

Five thoughts for 2021

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How will the year ahead be for companies, employees and families

Some people will remember 2020, but most people will want to forget it. I am putting forward five thoughts for 2021.

Is 2021 a reference year?

2020 was good for some industries, bad for many industries. In 2021, the industry and company will see growth/decline against the 2020 base. 2022 will be a year of growth or decline basis what happened in 2021. So, I think 2023 will be the first normal year for any meaningful 'like-for-like comparison'. This will have implications for compensation and bonus policy. For me, it is a mere coincidence that in the Chinese zodiac, 2020 was the year of the rat, 2021 is the year of the Ox and 2023 is the year of the rabbit. Expect all

businesses and CEOs to talk about the artificial base of the pandemic year till 2023. Many CEOs and businesses have cut costs this year. Is this a structural cost cut is something the street will watch. I think 2021 will be a year of share fights and price drops as every business jockeys for advantage after markets reopen.

Everything extra-digital in 2021

The year 2021 will accelerate the digital trend we saw in 2020. In 2020, everyone learnt, shopped, paid, and prayed digitally. Businesses which don't digitise will lose more than two years. India has 450 million YouTube viewers, 90 per cent of whom come back every day to watch YouTube for at least 80 minutes a day. Education is big on YouTube, be it insurance, be it driving, be it dressing, be it beauty tips. India has 330 million Facebook users and 400 million WhatsApp users, both platforms wade into social commerce in 2021. India has 200 million searches every day, 25 per cent of the searches are voice-led. Video, vernacular and voice will be the big themes of consumer digital experience. A digital business model will be the engine of growth for every company. The watchout will be privacy of data.

Love it or hate it, SM is a monster

Social media has grown in every direction, unchecked and without self-regulation. You love social media when you get likes and hate it when you get trolled. Social media will explode, simply on the basis of more fun, expressive, visual apps. I think the next scam is when people pay for recommendations on LinkedIn of any kind. Social media is

already attracting regulatory attention and I think we will definitely see some regulation in many countries in 2021. The UK, Australia, Europe, China and Russia already have some regulation. It will start with regulation around terrorism, social division, child abuse, bullying. Be careful of what you post in 2021.

The average family

The average family spent more time together locked up in 2020. They want their life back in 2021. They are worried about their children's education and growth. In 2021, they will take short holidays in India. The average family has discovered loads of OTT content. They will be hooked to it. Bollywood, watch out; you need to rethink your game! Every family will now think not about 'what if it happens'... but 'when will it happen', and hence family insurance will see more traction as also 'success metric'-led education. Healthy choices will be a family trend.

The average employee

The psychological contract between employer and employee changed in 2020. India Inc employees have taken some form of earnings cut, they will look to recoup that loss fast. Income is no longer a steady stream and the average employee cut 200 basis points on his EMI repayments in 2020. Employees over 50 will find the going tough to get new jobs. Young people will find their feet through a trial-and-error process. In 2020, the employee has spent more time at home than in office, reversing years of practice. Working from office will be a few times a week and there will be many

combinations. A recent study says that this work-from-anywhere combination will be 33 per cent effective in the UK, 29 per cent effective in the US and 12 per cent effective in India. Indian employees want to see their boss and office colleagues! Mental health at work will replace work-life balance as the main topic. A safe, steady job will be valued in 2021.

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