This research aims to study the influence of service quality towards customer’s satisfaction and their loyalty in Sahid Kawanua Manado as one of the oldest three stars hotel in Manado. The service quality itself known as SERVQUAL consisting of reliability, assurance, tangible, responsiveness, and empathy. Multiple regression and simple regression technique were used as statistical tool and the t test were run to test the significant of each SERVQUAL variables effect on customer’s satisfaction and loyalty. Results obtained from the analysis are tangibles and empathy from service delivered have positive effects on customer satisfaction, assurance has negatives effects, while reliability and responsiveness has no significant effect toward the customer satisfaction. However customer satisfaction has influence on loyalty, means the customer’s loyalty are significantly affected by their satisfaction due to hotel service quality delivered. Among the five variables empathy

**Keywords:** Hospitality Industry, Service Quality, Satisfaction, Loyalty