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State of Observability in Europe

Insights and analysis on the adoption and business value of observability for across France, Germany, Ireland, and the United Kingdom

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Annual Report / November 2024

Overview

The *2024 Observability Forecast in Europe* underscores how observability practices are evolving in response to both regional priorities and global trends, showing that the adoption of advanced observability capabilities drives significant business value across sectors. European organizations are committed to enhancing data governance and security compliance, a focus spurred by new regulations such as the European Union Data Act and Data Governance Act.

These mandates reinforce the region's prioritization of data security, governance, and risk management, which was the most cited driver of observability investments (43%). However, organizations are also keenly focused on the cost efficiencies and operational improvements that observability offers, with nearly half of respondents attributing these benefits to the adoption of artificial intelligence (AI) technologies, integration of business applications, and the shift toward cloud-native architectures.

Challenges remain, particularly around tool sprawl and siloed data, as many organizations (43%) report using multiple monitoring tools, while a majority (58%) indicate a preference for consolidated platforms. These factors reflect an ongoing industry-wide movement toward integrated observability solutions to reduce complexity and streamline workflows. Despite these obstacles, European organizations are seeing notable improvements in mean time to detect (MTTD) and mean time to resolve (MTTR) issues, with 68% reporting significant business value and achieving a 4x median return on investment (ROI) on observability investments. The high cost of downtime, however, continues to pressure organizations to accelerate detection and resolution times as downtime events remain costly, with an average impact of $1.7 million per hour.

Each country's specific results reflect unique business priorities. France's frequent high-impact outages and tool consolidation goals underscore a drive for streamlined observability solutions amidst ambitious AI and Internet of Things (IoT) adoption. In Germany, the pursuit of full-stack observability is grounded in a strategic focus on efficiency and cost control, with AI adoption taking precedence. Meanwhile, the UK and Ireland report some of the lowest outage costs and highest full-stack observability deployment rates in Europe, underscoring the operational maturity of observability practices in the region.

Looking forward, Europe's robust observability adoption, combined with its emphasis on security, AI integration, and tool consolidation, will likely position its organizations to navigate the complexities of digital transformation effectively. As organizations continue to expand their observability capabilities—particularly in AI monitoring, AI for IT operations (AIOps), and mobile monitoring—Europe's leadership in digital innovation and regulatory compliance will play a crucial role in shaping the global observability landscape.

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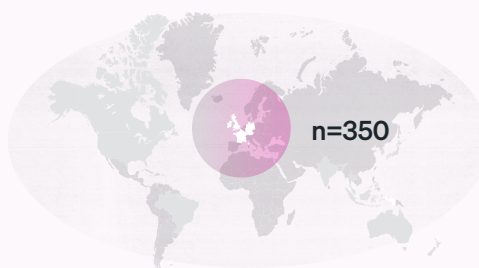
Highlights within Europe

Downtime worsened and remained costly

Respondents surveyed in Europe were slightly less likely to experience high-business-impact outages at least once a week in 2024 (31%) compared to 2023 (32%). However, they were 12% more likely to take at least 30 minutes to detect these outages in 2024 (46% compared to 41% in 2023) and more likely to take at least 30 minutes to resolve them (61% compared to 58% in 2023).

These high-business-impact outages remained costly. Three-fifths (61%) reported that they cost at least $500,000 per hour, and 52% noted costs of at least $1 million per hour, with the median hourly outage cost amounting to $1.7 million.

Deployment growth and AI focus

Europe had the highest observability deployment of any region. European organizations were the most likely to have 10 or more observability capabilities deployed (46% compared to 37% overall and 38% in the previous year) and to have achieved full-stack observability (32% versus 25% overall).

Future deployment plans were also robust. Most (88%) planned to add at least one capability in the coming year, and nearly half (45%) intended to add five or more capabilities. The top capabilities planned for deployment over the next one to three years include AI for IT operations (AIOps; 55%), AI monitoring (53%), machine learning (ML) model monitoring (51%), distributed tracing (44%), and mobile monitoring (44%).

Observability drove significant business value

Two-thirds (68%) of European respondents reported receiving at least $500,000 in total annual value from their observability investment, 65% cited at least $1 million, and 47% noted $5 million or more. Respondents saw a 4x median annual return on investment (ROI).

About half (48%) said their mean time to detection (MTTD) improved to some degree since adopting an observability solution, and 47% reported an improvement in mean time to resolution (MTTR). Their top benefits from observability included improved system uptime and reliability (46%), reduced security risks (42%), and increased operational efficiency (41%).

France

French organizations are known for investing heavily in AI, sustainability, and digitalization. They also tend to be early adopters of observability and prioritize tool consolidation. The data showed that respondents surveyed in France demonstrated a strong interest in emerging technologies.

The technology strategies and trends driving the need for observability in France included the development of cloud-native application architectures (37%), an increased focus on security, governance, risk, and compliance (36%), the adoption of AI technologies (36%), integration of business applications into workflows such as enterprise resource planning (ERP) or customer relationship management (CRM; 34%), and adoption of the Internet of Things (IoT) technologies (32%).

59%

in France preferred a single, consolidated observability platform

Frequent downtime and high outage costs remain a challenge

Respondents surveyed in France reported more high-business-impact outages than average, with 42% experiencing them at least once a week—24% more than the previous year. More than half (53%) took at least 30 minutes to detect these outages (compared to 40% in 2023), and 65% took at least 30 minutes to resolve them (compared to 63% in 2023), resulting in considerable downtime.

French organizations also reported higher outage costs for critical business application outages than average, with 76% spending at least $500,000 per hour of downtime and 69% spending at least $1 million per hour. Despite experiencing the costlier outages, France's median outage cost for high-business-impact outages of $1.8 million per hour, slightly below the median $1.9 million per hour outage cost across all respondents.

Lagging in full-stack observability but making progress

While observability spending in France aligned with the overall average—81% spent at least $500,000 and 72% spent at least $1 million per year—French organizations had the lowest deployment in Europe. They were somewhat less likely to have 10 or more capabilities deployed (34% compared to 37% overall) and the second-least likely to have achieved full-stack observability (15% compared to 25% overall).

However, nearly all (90%) planned to deploy at least one new capability in the next year, with 53% intending to deploy five or more, the highest in Europe. Key areas for deployment over the next one to three years included AIOps (57% compared to 60% overall), browser monitoring (52% compared to 43% overall), business observability (51% compared to 47% overall), error tracking (50% compared to 45% overall), and serverless monitoring (50% compared to 51% overall).

France (continued)

Tool consolidation as a priority

Most (59%) French organizations preferred a single, consolidated platform, which is above the average of 53% overall and fourth highest of any country. This preference was reflected in the increase year-over-year (YOY) of those using a single tool (from 6% in 2023 to 8% in 2024). In addition, the average number of tools used for their observability capabilities decreased by 4% year over year YoY (from 4.9 in 2023 to 4.7 in 2024). Nearly a quarter (24%) learned about interruptions using a single observability tool, as well, the highest in Europe and second-highest of all countries.

However, more than a quarter cited too many monitoring tools as a challenge (29%), along with lack of budget (32%) and complex tech stack (29%). Although more organizations are moving to a single tool, a higher percentage also reported using five or more tools than average (51% compared to 45% overall). And 38% planned to consolidate tools in the next year, slightly below the 41% overall average.

Observability drives business value, but uptime and reliability need improvement

A significant portion of respondents (79%) indicated that their organization realized at least $1 million in value, and 63% reported at least $5 million per year in total value from their observability investment. The median annual ROI was 4x, aligning with the overall ROI across all countries.

Observability added overall value to the job. More than a third (37%) of practitioners indicated that observability increased their productivity by enabling faster issue detection and resolution. Additionally, 43% of practitioners said observability made their job easier, the highest percentage among all surveyed countries.

🇩🇪 Germany

German organizations had a well-established reputation for engineering excellence, valuing innovation and investing heavily in workforce education. The data indicated that they viewed observability as an essential practice for maintaining efficiency and optimizing costs. Investments in tool consolidation and achieving full-stack observability helped reduce both outage frequency and costs.

The top strategy driving observability in Germany was adoption of AI technologies (47%). Security, governance, risk, and compliance (41%) ranked as the second-highest strategy driving observability, followed by developing cloud-native application architectures (29%).

Outage frequency, costs, and MTTR improvement
Outages and their costs were relatively low in Germany, with 30% of respondents reporting high-business-impact outages at least once a week or more, compared to 38% overall—25% higher than last year. Detection of these outages slightly improved; 50% took at least 30 minutes to detect outages compared to 40% in 2023. Additionally, 63% took at least 30 minutes to resolve outages, consistent with overall results (65%) and last year (64%).

Notably, 42% reported improved MTTR with observability, while 46% said it improved system uptime and reliability. Productivity gains were reported, with 43% of practitioners indicating faster issue resolution, and 40% saying it made their job easier. Additionally, 43% said they conducted root cause analysis (RCA) and post-incident reviews to reduce downtime.

Despite fewer high-cost outages than other regions, 63% of German organizations reported spending at least $500,000 per hour of downtime, and 50% reported costs exceeding $1 million. The median cost for high-impact outages in Germany reached $2.2 million per hour—the highest in Europe. This means German organizations may experience high-cost outages less frequently than average, but when they happen, the impacts are costlier.

47%
in Germany said adopting AI technologies is a top strategy driving their need for observability

Germany (continued)

Deployment and spending trends

More than two in five (42%) of respondents surveyed in Germany deployed 10 or more observability capabilities, outpacing the overall average of 37%. Full-stack observability adoption held steady at 29%, slightly above the global level (25%).

German organizations reported lower spending on observability, with 66% spending at least $500,000 (compared to 77% overall), and 55% spending over $1 million (compared to 67% overall). Only 49% captured telemetry across the full tech stack.

Challenges to achieving full-stack observability included too many monitoring tools and siloed data (28%), adequate existing IT performance (28%), having a complex tech stack (26%), and high costs (26%).

Future deployment and tool consolidation plans

Looking ahead, 89% of German respondents planned to deploy at least one new observability capability in the next year, and 52% planned to deploy five or more. Top planned capabilities for the next one to three years include AIOps (55% compared to 60% overall), ML model monitoring (53% compared to 56% overall), AI monitoring (50% compared to 51% overall), distributed tracing (49% compared to 53% overall), and serverless monitoring (49% compared to 51% overall).

A single, consolidated platform remained a top priority, with 53% favoring a unified solution—a 1.6x increase from the previous year (5% in 2023 to 8% in 2024). German organizations also led in unifying telemetry data, with 49% achieving this compared to the global average of 38%. They were also more likely to integrate most types of business-related data (communications, human resources, inventory, and marketing data) with telemetry data—40% compared to levels in the 30% range overall.

Efforts to streamline tools were evident with 28% identifying too many monitoring tools as a challenge, and 44% planning to consolidate tools in the next year.

Consistent ROI and observability benefits

German organizations reported a median annual ROI of 3.9x, close to the global average of 4x. Although reported value from observability was generally lower than average, 64% of German organizations gained at least $500,000 (compared to 79% overall), with 61% seeing $1 million or more (compared to 75% overall), and 46% gaining at least $5 million (compared to 58% overall).

However, 45% said observability boosted operational efficiency (compared to 42% overall), and 39% reported cost optimization (compared to 30% overall).

To enhance observability ROI, 52% planned to invest in training staff on how to best use the observability tools in the coming year, outpacing the global rate of 47%.

🇬🇧 🇮🇪 The United Kingdom and Ireland

Respondents surveyed in the United Kingdom (UK) and Ireland reported seeing high value in observability, with most observability performance metrics improving over the past year. Outage frequency decreased, average outage costs were lower, and MTTD and MTTR both showed improvements. Despite budget constraints, organizations expressed optimism about deploying more observability capabilities, and efforts to tool consolidation continues.

Nearly half (49%) of respondents cited an increased focus on security, governance, risk, and compliance as the primary driver of observability needed in the UK and Ireland (compared to 41% overall). Other top drivers included cost management (43%), adoption of AI technologies (39%), and integrating business applications into workflows, such as ERPs and CRMs (37%). They were notably less likely than average to view IoT technologies adoption as a key driver for observability (20% compared to 27% overall).

Downtime, outage costs, MTTD, and MTTR improve

UK and Irish organizations reported the lowest high-business-impact outage frequency in Europe for 2024, showing a significant decrease compared to 2023. Only a quarter (25%) of respondents in the UK and Ireland experienced high-business-impact outages once a week or more, compared to 38% overall and 35% in 2023. Outage detection time improved YoY, with 39% detecting outages within at least 30 minutes (compared to 54% overall and 42% in 2023). More than half (56%) resolved outages within 30 minutes (compared to 65% overall).

The cost of critical business application outages was lower than average, with 49% of respondents spending $500,000 or more per hour of downtime (compared to 70% overall), including 41% who reported costs of $1 million or more (compared to 62% overall). The median outage cost of high-business-impact outages was $1.3 million per hour, the lowest in Europe and 32% lower than the median $1.9 million per hour outage cost across all respondents. More than half (53%) saw MTTD improvements, and 51% noted improvements in MTTR since adopting observability. Additionally, 53% reported improved system uptime and reliability, while 49% observed reduced security risks.

53%

in the UK and Ireland said their MTTD improved to some degree since adopting observability

The United Kingdom and Ireland (continued)

Observability deployment and full-stack observability grow

More than half (57%) of respondents in the UK and Ireland deployed 10 or more observability capabilities compared to 37% overall. Full-stack observability adoption rose from 32% in 2023 to 46% in 2024, well above the 25% average. Cost (33%) and budget limitations (31%) remained primary challenges to achieving full-stack observability.

Most (86%) planned to deploy at least one new capability in the next year, with 34% intending to deploy five or more. Planned capabilities in the next one to three years include AI monitoring (59% compared to 51% overall), AIOps (54% compared to 60% overall), ML model monitoring (51% compared to 56% overall), distributed tracing (40% compared to 53% overall), and mobile monitoring (40% compared to 47% overall).

Increased tool consolidation with siloed telemetry data remains a challenge

A significant majority (61%) preferred a single, consolidated observability platform (compared to 53% overall)—the highest in Europe. This preference contributed to a 2.5x YoY increase in the use of a single tool (from 4% in 2023 to 9% in 2024) and a 22% decrease in the average number of tools used for observability (from 5.4 in 2023 to 4.2 in 2024). Organizations using five or more tools decreased by 35% (from 57% in 2023 to 37% in 2024).

Despite a reduced reliance on multiple tools, 23% cited too many monitoring tools as a primary challenge to achieving full-stack observability (compared to 34% overall), and 45% planned to consolidate in the next year to get more value from their observability investment (compared to 41% overall).

Respondents in the UK and Ireland were also more likely to have siloed telemetry data (41% compared to 37% overall), but more likely to integrate most types of business-related data with telemetry data. More than half (51%) currently integrated customer data with telemetry data (compared to 41% overall), and 47% integrated operations data (compared to 43% overall). More than a third (35%) used dashboards to report on performance and health key performance indicators (KPIs) as a way to reduce downtime—the highest of any country.

Observability delivers business value and good ROI

More than three-fifths (63%) of respondents in the UK and Ireland reported receiving at least $500,000 per year in value from their observability investments, with 58% seeing $1 million or more and 37% seeing at $5 million or more per year. Their median annual ROI reached 303%, yielding a return of nearly 4x.

More than half (53%) indicated observability improved system uptime and reliability, and team collaboration, with about half (49%) noting reduced security risks. To maximize value from their observability investment in the next year, 48% planned to focus on training staff on using observability tools effectively.

About this report

All data in this report are derived from a survey, which was in the field from April to May 2024 as part of our research and work in publishing the *2024 Observability Forecast* report. Europe comprised 350 of the total respondents, or 21%.

ETR, a technology market research firm, qualified survey respondents based on relevant expertise. ETR performed a non-probability sampling type called quota sampling to target sample sizes of respondents based on their country of residence and role type in their organizations (in other words, practitioners and IT decision makers). Geographic representation quotas targeted 16 key countries.

To avoid skewing results by industry, subsamples of n<10 are excluded from some analysis in this report. All quotes were derived from interviews conducted by ETR with IT professionals who use observability. All dollar amounts in this report are in USD. View the definitions used in this report.

About ETR

ETR is a technology market research firm that leverages proprietary data from its targeted IT decision makers (ITDMs) community to deliver actionable insights about spending intentions and industry trends. Since 2010, ETR has worked diligently at achieving one goal: eliminating the need for opinions in enterprise research, which are typically formed from incomplete, biased, and statistically insignificant data.

The ETR community of ITDMs is uniquely positioned to provide best-in-class customer/ evaluator perspectives. Its proprietary data and insights from this community empower institutional investors, technology companies, and ITDMs to navigate the complex enterprise technology landscape amid an expanding marketplace.

About New Relic

The New Relic Intelligent Observability Platform helps businesses eliminate interruptions in digital experiences. New Relic is the only platform to unify and pair telemetry data to provide clarity over the entire digital estate. We move problem solving past proactive to predictive by processing the right data at the right time to maximize value and control costs. That's why businesses around the world—including Adidas Runtastic, American Red Cross, Domino's, GoTo Group, Ryanair, Topgolf, and William Hill—run on New Relic to drive innovation, improve reliability, and deliver exceptional customer experiences to fuel growth. Visit www.newrelic.com.

Learn About New Relic Platform