

Minhee Lee

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Education

Ph.D. Economics, The Ohio State University, 2025 (Expected).

M.A. Economics, The Ohio State University, 2020.

M.A. Economics, Ewha Womans University, 2019.

B.A. Economics, Ewha Womans University, 2016.

Research Interests

Empirical Industrial Organization, Applied Microeconomics

Works in Progress

Vertical Contracts and Upstream Market Structure: Insights from the Connecticut Beer Industry (Job Market Paper)

Abstract: Policymakers have called for heightened scrutiny of vertical contracts that reference competitors. This paper examines the motivation behind exclusionary vertical contracts by focusing on their interplay with upstream market structure. While this aspect has been less explored, it has important implications for merger evaluations: mergers between upstream firms can alter the optimality of vertical contracts as well as pricing incentives. The analysis focuses on the Connecticut beer market, where a dominant upstream manufacturer rewarded distributors if its *share* of sales volume in the distributor's portfolio exceeds a certain threshold. I build a structural model that incorporates contract terms revealed through state regulations and federal antitrust enforcement, to estimate demand, marginal and product entry costs, and pricing distortions caused by the reward program. The counterfactual analysis evaluates a merger in which the dominant manufacturer acquires a craft manufacturer. A merger evaluation that only considers unilateral price effects concludes that a 12.4 percent reduction in marginal costs would offset the anticompetitive effect. However, when changes in vertical contracts are considered, the consumer welfare loss after the merger is 7.19 times greater, and the same marginal cost reduction is insufficient to justify the merger. Such changes occur because the product portfolio expansion following the merger encourages the dominant firm to adopt more aggressive exclusionary vertical contracts by increasing the substitutability between its products and those of rivals.

Mergers with Endogenous Product Choice: Evidence from the U.S. Beer Industry

Abstract: Mergers may change firms' product choices as well as pricing incentives in differentiated product markets. This paper shows the importance of a product entry model for an accurate merger evaluation by examining mega-brewers' acquisitions of craft brewers in

the U.S. beer industry. If the entry and exit of products are ignored, one might conclude that market power effect is not sufficient to offset the cost efficiencies. Craft beers might not be close substitutes to mega-brewers' products and targeted craft brewers operated locally in different regions beforehand. However, if we consider the nationwide rollout of targets' products after acquisitions, craft acquisitions have ambiguous but potentially important effects on consumers. Counterfactual analysis reveals that consumer surplus decreases in 40 percent of simulated markets and increases in the rest. If a large number of products owned by third-party craft brewers were offered in the market before acquisitions, and if the market is far from acquirers' breweries producing acquired beers, craft acquisitions are likely to harm consumers.

Conference and Seminar Presentations

2024: Southern Economic Association (SEA) 94th Annual Meeting, Washington, DC (Expected); Economics Graduate Student Conference (EGSC) 19th, Saint Louis, MO (Expected); Applied Micro Seminar, The Ohio State University (Expected), Micro Lunch Seminar, The Ohio State University; GWE-EGSS Research and Networking Forum, The Ohio State University; Midwest Economics Association (MEA) 88th Annual Meetings, Chicago, IL

2023: SEA 93rd Annual Meeting, New Orleans, LA; Micro Lunch Seminar, The Ohio State University; MEA 87th Annual Meetings, Cleveland, OH

2022: EGSC 17th, Saint Louis, MO; Micro Lunch Seminar, The Ohio State University

Workshops

Committee on the Status of Women in the Economics Profession (CSWEP) Mentoring Workshop, September 2022

Open Science Grid (OSG) User School, University of Wisconsin–Madison, July 2022

Experience

Instructor, Principles of Microeconomics, The Ohio State University, Fall 2022, Fall 2023, Fall 2024

Teaching Assistant, Principles of Microeconomics, The Ohio State University, Spring 2022, Spring 2023, Spring 2024

Teaching Assistant, Principles of Macroeconomics, The Ohio State University, Fall 2021

Research Assistant, Seokjin Woo, Myongji University, March 2018 - June 2019

Research Assistant, Inbae Kim, Ewha Womans University, March 2017 - December 2017

Tools and Programming

Python, PySpark, Julia, MATLAB, Stata, R, SQL, QGIS, L^AT_EX, ^{aws}EMR, ^{aws}SageMaker, ^{aws}S3, Apache Zeppelin

Languages

English (fluent), Korean (native)

References

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