1 through June 30, 2011). In some cases, we've provided numbers from March, 2011 to indicate quarter-to-quarter trends. The metrics cited in this report are generated directly from Good's internal data, as aggregated from all devices activated across 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 Good Technology does not yet support Windows Phone 7 . Good currently plans to add support for Windows Phone 7 and WebOS in calendar Q4 2011.

Figure 1



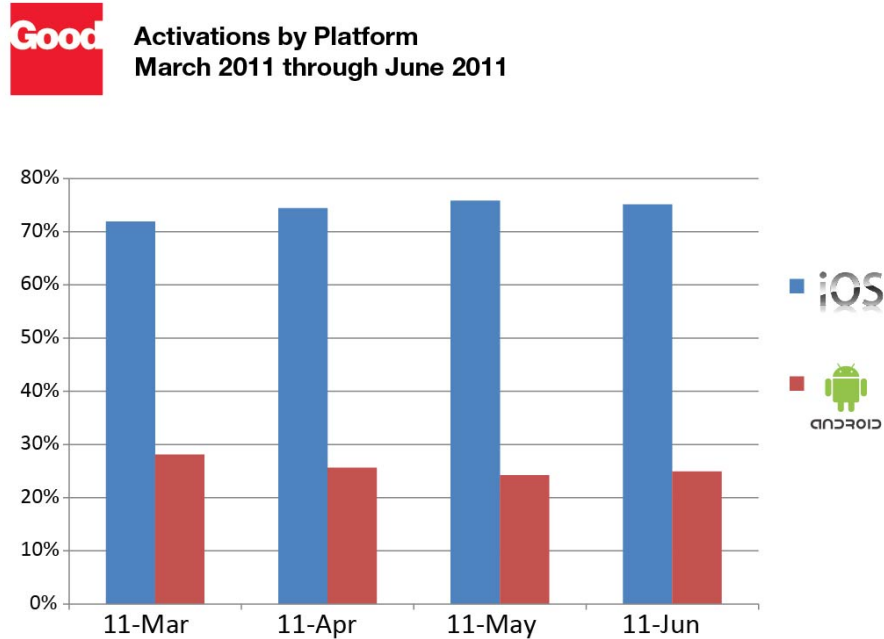
**Results – “Top 10” Devices**

In Figure 1, we see that devices based on Apple’s iOS platform drove the majority of activations for the period from April 1 through June 30, 2011. The iPhone 4 was the most popular device, with a steadily growing activation rate averaging 22 percent for the quarter. The iPad 2 also witnessed strong growth, positioning it as the number 2 device for enterprise activations, averaging 16 percent of all activations. The Verizon iPhone 4 held strong at just under 11 percent of activations, and the Top 5 was rounded out by other iOS devices, the iPhone 3GS and iPad. The rest of the top ten devices each represented just under 2 percent of activations and included the Android Motorola Droid2 Global, Motorola Droid X, HTC Evo 4G, HTC Incredible HD devices, and the iOS iPhone 3G.



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**



**Results – Activations by Platform**

Since Good Technology began issuing its quarterly reports in October 2010, Apple devices have driven the majority of Good’s enterprise activations. While Android devices began to close that gap towards the end of Q4 2010, Apple’s domination of the rapidly growing tablet market and the introduction of the Verizon iPhone 4 have re-established iOS as the dominant platform among Good’s users.

In Q2 of 2011 iPhone represented a solid 2/3 of all smartphone activations while Android smartphones represented 1/3 of all activations. When tablets and smartphones are included in this breakdown, iOS drove 75 percent of all activations, with Android at 25 percent for the quarter. Together iPad2 and iPad activations outnumbered all Android device activations as Good customers heavily deployed the iPad 2 tablet to their workforces in Q2 after its initial release in March. With new devices from Apple expected



in Q3 2011, we expect iOS to finish the year as strong as it started. While we previously predicted that Android activations would overtake iPhone activations in the smartphone category in 2011, we no longer predict that will happen this year, given Apple's recent and planned product releases.

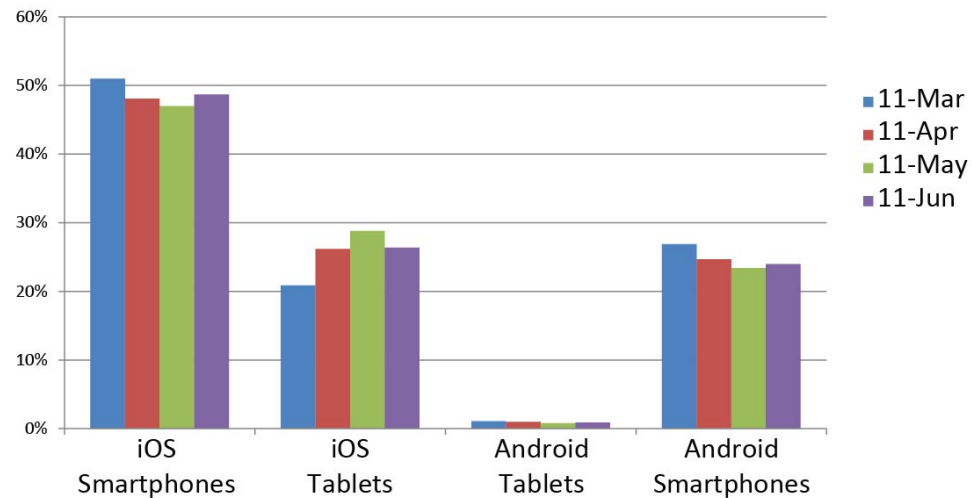
iPad and iPad 2 are still dominating the tablet category, and Android tablets actually declined slightly over the quarter. The top Android tablet was the Motorola Xoom. We expect iPad 2 (and perhaps even a rumored "iPad Pro" model) to continue to dominate this category in 2011, driven not only by the broad support for "Bring Your Own Device" programs among Good's customers, but also increasingly frequent and large company-initiated activations.



Figure 4



Activations by Type of Device  
March 2011 through June 2011

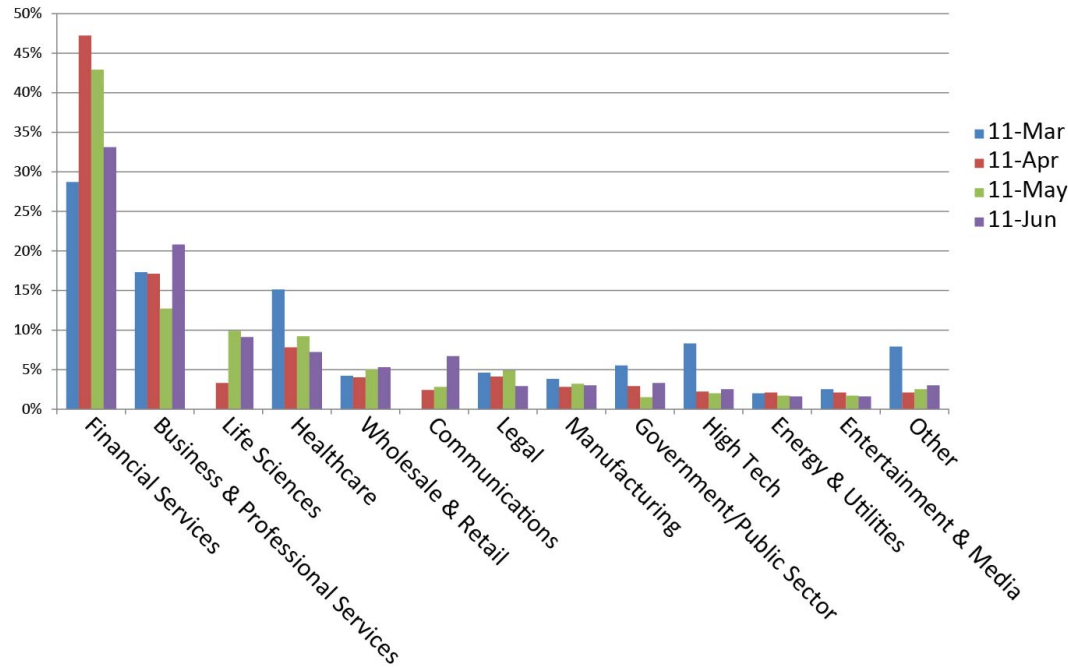


### Results – Activations by Type of Device

As we saw with Android smartphones over the course of 2010, we do expect Android to narrow this huge gap in tablet activations. However, we don't see that happening in 2011. The iPad 2 simply has too much momentum, especially when it comes to the large company-driven activations we are seeing in many verticals such as Financial Services, Business & Professional Services, Life Sciences, Healthcare, Legal, and Wholesale & Retail.

Figure 5

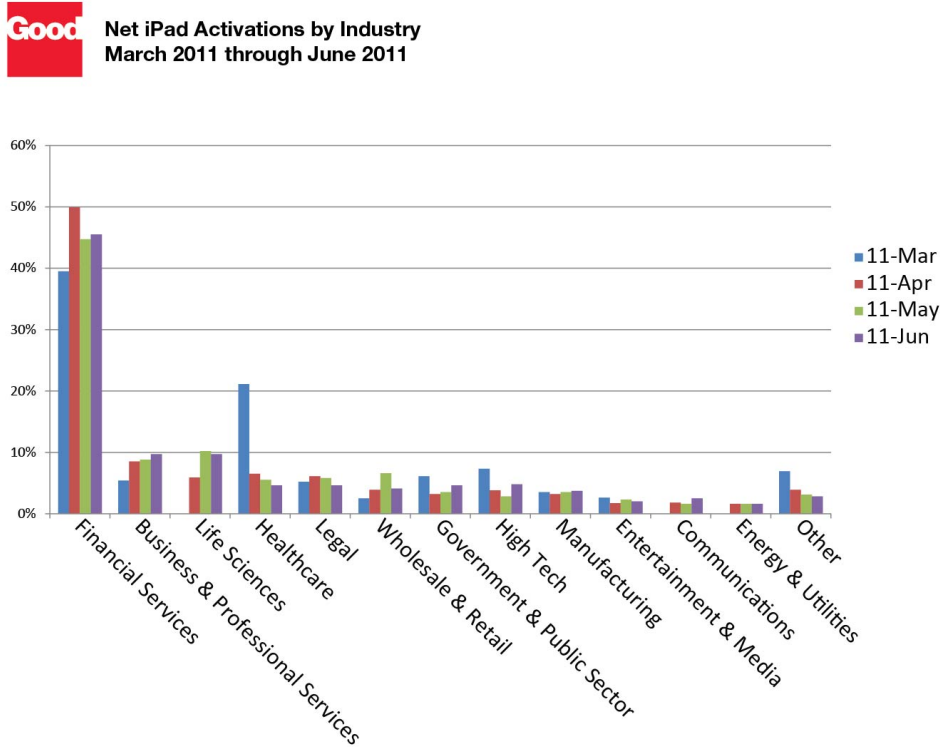
**Good** Net Activations by Industry  
March 2011 through June 2011



### Results – Net Activations by Industry

Financial services saw by far the highest level of mobile device activations, averaging around 40 percent of all activations for the quarter. Business and Professional Services had the second-highest percentage of activations with an average of 17 percent for the quarter. Most notable this quarter was the emergence of Life Sciences and Healthcare activations rounding out the top four industries for the quarter. Financial Services’ prominence was driven by large numbers of iPad activations over the period.

Figure 6



**Results – Net iPad Activations by Industry**

Figure 6 shows the percentage of net monthly iPad activations for Good’s top industries. Financial Services had the highest rate of adoption all quarter with nearly half of all activations at 47 percent, more than double the amount of activation in any other industry. Business & Professional Services and Life Sciences shared the second and third spots respectively. In most cases, the iPad activation numbers aligned with the overall mobile activations for the quarter for industries.



In general, iPads are being deployed as a complementary “+one” device, not as an outright laptop or PC replacement. Key use cases for the iPad in Financial Services and Healthcare center on activation as a laptop alternative, but not full-time replacement, 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, insurance agents and adjusters, and doctors. We are seeing proactive activation in hospital settings as an outright replacement for “computers on wheels” and legacy tablet form factors. There is increasing interest among our customers with significant retail and/or field operations to use tablets for a variety of “in store” and field service applications. This includes not only customers from the Wholesale & Retail sector, but also customers in Financial Services, Communications, and Energy & Utilities that have significant retail and/or field service operations.

Based on feedback from our customers, we’re seeing a greater tendency for iPads to be purchased and deployed proactively on both a BYOD and company-owned basis. This contrasts with the overall activation model for iPhones and Android smartphones, where BYOD is the more dominant approach overall.