☕ Tea Shop = EC2 (Elastic Compute Cloud)

Imagine you run a tea shop, and you need tables for your customers to sit at. These tables represent EC2 instances – computing resources you use to run applications.

Now, you can get those tables in different ways, depending on how long you'll need them and how much you're willing to pay.

🔹 1. On-Demand Instances = Walk-In Customers

Analogy: A customer walks in, sits at a table, drinks tea, pays, and leaves. No reservation, no commitment.

EC2 equivalent: You pay by the hour or second, with no long-term commitment.

Use case: Great for short-term, unpredictable workloads or development/testing.

💰 Most expensive per unit time, but super flexible.

🔹 2. Reserved Instances = Monthly Table Rental

Analogy: You rent a table in your tea shop for 1 or 3 years. The customer gets a cheaper rate because they commit to always using the table.

EC2 equivalent: You commit to using a specific instance type in a region for 1 or 3 years.

Use case: Perfect for steady, predictable workloads.

💰 Big discount (up to 75%) compared to on-demand.

🔹 3. Spot Instances = Leftover Tables at Discount

Analogy: You offer empty tables at a discount during slow hours. If regular customers come in, the discount customers must leave.

EC2 equivalent: You can bid on unused EC2 capacity for up to 90% off, but instances can be terminated at short notice.

Use case: Great for fault-tolerant jobs like batch processing, data crunching, or background jobs.

💰 Huge savings, but interruption risk.

🔹 4. Savings Plans = Tea Subscription

Analogy: A regular customer subscribes to drink X cups per month. They pay a discounted rate because they commit to that usage.

EC2 equivalent: Commit to a specific amount of usage (e.g., $100/hour) for 1 or 3 years, and get discounts across multiple EC2 types.

Use case: More flexible than Reserved Instances, good for predictable spend but variable instance types.

💰 Good savings, with more flexibility than Reserved Instances.