



Good Technology Device Activations Report | Q1 2012

*Apple iOS leads enterprise adoption with strong growth driven by iPhone 4S and iPad 2 in Q1 2012;
the new iPad shows strong start*



Executive Summary

To gather information for this report Good Technology analyzed mobile device activations from its enterprise customers over the first quarter of 2012.

Looking quarter-over-quarter, the iPhone 4S blew all other devices away both in Q1 2012 and Q4 2011. Throughout Q1 2012, Apple had a strong lead over Android for both tablet and smartphone activations, maintaining an 80/20 split. Looking solely at smartphone activations, Apple held 73.9 percent of activations to Android's 26.1 percent. With tablets, the division was even stronger with a 97.3 / 2.7 percent split between the two platforms. The March 2012 release of the new iPad ("iPad 3") got off to a strong start, but the device was not available long enough to have a major impact on Q1 activations.

Good released support for Windows Phone 7.5 in April 2012, so activations of Windows Phone 7.5 devices, such as the Nokia Lumia, did not have any opportunity to make the top 10 list in Q1. However, Good will monitor activations for the Windows platform over the next three months and include that data in the Q2 2012 activations report.

Key Data Points

- Mobile workers employed by Good Technology's enterprise customers show a clear preference for Apple products
- iOS devices (iPhones and iPads) accounted for over 79.9 percent of all activations in Q1 2012 (a small increase over Q4 2011)
- The iPhone 4S represented 37 percent of all activations for the quarter (four times that of any other device)
- iOS tablets represented roughly 97.3 percent of total tablet activations for Q1 2012
- iPads were activated the most in three industries: Financial Services, Business/Professional Services and Life Sciences, with Life Sciences showing disproportionately higher rates of iPad activations when compared to overall device activations
- For companies supporting both iOS and Android smartphones, Android smartphone activations represented 28 percent of their smartphone activations versus 78 percent for iOS smartphones, slightly higher than the overall the overall split
- Good Technology's overall customer device activations grew by over 50 percent from Q4 2011 to Q1 2012 and Q1 activations were nearly double the two previous quarters combined



Introduction

Innovative mobile devices continue to enter the market each day that offer many new capabilities for enterprise use. In fact, according to Forrester Research Inc., “mobile is the manifestation of a much broader shift to new systems of engagement. These systems of engagement help firms empower their customers, partners, and employees with context-aware apps and smart products.”* 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 boundaries of security and compliance requirements, increasingly want to support whatever devices make end users most productive and happy while maintaining or even lowering costs.

As a leading provider of secure and managed enterprise mobility and collaboration tools for a range of mobile devices, Good Technology has a clear view into enterprise mobility trends and the adoption of these new mobile platforms and devices. Customers across every major industry, including 8 of the top 10 financial institutions, 7 of the top 10 healthcare organizations and 50 of the Fortune 100, use Good Technology to secure and manage corporate devices, applications and data. Additionally, while many of Good Technology’s customers are based in the United States and centralize their deployments there, they activate employee-owned and corporate-liable devices around the world. This customer data report represents a wide range of industries—including Financial Services, Healthcare, Life Sciences, Professional Services, Legal, Government, and High Tech—in all major geographies. Good Technology’s findings provide a solid snapshot of the overall enterprise mobility landscape.

*“Mobile Is the New Face of Engagement,” Ted Schadler and John C. McCarthy, Forrester Research Inc., February 13, 2012.



Methodology

Good Technology analyzed activations by month—across thousands of corporate and government organizations, each 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 iOS and Android mobile OS platforms. It is worth noting that because RIM devices use 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 devices are not yet reflected in activation numbers, but Good Technology released its Windows Phone client April 2012 and Windows Phone 7.5 device activations will be included in Q2 2012 report.

Analyzing both the “Top 10” devices and the long tail of net new device activations by platform, Good is able to ascertain not only the individual mobile form factors that are most popular with enterprise employees, but also the platforms that enterprises approve to enable access to business information and applications.

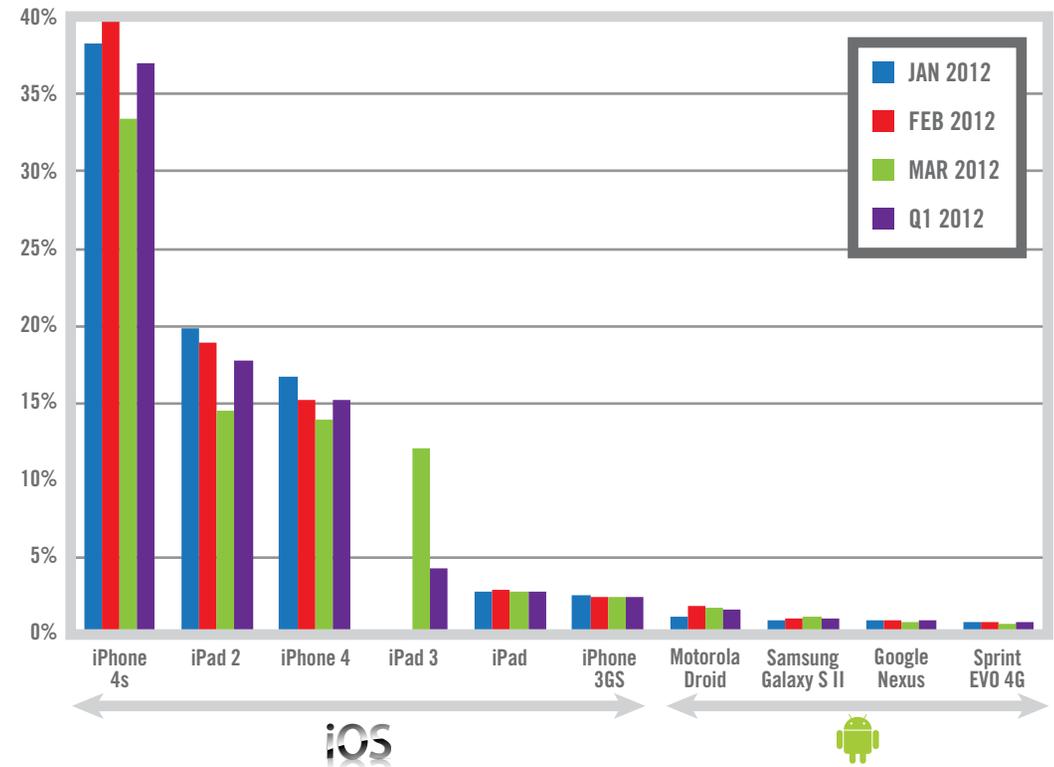
Results - "Top 10" Devices

Figure 1 shows a strong preference for Apple's devices in Q1 2012, with iOS smartphones and tablets claiming six of the top ten spots. On the whole, the two most recently released iPhones (4S and 4) and iPads (2 and 3) drove the majority of activations for the period from January 1 through March 31, 2012. The top device, the iPhone 4S, drove nearly twice as many activations as any other device with 37 percent of activations for the quarter, building on its Q4 2011 top position. Its Q1 percentage built on Q4's record 31 percent of all activations, setting a new record for the highest activations percentage Good has seen for a single iOS or Android device model since introducing support for those platforms in December 2009.

The iPad 2 was the number two device for enterprise activations, averaging 17.7 percent of activations. This reflects 2011 Q2 and Q3 patterns of the iPad 2 maintaining that second spot. The iPhone 4 was the third most popular device with 15.2 percent of all activations. With less than one month on the market, the new iPad surpassed all remaining devices to snag the fourth spot with 4.3 percent for the quarter and 12.1 percent for March specifically. The iPad and iPhone 3GS continued to fall in favor among mobile workers from past quarters, declining to the fifth and sixth spots with 2.8 and 2.5 percent of activations respectively. The Motorola Droid was the top Android device, with 1.6 percent of activations, making it the seventh most popular device for the quarter.

Figure 1

Good Top 10 Devices
Q1 2012: January through March





The data shows there was significantly higher Android smartphone vs. tablet penetration, representing 26.1 percent and 2.7 percent of activations, respectively. Because there are so many different Android devices in the market today, there is no clear leader among them. However, Android OS devices did claim the last four slots on the Top 10 Devices. In addition to the Motorola Droid, the Samsung Galaxy SII, Google Nexus, and Sprint EVO 4G rounded out the top 10 with 1.1, 0.9, and 0.8 percent of activations, respectively. The Sprint EVO 4G was the only device that showed up on past quarterly device activation reports. The long tail of Android devices made up the remaining 16.1 percent of device activations for the quarter.

As noted earlier, Windows Phone 7.5 devices, such as the Nokia Lumia, did not have any opportunity to make the top 10 list in Q1 because Good's support for the device was released in early April 2012. However, Good will monitor activations for the Windows platform and include that data in the Q2 activations report.

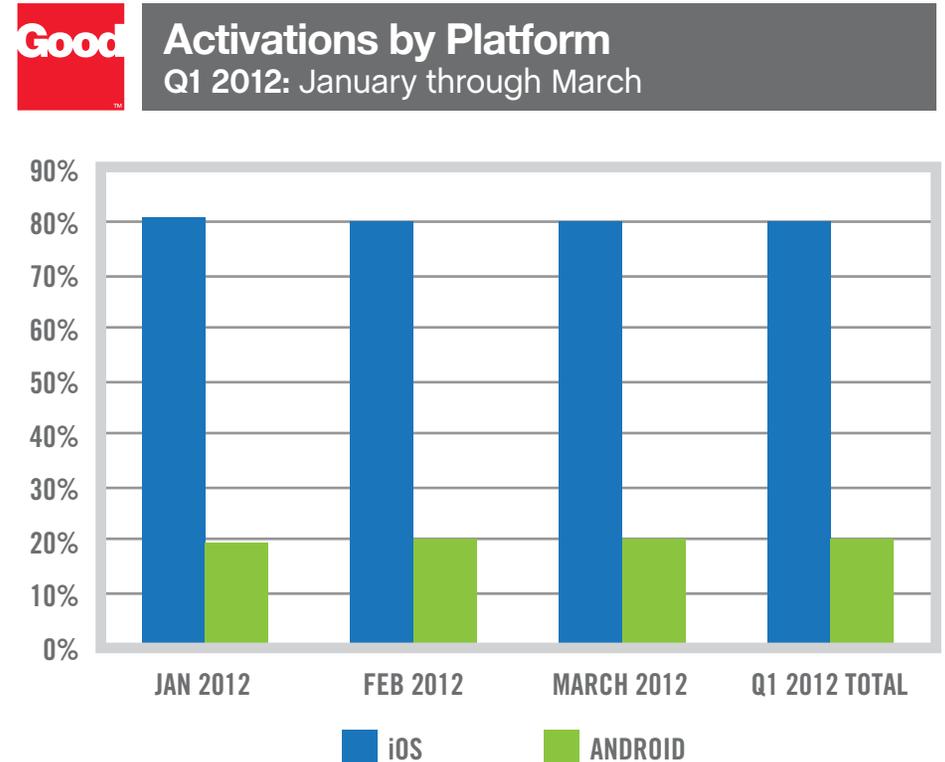
Results - Activations By Platform

The percentage of newly activated Android devices as compared to Apple iOS devices remained nearly constant for Q1 2012, hovering around 20 percent for the quarter. Q1 witnessed only a slight change in proportions for the two operating systems with Android device activations rising one percentage point from 19.5 percent of activations in January to 20.6 percent in March. The trend of Apple dominating the enterprise space continued with 80 percent of total activations going to iOS devices. This is a notable shift from Q1 of last year when the split was 70/30 percent.

Good attributes the relative increase in iOS activations to two primary factors:

- Some enterprises are standardizing on Apple vs. Android:** While the majority of Good's customers support a dual OS, "Bring Your Own Device" model, the 30 percent or so of companies that exclusively support a "company-owned" or "corporate liable" device model are standardizing on iOS vs. Android devices, in these environments.
- The iPad remains the top tablet:** The three iPad models remain the go-to tablet devices for businesses and are quite popular with "BYOD" users. Overall, Android tablets are not yet gaining traction with Good's customer base.

Figure 2

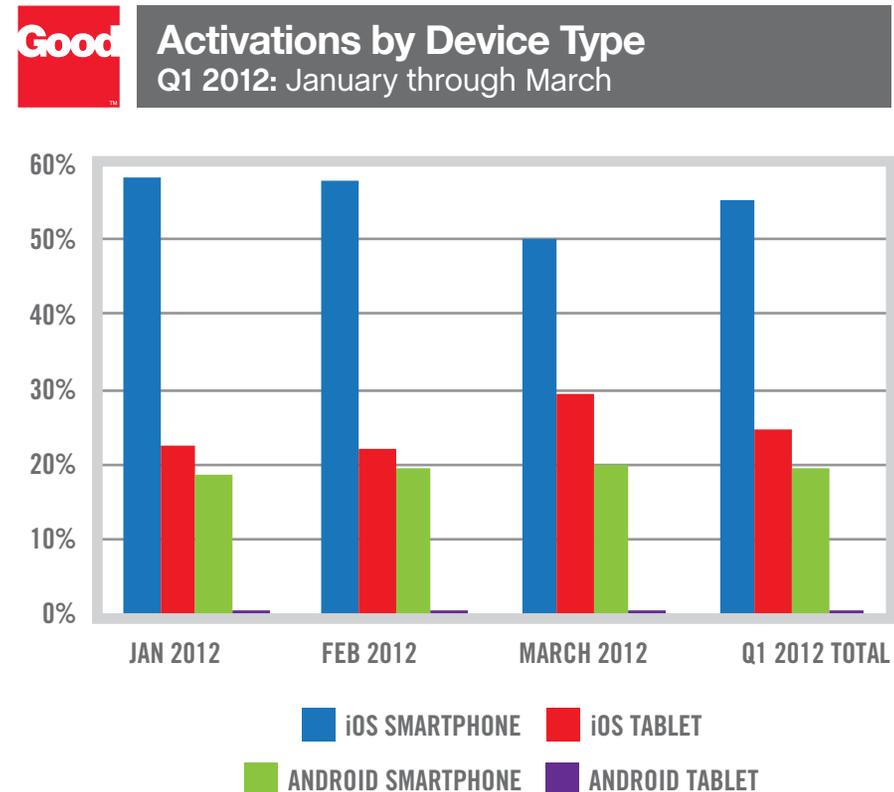


Results - Activations By Type of Device

Q1 activity built on trends established in Q4 2011 as iPhone 4S activations passed their initial activation percentages and iOS smartphones represented 55 percent of activations over the quarter (up from 53 percent in Q4 2011). iOS tablets jumped from 18 percent in Q4 to 24.8 percent of activations in Q1. Good anticipated the popularity of Apple tablets when the new iPad was released, based not only on the new device itself, but also the resulting drop in iPad 2 pricing. It is yet to be seen how the new iPad will perform past its initial launch and how pricing adjustments will impact activation numbers for the older models in Q2. Android devices dropped to 20.2 percent of activations with smartphones representing 19.5 percent and tablets 0.7 percent. iOS dominated tablet activations for the quarter with 97.3 percent of total tablet activations (up from 94.7 percent in Q4) while Android tablets dropped to just 2.7 percent of overall tablet activations (down from 5.2 percent in Q4).

Apple seems to have cornered the tablet market in 2011 and Q1 2012; however, the arrival of the first Windows 8 tablets later this year should have an effect on tablet activation numbers. But for now, the iPad remains the de facto enterprise tablet standard—especially when it comes to the large company-driven deployments in verticals such as Financial Services, Business and Professional Services, Life Sciences, and Healthcare. It will be interesting to see how the new iPad and Windows tablets perform in the enterprise moving forward.

Figure 3

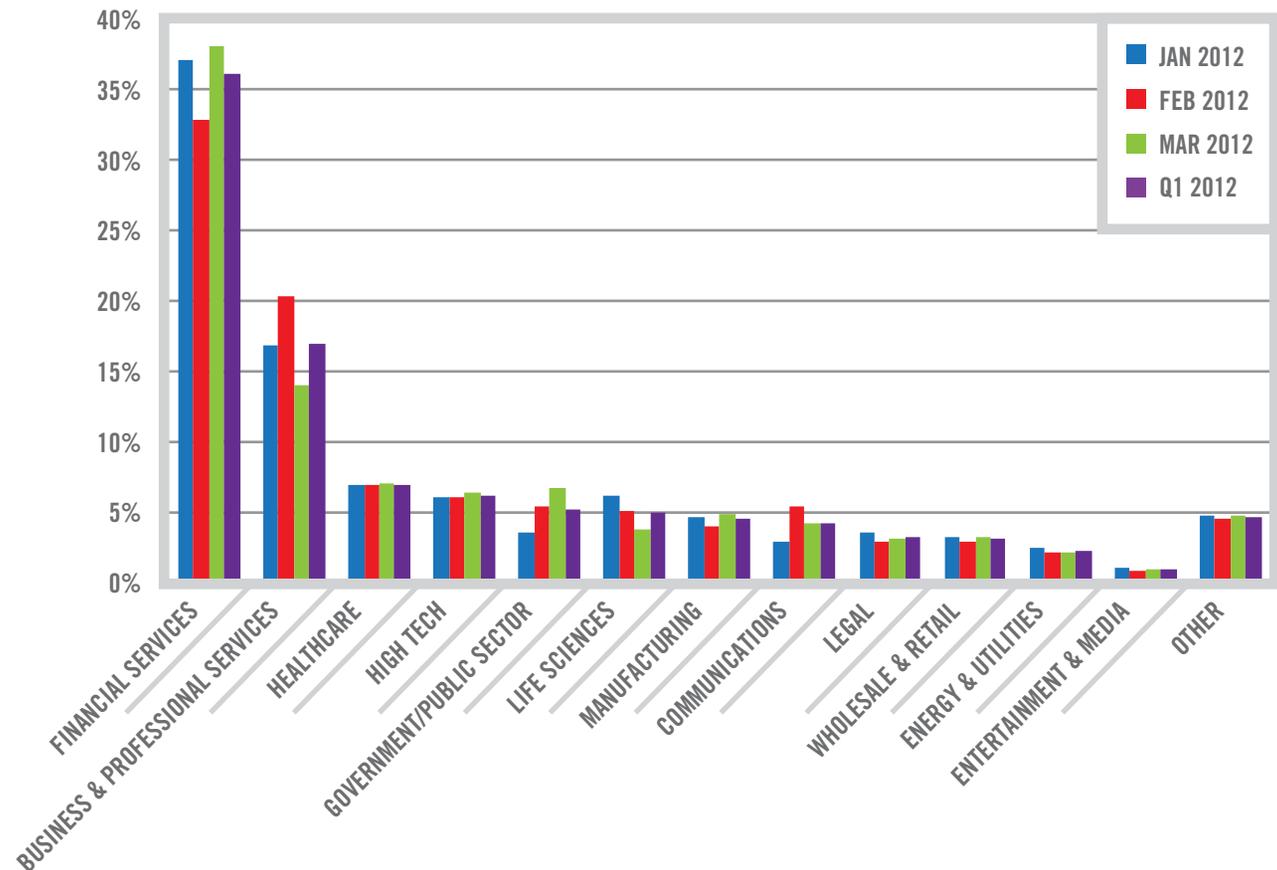


Results - Net Activations By Industry

Once again Financial Services was the leading industry in mobile device activations averaging 36.1 percent for Q1 2012, a modest increase from 35 percent in Q4 2011. Business and Professional Services held the second position with an average of 17 percent for the quarter. Healthcare jumped up to the third position, showing the biggest growth from Q4 2011 with 7 percent. High Tech and Government/Public sector rounded out fourth and fifth places respectively. Notably, Life Sciences claimed the sixth position for overall activations, much lower than its third rank in iPad activations (see Figure 5 below).

Figure 4

Good Net Activations By Industry
Q1 2012: January through March



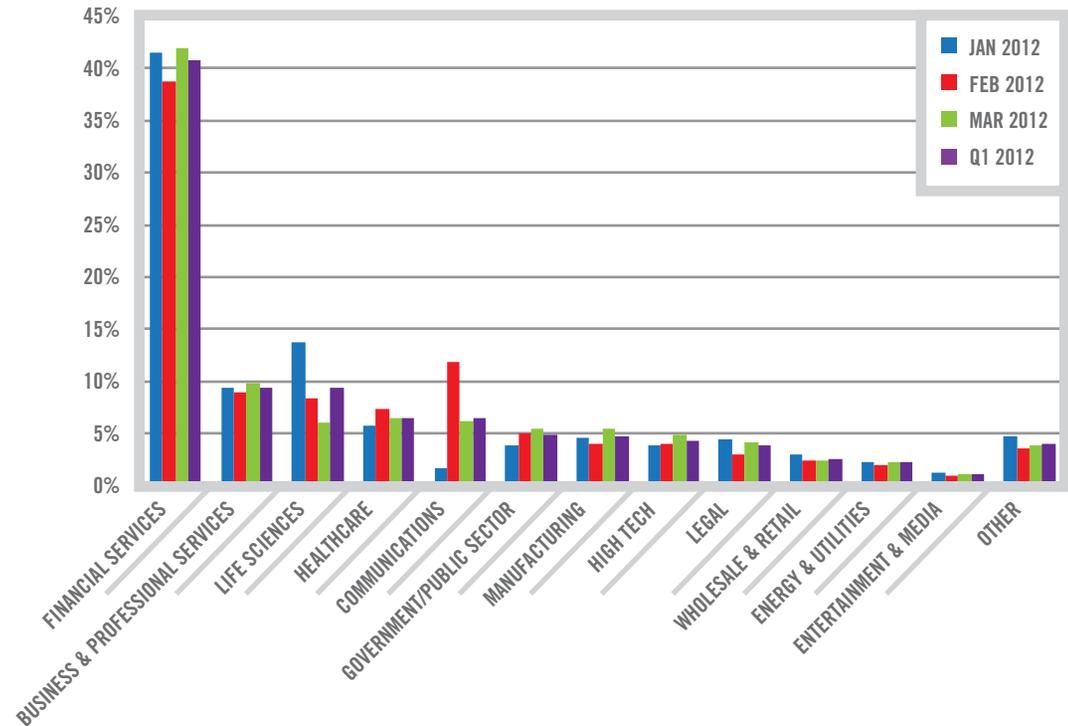
Results - Net iPad Activations By Industry

The chart to the right breaks down the percentage of net monthly iPad activations by industry. All through 2011, Financial Services held fast with the largest percentage of device activations; Q1 is no different as the industry maintained 40.8 percent of total activations, four times the rate of any other industry. Business and Professional Services and Life Sciences shared the second and third spots with 9.4 and 9.3 percent respectively. Healthcare and Communications held fast at 6.5 and 6.4 percent.

Life Sciences witnessed the highest rate of iPad activations for the quarter. This fits with anecdotal data around iPads being deployed proactively in that industry—most notably among Pharmaceutical and Biotech companies— for use by sales forces or in the lab environment.

Figure 5

iPad Net Activations By Industry
Q1 2012: January through March





Results - Overall Activation Growth

As the leader in enabling BYOD, Good Technology is seeing rapid growth in both the quantity and size of its customers' deployments. The number of Good customers deploying iOS and/or Android devices grew by more than 50 percent over the past 12 months, while the average Good customer deployment size more than doubled over the same period. Even more impressive, from Q4 2011 to Q1 2012 Good's activations grew by 50 percent, nearly double the two previous quarters combined. This impressive growth demonstrates how mobile device and application security companies like Good Technology are benefiting from the widespread adoption of the BYOD trend and enterprise support of multi-platform environments.