



451 Research Market Insight Report Reprint

Enterprise observability users are ready for AI

Highlights from *VotE: Cloud Native*

September 4, 2024

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Enterprises are ready and waiting for the benefits of AI. Vendors that are slow to provide AI in their products will lose early mover advantage as potential customers seek out smarter observability platforms.

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Introduction

With any heavily hyped technology, there is bound to be backlash, and AI is no different. Excitement in the consumer space is counterbalanced by emerging fear and distaste for AI, in no small part due to the hyping of AI everywhere. However, in enterprise IT operations where the use of AI is targeted to a narrower, achievable and practical set of use cases, IT professionals from staff to executives are broadly positive that the promise of AI will deliver. These issues and others are addressed in our Voice of the Enterprise: Cloud Native, Observability 2024 survey.

THE TAKE

Among enterprises using observability products and services, many are taking advantage of AI capabilities that are available for troubleshooting, launching automated tasks, running security analytics and monitoring AI applications, among other applications. Enterprises are benefiting from AI, but none has flipped the switch to a full AI-driven ITOps department. AI use cases applied to observability tend to be assistive: ferreting out insight that would otherwise go unnoticed; making recommendations based on past events and current context; and helping IT staff create queries, visualizations and dashboards quickly without needing arcane domain knowledge or programming skills. More mundane tasks such as self-help and feature discovery can be a boon to customers looking to maximize their use of the product without having to read pages of manuals or watch hours of videos. Enterprises are ready and waiting for the benefits of AI. Vendors that are slow to provide AI in their products could lose early mover advantage as potential customers seek out smarter observability platforms.

Summary of findings

The proportion of respondent enterprises using observability is holding steady at 36%. This is slightly down from 38% in 2023 and still within the margin of error. The small year-over-year change in adoption is not surprising, as deals can take nine months or more to finalize. Observability and monitoring may be somewhat of a luxury item, as significantly more companies with over \$1 billion in revenue (47%) use observability tools compared with those with under \$1 billion in revenue (34%). Unsurprisingly, companies less than 10 years old (46%) — those “born in the cloud” — are more likely to use observability tools than those between 10 and 25 years old (41%) and those older than 25 years (32%).

Three-fourths (75%) of enterprises that use observability are using AI-enabled features, either in production (45%) or proof of concept (30%). AI features are still new to most observability vendors, but adoption of use cases is bolstered by the fact that many enterprises using AI in observability are acquiring those features directly from vendors (37%), showing that if you build it, users will come. Embedding AI in existing products and services means customers can use it with very little startup cost in terms of deployment and management.

Enterprises cling to existing monitoring platforms: 55% of respondent organizations use application performance monitoring, 41% use network performance monitoring, and 40% use log management and analytics. With few exceptions, such as more retail respondents indicating their companies use real-user monitoring (48%), application performance, network performance and log management are among the most widely used tools across verticals and company sizes. Observability platforms are well-suited to replace APM and, if not to replace log management, then to use log data for analysis and visualizations. Enterprises will likely undergo a transition phase as they move from conventional monitoring to observability.

Enterprises expect AI features to enable new IT workflows and to perform analysis that is difficult for people. Of respondents that use or plan to use AI with observability, 57% want AI to initiate automated resolution, while 54% are looking to AI for pattern recognition to surface hidden insights. About half (49%) want help with root-cause analysis. Other common generative AI capabilities such as chat, natural language interfaces and code generation are also cited, albeit at slightly lower rates.

Broadly, enterprises believe AI will live up to the hype, which bodes well for observability vendors' investments in the technology. Nearly two-thirds (62%) of respondents disagree with the sentiment that “AI will never live up to the hype in our IT operations.” This suggests a significant majority of respondents are bullish on the usefulness of AI. Among job roles, midlevel managers express the highest level of positivity.

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