

Ad campaign will show off Xerox's service business

September 2 2010, By ANDREW VANACORE , AP Business Writer

(AP) -- Xerox Corp. has this message for you: For the last time, we're not just about making copies. To hammer that home, the company is launching its biggest media blitz in decades, starting next week.

While the [Xerox](#) name is still synonymous with copy machines, the company has been branching beyond that line of work for years. Selling toner and paper remains a huge portion of its revenue, but it also makes money helping other companies manage how documents get around on their [computer networks](#), among other services.

And with the \$6.4 billion acquisition this year of a company called Affiliated Computer Services, it has tripled the size of its services business, essentially transforming the company more than half a century after putting out its first copy machine. Where less than a quarter of its revenue came from services before the deal, they now account for roughly half of the \$22 billion annual total.

Coming out of a [recession](#) that put a big dent in corporate technology spending, Xerox is counting on the deal to get revenue growing again.

Xerox, which is headquartered in Norwalk, Conn., expects ACS to help it sell back-office services to its existing clients, which won't require much advertising. But according to Xerox President Jim Firestone, the bigger opportunity is winning new customers, especially abroad, where ACS hasn't had as much of a presence.

Hence the new ads.

"We know that Xerox has moved far from its historic roots," says Firestone. "But the rest of the world doesn't pay quite as close attention as we would like."

It isn't the first time Xerox has tweaked its brand in an effort to shake the copier company label. It redesigned its logo in 2008 with the same goal in mind, dropping the uppercase lettering that was so familiar from its copiers and printers and adding a stylish white "X" stretched over a red sphere.

Xerox won't reveal exactly what it is spending on the new campaign, but said it will more than double the company's ad budget compared with last year. It includes spending on TV commercials, print ads and the Web.

And while business services may not sound like much fun, Xerox is trying to liven up its marketing with a touch of humor.

In one TV spot, a worker at Ducati motorcycles steps into a wind tunnel and tells a fellow employee who is testing a bike that management wants him to translate some company literature into Portuguese. "Are you busy?"

The gist, of course, is that businesses should let Xerox handle this kind of ancillary work, while they stick to what they know. A voiceover tells viewers, "Ducati knows it's better for Xerox to manage their global publications, so they can focus on building amazing bikes."

The idea is also to save Ducati and other companies a few dollars, an appeal Xerox hopes will resonate in a shaky economy.

Before the ACS deal, Xerox had stalled. The recession meant less business going on at its customers, which in turn meant less printing and copying. Businesses also became more reluctant to replace aging office equipment, a trend that hurt revenue growth across the technology industry.

Until the ACS deal closed, Xerox hadn't reported revenue growth in more than a year and company executives warned repeatedly that they didn't expect spending would bounce back quickly. The company has gone through several rounds of layoffs in the past two years.

Now, Xerox is hoping the ACS deal will help it grow again, in part by offering other businesses ways to cut costs.

"Clearly the economic environment is unsteady ... and as a result everyone is very cautious," said Firestone. "In this environment, where companies are trying to find the most cost-effective way to run their businesses, what we have to offer is part of the solution."

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