Reserved Instances

1. For these, Instance there is a time commitment. You buy it for a time frame such as 3/6 Months or 1/3 Year.

2. You need to purchase it via Console and it will automatically get applied on your On Demand Instances if you are using any of same configuration.

3. Various Payment option like All Upfront, No Upfront or Partial Upfront.

4. You get a good discount like 30% to 70%.

On Demand Instances

1. This Instance is one which we usually create.

2. There is no Time Commitment.

3. No Advance Payment.

4. You only need to pay for hours which you used.

5. Highest Cost as there is no commitment.

Spot Instances

1. These Instance are cheapest one and good for small duration like few hours to few days only.

2. Work on bid pricing means you put a bid for instance, and if that instance is available under bid price, it is available for you and if bid price goes higher, AWS will pull the instance automatically.

3. Good for one who want to use high processing power at low price and need for minimum duration.