NEWS RELEASE

Splunk Report Shows Observability is a Business Catalyst for AI Adoption, Customer Experience, and Product Innovation

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Findings show observability boosts employee productivity for nearly three-quarters of respondents, and for nearly two-thirds, it drives revenue growth and helps shape product roadmaps

News Summary

- The global Splunk State of Observability 2025 report reveals observability insights are guiding key business decisions in customer experience, product roadmap forecasting, and brand perception.
- Nearly half of those surveyed say monitoring AI workloads has made their jobs more challenging, presenting an opportunity to train practitioners on essential expertise.
- Observability leaders differentiate themselves by adopting innovative practices and frameworks – such as OpenTelemetry, code profiling, and observability-as-code.

SAN JOSE, Calif., Oct. 21, 2025 /PRNewswire/ -- Cisco today announced the release of the Splunk *State of Observability 2025: The Rise of a Business Catalyst* report, marking its fifth annual analysis into the evolving landscape of observability. This year's research highlights the critical role observability plays in delivering business value – from elevating customer experience and boosting employee productivity to guiding strategic business decisions at the highest levels. It also underscores both the opportunities and challenges of observability in the AI era, where AI is helping ITOps and engineering teams accelerate their incident response, while adding complexity as they manage new types of workloads.

The report is the largest analysis of the observability space, based on a survey of 1,855 ITOps and engineering professionals worldwide, and showcases how observability has evolved beyond an IT function to a boardroom priority. Whether analyzing a revenue spike or an increase in cart abandonment rates, organizations are relying on insights from their observability practices to understand and make informed business decisions.

Key Findings: Observability Powers Business Outcomes
As digital experiences are the main vehicle of customer engagement, leaders are turning to observability insights to make strategic decisions throughout their business, including customer experience, product roadmap forecasting and service reliability. The report found:

- **74% of respondents report that observability positively impacts their employee productivity**, and 65% say it is positively influencing revenue. In addition, 64% report their observability practice positively impacts their product roadmaps.
- **74% believe observability is important for monitoring critical business processes** and 65% say it is key to understanding user journeys.

"Observability practitioners are becoming critical stakeholders to key business decisions in customer engagement strategies, product roadmaps and more," said Patrick Lin, the SVP, GM of Observability at Splunk, a Cisco company. "And this year's State of Observability report findings make that clear: the full life cycle and workflow of observability – from data collection and analysis to deriving actionable insights and implementing improvements – provides not just better context, but also support for the achievement of better results, whether in customer satisfaction, product innovation or the safeguarding of AI systems at scale."

Observability in the AI Era
Organizations often measure the effectiveness of their observability practice by how well it responds to and prevents incidents. However, ITOps and engineering teams frequently struggle with too many disparate tools (59%) and a high volume of false alerts (52%).

To address these challenges, ITOps and engineering teams are embracing AI to accelerate their troubleshooting — 76% of respondents regularly use AI-powered observability in their everyday workflows. Respondents also weighed in on other current or future benefits of AI use:

- **78% have more time to spend on product innovation** instead of app and infrastructure maintenance.
- **60% predict AI will have a positive impact on troubleshooting** and root cause analysis, and **58% say it will improve the detection of security vulnerabilities**.

However, the report acknowledges the complexity AI introduces as practitioners spend more of their time monitoring AI workloads to ensure performance, model accuracy, and cost control. According to the report, 47% say monitoring AI workloads has made their job more challenging and 40% cite lack of expertise as a challenge to achieving AI readiness.

To help organizations in their adoption of AI, the report highlights the opportunity to upskill observability practitioners to train them in essential expertise for managing specialized AI workloads.

OpenTelemetry: From Industry Standard to Strategic Advantage
OpenTelemetry, the Cloud Native Computing Foundation (CNCF) open-source project, has solidified its position as the industry standard for collecting traces, metrics, logs, and profiles. When an observability practice leverages OpenTelemetry, ITOps and engineering teams can collect richer data with less technical debt, thereby driving better generative AI outcomes.

In addition to access to broader tech ecosystems and stronger data ownership, OpenTelemetry provides business advantages beyond observability. Organizations adopting OpenTelemetry report significant benefits for other areas of the business:

- **72% see positive impact on revenue growth** and 71% note improved operating margins and

brand perception.
- **"Power users" of OpenTelemetry achieve 3x greater positive impact on employee productivity**, 2x improvement in customer experience, and stronger resilience – 47% never panic during customer incidents compared to 32% of non-users.
- **57% of frequent OpenTelemetry users also use observability-as-code**, a DevOps approach that treats observability configurations like code to drive better standardization and scalability. In stark contrast, only 10% of OpenTelemetry laggards use observability-as-code.

Leaders Set the Pace: Observability a Catalyst for ROI and Innovation
In the analysis, the Splunk report singled out "observability leaders" as organizations that achieved better business outcomes relative to their peers. These leaders are more likely to adopt forward-leaning practices and resources, such as OpenTelemetry and code profiling, and foster greater collaboration with observability and security teams. These leaders consistently demonstrate:

- Significant improvement in revenue, employee productivity, and product roadmaps, with **leaders generating an annual 125% ROI from their observability practices** (53% higher than non-leaders). The report defines ROI through reduced downtime, reduced employee turnover, improved customer experience, faster MTTD/MTTR and more.
- **More precise root cause analysis through the use of code profiling** – a practice that enables teams to identify the problematic source code directly instead of only which service is affected. 78% of leaders dramatically accelerate their root cause analysis through code profiling.
- **Stronger collaboration across observability and security teams**, with 59% sharing and reusing data more effectively, and 44% strongly agreeing their ITOps, engineering and security teams troubleshoot and solve issues together.

Supporting quote:
"For a modern business, built on digital experiences, observability is not just about error resolution; it is a foundational discipline required for making business-shaping decisions at speed and scale," said Shannon Kalvar, Research Director at IDC.

As organizations embrace new waves of AI innovation, observability is emerging as a business-critical function, enabling smarter decisions, faster innovation, and stronger resilience. The 2025 Splunk State of Observability report provides actionable insights for organizations aiming to lead in an increasingly data-driven, AI-powered world. To read the full report, please visit here.

Methodology
The global survey was conducted from February through March 2025 and surveyed 1,855 ITOps and engineering professionals from practitioners to VP-level executives (including developers, SREs, systems engineers, infrastructure operations professionals, CTOs, and CIOs.) The survey respondents were drawn from nine countries: Australia, France, Germany, India, Japan, New Zealand, Singapore, the United Kingdom, and the United States. Respondents also represented 16 industries: business services, construction and engineering, consumer packaged goods, education, financial services, government (federal/national, state, and local), healthcare, life sciences, manufacturing, technology, media, oil/gas, retail/wholesale, telecom, transportation/logistics, and utilities.

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About Splunk LLC
Splunk, a Cisco company, helps build a safer and more resilient digital world. Organizations trust Splunk to prevent security, infrastructure and application issues from becoming major incidents, absorb shocks from digital disruptions, and accelerate digital transformation.

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