2025 REPORT

OBSERVABILITY FORECAST

new relic

EUROPE & MIDDLE EAST

Organisations across Europe and the Middle East shared how they are

UTILIZING OBSERVABILITY AND ITS BUSINESS VALUE

525
IT leaders

9
Countries

$1B+
Revenue for 18% of organisations surveyed

OVERVIEW

Now in its fifth year, the *2025 Observability Forecast in Europe and the Middle East* shows the state of observability across the region. Drawing insights from 525 technology professionals across nine countries (France, Germany, Ireland, Norway, Spain, Sweden, Switzerland, United Arab Emirates, and the United Kingdom), the report reveals trends and variations in observability practices in and near Europe.

AI technology adoption (37%) and an increased focus on security, governance, risk, and compliance (36%) are the top trends driving observability this year. **AI monitoring deployment grew from 41% in 2024 to 50% in 2025.**

Respondents identified AI-assisted troubleshooting (35%), AI-powered forecasting and predictive analytics (34%), and automated root cause analysis (RCA) (32%) as having the greatest impact on improving incident response or observability practices in EMEA.

Observability helps teams prevent, detect, and resolve costly service interruptions. **The median outage cost across EMEA is $2 million per hour** for high-business-impact (HBI) outages, consistent with global costs.

Almost three-quarters (71%) of respondents state observability's value equals or exceeds its cost, with most reporting an ROI of 1-3x or greater. Observability generally leads to positive changes in mean time to detect (MTTD) and mean time to resolve (MTTR) service interruptions.

Full-stack observability[1] (FSO) leads to even greater improvements; only 5% of respondents have FSO, but they experience more regular positive business outcomes.

There is a steady trend toward observability tool consolidation in EMEA. The mean number of tools used per organization has declined continuously, from 5.8 in 2022 to 4.3 in 2025. Currently, 10% of respondents have consolidated to a single observability tool, a significant increase from 2% in 2022.

This multi-year trend shows organizations consolidating tools even as observability capabilities increase.

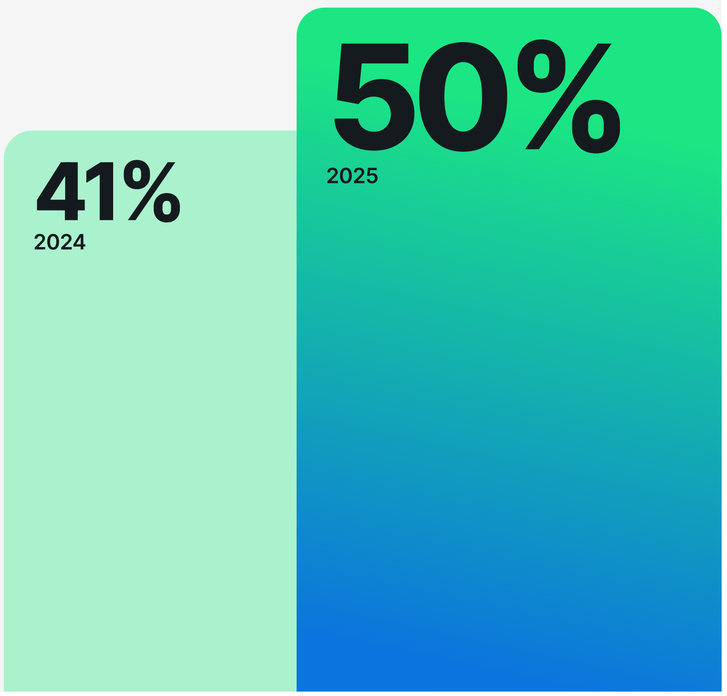
[1]In this report, full-stack observability means having visibility across five categories: infrastructure, applications and services, security monitoring, digital experience monitoring (DEM), and log management.

KEY FINDINGS

AI MONITORING

AI monitoring deployment grew from 41% in 2024 to 50% in 2025.

Reporting the highest levels, 62% of French organisations are deploying AI monitoring, compared to 45% in the UK and Ireland and Germany alike. The region as a whole is just below the global average of 54%.



COST OF DOWNTIME

$2M USD/HR

The median revenue cost per hour of downtime is $2 million for high-business-impact outages.

Nearly half the organisations (48%) say high business impact (HBI) outages cost their company more than $1 million per hour. About a third (32%) say HBI outages occur monthly or less frequently, 37% say weekly or more often, and 11% say at least daily.

FULL-STACK OBSERVABILITY

FSO cuts costs in half and reduces downtime frequency. The median outage cost per hour for HBI outages for those with full stack observability is $1 million, half of the $2 million/hour cost for those without FSO. It also reduces the frequency of outages: 41% of those without FSO experience HBI outages at least weekly vs. 24% with FSO —that's 70% more likely without FSO.

Median outage cost (high business impact)

BUSINESS IMPACT

71% report ROI

Observability delivers significant return on investment. With its ability to reduce the number of costly outages and reduce the time to detect them, it's no surprise that observability pays off. Almost three-quarters (71%) say that the value of observability is equal to or greater than its cost. Close to a third (29%) say the ROI for observability is 1-2x, another quarter (26%) say the ROI on observability is 2-3x, and a fifth (21%) say ROI is 3x or more.

TOOL CONSOLIDATION

4 tools per organisation

The number of observability tools continues to decline, now at a median of 4 per organisation. The mean number of observability tools is 4.3—down from a mean of 4.5 in 2024, 5.0 in 2023, and 5.8 in 2022. The consolidation of observability tools is a clear, multi-year trend.

EUROPE AND MIDDLE EAST HIGHLIGHTS

When we look at the results for individual countries, the diversity in cultures and business practices across EMEA is apparent.

France

French organizations lead in achieving ROI from observability, with 97% noting it. 25% of French organizations achieve 3-5x ROI, and 8% achieve 5-10x, double the EMEA average. Despite this, 40% of French respondents experience HBI outages at least once per week, above the EMEA average.

Germany

The median annual cost of HBI outages in Germany is $169M, the third-highest globally. Germany has HBI outages more often than any other country in Europe, with 46% of respondents saying they occur weekly. 28% of German engineering teams spend at least half their time addressing disruptions, compared to the EMEA average of 23%.

Spain

Spanish organizations show a preference for fewer tools, with a median of 3 tools used compared to the EMEA median of 4. AI adoption, at 44%, is the primary driver for observability. 54% of Spanish organizations say they experience HBI outages at least weekly, far above the EMEA average of 37%.

The United Kingdom and Ireland

The UK and Ireland lag EMEA in observability ROI, with 61% reporting 1x or higher ROI, compared to EMEA's 75%. The median annual cost of HBI outages for UK and Irish organizations is $38M, with the caveat that 34% of businesses do not track the financial impact of outages.

United Arab Emirates (UAE)

In the UAE, the median annual cost of HBI outages is $238.6M, the highest in EMEA. 64% of UAE respondents report hourly HBI outage costs of at least $1M (EMEA average: 48%). Additionally, 46% of UAE engineering teams spend at least half their time on disruptions.

France

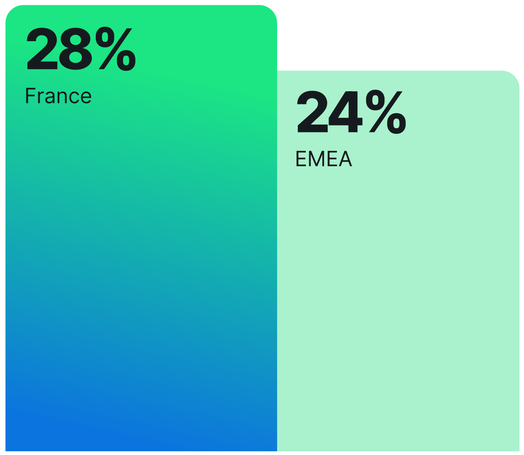
France presents an intriguing observability profile. Its businesses are financially savvy with observability. They are willing to invest in levels significantly above regional averages and achieve high ROI, but lack strong technical implementation and strategic planning.

This suggests a market where business acumen outpaces technical implementation. French companies know how to measure, fund, and optimize observability investments for superior financial returns, yet face execution challenges in areas like real-time data analytics and infrastructure automation.

BIGGEST CHALLENGES

French business leaders frequently cite “lack of strategy” as a major challenge (28% vs. 24% EMEA), indicating strategic planning gaps despite lower resistance to change (17% vs. 25% EMEA). They face less technical complexity (30% struggle with complex tech stacks vs. 37% EMEA), suggesting challenges are more organizational and strategic.

Critical success factor: Lack of strategy is a challenge to observability adoption.



DISTINCTIVE PRACTICES

French organizations show significant capability gaps, with only 23% able to query data on the fly (EMEA: 38%) and below-average automation adoption (40% use infrastructure automation vs. 46% EMEA). This suggests investment in tools without fully leveraging their analytical and operational potential.

Have achieved unified telemetry

23%
France

38%
EMEA

Automate their incident response

40%
France

46%
EMEA

ROI AND BENEFITS

France stands out in financial returns, with 25% achieving 3-5x ROI (EMEA: 16%) and 8% achieving 5-10x ROI (EMEA: 4%).

3–5x ROI

This success is rooted in superior measurement discipline (only 3% not tracking ROI vs. 10% EMEA) and higher investment willingness (median annual spend of $2 million vs. $1 million in EMEA).

Germany

Germany exemplifies a “prove it first, then optimise” observability market where value demonstration takes precedence over early adoption or transformational ambitions. Unlike markets constrained by budget limitations, German organisations possess financial resources but demand clear, demonstrable business impact before committing to broader observability initiatives.

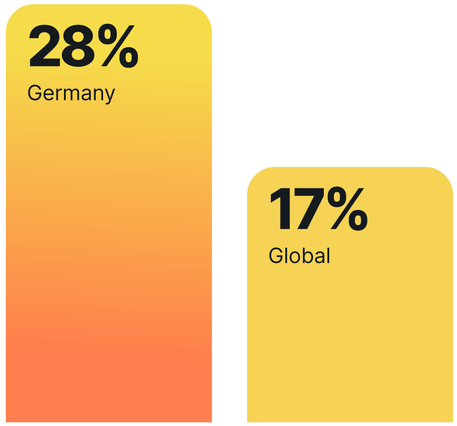
This methodical approach manifests in their preference for reactive AI capabilities that address known problems over predictive tools. Executive perspectives suggest that they value observability’s tactical benefits while remaining skeptical of its strategic potential.

BIGGEST CHALLENGES

Germany’s primary observability hurdle is conceptual: a fundamental value communication gap. “Not understanding the value” is a challenge that 28% of German businesses face when seeking to implement observability, compared to just 17% globally, indicating they are unconvinced about observability’s business impact.

Paradoxically, cost sensitivity is lower in Germany, with only 18% citing “too expensive” as a barrier to observability, versus an average of 25% in EMEA, suggesting that business leaders have budget availability but require compelling business cases.

Key opportunity: high percentage don’t understand the value of observability

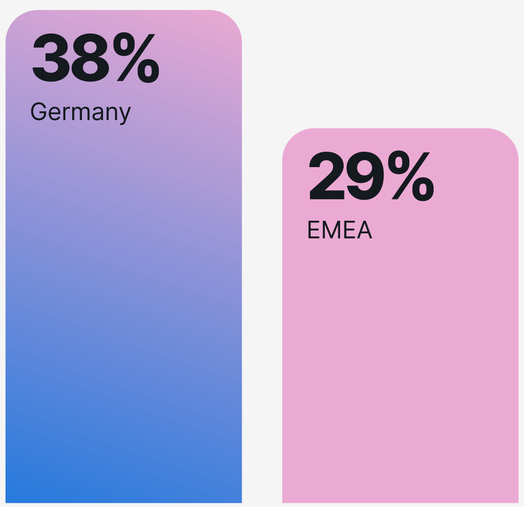


DISTINCTIVE PRACTICES

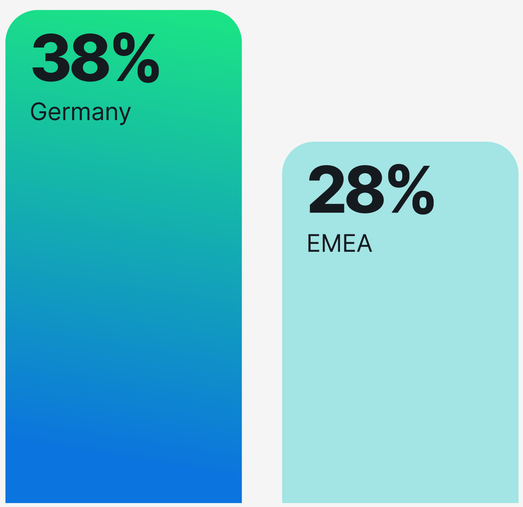
Germany's AI adoption strategy is distinctly reactive, prioritising post-incident response over predictive prevention. German organisations show higher adoption of AI-assisted post-incident reviews at 38%, compared to 29% in EMEA, and AI-assisted remediation actions also at 38%, versus 28% in EMEA.

This preference for "after the fire" AI tools suggests a culture that wants to see problems occur before investing in solutions.

AI-assisted post-incident reviews



AI-assisted remediation actions



ROI AND BENEFITS

Germany's ROI profile reflects measured expectations and conservative value realisation, clustering in moderate return ranges. This pattern suggests German companies may be setting realistic, achievable ROI targets. German organisations report 1-2x ROI more frequently at 38% compared to 29% across EMEA, while achieving 3-5x ROI less often at just 8% versus 16% in EMEA.

Respondents in Germany cited reduced security risks as an observability benefit at a significantly higher rate—40%—compared to 31% in EMEA, while citing increased operational efficiency at a notably lower rate of 28% versus 37% in EMEA.

The United Kingdom and Ireland

UK and Ireland present one of the most intriguing contradictions in its observability landscape: a region that leads in technical sophistication yet struggles with value measurement and business-impact realization.

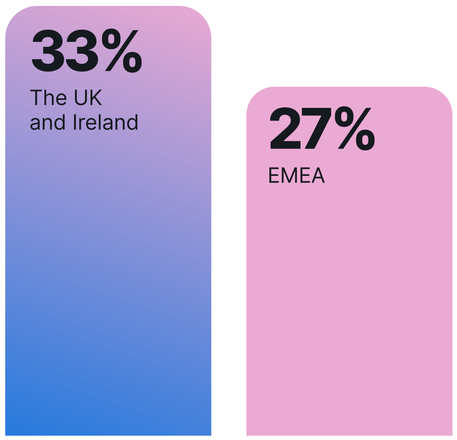
DevOps maturity, superior automation capabilities, and application-centric monitoring position them as regional technical leaders. However, this technical excellence coexists with tool-sprawl challenges, change resistance, and difficulty measuring or optimizing the business value of observability investments.

BIGGEST CHALLENGES

The UK and Ireland present a “complexity paradox” where technical sophistication coexists with significant organizational and operational hurdles. Tool sprawl is a critical challenge, with 33% of organizations citing too many monitoring tools and siloed data (EMEA: 27%), making it difficult to gain unified insights or streamline operations,

This proliferation is compounded by higher technical complexity (41% struggling with complex tech stacks vs. 37% EMEA). Cultural transformation is an equally significant barrier, with 31% facing organizational resistance to change (vs. EMEA: 25%).

Key opportunity: high percentage cite too many monitoring tools and data silos.



DISTINCTIVE PRACTICES

UK and Ireland demonstrate exceptional technical maturity in core observability practices. 51% automate incident response (EMEA: 42%), and 40% provide broad access to telemetry (EMEA: 34%).

Their approach reflects a mature, application-centric strategy, with 50% achieving unified telemetry through single pane consumption (EMEA and global averages: 46%).

Automate their incident response

51%
UK and Ireland

42%
EMEA

Have achieved unified telemetry

50%
UK and Ireland

46%
EMEA

ROI AND BENEFITS

Despite their technical sophistication, UK and Ireland organizations struggle significantly with value measurement and realization. Fully 20% are not tracking ROI (EMEA: 10%), and only 1% achieve exceptional 5-10x ROI (EMEA: 4%), while just 20% see solid 2-3x returns (EMEA: 26%). The region shows fundamental uncertainty about observability's value, with 9% unsure about ROI (EMEA: 5%).

Many UK and Ireland organisations may be implementing sophisticated observability capabilities without clear frameworks for measuring or optimising their business impact. This creates significant opportunities for those who can see the big picture and connect the dots.

United Arab Emirates (UAE)

The observability market in the UAE has a high appetite for technology and a willingness to invest.

It stands out with the highest mean number of tools used (5.35) and a high percentage of annual spend, plus high AI adoption.

tools used

But teams still face significant operational hurdles. They report some of the slowest response times globally for high-business-impact outages and spend a large portion of engineering time on disruptions.

The question of how to maximize value from substantial technological investment is pressing, presenting a clear opportunity for solutions that unify telemetry and optimize operational efficiency.

BIGGEST CHALLENGES

The greatest challenges in the UAE center on human elements and resource allocation. Capacity constraint (38%) and network failure (36%) are leading causes of unplanned outages. Responding to these incidents is costly, with HBI outages having an MTTD of 45.28 minutes and MTTR of 49.49 minutes—among the highest globally.

This translates to an exceptionally high percentage of engineering team time (43.4%) spent addressing disruptions, highlighting an urgent need to optimize team structure and technical proficiency.

43.4%

of engineering hours go to **fighting fires** or addressing disruptions

DISTINCTIVE PRACTICES

The UAE market leads in AI adoption, reporting the highest rate of AIOps capabilities deployment (42%) globally. There is also strong interest in AI features for improving incident response, particularly AI-assisted troubleshooting (42.9%) and Automatic root-cause analysis (RCA) (36.8%).

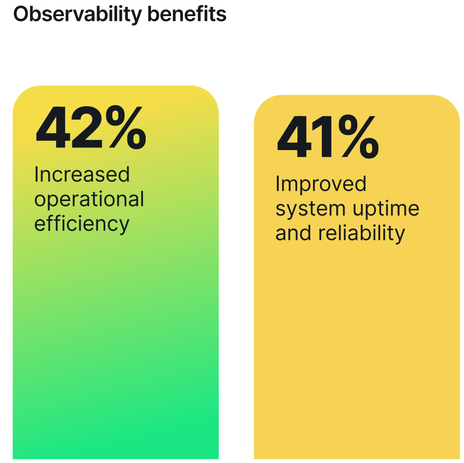
The region also shows a high degree of telemetry capture across the full tech stack (50.0%). However, this broad data collection doesn't always lead to seamless operations due to tool fragmentation and siloed data, showing a need for unified observability platforms.

42%
AIOps deployment

ROI AND BENEFITS

Despite operational challenges, UAE organizations perceive a strong return on their observability investment. Over half of respondents (56.5%) state that the value moderately or significantly outweighs the cost. Key benefits include increased operational efficiency (42.7%) and improved system uptime and reliability (41.4%).

These directly address the market's struggles with slow incident resolution and high downtime costs, underscoring the need for solutions that deliver these outcomes.



Spain

The observability market in Spain is characterized by steady adoption and a growing emphasis on AI-driven practices. Organisations report clear benefits from their investments, particularly around improved system uptime and reliability (44%) and increased operational efficiency (35%), indicating a strong focus on stability and cost control.

Spain's market shows a balanced approach between operational resilience and forward-looking innovation, with AI and automation emerging as central drivers of future practice.

Observability benefits

44%
Improved system uptime and reliability

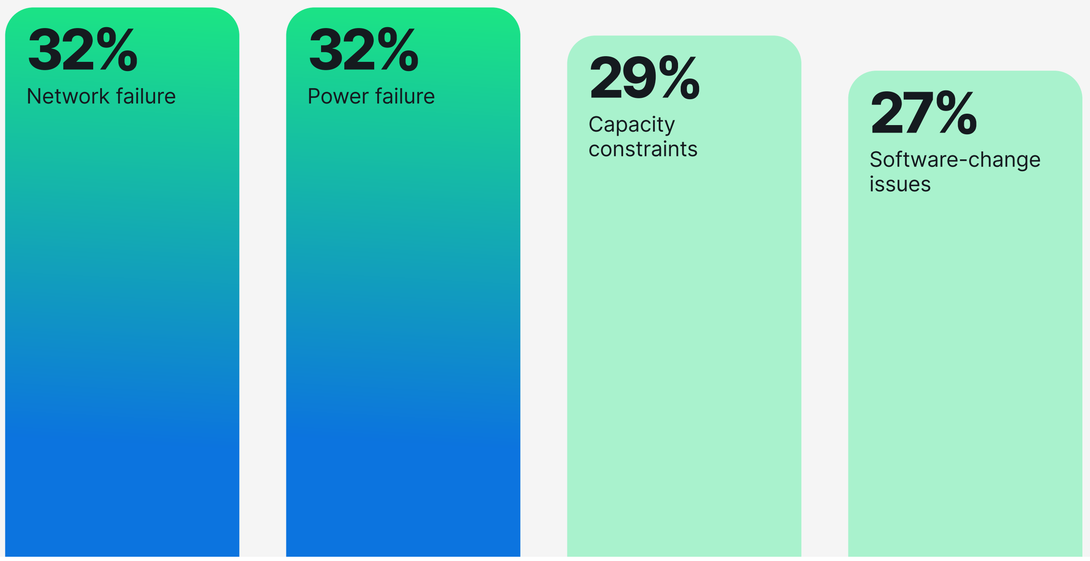
35%
Increased operational efficiency

BIGGEST CHALLENGES

Leading causes of unplanned outages highlight infrastructure fragility and external dependencies, with network (32%) and power (32%) failures topping the list.

Capacity constraints (29%) and software change issues (27%) also contribute, indicating a need for comprehensive observability to strengthen resilience across diverse infrastructure.

Cause of unplanned outages

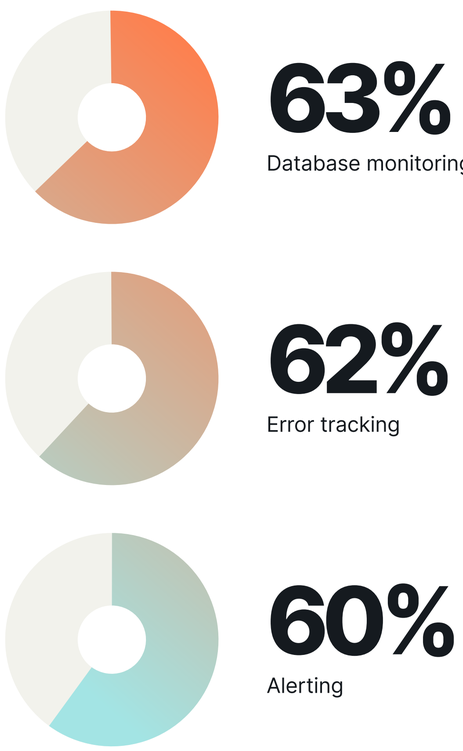


DISTINCTIVE PRACTICES

Spanish organizations are proactive in deploying modern observability practices, with strong alerting (60%), database monitoring (63%), and error tracking (62%) already in place.

AIOps adoption is on the rise (30% deployed, 42% planning), aligning with a prioritization of AI-assisted troubleshooting (39%), forecasting (44%), and automatic root cause analysis (32%). Their emphasis on querying data on the fly (56%) and unified telemetry (48%) underscores a commitment to democratizing observability data.

Modern observability practices



ROI AND BENEFITS

Despite challenges, Spanish organizations report meaningful returns, with 27% achieving 2–3x ROI and 19% achieving 3–5x.

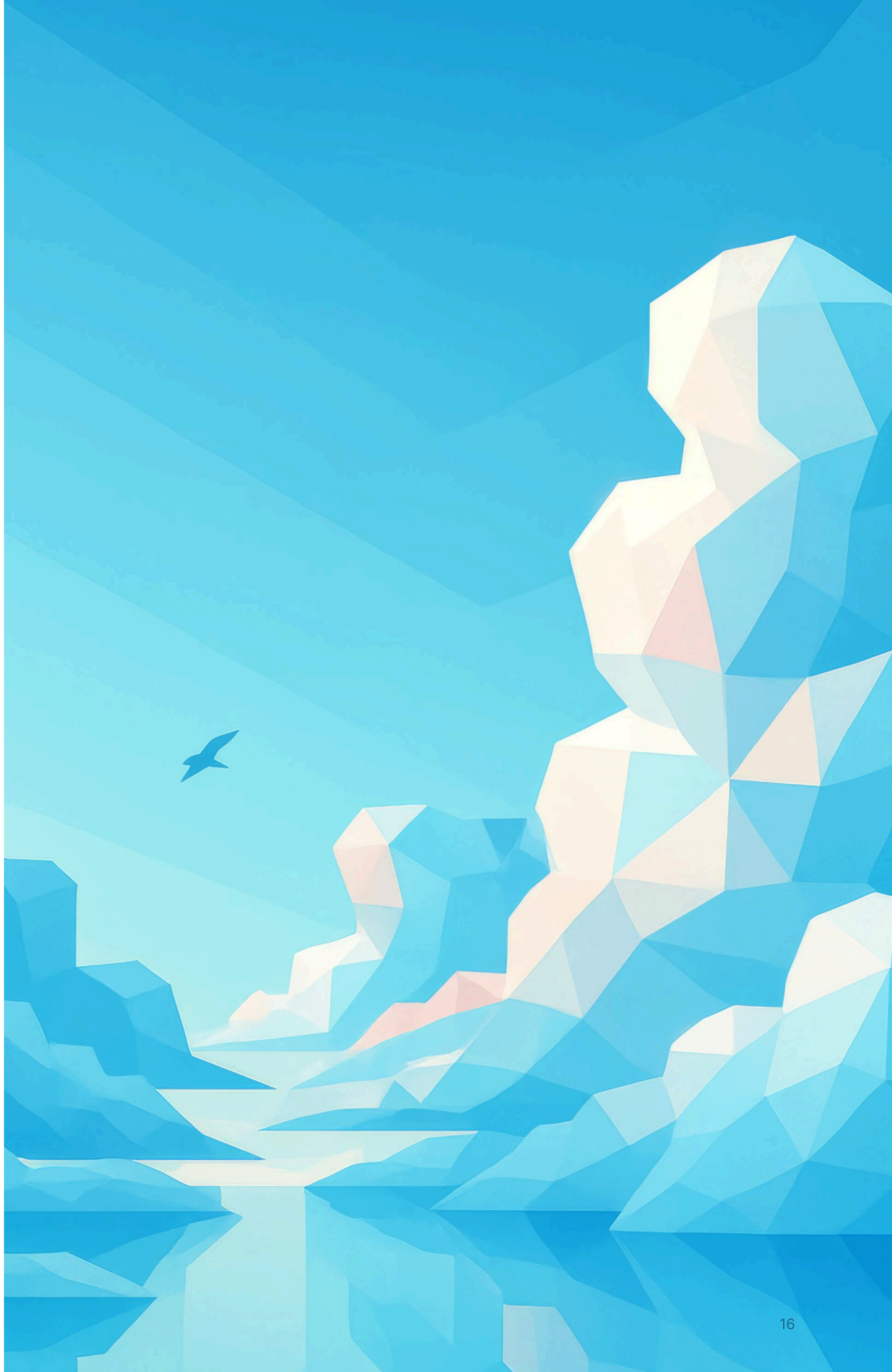
Beyond improved uptime (44%), efficiency (35%), and reduced security risks (30%), observability is also fostering cross-functional collaboration (45%) and shifting developer time to higher-value work (45%), demonstrating its ability to drive both cost savings and innovation.

The Impact of Observability in EMEA

CLEAR BENEFITS, STRONG ROI, AND CRITICAL TRENDS

The report highlights critical trends such as the growing deployment of AI monitoring and the significant financial impact of high-business-impact outages, with a median cost of $2 million per hour across EMEA. Observability clearly delivers value, enabling EMEA businesses to reduce downtime, increase engineering efficiency, enhance customer experience, and achieve superior business outcomes.

Yet more opportunities remain. With better tooling, training, and linkages between technical and business-performance metrics, Europe and UAE stand to gain even more from this transformative technology.



ABOUT ETR

ETR is a technology market research firm that leverages proprietary data from its targeted ITDM 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.

ABOUT THIS REPORT

All data in this report are derived from a survey as part of our research and work in publishing the 2025 Observability Forecast report. EMEA comprised 525 of the total respondents, or 31%. All dollar figures are reflected in USD.