Magic Quadrant pour les plateformes d'observabilité

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Les plateformes d'observabilité convertissent la télémétrie en informations et actions à l'aide d'analyses, de visualisation, d'automatisation et, de plus en plus, d'IA. La plupart d'entre elles incluent des fonctionnalités de surveillance des performances des applications, mais l'APM ne suffit pas. Les responsables I&O peuvent utiliser cette recherche pour explorer ces fournisseurs et solutions.

Définition/Description du marché

Gartner définit les plateformes d'observabilité comme des produits qui ingèrent la télémétrie (données opérationnelles) à partir de diverses sources, notamment des journaux, des mesures, des événements et des traces. Elles sont utilisées pour comprendre l'état, les performances et le comportement des applications, des services et de l'infrastructure. Les plateformes d'observabilité permettent une analyse de la télémétrie, soit par l'intermédiaire d'un opérateur humain, soit par l'intelligence artificielle, pour déterminer les changements de comportement du système qui ont un impact sur l'expérience de l'utilisateur final, comme les pannes ou la dégradation des performances. Cela permet de résoudre les problèmes de manière précoce, voire préventive. Les solutions d'observabilité sont utilisées par les opérations informatiques, les ingénieurs de fiabilité des sites, les équipes cloud et de plateforme, les développeurs d'applications et les propriétaires de produits.

Les entreprises modernes dépendent fortement des applications et services numériques essentiels, générateurs de revenus, orientés client et essentiels au bon fonctionnement de l'entreprise. Les pannes, la dégradation des performances et le manque de fiabilité ont un impact direct sur le chiffre d'affaires, le sentiment des clients et la perception de la marque.

Les plateformes d'observabilité sont utilisées par les organisations pour comprendre et améliorer la disponibilité, les performances et la résilience de ces applications et services critiques. L'investissement et le déploiement réussi de plateformes d'observabilité permettent d'éviter les pertes de revenus et d'accélérer les cycles de développement des produits ainsi que d'améliorer la perception de la marque.

Voici quelques exemples de scénarios d’utilisation ou de problèmes commerciaux traités par les plateformes d’observabilité :

- **Opérations informatiques :** les équipes d'exploitation informatiques responsables des environnements de production en direct ont pour mission de garantir que les applications et les services sont disponibles, réactifs et performants à tout moment, et en particulier pendant les périodes de forte demande. Les plateformes d'observabilité permettent à ces équipes d'être alertées lorsque des problèmes sont détectés et d'interroger les données pour identifier la cause sous-jacente.
- **Ingénierie de plateforme :** l'utilisation des plateformes d'observabilité par les ingénieurs de plateforme ressemble à celle des opérations informatiques ainsi qu'au développement de logiciels. Les plateformes d'observabilité aident ces équipes à garantir que les environnements de production répondent systématiquement aux objectifs de niveau de service, en plus de soutenir l'amélioration continue basée sur les données et l'évolution de la plateforme.
- **Software development:** Development teams use observability platforms as an integrated part of the CI/CD pipeline, providing rapid feedback on new code deployments. This enables faster delivery of new features, as well as improved product resilience.
- **Business analyst:** Business analysts may use observability platforms to understand and analyze key business metrics. These metrics are often specific to the organization and client (for example, a retailer measuring the cost of abandoned shopping carts and average customer spend).

Mandatory Features

At a minimum, observability platforms must:

- Ingest, store and analyze operational telemetry feeds, including (but not limited to) metrics, event, log and trace data.
- Identify and analyze changes in application, service or infrastructure behavior in order to determine availability outages, performance degradation and/or impact on end-user experience.
- Enrich telemetry by providing contextualization in the form of both topological dependency mapping and the relationship with and between business services.

Common Features

The common features for this market include:

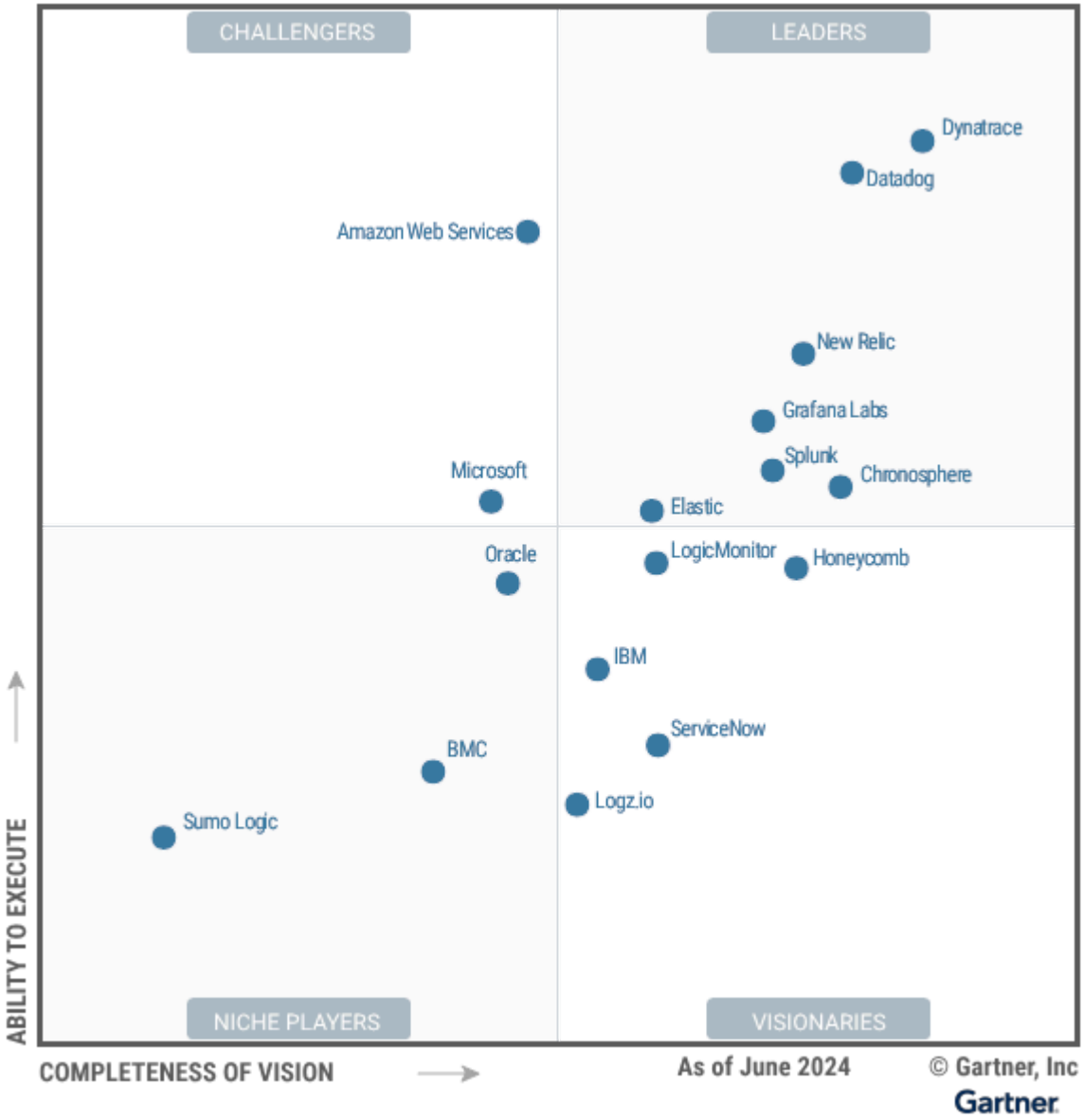
- Monitoring of digital experience of applications and services delivered via browser, mobile app and API.
- Integration with other operations, service management and software development technologies such as IT service management, configuration management database, event and incident response management, orchestration and automation, and DevOps tools.

- Telemetry collection from public cloud providers (such as Amazon CloudWatch, Microsoft Azure Monitor and Google Cloud Operations).
- Ability to perform interactive exploration and analysis of multiple telemetry types (such as traces, metrics and logs) to generate insights about user and application behavior.
- Providing insights through the use of advanced analytics and machine learning that are otherwise not possible or feasible to derive through manual interrogation and analysis of data.

- Automated discovery and mapping of related infrastructure, network and application components and services.
- Cost management that supports measuring and optimizing application workload cost, and/or measuring and optimizing observability platform utilization or spend.
- Business process and activity monitoring reflecting user journeys such as login to check-out, funnel analysis to track conversion rates, customer onboarding or loan application.
- Application security functionality, such as the identification of known vulnerabilities in monitored applications and the ability to block attempts to exploit them.

Magic Quadrant

Figure 1: Magic Quadrant for Observability Platforms



Vendor Strengths and Cautions

Amazon Web Services

Amazon Web Services (AWS) is a Challenger in this Magic Quadrant. Its observability solution, which comprises Amazon CloudWatch, AWS X-Ray, Amazon Managed Service for Prometheus, Amazon Managed Grafana and AWS Distro for OpenTelemetry, enables end-to-end observability use cases. This set of services is part of AWS Cloud Operations, which also includes governance and financial management. Its operations are geographically diversified, and its customers tend to be large enterprises. AWS releases and announces product updates regularly.

Strengths

- **Application Signals:** In late 2023, AWS introduced CloudWatch Application Signals, the first CloudWatch service centered on monitoring applications. Application Signals allows operators to manage health and performance, and perform triage, by establishing service-level objectives (SLOs) and navigating subsystems and dependencies using service maps.
- **Unified observability:** Support for industry standards like OpenTelemetry, Prometheus and Selenium facilitates interoperability and reuse. Although agents are available to collect

telemetry, they are not required to do so. Workloads outside AWS can be monitored, and telemetry from a variety of sources visualized using the Managed Grafana service.
- **Geographic footprint and distribution:** AWS has a substantial global reach and continues to expand, with four new regions publicly announced, as well as 18 new local zones. As the observability services are available everywhere, customers can decide how and where to store telemetry across its life cycle.

Cautions
- **Competitive dynamics:** The AWS observability tools have markedly improved in recent years with the introduction of capabilities like CloudWatch Application Signals and Internet Monitor. But AWS also acts as the host for many of the other vendors represented in this research and partners with them for sales via the AWS Marketplace. This push-pull relationship is at odds with the aforementioned unification but prioritizes customer choice over time.

- **Cost management:** As with most AWS services, observability is a pay-as-you-go offering based on a variety of consumption levers that may not line up exactly with your operating model or use cases.

- **Offering complexity:** Depending on how they are counted, there may be between eight and 28 monitoring and observability services available from AWS. Although this represents an impressive diversity of products, it also remains a source of confusion for customers. Improved documentation has been helping customers distinguish CloudWatch components by use case and capability.

BMC

BMC is a Niche Player in this Magic Quadrant. The BMC Helix Operations Management platform delivers a range of ServiceOps and observability capabilities and consists of several products, including BMC Helix Discovery and other components. BMC has a significant presence in the adjacent IT service management market with its BMC Helix ITSM (formerly Remedy) product, as well as its mainframe solutions. BMC's operations are globally distributed, with presence in all major markets.

Since the commencement of this research, BMC announced the acquisition of Netreo, an infrastructure, network and application observability vendor. Netreo was not evaluated as part of this research.

Strengths
- **Broad installed base:** As one of the traditional "Big 4" IT operations technology providers, BMC has significant presence in many large enterprises and government agencies. Its experience delivering at this level and familiarity among existing clients present a potentially easier transition into observability.

- **Service operations:** Although designed to coexist with third-party tools, BMC's approach integrates its own ITSM, discovery and CMDB tools with the observability solutions, opening the potential for significant tool and vendor consolidation.

- **Investigation tools:** The solution includes a health timeline and health score, which are useful in understanding recent changes in performance of the application or service under observation, as well as enabling quick visual checks on what changed. It also has a “Situation Explanation” capability, which uses a number of composite AI technologies, including BMC HelixGPT, to help explain the likely cause of the issue.

Cautions

- **Portfolio complexity:** BMC’s full solution draws on many different components from its portfolio, although individual capabilities can be licensed separately. Demonstrations of functionality relied in some cases upon custom-generated dashboards, with functions such as SLOs not available out of the box.

- **Pricing model:** BMC does not make list pricing available publicly, outside of government and cloud marketplace pricing. This is not in line with the trend in the observability space, where clients prefer early access to pricing in order to build cost models and pricing estimates.

- **Existing BMC environments:** Much of the BMC customer base uses earlier BMC technologies, such as BMC PATROL and TrueSight. BMC has made investments to modernize its portfolio, such as the cloud-native Helix platforms, as well as the acquisition of Netreo. As such, clients will need clear guidance on the most effective upgrade path for these solutions.

Chronosphere

Chronosphere is a Leader in this Magic Quadrant. Its observability platform solution comprises the Chronosphere Observability Platform and the Chronosphere Telemetry Pipeline. Its operations are mainly focused in the U.S. and EMEA, and its customers are concentrated in North America.

The founders of Chronosphere created the M3DB time series database while working at Uber, and Chronosphere continues to champion that open-source project today. Recent activities include the acquisition of telemetry pipeline vendor Calyptia — also the creators of Fluent Bit — and a partnership with CrowdStrike that forms the basis of its log ingestion and analysis products.

Strengths

- **Ingestion controls and governance:** Chronosphere includes a control plane that enables customers to analyze telemetry usage and establish policies and rules for shaping and sampling data at ingestion time. These controls support observability cost optimization and data governance in a way that few other vendors currently can.

- **Open-source-based:** Chronosphere supports Prometheus-style collection for metrics and OpenTelemetry for metrics, logs and traces. This facilitates migration for organizations that no longer wish to manage their own Prometheus or Jaeger environments. The Calyptia acquisition brings another open-source tool, Fluent Bit, as well as telemetry pipelines into the Chronosphere portfolio.

- **Single-tenant architecture:** Customers of Chronosphere are provisioned into their own tenant with private storage. This reduces the chance of resource contention between customers and offers an additional layer of security.

Cautions

- **Geographic footprint:** Although the service is available globally, Chronosphere's delivery platforms are currently hosted in U.S.-based public cloud regions only. This may pose a data sovereignty concern for some and a latency concern for others. A hosting presence in EMEA is planned for 2024.

- **Digital experience monitoring:** Chronosphere currently offers no specific digital experience monitoring (DEM) capabilities, such as synthetic monitoring services, or support for inserting real user monitoring (RUM) instrumentation into browser-based or mobile applications. DEM telemetry can be ingested, analyzed and visualized using Chronosphere, just as with any other metrics, events, logs and traces (MELT) telemetry, but generating it and getting it to Chronosphere is a customer responsibility.

- **Not self-instrumenting:** Chronosphere does not include an agent, so monitored workloads must be instrumented in a manner compatible with Prometheus or OpenTelemetry, or by using a Fluent-Bit-supported format. Chronosphere has built support for ingesting telemetry from the agents of several competing products, so it may be possible to make use of one of those if the most common formats are not available.

Datadog

Datadog is a Leader in this Magic Quadrant. Its SaaS platform offers observability and cloud security. Its operations are mainly focused in the U.S. and EMEA, with an expanding presence in APAC and Latin America. Its clients range from startups to large enterprises. Its recent developments include improved dashboards, notebooks and watchdog AI features on the Datadog platform, and the introduction of Flex Logs, Mobile App Testing, Data Streams Monitoring and Dynamic Instrumentation. It has also launched Event Management for correlating events from Datadog and other observability tools into one unified view.

Strengths

- **Overall vision and sales execution:** Datadog has rapidly built many new capabilities in APM, log management, DEM, security and software delivery. It resonates well with enterprises looking for best-of-breed solutions. The company's product-led growth (PLG) model has been successful in growing the size of its customer base and expanding customer engagement throughout small and large organizations.

- **Visualization:** Datadog's user-friendly visualizations allow users to view all the telemetry in a single pane. It also has widgets for easy customization of dashboards.

- **Product roadmap:** Datadog has a strong product roadmap to improve observability, DevSecOps, automation and remediation, software delivery, and governance of telemetry. Its strategy is to have a platform that ties everything together.

Cautions

- **Pricing:** While Datadog provides detailed pricing on its website, some Gartner clients have raised concerns about spend spiraling quickly out of control as usage grows. To address this,

Datadog offers configurable ingestion controls to help customers remain within budget.

- **Business model:** Datadog's portfolio has grown significantly in recent years, and it now has 20 separate product lines on its website. Each module has its own pricing structure, which can make pricing proposals confusing to understand and negotiate. Datadog has begun to roll out bundled product offerings to simplify price.

- **Fleet management:** Datadog's lack of agent fleet management and automated deployment can add complexity to large installations. The company claims these capabilities are under development and in beta status today.

Dynatrace

Dynatrace is a Leader in this Magic Quadrant. Dynatrace's observability and security platform comprises multiple components, including Infrastructure and Application Observability, Security Analytics and Protection, Digital Experience, Automations and Business Analytics. Dynatrace has clients in all major geographies, including Latin America and APAC. Its customers tend to be large enterprises and technology-centric companies. Dynatrace recently acquired developer tools vendor Rookout and security vendor Runecast.

Strengths

- **Portfolio breadth:** Dynatrace offers a wide array of solutions for observability and security, making it particularly attractive for larger enterprises. This includes observability for modern architectures such as Kubernetes, containers and cloud functions, as well as monitoring for legacy enterprise solutions, such as mainframe and SAP monitoring.

- **AI advancements:** Dynatrace has delivered enhancements to its Davis AI engine. The "hypermodal" approach from Dynatrace embraces the use of AI across its platform, for causal and predictive modeling, as well as deploying new AI assistant technologies using generative AI.

- **Platform extensibility:** For those looking to generate insights beyond health and performance monitoring, Dynatrace's AppEngine and AutomationEngine broaden the platform's capabilities by enabling customers and third parties to create custom apps and automation tailored to industry- or business-specific use cases.

Cautions

- **Purchasing complexity:** Dynatrace Platform Subscription (DPS) was introduced in 2023 as a new subscription-based pricing model, with an annual minimum commitment and a drawdown rate card. Many clients have readily adopted this new model, which enables access to any Dynatrace product. However, some procurement departments have been more cautious as they carefully consider the implications of the minimum commitment, the subscription model and access to new Dynatrace components.

- **Slow log adoption:** In 2023, Dynatrace released a mechanism for ingesting large volumes of logs. While clients are interested in using this technology to centralize observability data in one

platform, Gartner has not seen significant uptake of Dynatrace for bulk log ingestion and analysis.
- **Suitability for SMBs:** Dynatrace is a fully featured observability platform primarily targeted toward enterprises. While alternative channels such as public cloud marketplaces make it more accessible, small and midsize businesses may find that cost justification limits Dynatrace use to monitoring the most business-critical systems.

Elastic

Elastic is a Leader in this Magic Quadrant. Elastic Observability is built on a foundation of its popular Elastic Search AI Platform, formerly known as Elasticsearch, which also underpins its Search and Security products. Elastic Observability can be delivered via SaaS or as self-managed. Headquartered in North America, Elastic's customers are primarily in the Americas and EMEA, with growth in APAC. Elastic's roadmap includes enhanced analytics and site reliability engineering (SRE) productivity, based on its new query language and AI assistant capabilities.

Strengths

- **Broad AI integration:** Elastic has embedded AI across its platform. Elastic Observability offers over 30 ML models, custom model integration, and an AI assistant based on retrieval-augmented generation (RAG) that enhances traditional AI and data analytics.
- **Open and flexible:** Elastic Observability benefits from its roots in the open-source Elasticsearch data platform, with the ability to ingest, transform and analyze heterogeneous, high cardinality at scale. Its open architecture facilitates an extensible and flexible platform.
- **Deployment model versatility:** Elastic Observability is globally accessible across multiple regions, encompassing all major cloud hyperscalers, and also offers a self-hosted alternative with a largely comparable feature set. This versatility addresses the requirements of clients who prioritize data sovereignty and adherence to regional statutory regulations, inclusive of FedRAMP certification for U.S. governmental bodies.

Cautions

- **Market awareness:** While its Search and Security products are relatively well-known, awareness and adoption of Elastic Observability are lower. Elastic is still building sales and marketing traction for its observability offering.
- **Learning curve consideration:** Open-source software is often associated with a steep learning curve, which may impact time to value. Elastic Cloud simplifies adoption, but organizations planning to self-host should ensure that sufficient skills are available.
- **Pricing estimate:** In contrast to other vendors in this market, Elastic bases its pricing model on compute resources. Although Elastic offers a pricing calculator, comparison during procurement or review, and during forecasting of costs and budgets, can be challenging.

Grafana Labs

Grafana Labs is a Leader in this Magic Quadrant. Grafana Labs was founded around the popular open-source project Grafana. The company has launched other open-source projects, such as Loki, Tempo, Mimir, Beyla and Faro. Grafana Labs' observability platform comprises Grafana Cloud Visualization, Grafana Cloud Metrics, Grafana Cloud Logs and Grafana Cloud Profiles, along with Grafana Machine Learning. Its customers are global, but centered in the Americas and EMEA.

Recent activities include the acquisition of application behavioral insights vendor Asserts, the release of an SLO management solution, and a suite of cost management tools.

Strengths

- **Geographic and hosting diversity:** Grafana Cloud is hosted in 19 AWS, Microsoft Azure or Google Cloud Platform (GCP) cloud regions globally at time of writing. This impressive footprint enables customers to choose a location based on their latency challenges and data sovereignty needs.

- **Delivery cadence:** Grafana Labs has substantially increased the capabilities of Grafana Cloud over the last 12 months. Notable items include application and front-end observability, SLO management and Adaptive Metrics, which supports aggregation or discarding of time series data, rather than ingestion of it, as a cost management technique.

- **Composability:** Grafana's ability to connect to other telemetry collection repositories and integrate data visually without moving it or requiring that it be stored in Grafana Cloud enables a composability that is difficult to duplicate with other solutions. Beyond visualization, alerts can be triggered based on telemetry collected elsewhere or on a set of conditions that crosses tool boundaries.

Cautions

- **Learning curve:** As more tools and capabilities are added to the "logs, Grafana, traces, metrics" (LGTM) stack, the more challenging it becomes to master. Configuration often requires manual editing of YAML or JSON, and although documentation is available, it tends to be reference-oriented and not geared toward the beginner.

- **Cost predictability:** New Grafana Cloud users may struggle to predict their potential spend on metrics in particular, as "active series" and data points per minute may not be measurements they can easily obtain. Use of the Grafana Cloud free tier may help mitigate this.

- **Revisiting "co-opetition":** A previous iteration of this research identified the potentially uneasy relationship that Grafana Labs has with other vendors of observability solutions. This is still a concern, particularly as Grafana Labs grows. Maintaining partnerships with AWS, Google and Microsoft for "managed Grafana" services may act as a buffer between Grafana Labs and competitors, but is something to be aware of.

Honeycomb

Honeycomb is a Visionary in this Magic Quadrant. Honeycomb's service comprises a data store and query engine optimized for exploratory identification and investigation of patterns and

anomalies in application and infrastructure telemetry. Honeycomb is an observability platform that supports APM use cases and is delivered as a SaaS product. Its clients are global, but are concentrated in North America and EMEA.

Recent updates include Honeycomb for Kubernetes and Honeycomb for Frontend Observability (in early access at time of writing).

Strengths

- **Kubernetes accelerators:** In 2023, Honeycomb announced Honeycomb for Kubernetes. This dedicated solution allows SREs to rapidly identify issues within containerized environments.
- **Engaged client base:** Honeycomb as a vendor maintains strong connections with its user base, with many opportunities to listen to feedback directly from clients. It provides frequent workshops, an active Slack community and frequent engagement on social media.
- **Geographic presence:** In early 2024, Honeycomb announced the deployment of a new SaaS-based instance in Europe. This allows clients to decide whether to send their observability data to the U.S., the EU, or both, allowing them to adhere to local data sovereignty regulations.

Cautions

- **Enterprise market traction:** Although popular with technology creators and cloud-native organizations, Honeycomb has gained limited traction in the broader enterprise. Gartner clients rarely shortlist Honeycomb as a vendor for their observability platform.
- **Technical focus:** Honeycomb's messaging targets and resonates strongly with technical specialists, such as SRE and platform teams. This can overshadow its ability to deliver customer and behavioral insights, which may be what the budgetholders in I&O need to hear.
- **Pricing predictability:** Honeycomb's pricing is based on event volume ingested into the platform. For clients, estimating the number of events, as well as predicting the growth over a 12-month period, is challenging.

IBM

IBM is a Visionary in this Magic Quadrant. IBM's Instana observability platform is offered as both a SaaS and self-hosted solution and uses a single-agent architecture. Its operations are mostly focused in North America and Western Europe, with a smaller number of clients in other regions. Its client base is midsize-to-large enterprises. IBM's monitoring portfolio includes mainframe, as well as modern cloud architectures. IBM recently announced its intention to acquire HashiCorp, an infrastructure automation company. HashiCorp's product Terraform frequently integrates with observability platforms.

Strengths

- **Precision telemetry:** Instana collects metrics at one-second resolution and claims that notifications will be generated in three seconds. Taken together, these can contribute to

improved availability and SLO adherence.

- **Pricing model:** IBM Instana continues to offer an easy-to-understand pricing model, based on a per-host metric, and is competitively priced in the market.

- **AI integration opportunities:** Instana provides automated observability and applies AI for insight generation and decision making. Instana provides expert knowledge, performs diagnostic and remediation actions, and helps rapidly resolve incidents. Recently, IBM launched watsonx and Concert, both built with generative AI, which provide opportunities for integration.

Cautions

- **Limited security tools:** Instana has limited offerings around security use cases, relying on other parts of the IBM portfolio to provide this functionality. While Gartner defines security as an optional capability for observability platforms, clients should evaluate their own needs regarding an integrated solution.

- **Market awareness/sales strategy:** IBM Instana is rarely mentioned in calls with Gartner clients, either as an incumbent solution or as a shortlisted vendor. Existing IBM clients are often unaware of Instana, even when they are looking for an observability solution. While IBM does have an upgrade path to Instana for those clients on legacy IBM IT operations tools, clients may be unaware of it.

- **Log ingestion:** Instana's log ingestion capabilities are limited to application logs and containerized environments. Extending to wider environments is part of its 2024 roadmap.

LogicMonitor

LogicMonitor is a Visionary in this Magic Quadrant. LogicMonitor has evolved from hybrid infrastructure monitoring to observability with the LM Envision platform. Its agentless SaaS platform includes infrastructure monitoring, network, SD-WAN, cloud monitoring, and application monitoring with AI capabilities. Its customers are mainly from the Americas and EMEA, with an expanding presence in APAC. LogicMonitor has made several releases in the last one year, including tools such as Edwin AI for cross-domain event ingestion and event correlation; LM Copilot, the GenAI chatbot; and LM Cost Optimization for managing cloud costs.

Strengths

- **Scalability:** LogicMonitor uses agentless collectors installed on hosts that are physically close or on the same network as the resources being monitored. The number of collectors is aligned to the telemetry to be collected and to the capacity of the server on which the collector is installed. The collectors can handle high volumes of data through automatic balancing across a cluster of collectors, thereby sharing load and supporting failover. It offers a 99.9% SLA to its customers in terms of availability of the platform, to ensure monitoring is available at all times.

- **Container support:** LogicMonitor has extensive support for containers. It provides an optimized collector for all Kubernetes (K8s) environments that is Container Runtime Interface (CRI)-agnostic. This enables monitoring without requiring any modifications to the container code.

- **Straightforward pricing:** LogicMonitor offers simple and competitive pricing that supports enterprises of nearly any size. It is also suitable for organizations offering services to other businesses in a managed service provider (MSP) model.

Cautions

- **Limited emphasis on observability key capabilities:** LogicMonitor is still very infrastructure-focused. Most Gartner client inquiries about LogicMonitor are on infrastructure and network monitoring. Despite recent investments, LogicMonitor lags behind in some capabilities, like DEM, vulnerability and threat detection, compared to its peers in this research.

- **Visualization and dashboards:** Although LogicMonitor provides many out-of-the-box monitoring templates, the UI has lagged those of Leaders in the market. LogicMonitor has begun to release a new user interface, which may address this. Multiple clicks are often required to analyze the telemetry and relationships, and to put data in context.

- **Market reach:** LogicMonitor has put significant effort into marketing around observability. While its vision incorporates hybrid coverage and integrated AI, its messaging and marketing have not yet translated to growing market considerations, based on Gartner inquiries.

Logz.io

Logz.io is a Visionary in this Magic Quadrant. Its Open 360 observability platform is based on a foundation of open-source technologies hosted as a SaaS solution across multiple cloud providers. Capabilities include application, Kubernetes and infrastructure monitoring; log management; and a cloud security information and event management (SIEM) solution. Logz.io's customers are typically open-source-friendly, small-to-midsize enterprises in the Americas and EMEA. Its roadmap includes further enhancements leveraging generative AI, and business-centric features such as SLO management.

Strengths

- **Telemetry cost management:** Logz.io is focused on providing cost-effective observability. Its Data Optimization Hub provides a powerful telemetry cost management layer. Its features include telemetry filters with recommendations, tiered data storage, LogMetrics, trace sampling and visibility into cost at the team/environment level.

- **Pathway from open source:** For organizations already familiar with open-source monitoring tools such as Prometheus, Fluent Bit and Telegraf, Logz.io offers a path to observability with a fast time to value by incorporating its existing portfolio into an enterprise-level platform.

- **Geographic presence:** Headquartered in EMEA, Logz.io's customer base and operations are geographically diversified. While the majority of customers are in North America and EMEA, the Open 360 observability platform is hosted across multiple global SaaS instances, supports 36 languages, and includes regional data security and compliance controls.

Cautions

- **Lacking front-end focus:** Logz.io prioritizes creating insights based on telemetry collected via OpenTelemetry and other open-source solutions. Front-end visibility via, for example, real-user monitoring and session replay is lacking.

- **Technical focus:** Insights provided by observability platforms continue to extend beyond system health and performance. The Logz.io platform retains a technical focus, and is missing capabilities sought by more business-oriented stakeholders, such as business transaction monitoring and funnel analysis.

- **Market visibility:** Although Logz.io is experiencing growth in customers, this is largely limited to their target of SMEs. In contrast to other vendors in this research, Logz.io is not mentioned as a competitor among its peers, and rarely appears in vendor shortlists or inquiry calls with Gartner clients.

Microsoft

Microsoft is a Challenger in this Magic Quadrant. Azure Monitor is its observability platform and the Microsoft-Azure-native monitoring solution. The company has substantial geographic diversity, and its clients tend to be midsize-to-large enterprises. Along with pervasive incorporation of generative AI, Microsoft's observability roadmap includes an inexpensive storage mechanism for bulk log data and application modeling via service groups.

Strengths

- **AI-enhanced:** Microsoft's alliance with OpenAI has resulted in generative AI capabilities in the form of Copilot interfaces within Azure Monitor. ML support is evident in the Kusto Query Language (KQL) within Azure Monitor, as well as in features that enable customers to create ML pipelines for log data stored in the platform.

- **Prometheus support:** As part of the new Azure Monitor Metrics subsystem, Microsoft has released a managed service for Prometheus. It allows customers to directly ingest metrics from supported services such as Azure Kubernetes Service (AKS); remote write from self-managed Prometheus instances and analyze using PromQL; visualize using Grafana; and alert using native alert rules. A metrics explorer with PromQL is in preview at time of publication.

- **Integrated with security monitoring:** Microsoft's security monitoring products, Sentinel and Defender, are built upon and well-integrated with Azure Monitor, allowing the entire suite to support a unified analytics, reporting and incident response capability across operations and security functions.

Cautions

- **SLO management:** Azure Monitor does not yet include a first-class SLO creation and monitoring capability, and lags competitors in this respect. Such a feature is scheduled for release in 2024. In its absence, SLO management in Azure Monitor is cumbersome.

- **Delayed OpenTelemetry (OTel) collector support:** Azure Monitor can ingest OpenTelemetry data via an exporter, but support for ingestion of OpenTelemetry Protocol (OTLP) directly via a

collector interface is not yet available. An Azure Monitor edge pipeline, which includes collector support, entered public preview in late April 2024.
- **Prometheus idiosyncrasies:** Azure Monitor includes support for Prometheus metrics collection and analysis. There are currently some incompatibilities with open-source Prometheus and other Prometheus-compatible systems.

New Relic

New Relic is a Leader in this Magic Quadrant. The New Relic observability platform is offered as SaaS, encompassing a broad range of capabilities, including APM, AI monitoring, DEM, infrastructure monitoring, security, and log management. New Relic customers are typically medium-to-large enterprises across verticals and mainly in the Americas, EMEA and APAC. Building on its leading data platform, New Relic has seen recent enhancements in optimizing log storage and cost, AI monitoring, generative AI and application security. In November 2023, New Relic was acquired by Francisco Partners and TPG.

Strengths

- **Flexible licensing model:** New Relic's classic licensing model, based on ingestion and number of users, offers an alternative for customers discouraged by host-based licensing. Its new compute-based licensing option provides further choice by aligning cost with consumption.
- **AI monitoring:** New Relic's newly implemented AI monitoring allows engineers to benefit from observability capabilities across the AI stack. In addition to ML model performance monitoring, AI monitoring also compares cost and performance across large language models (LLMs).
- **Consolidated data platform:** New Relic's telemetry data platform (TDP) is a storage and analytics engine optimized for telemetry management and built on its New Relic database (NRDB) technology. It supports high cardinality data and native support for OpenTelemetry.

Cautions

- **Implementation and configuration complexity:** Some clients have indicated that initial setup and configuration is time-consuming, especially if you are not familiar with the tool.
- **Limited geographic footprint:** New Relic service delivery platforms are located in the U.S. and EMEA (Germany). The SaaS platforms are largely hosted in AWS, but also include an Azure-based option. Organizations outside North America and EMEA, particularly those in APAC, may need to confirm that the company's offering meets any region-specific performance or sovereignty requirements.
- **Acquisition-related impacts:** New Relic's acquisition and shuffle in leadership brings in regular questions regarding product roadmap, customer relationship management and overall stability of the company. New Relic claims to have increased its investment in platform innovation since going private.

Oracle

Oracle is a Niche Player in this Magic Quadrant. Oracle Cloud Observability and Management (O&M) Platform supports hybrid and multicloud application, log, infrastructure, and database monitoring, with a focus on Oracle Cloud Infrastructure (OCI) and enterprise applications. Oracle has a global reach with diversified operations; its clients are cross-industry, midsize-to-large enterprises, including government agencies. Oracle's roadmap for O&M targets an enhanced experience for SRE teams, further ITSM integration, and focus on log telemetry pipeline management and analytics.

Strengths

- **Global coverage:** Oracle has a worldwide presence, with support for multiple languages. This extends to compliance with regional regulatory and data residency requirements through its EU Sovereign Cloud, FedRAMP approval, and OCI Dedicated Region for deployment in customers' own data centers.

- **Holistic Oracle integration:** Although primarily centered around OCI, Oracle also prioritizes O&M support for its broader portfolio, including E-Business Suite (EBS) and PeopleSoft running outside OCI. Enterprises reliant on these applications will benefit from tailored dashboards, automated instrumentation and end-user experience monitoring out of the box.

- **Multicloud support:** In contrast to other cloud service providers represented in this research, Oracle has consistently maintained a vision for O&M that extends beyond its own ecosystem to include support for multicloud workloads.

Cautions

- **Market presence:** Although Oracle targets O&M's capabilities as a multicloud-capable offering, it has achieved limited success in raising awareness of the solution outside its existing customer base. In contrast to other vendors in this research, knowledge of OCI's native observability platform is not widespread, and it rarely appears as a vendor in Gartner client inquiries.

- **Slow to implement generative AI:** 2023 saw the majority of vendors in the Magic Quadrant implementing generative-AI-based capabilities. While OCI offers various avenues to support AI and ML, Oracle has been slow to implement generative AI use cases for observability. At the time of writing, generative AI for O&M is in development.

- **Business-centric observability:** SRE and DevOps teams are focused on ensuring continuity of key business services. While Apdex scoring and reporting are supported, O&M is missing the implementation of SLOs, service-level indicators (SLIs) and error budget management needed to support SRE best practices.

ServiceNow

ServiceNow is a Visionary in this Magic Quadrant. ServiceNow's observability platform includes Cloud Observability (formerly Lightstep), as well as capabilities included in its IT operations

management (ITOM) and ITSM modules. ServiceNow has clients in all verticals. ServiceNow's operations are geographically distributed, and it segments its customers as Marquee (the largest 250), Enterprise, Commercial and Nonprofit.

ServiceNow's roadmap is focused on implementing generative AI capabilities across its portfolio.

Strengths

- **OpenTelemetry support:** ServiceNow Cloud Observability was created from the outset to support ingestion, analysis and delivery of health and performance insights based on OpenTelemetry. Advanced OTel capabilities include collector management based on Open Agent Management Protocol (OpAmp), as well as Apache Arrow compression.
- **Market presence:** ServiceNow has strong traction in the enterprise market, particularly with larger companies. ServiceNow has integrations with a wide range of common business applications and an established presence in enterprise markets with its ITSM offering. This provides a large installed base with which to position Cloud Observability as a product-led growth opportunity.
- **Comprehensive portfolio:** Cloud Observability capabilities are increasingly being aligned with those of the broader ServiceNow ITOM and ITSM solutions. This makes Cloud Observability an attractive option for ServiceNow customers that require an observability platform.

Cautions

- **Market awareness:** Gartner inquiries with ServiceNow clients indicate very low awareness of the Cloud Observability solution, with many clients evaluating other vendors in this report unaware of the presence of ServiceNow's offering in this area. Compared to dedicated Observability vendors, ServiceNow does relatively little to promote Cloud Observability in the market.
- **Portfolio confusion:** Cloud Observability sits alongside but separate from other parts of the ServiceNow portfolio. Features such as SLO management, which one might expect to be part of an observability platform, are included in ServiceNow ITOM, which may require a much larger purchase. In May, ServiceNow announced plans to further integrate ITOM and Cloud Observability, as well as new components, such as Service Reliability Management.
- **Roadmap:** In comparison with Leaders in this research, the ServiceNow roadmap currently demonstrates limited ambition for its Cloud Observability solution relative to other parts of its portfolio.

Splunk

Splunk is a Leader in this Magic Quadrant. The Splunk observability platform comprises Splunk Platform, Splunk IT Service Intelligence and Splunk Observability Cloud. Its operations are geographically diversified, and its customers tend to be large enterprises. Cisco's acquisition of Splunk was completed on 18 March 2024. The Cisco AppDynamics product team was

subsequently merged with the former Splunk product teams and AppDynamics was made part of its combined observability portfolio. The materials used for this research were collected prior to the closing date, and therefore references in this report are to Splunk rather than Cisco.

Strengths

- **OpenTelemetry support:** Strong support for OpenTelemetry continues to be a strength of Splunk's observability platform. The Splunk OpenTelemetry collector is supported commercially and includes distributions for Linux, Windows and Kubernetes.
- **SLO management:** Splunk Observability includes a workflow to assist customers in establishing and managing realistic SLOs via the UI, or on an automated basis using Terraform. Support for alerting on SLO burn rate analysis is included as well.
- **Unified solution:** Although the boundaries between components are evident, by more tightly integrating them, Splunk's observability platform supports IT operations, engineering and cybersecurity use cases more seamlessly than many competitors.

Cautions

- **Acquisition uncertainty:** Cisco recently closed its acquisition of Splunk and rationalizing the product lines is a work in progress. The sales process is also uncertain, given the different go-to-market strategies employed by the two organizations.
- **Dissimilar geographic footprint:** Splunk Cloud is a superset of the Splunk Observability Cloud regional footprint, with the former having four times the footprint of the latter. Both have presence in North America, EMEA and APAC. Organizations with strict data sovereignty requirements may need to examine these locations more closely.
- **Pricing:** Splunk Observability Cloud is licensed by entity (host) or by usage (metric time series and traces analyzed per minute), while Splunk Enterprise is licensed by volume of data ingested or by workload (Splunk Virtual Compute). Pricing comprehension and predictability may be a challenge for customers and prospects.

Sumo Logic

Sumo Logic is a Niche Player in this Magic Quadrant. Its Observability platform is focused on providing availability, performance and security analysis. Its operations are geographically diverse, and its clients include enterprise and midmarket segments. Sumo Logic has recently released AI-driven alerting and optimization for anomaly detection. Sumo Logic customers are typically small-to-midsize enterprises and are mainly in the Americas and APAC.

Strengths

- **Pricing model:** Sumo Logic's new pricing, Flex Licensing, is based on analytics and not data ingestion. Customers are charged for analytics (data scanning and queries); for example, dashboards, log analytics or monitors. Ingest cost is $0.

- **OpenTelemetry adoption:** OpenTelemetry collection is used to collect telemetry for all new and existing customers. Sumo Logic provides native integrations and updated workflows for leveraging OpenTelemetry.
- **Points of presence:** The platform is available in nine AWS regions across the globe, including North America, EMEA and APAC, to support data residency and data sovereignty requirements.

Cautions

- **Log centricity:** Although Sumo Logic has tracing and metrics capabilities, it is positioned primarily as a log analytics tool. Organizations seeking a tool to provide deep insights into application behavior may be better served by other products in this research.
- **Market momentum:** While Sumo Logic has seen an increase in overall revenue, growth in observability platform revenue has been flat since 2022. This contrasts with a 10% growth in the market at large.
- **Lack of native synthetic monitoring:** Sumo Logic does not offer native synthetic monitoring capabilities. Customers requiring such features must enlist an additional tool to do so. The platform does, however, support out-of-the-box integration to Catchpoint, including prebuilt dashboards.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

The following vendors met the inclusion criteria and have been added to the Magic Quadrant:

- BMC
- Chronosphere
- LogicMonitor

Dropped

- Broadcom was dropped because it did not meet the CII threshold for this market.
- Cisco was dropped because the Cisco Observability Platform product submitted for evaluation in this research was discontinued.
- ManageEngine was dropped because it did not meet the CII threshold for this market.
- Riverbed was dropped because it did not meet the CII threshold for this market.

- SolarWinds was dropped because it did not meet the inclusion criteria for this research.

Inclusion and Exclusion Criteria

For Gartner clients, Magic Quadrant research identifies and then analyzes the most relevant providers and their products in a market. Gartner uses, by default, an upper limit of 20 providers to support the identification of the most relevant providers in a market. The inclusion criteria represent the specific attributes that analysts believe are necessary for inclusion in this research. To qualify for inclusion, providers must meet the following:

Market Participation Inclusion Criteria

- Provide generally available capabilities as of 14 March 2024. General availability means the product or service is widely available to all customers for purchase through normal sales channels.

- Sell the observability platform solution directly to paying customers without requiring them to engage professional services help. The vendor must provide at least first-line support for these capabilities, including any bundled open-source software. This includes, but is not limited to, comprehensive product documentation, installation guidance and reference examples.
- Demonstrate an active product roadmap, as well as go-to-market and selling strategies for their solutions.
- Have phone, email and/or web customer support. They must offer contract, console/portal, technical documentation and customer support in English (either as the product's default language or as an optional localization).

Capabilities Inclusion Criteria

- Observability platform offerings must offer native support for all mandatory capabilities and a majority of the common capabilities described in Gartner's Market Definition.
- Observability platform offerings must be delivered via SaaS. Vendors may also provide self-hosted alternatives for clients that require them, but the self-hosted options are outside the scope of this research.

Performance Threshold Achievement

- The observability platform offering must have at least 50 paying, production (non-beta-test) customers in at least each of two or more geographic regions (Asia/Pacific, EMEA, Latin America or North America), excluding sales to MSPs.

- The observability platform offering must have generated at least $75 million in annual generally accepted accounting principles (GAAP) revenue during the 12 calendar months prior to its receipt of Gartner's Magic Quadrant welcome packet.

Or:

- The observability platform offering must have generated a minimum of $10 million in annual revenue, combined with a growth rate of at least 25% in the 12 calendar months prior to the receipt of this letter, compared to its previously completed 12-month period.

In addition, the vendor must rank among the top organizations using the Customer Interest Indicator (CII) defined by Gartner for this Magic Quadrant. CII was calculated using a weighted mix of internal and external inputs that reflect Gartner client interest, vendor-customer engagement and vendor-customer sentiment.

Honorable Mentions

Gartner is tracking more than 40 vendors in the observability platforms market. This research focuses on 17 vendors that met our inclusion criteria. However, the exclusion of a particular vendor does not necessarily mean that it should not be considered, or that it does not have viability and capabilities that may be a fit for a customer's unique requirements.

Observe: One of the first observability vendors to build its platform on the Snowflake cloud data platform, Observe caught our eye in 2021, when it was identified as a Gartner Cool Vendor. The company continued to quietly build capabilities and a customer base until its Series B in March 2024, when it began to build momentum. Observe is positioned to disrupt this increasingly fragmented and costly market with its innovative and capable, data-driven analytics platform. This year, Observe did not meet the nonfunctional criteria for inclusion in this research.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate vendors on the quality and efficacy of the processes, systems, methods or procedures that enable provider performance to be competitive, efficient and effective, and to positively impact revenue, retention and reputation. Ultimately, vendors are judged on their ability and success in capitalizing on their vision.

Product: This looks at the core observability technologies that compete in the observability platform market. This includes current product capabilities, quality and feature sets. Additional consideration is given to the vendor's scalability, availability and integration, as well as its security features.

Overall viability: This criterion includes an assessment of the organization's overall financial health, as well as the financial and practical success of the business unit. Considerations include profitability, geographic distribution of revenue and R&D spending.

Sales execution/pricing: This covers the assessment of a vendor's success in the market. Vendors' pricing models and proposals are compared for value and complexity, as well as pricing transparency. Considerations include pricing and discounting, new versus repeat business, and competitive dynamics, including awareness of competitors.

Market responsiveness: This criterion looks at a vendor's ability to respond and change direction, based on the evolution of customer needs and changes in market dynamics. Considerations include response to competitors and ability to listen and respond to customer feedback.

Marketing execution: This looks at the clarity, quality, creativity and efficacy of programs designed to deliver the vendor's message in order to influence the market, promote the brand, increase awareness of products and establish a positive identification in the minds of customers.

Customer experience: This covers the products and services and/or programs that enable customers to achieve anticipated results with the products evaluated. This may also include ancillary services, customer support programs and availability of user groups. Considerations include postsales support, programs for high-touch or VIP customers, and specific delivery partners in-region.

Operations: This criterion looks at the ability of the vendor to meet goals and commitments. Factors include quality of the organizational structure, skills and relationships, and their ability to meet service-level agreements. Considerations include partnerships with cloud providers, outages that affect customers, and SLA-adherence.

The Ability to Execute criteria used in this Magic Quadrant are listed in Table 1.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	*Weighting* ↓
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	Medium
Customer Experience	High
Operations	Low

Evaluation Criteria ↓	*Weighting* ↓

Source: Gartner (August 2024)

Completeness of Vision

Gartner analysts evaluate vendors on their ability to understand current market opportunities and create and articulate their vision for future market direction, innovation, customer requirements and competitive forces. Ultimately, vendors are rated on their vision for the future, and how well that maps to Gartner's position.

Market understanding: This criterion considers a vendor's ability to understand customer needs and translate them into products. Vendors that show a clear vision of their market listen, understand customer demands, and can shape or enhance market changes with their added vision. Consideration is given to understanding the rapidly evolving observability landscape and how it is distinguished from APM.

Marketing strategy: This criterion looks for clear, differentiated messaging consistently communicated internally and externalized through social media, advertising, customer programs and positioning statements. Consideration is given to new market outreach, innovative marketing initiatives and true differentiation.

Sales strategy: This criterion considers whether the vendor has a sound strategy for selling that uses the appropriate networks, including direct and indirect sales, marketing, service, communication and partners that extend the scope and depth of market reach, expertise, technologies, and the vendor's customer base. Consideration is given to channel strategy and understanding the buyers and influencers involved in selection of observability platform products.

Offering (product) strategy: This criterion evaluates whether a vendor's approach to product development and delivery emphasizes market differentiation, functionality, methodology and features that cover current and future requirements. Consideration is given to quality and cadence of vendors' product roadmap and investment priorities into adjacent market segments within the ITOM landscape.

Business model: This criterion looks at the design, logic and execution of the vendor's business proposition to achieve continued success. Consideration is given to vendors' business, value proposition, ability to anticipate shifts in licensing/pricing models and relationship with open-source communities.

Vertical/industry strategy: As observability platforms tend not to be industry-specific, evaluating these in detail is not a key element of this research. Where vertical or industry differentiation is relevant, questions are included in other criteria categories.

Innovation: This criterion looks at direct, related, complementary and synergistic layouts of resources, and expertise or capital for investment, consolidation, defensive or preemptive purposes. Consideration is given to the level of investment in product development in new areas related or adjacent to observability, third-party and partner relationships and integrations, and use of AI/ML and other novel capabilities.

Geographic strategy: This criterion looks at the provider's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside its "home" or native geography, either directly or through partners, channels and subsidiaries, as appropriate for that geography and market. Additional consideration is given to the number of employees allocated to different regions, locations of SaaS delivery platforms, tailoring of go-to-market or product strategy to address regional differences, and the depth and scope of partners available in countries with existing and new customers.

The Completeness of Vision criteria used in this Magic Quadrant are listed in Table 2.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	***Weighting*** ↓
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	NotRated
Innovation	High
Geographic Strategy	Medium

Source: Gartner (August 2024)

Quadrant Descriptions

Leaders

The observability platforms Leaders quadrant comprises vendors that provide products that are a strong functional match to general market requirements and those that have been among the most successful in building and expanding their customer base. They have comprehensive portfolios that offer superior analytics and visibility and have broad integration with other ITOM technologies. Leaders demonstrate evidence of superior vision and execution for emerging and anticipated market requirements, as well as a consistent track record of innovation and customer experience.

Challengers

The observability platforms Challengers quadrant comprises vendors with broad market reach and large deployments. Vendors in this quadrant typically have strong execution capabilities and a significant sales and brand presence garnered from the company as a whole, if not directly from its observability-related activities. Some vendors previously may have been among the top performers in the market and, thus, offer broad product portfolios. Vendors in this quadrant may be transforming their product offerings and market focus. In some cases, their offerings are often positioned as elements of a larger solution that may even extend beyond the boundaries of ITOM.

Visionaries

The observability platforms Visionaries quadrant comprises vendors that provide products and have built a compelling plan to competitively address observability platform market requirements, but with a product portfolio that may still be a work in progress. They have a lower ability to execute than the Leaders. This is typically due to a lower ability to respond to market conditions, bring together the necessary product and platform requirements, and effectively gain and expand on market share.

Niche Players

The observability platforms Niche Players quadrant comprises primarily, but not exclusively, vendors with solutions catering to specific audiences or with limited use-case support. Because they do not demonstrate equal depth across all core capabilities (see the Market Definition section), they typically do not meet the observability needs of the broader market. Or they may do so within specific verticals or market segments or geographic regions only. In addition, vendors in this quadrant may have a more limited ability to invest in the necessary functional and sales and marketing capabilities to expand beyond their current focus. Inclusion in this quadrant does not reflect negatively on the vendors’ value in the markets in which they choose to compete.

Context

Observability Platforms: What’s Next?

The market that this research analyzes has been in near-constant upheaval over the last few years. It is fiercely competitive, comprises vendors that are utterly diverse in company size, operating model, origin and longevity, and includes a substantial open-source component as well. Truly, there should be something for everyone.

Product quality and capabilities continue to advance, but so does cost. Gartner is starting to see significant discontent with the budgetary requirements necessary to obtain the benefits of observability, resulting in a steady stream of questions from clients along the lines of “Is it worth it?”

At the same time, IT operations is not immune from the artificial intelligence furor that is becoming ubiquitous, and this was quite evident during this Magic Quadrant project. What should the role of AI in IT operations be?

It is hard to think about this without mentioning “AIOps,” a term that Gartner is sometimes credited with coining, but that has long since taken on a life of its own. What is the role of AI in observability and what does that have to do with AIOps? This has become another very common client inquiry question. If we count the number of times “AI” and “AIOps” appeared in the materials used in this Magic Quadrant research, the answer is quite a lot, indeed.

Additional research that elaborates on our vision for AI in IT operations is forthcoming.

As for observability platforms specifically, these are fundamentally data management and analytics tools, and virtually any such tool nowadays is expected to make use of AI techniques as part of its baseline or table stakes capabilities. Adaptive thresholds, anomaly detection and advanced correlation are all examples of capabilities without which it would be very difficult to meet the minimum requirements to appear in this research. Use of AI within observability platforms will continue to evolve. As with any such product, Gartner encourages evaluations to be based on how a product aligns with your use cases, rather than the presence or absence of a specific enabling technology such as AI.

The variety of vendors providing observability products today makes it likely that there is at least one product that best meets an organization’s specific requirements. Moreover, because space and time is limited relative to Magic Quadrants, there are many, capable vendors in the market that are not included in this research. As questions arise, please let us know.

Market Overview

The evolution of this market from APM, to APM and observability, to this year’s observability platforms reflects broader initiatives. These include the widespread digitization of business, cloud adoption and the pervasive (some might say benevolently toxic) role that technology plays in our lives. In short, the number of workloads increases, the telemetry generated by these workloads increases in volume and complexity, and this puts pressure on the capabilities required to understand health, performance and user experience.

In addition, Gartner has witnessed growth in the adoption of these tools in the following areas:

- **Expansion within existing clients:** In the past, a fairly small portion of applications, usually those that are client-facing or revenue-generating, were monitored via an APM solution. As APM and observability platform products evolved in capability, simplified deployment, accelerated time to value and decreased in price, we witnessed increased utilization of the tools to cover a larger percentage of applications. As macroeconomic conditions oscillate and organizations struggle with the variable costs of consumption-based and pay-as-you-go platforms and tools, rationalization has begun to favor "full-stack" products, or those that can ingest and analyze telemetry more holistically.

- **Expansion into previously untapped industries:** APM and observability tools most often were found inside large enterprises, in industries such as banking, finance and global retail. These industries had a high level of maturity in IT systems and could recognize the benefits of deploying monitoring tools. Observability platforms often have open-source roots, or include open-source interfaces. This offers an additional onramp, so to speak, as smaller and midsize enterprises may find themselves in over their heads when the management of open-source observability tools exceeds the time and expertise available for doing so. The smooth transition into modern observability platforms is welcome.

- **Competitive CSP-native solutions:** As the percentage of IT budgets spent on observability increases, public cloud service providers have taken notice, and have added features and capabilities that in many cases rivals those of incumbent commercial products. Particularly in organizations that are comfortable moving between multiple observability platforms, or with workloads that are less interdependent, the CSP-native observability tools remain quite compelling.

The consolidation of monitoring domains and practices continues. This is a natural response to the ongoing shift of operational responsibility toward focusing on an application's ability to deliver its intended outcomes and away from optimizing specific supporting technology. This shift is further reflected in the continued concentration of monitoring tooling spend growth in those market segments most aligned with this shift, and with growing market demand for observability products and adjacent segments, namely DEM and infrastructure monitoring. Given the above trends, Gartner expects the market for observability products to reach an estimated $11.1 billion by 2027, with an 8.3% compound annual growth rate (CAGR) between 2021 and 2027 in constant currency (see **Forecast: IT Operations Management Software, Worldwide, 2021-2027**).

The observability platforms market will continue to evolve during the next several years, driven by the following key trends:

- The need to view and analyze telemetry from multiple sources in context, without having to switch tools.

- This increase in the amount and types of data continues to drive health and performance monitoring tools to more closely resemble analytics tools. Coupled with the advances in AI, there is tremendous potential for advancements in more autonomous or "self-driving" features

here, up to and including those that have more of an optimization posture than problem resolution.
- Support for cybersecurity use cases is increasingly being added to products in this market. To date, most of these capabilities have been additive — that is, they do not purport to replace existing cybersecurity tools. As these capabilities mature and the observability platform vendors build credibility among security practitioners, they may become competitive in those markets as well.

- As organizations deploy their own AI- and LLM-based workloads, understanding how to monitor them will increase in priority. They are a relatively small part of the market today, but we are already seeing some observability products claim to support this type of workload.

- Demand for greater support of use cases beyond the typical IT operations context, inclusive of external (market-facing) and internal application product owners, product teams, platform engineering/SRE/cloud operations teams, and others taking a DevOps approach. These users and buyers require, at a minimum, a holistic view and understanding of application performance across the entire stack and across multiple IT teams.

- Increasing adoption of central observability teams, an organizational device that centralizes SLO creation and reporting, telemetry life cycle management, tool selection, and incident response management.

- SaaS products and cloud services present new challenges to I&O teams, particularly as more and more business-critical services depend on them. However, monitoring these workloads requires new approaches. Observability platform vendors are investing in capabilities to extend their scope to cover them.

- Mergers and acquisitions, as well as product refresh and consolidation, will continue to reshape the vendor landscape. At least two of this year's participants were acquired by private equity organizations in 2023, and the chips are still falling in Cisco's acquisition of Splunk.

Evidence

This research is based on more than 1,000 customer interactions over the past 12 months. In addition, as part of our analysis, we have collected information from Gartner Peer Insights, client inquiries and publicly available sources to supplement the information provided by participating vendors.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.